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June 8, 2018

Board of Directors
Putnam County Family Support Services, Inc.
22 West Washington Street
Greencastle, IN 46135

We have reviewed the report prepared by Putnam County Family Support Services, Inc. and opined upon by Pershing & Company, Inc., Independent Public Accountants, for the period January 1, 2015 to December 31, 2015. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Putnam County Family Support Services, Inc. as of December 31, 2015 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Pershing & Company, Inc. prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

Putnam County Family Support Services, Inc.

Financial Statements

December 31, 2015

Putnam County Family Support Services, Inc.
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Founder (1949-2010)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Putnam County Family Support Services, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Putnam County Family Support Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Putnam County Family Support Services, Inc. as of December 31, 2015 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2016, on our consideration of Putnam County Family Support Services, Inc. internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Putnam County Family Support Services Inc. organization's internal control over financial reporting and compliance.

Pershing & Company, Inc.

Greencastle, In
November 15, 2016

Putnam County Family Support Services, Inc.
Statement of Financial Position
December 31, 2015

ASSETS

ASSETS

Cash	\$	113,985
Accounts Receivable		157,026
Investments		<u>65,901</u>
Total Current Assets	\$	336,912
Other Assets		
Deposits	\$	1,800
Endowment		<u>22,801</u>
Total Other Assets	\$	<u>24,601</u>
Total Assets	\$	<u><u>361,513</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$	1,845
Accrued Payroll		12,263
Accrued Vacation		<u>20,788</u>
Total Liability	\$	34,896

NET ASSETS

Unrestricted Net Assets		<u>326,617</u>
Total Net Assets		<u>326,617</u>
Total Liabilities and Net Assets	\$	<u><u>361,513</u></u>

See accompanying notes to financial statements

Putnam County Family Support Services, Inc.
Statement of Activities
For the Year Ended December 31, 2015

REVENUES

Domestic Violence	\$	194,674
Contributions and Fundraising		20,372
Indiana Criminal Justice		88,138
Healthy Families Indiana		619,423
Moving Beyond Abuse		45
Indiana State Division of Health		21,280
United Way		<u>13,625</u>

Total Revenues \$ 957,557

PROGRAM EXPENSE

Domestic Violence	\$	262,251
Healthy Families		528,919
Moving Beyond Abuse		41
Tot's Time		12,371
Other		<u>1,673</u>

Total Program Expense \$ 805,255

MANAGEMENT EXPENSE

Accounting	\$	8,913
Cleaning & Maintenance		2,073
Employee Benefits		7,578
Insurance Liability		903
Office Supplies		400
Payroll		68,897
Payroll Taxes		5,380
Rent		1,379
Telephone		216
Utilities		349
Fundraising Expense		<u>299</u>

Total Management Expense \$ 96,387

Total Expenses \$ 901,642

See accompanying notes to financial statements

Putnam County Family Support Services, Inc.

Statement of Activities

For the Year Ended December 31, 2015

Net Increase in Net Assets before other activity	\$ 55,915
OTHER ACTIVITIES	
Interest/Dividend Income	101
Realized & Unrealized Gain/(Loss) on Investments	<u>(257)</u>
Net Other Activity	\$ <u>(156)</u>
Increase in Net Assets	\$ 55,759
Unrestricted Net Assets at Beginning of Year	<u>270,858</u>
Unrestricted Net Assets at End of Year	<u><u>\$ 326,617</u></u>

See accompanying notes to financial statements

PUTNAM COUNTY FAMILY SUPPORT SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2015

	Domestic Violence	Healthy Families	Moving Beyond Abuse	Tot's Time	Other	Total
Advertising	\$ 680	1,281	\$	\$		\$ 1,961
Advisory Board		129				129
Assessment Bags		1,885				1,885
Bound By A Book		300				300
Childrens Group Supplies	50					50
Communication Cell Phones/Pagers	2,537	8,067	9	38		10,651
Community Education	1,757	473		564		2,794
Community Resource Directories				349		349
Conferences	1,631	2,038				3,669
Copier Contract	1,923	2,450	5	53	15	4,446
Curriculum	790	194				984
Dues	3	2,474		95		2,572
Employee Recognition	310	320	2	2,244		2,876
Family Preservation					53	53
Family Ties Storeroom					1,505	1,505
First Home Visit Bags		192				192
Insurance Health	21,047	12,980	6	129		34,162
Insurance Liability	5,324	11,644	10	171		17,149
Mileage	1,942	28,182		4		30,128
New Equipment	2,411	1,316				3,727
Office Supplies	3,497	4,008		87		7,592
Parents Group		690				690
PAT/PCI Supplies		588				588
Payroll	180,454	394,949		6,567		581,970
Payroll Taxes	14,159	31,438		864		46,461
Postage	692	846		22		1,560
Printing	1,001	1,995		35		3,031
Professional Fees	2,021	2,501		78		4,600
Program Expenses	525	764	9	252		1,550
Public Relations	60			180	100	340
Rent	12,845	13,047		309		26,201
Telephone	2,552	1,441		103		4,096
Training of Professionals	115					115
Utilities	3,673	2,727		227		6,627
Women's Group	252					252
Program Expenses	\$ 262,251	\$ 528,919	\$ 41	\$ 12,371	\$ 1,673	\$ 805,255

PUTNAM COUNTY FAMILY SUPPORT SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2015

Management Expense and Support	Domestic Violence	Healthy Families	Moving Beyond Abuse	Tot's Time	Other	Total
Accounting Fees	\$ 2,958	\$ 5,848		\$ 107		\$ 8,913
Cleaning/Maintenance	882	1,088	2	101		2,073
Employee Benefits	3,410	4,168				7,578
Fundraising Expense					299	299
Insurance Liability	280	613	1	9		903
Office Supplies	184	211		5		400
Payroll	31,004	37,893				68,897
Payroll Taxes	2,421	2,959				5,380
Rent	676	687		16		1,379
Telephone	134	76		6		216
Utilities	193	144		12		349
 Management Expenses	 <u>\$ 42,142</u>	 <u>\$ 53,687</u>	 <u>\$ 3</u>	 <u>\$ 256</u>	 <u>\$ 299</u>	 <u>\$ 96,387</u>
 Total Expenses	 <u>\$ 304,393</u>	 <u>\$ 582,606</u>	 <u>\$ 44</u>	 <u>\$ 12,627</u>	 <u>\$ 1,972</u>	 <u>\$ 901,642</u>

See accompanying notes to financial statements

Putnam County Family Support Services, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2015

Cash Flows from Operating Activities

Change in Net Assets \$ 55,759

Adjustments to reconcile Increase (Decrease) in Net Assets
to Cash Provided by Operating Activities

Decrease in Accounts Receivable 55,875

Decrease in Accounts Payable (894)

Decrease in Accrued Payroll (21,507)

Decrease in Accrued Vacation (1,690)

Net Cash Provided by Operating Activities \$ 87,543

Cash Flows from Investing Activities

Increase in Investment (785)

Decrease with Endowment 1,041

Net Cash Provided by Investing Activities 256

Net Increase in Cash 87,799

Cash and Cash Equivalents at
Beginning of Period 26,186

Cash and Cash Equivalents at
End of Period \$ 113,985

See accompanying notes to financial statements

Putnam County Family Support Services, Inc.
Notes to Financial Statement
December 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Putnam County Family Support Services, Inc. (a non-profit Indiana Organization) was created to:

- a) Establish, maintain, operate and administer one or more separate facilities to provide family support service;
- b) Operate and consult with agencies concerned with the well being of underprivileged citizens in Boone, Montgomery, Clay, Owen, and Putnam Counties, Indiana.

2. Basis of Accounting

The Organization maintains its records on the accrual basis of accounting, whereby revenues are recognized when earned and expenses recorded with incurred, rather than when paid.

3. Support and Revenue

The Organization receives most of its grants administered through the Indiana State Board of Health for the program Healthy Family's of Indiana. The Organization receives some client fees and local contributions.

4. Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

5. Lease Commitments

The organization leases office space and equipment with various leases. All agreements are operating leases with terms of less than one year. Rental expense for 2015 was \$27,580.

Putnam County Family Support Services, Inc.
Notes to Financial Statements
Continued
December 31, 2015

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Income Tax:

The Putnam County Family Support Services, Inc. is a tax exempt organization Under section 501c(3) of the Internal Revenue Code and, therefore, no provision for Federal or Indiana income tax is included in these financial statements. The Organization has not been audited by the Internal Revenue Service during the past three years. These years remain open for audit.

7. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that certain reported income and expenses. Accordingly, actual results could vary from estimates.

8. Donated Goods

No amounts have been reported in the financial statements for donated goods or services because no objective basis is available to measure the value of such services. The value of these services is not material in nature.

9. Net Assets

All donations are used as matching funds and other net assets are considered unrestricted to the purpose of the organization. (Net assets that are not subject to any donor-imposed stipulations)

10. Property, Plant and Equipment

Assets purchased with grant proceeds remain the property of the grantor agency (the state) and are not recorded on the company books. Therefore, no amounts of depreciation is recorded.

11. Cash and Cash Equivalents

The organization considers all highly liquid investments with a maturity of three months or less when purchased to be a cash equivalent.

12. Risk

The organization receives over 65% of their revenue from one grant source, Healthy Families Indiana. The organization must continue to receive this grant and others or they will have to reduce services, and or cease to exist.

Putnam County Family Support Services, Inc.
Notes to Financial Statement
Continued
December 31, 2015

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Pension Plan

The organization has instituted an elective employee pension plan. This program allows the employees to make personal contributions to the plan. The Putnam County Family Support Services, Inc. does not contribute to the plan.

14. Investments

The Organization has adopted SFAS NO. 124, Accounting for Certain Investments Held by Not-For-Profit Organizations. Under SFAS no. 124, investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. These investments are not FDIC insured and are not considered cash equivalent.

The Organization held \$65,901 of mutual funds at December 31, 2015 in an account with Vanguard Group.

15. Endowment Funds

The board created an endowment fund with the Putnam County Foundation. This is to be invested in perpetuity with earnings to be used as the organization warrants.

The changes in endowment net assets for the year are as follows:

	Unrestricted board designated
Endowment net assets December 31, 2014	\$23,842
Investment returns:	
Investment income	476
Net appreciation (Realized and unrealized)	(1,592)
Total investment return	<u>(1,116)</u>
Contributions	75
Distributions of funds	<u>0</u>
 Endowment net assets December 31, 2015	 \$22,801

16. Line of Credit

The Organization has secured a \$75,000 line of credit to assist with cash flow with a maturity date of January 8, 2017. Interest accrues at a rate of 4%. The balance of the line was -0- at December 31, 2015.

Putnam County Family Support Services, Inc.
Notes to Financial Statement
Continued
December 31, 2015

17. Advertising Expenses

All advertising costs, which totaled \$1,961 for the year are expensed as incurred or when the first time advertising takes place.

18. Subsequent Events

The management of Putnam County Family Support Services, Inc. has evaluated events since the balance sheet date of December 31, 2015 through November 15, 2016 which is the date these financial statements were available to be issued, and have determined that there are no subsequent events that require disclosure.

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Founder (1949-2010)

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Vice President



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees of
Putnam County Family Support Services Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Putnam County Family Support Services Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 15, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Putnam County Family Support Services Inc. organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Putnam County Family Support Services Inc. organization's internal control. Accordingly, we do not express an opinion on the effectiveness of Putnam County Family Support Services Inc. organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Putnam County Family Support Services Inc. organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing*

Standards in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pershing & Company, Inc.

Greencastle, IN
November, 15, 2016