



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B50553

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

July 27, 2018

Board of Directors
Allen County Drug and Alcohol Consortium, Inc.
532 West Jefferson Boulevard
Fort Wayne, IN 46802

We have reviewed the report prepared by Allen County Drug and Alcohol Consortium, Inc. and opined upon by Dulin, Ward & DeWald, Inc., Independent Public Accountants, for the period January 1, 2017 to December 31, 2017. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Allen County Drug and Alcohol Consortium, Inc. as of December 31, 2017 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Dulin, Ward & DeWald, 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

**ALLEN COUNTY DRUG AND
ALCOHOL CONSORTIUM, INC.**

FINANCIAL STATEMENTS

**Year Ended December 31, 2017
With Summarized Information for December 31, 2016**

TABLE OF CONTENTS

	PAGE NO.
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows.....	6
Notes to Financial Statements	7
SUPPLEMENTAL INFORMATION	
Schedule of Government Funds Received	11



Dulin, Ward & DeWald, Inc.
CPAs & ADVISORS

9921 Dupont Circle Drive West, Suite 300
Fort Wayne, IN 46825
260.423.2414
800.232.8913
Fax: 260.423.2419
www.dwdcpa.com

Offices Located in Ft. Wayne and Marion, Indiana

INDEPENDENT AUDITORS' REPORT

Board of Directors
Allen County Drug and Alcohol Consortium, Inc.
Fort Wayne, Indiana

We have audited the accompanying financial statements of Allen County Drug and Alcohol Consortium, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2017, 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 misstatements 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

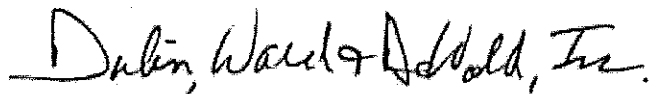
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Allen County Drug and Alcohol Consortium, Inc. as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Allen County Drug and Alcohol Consortium, Inc.'s 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 11, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of government funds received on page 11 is presented for purposes of additional analysis is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Fort Wayne, Indiana
July 6, 2018

ALLEN COUNTY DRUG AND ALCOHOL CONSORTIUM, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2017 with Summarized
Information for December 31, 2016

	2017	2016
ASSETS		
Cash and cash equivalents	\$ 110,342	\$ 120,593
Grants receivable	47,000	60,500
Prepaid expenses	1,633	3,284
Fixed assets - net	<u>15,812</u>	<u>20,856</u>
Total Assets	<u><u>\$ 174,787</u></u>	<u><u>\$ 205,233</u></u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ -	\$ 5,382
Agency funds payable	10,385	14,305
Accrued payroll and related expenses	<u>8,214</u>	<u>7,966</u>
Total Liabilities	18,599	27,653
Net Assets:		
Unrestricted	102,325	116,005
Temporarily restricted	<u>53,863</u>	<u>61,575</u>
Total Net Assets	<u>156,188</u>	<u>177,580</u>
Total Liabilities and Net Assets	<u><u>\$ 174,787</u></u>	<u><u>\$ 205,233</u></u>

The accompanying notes are an integral part of these financial statements.

ALLEN COUNTY DRUG AND ALCOHOL CONSORTIUM, INC.
STATEMENT OF ACTIVITIES

Year Ended December 31, 2017 with Summarized
Information for the Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	2017 Total	2016 Total
CHANGE IN NET ASSETS				
Support and Revenues:				
Grants and contributions	\$ 8	\$ 24,469	\$ 24,477	\$ 18,814
Government grants	293,612	50,978	344,590	257,028
In-kind contributions	9,269	-	9,269	9,157
Investment income	18	-	18	16
Other income	8,988	4,545	13,533	3,649
Net Assets Released From Restrictions:				
Satisfaction of purpose requirements	87,704	(87,704)	-	-
Total Support and Revenues	399,599	(7,712)	391,887	288,664
Expenses:				
Intervention	94,888	-	94,888	85,820
Prevention	120,789	-	120,789	83,035
Collaboration	98,596	-	98,596	62,678
Management and general	99,006	-	99,006	85,266
Total Expenses	413,279	-	413,279	316,799
CHANGE IN NET ASSETS	(13,680)	(7,712)	(21,392)	(28,135)
NET ASSETS - beginning of year	116,005	61,575	177,580	205,715
NET ASSETS - end of year	\$ 102,325	\$ 53,863	\$ 156,188	\$ 177,580

The accompanying notes are an integral part of these financial statements.

ALLEN COUNTY DRUG AND ALCOHOL CONSORTIUM, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2017 with Summarized
Information for the Year Ended December 31, 2016

	Program Services					
	Intervention	Prevention	Collaboration	Management and General	2017 Total	2016 Total
Salaries	\$ 30,692	\$ 30,692	\$ 31,623	\$ 66,477	\$ 159,484	\$ 125,812
Payroll taxes	2,738	2,738	2,821	5,706	14,003	11,225
Employee benefits	708	708	729	1,155	3,300	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Salaries and Related Expenses	34,138	34,138	35,173	73,338	176,787	137,037
Professional fees	744	22,746	11,725	13,320	48,535	42,484
Program expense	40,623	5,504	-	-	46,127	48,074
Public service announcements	-	29,633	15,266	-	44,899	20,950
Office supplies	5,390	11,446	8,672	1,123	26,631	17,471
Occupancy	7,579	7,579	7,810	891	23,859	23,574
RAB expenses	-	-	11,622	-	11,622	-
Training	2,902	2,902	2,991	1,060	9,855	5,747
Travel	2,292	2,292	2,363	383	7,330	5,813
Information technology	-	-	-	7,045	7,045	3,319
Insurance	703	703	726	1,146	3,278	3,368
Telephone	517	517	533	277	1,844	2,420
Miscellaneous	-	-	-	423	423	375
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses Before Depreciation	94,888	117,460	96,881	99,006	408,235	310,632
Depreciation	-	3,329	1,715	-	5,044	6,167
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	<u>\$ 94,888</u>	<u>\$ 120,789</u>	<u>\$ 98,596</u>	<u>\$ 99,006</u>	<u>\$ 413,279</u>	<u>\$ 316,799</u>

The accompanying notes are an integral part of these financial statements.

ALLEN COUNTY DRUG AND ALCOHOL CONSORTIUM, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2017 with Summarized
Information for the Year Ended December 31, 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (21,392)	\$ (28,135)
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	5,044	6,167
Changes in assets and liabilities:		
(Increase) decrease in:		
Grants receivable	13,500	(42,440)
Prepaid expenses	1,651	(638)
Increase (decrease) in:		
Accounts payable	(5,382)	1,861
Agency funds payable	(3,920)	(9,028)
Accrued payroll and related expenses	248	5,336
	<u>(10,251)</u>	<u>(66,877)</u>
Cash Flows From Operating Activities	<u>(10,251)</u>	<u>(66,877)</u>
INCREASE (DECREASE) IN CASH	(10,251)	(66,877)
CASH AND CASH EQUIVALENTS - beginning of year	<u>120,593</u>	<u>187,470</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 110,342</u>	<u>\$ 120,593</u>

The accompanying notes are an integral part of these financial statements.

ALLEN COUNTY DRUG AND ALCOHOL CONSORTIUM, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Allen County Drug and Alcohol Consortium, Inc. (Organization) provides an effective network to coordinate resources and efforts to reduce and erase alcohol, tobacco, and other drug (ATOD) abuse and problems that it brings to the community in Allen County, Indiana. Its vision is to provide a centralized intelligence, communication and coordination of diverse resources and effort to mobilize family and/or other personal support systems to prevent and alleviate ATOD abuse.

The Organization's activities include:

Drug-Free Indiana – as one of 92 county-based coordinating councils defined by statute in Indiana, the Organization submits an annual comprehensive plan and is approved by the State to receive county-based funds in order to focus on intervention, prevention and law enforcement.

Strengthening Families Program – through a grant from the State Division of Mental Health and Addictions (DMHA), the Organization implements an evidence based prevention curriculum for targeted high risk families in Allen County.

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and qualifies for the 50% charitable contributions deduction limitation. The Organization has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Fixed Assets

Fixed assets are stated at cost or, if donated, at fair value at the date of the gift. Items with a cost or value of \$5,000 or more and a useful life of one year or more are capitalized. The Organization follows the policy of providing depreciation on the straight-line method for financial reporting purposes over the estimated useful lives of the related assets. It is not the Organization's policy to imply time restrictions expiring over the useful life of donated assets. In the absence of donor-imposed restrictions on the use of the asset, gifts of long-lived assets are reported as unrestricted support.

Receivables

Grants receivable are due from government and other significant funding sources. The Organization provides an allowance for uncollectible accounts, if deemed necessary, which is based upon historical collection experience and management's estimates of the losses that will be incurred in the collection of all receivables.

Public Support and Revenue

All contributions are considered to be available for the general programs of the Organization unless specifically restricted by the donor. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated asset. When donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions are recorded in the temporarily restricted class for restrictions expiring during the fiscal year, and then reclassified to the unrestricted class.

In-kind Contributions

In-kind contributions of facilities, services, equipment and supplies are recognized as support and expense or property and equipment and are recorded at market value as of the date received.

Subsequent Events

Management has evaluated subsequent events through July 6, 2018, the date which the financial statements were available for issue.

2. GRANTS RECEIVABLE

All grants receivable are due within one year.

3. FIXED ASSETS

Fixed assets consist of the following:

	2017	2016
Equipment	\$ 11,128	\$ 16,738
Leasehold improvements	<u>70,466</u>	<u>70,466</u>
	81,594	87,204
Less accumulated depreciation	<u>65,782</u>	<u>66,348</u>
	<u>\$ 15,812</u>	<u>\$ 20,856</u>

4. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted for the following purposes:

	2017	2016
Drug Free Indiana	\$ 50,978	\$ 51,752
Mini grants	-	7,550
RAB fiscal agent	<u>2,885</u>	<u>2,273</u>
	<u>\$ 53,863</u>	<u>\$ 61,575</u>

Previously reported unrestricted net assets of \$2,273 at December 31, 2016 were reclassified to temporarily restricted net assets.

5. IN-KIND CONTRIBUTIONS

The Organization recognized contribution revenue for certain services received at the fair value of those services. Those services include the following:

	2017	2016
Management and general:		
Professional fees	\$ 9,269	\$ 9,157

6. ADVERTISING

Advertising costs are charged to operations when incurred. Advertising consists of public service announcements using different forms of media. The cost of advertising charged to operations was \$44,899 in 2017 and \$20,950 in 2016.

7. OPERATING LEASES

The Organization leases its operating facility under an operating lease that expires September 2022. The lease agreement calls for monthly lease payments of \$1,633 plus CAM charges. Total rental expense under the noncancelable lease was \$19,596 for 2017 and \$19,596 for 2016. Minimum future rental payments under the noncancelable operating lease as of December 31, 2017 for each of the next five years and in the aggregate are as follows:

2018	\$ 19,596
2019	19,596
2020	19,596
2021	19,956
2022	<u>15,417</u>
Total lease commitments	<u>\$ 93,801</u>

8. CONCENTRATIONS

The Organization receives substantial support from government sources. A significant reduction in the level of this support, if it were to occur, could have an effect on the Organization's future programs and activities.

ALLEN COUNTY DRUG AND ALCOHOL CONSORTIUM, INC.
SCHEDULE OF GOVERNMENT FUNDS RECEIVED
Year Ended December 31, 2017

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Revenue Recognized
U.S. Department of Health and Human Services: Passed through Indiana Family and Social Services Administration: Block Grants for Prevention and Treatment of Substance Abuse	93.959	\$ 255,500
Allen County Auditor - Drug Free Indiana	n/a	<u>89,090</u>
Total Government Funds Received		<u><u>\$ 344,590</u></u>

See independent auditors' report.