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September 17, 2019

Board of Directors
Center for Community Justice, Inc.
121 S. Third St.
Elkhart, IN 46516

We have reviewed the audit report of Center For Community Justice, Inc., which was opined upon by Cornerstone CPA Group, LLP, Independent Public Accountants, for the period July 1, 2015 to June 30, 2016. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Center For Community Justice, Inc., as of June 30, 2016, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts.

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

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

CENTER FOR COMMUNITY JUSTICE, INC.

FINANCIAL STATEMENTS
JUNE 30, 2016

CENTER FOR COMMUNITY JUSTICE, INC.

Elkhart, Indiana

JUNE 30, 2016

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CORNER STONE

CPA GROUP LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
CENTER FOR COMMUNITY JUSTICE, INC.
Elkhart, Indiana

We have audited the accompanying financial statements of **CENTER FOR COMMUNITY JUSTICE, INC.** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016, and the related statements of activities 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. 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.

Cornerstone CPA Group LLP • 3160 Windsor Court • Elkhart, IN 46514 • Phone 574-262-8886 or 574-296-9360

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **CENTER FOR COMMUNITY JUSTICE, INC.** as of June 30, 2016, 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.

Report on Summarized Comparative Information

We have previously audited the **CENTER FOR COMMUNITY JUSTICE, INC.'S** June 30, 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 9, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 12 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and related 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.

Cornerstone CPA Group, LLP

CORNERSTONE CPA GROUP, LLP
Certified Public Accountants
Elkhart, Indiana

September 28, 2016

CENTER FOR COMMUNITY JUSTICE, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2016 and 2015

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 96,310	$ 119,480
Funds Held at Community Foundation of Elkhart County	7,968	8,117
Prepaid Expenses	3,890	4,426
Grants Receivable	20,562	11,058
Other Receivables	1,885	14,548
Total Current Assets	130,615	157,629
PROPERTY & EQUIPMENT		
Land	31,000	31,000
Building and Improvements	225,650	225,650
Vehicle	11,902	11,902
Office Furniture and Equipment	91,782	91,782
Total	360,334	360,334
Accumulated Depreciation	(278,264)	(270,195)
Net Property & Equipment	82,070	90,139
TOTAL ASSETS	$ 212,685	$ 247,768
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable		$ 3,881
Funds Held for Others	$ 3,430	7,472
Salaries, Wages and Other Related Payables	7,275	6,291
Total Current Liabilities	10,705	17,644
NET ASSETS		
Unrestricted	201,980	229,240
Temporarily Restricted		884
Total Net Assets	201,980	230,124
TOTAL LIABILITIES AND NET ASSETS	$ 212,685	$ 247,768

The accompanying notes are an integral part of these financial statements.
(See Independent Auditor's Report)

CENTER FOR COMMUNITY JUSTICE, INC.
STATEMENTS OF ACTIVITIES
For the Year Ended June 30, 2016
(With Summarized Totals For the Year Ended June 30, 2015)

	Unrestricted	2016 Temporarily Restricted	Combined Total	2015 Summarized Total
SUPPORT AND REVENUE				
Local Funding and Grants	$ 57,506	$ 181,935	$ 239,441	$ 257,722
Program Fees	43,666		43,666	72,011
Local Contributions	42,966	31,848	74,814	47,647
Building Lease Income	6,150		6,150	10,200
Investment Income	(31)		(31)	182
Subtotal	150,257	213,783	364,040	387,762
Net Assets Released From Restrictions	214,667	(214,667)		
Total Support and Revenue	364,924	(884)	364,040	387,762
EXPENSES				
Program Services	296,527		296,527	326,624
Management and General	72,646		72,646	71,440
Fund Raising	23,011		23,011	18,377
Total Expenses	392,184		392,184	416,441
CHANGE IN NET ASSETS	(27,260)	(884)	(28,144)	(28,679)
NET ASSETS - Beginning of Year	229,240	884	230,124	258,803
NET ASSETS - End of Year	$ 201,980	$	$ 201,980	$ 230,124

The accompanying notes are an integral part of these financial statements.
(See Independent Auditor's Report)

CENTER FOR COMMUNITY JUSTICE, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (28,144)	$ (28,679)
Adjustments to Reconcile Change in Net Assets to		
Net Cash from Operating Activities:		
Depreciation	8,070	8,383
Unrealized and Realized Loss/(Gain) on Investments	149	18
(Increase)/Decrease in Operating Assets		
Prepaid Expenses	536	1,667
Grants Receivable	(9,504)	1,375
Other Receivables	12,663	(4,743)
Increase/(Decrease) in Operating Liabilities		
Accounts Payable	(3,881)	3,506
Funds Held for Others	(4,042)	2,586
Salaries, Wages and Other Related Payables	983	(1,987)
Net Cash (Used) by Operating Activities	(23,170)	(17,874)
NET CHANGE IN CASH & CASH EQUIVALENTS	(23,170)	(17,874)
CASH & CASH EQUIVALENTS - Beginning of Year	119,480	137,354
CASH & CASH EQUIVALENTS - End of Year	$ 96,310	$ 119,480

The accompanying notes are an integral part of these financial statements.
(See Independent Auditor's Report)

CENTER FOR COMMUNITY JUSTICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016 and 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature Of Organization – Center for Community Justice, Inc. (Center) was organized in 1984 and serves Elkhart County by providing programs, based on the principles of Restorative Justice, which strengthen community safety, provide support and compensation for victims, aid in the restoration of offenders, and promote reconciliation among victims, offenders and the community.

Basis of Accounting – The financial statements of Center for Community Justice, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the allocation of functional expenses.

Cash and Cash Equivalents – Cash and cash equivalents consist of bank deposits in accounts that are either interest-bearing and federally insured up to $250,000, or non-interest bearing and fully guaranteed by the federal government. At times these amounts may exceed federally insured limits. Additionally, for purposes of the statements of cash flows, the Center considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Grants Receivable – The Center receives some grants for reimbursement of expenses incurred. A receivable for the reimbursement of allowable program expenditures due from grantors has been recorded at June 30, 2016 and 2015. In addition, grants awarded that are unconditional non-reciprocal promises to transfer assets over a specified period have been recorded as revenue and grants receivable according to the date on the grant document. No allowance for uncollectible grants has been recorded since management believes all amounts are collectible.

Other Receivables – The other receivables balance is made up of receivables related to the community service restitution program (CSRP) and other miscellaneous contracts. The Center periodically reviews receivables for collectability. Management believes all receivables are collectible therefore no allowance is deemed necessary.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment – Property and equipment is recorded at cost if purchased, and at fair market value if contributed, at the date of purchase/donation. Major additions and improvements are capitalized, while maintenance and repairs are expensed as incurred. The cost of assets retired or otherwise disposed of, and the related accumulated depreciation are eliminated from the accounts in the year of disposal with any resulting gain or loss reflected in earnings. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of equipment are recorded as unrestricted support.

The Center computes depreciation using the straight-line method over the expected life of each asset as follows:

Building and Improvements:	15 – 30 Years
Vehicle:	3.5 Years
Office Furniture and Equipment:	3 – 7 Years

Depreciation expense for the years ended June 30, 2016 and 2015 was $8,070 and $8,383 respectively.

Net Assets – The Center reports its activities and financial position by the following classes of net assets:

Unrestricted: Represents assets in excess of liabilities presently available for use by the Center at the discretion of the Board of Directors.

Temporarily Restricted Net Assets: This category of net assets represents the part of the net assets of the Center resulting from contributions or grants and other inflows of assets whose use by the Center is limited by donor-imposed stipulations that either expire by the passage of time or by actions of the Center.

Permanently Restricted Net Assets: This category of net assets represents the part of the net assets of the Center resulting from contributions and other inflows of assets whose use by the Center is limited by donor-imposed restrictions that stipulate that resources be maintained permanently, but permits the Center to use up or expend part or all of the income derived from the donated assets.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets Released From Restriction – Net assets are released from restriction by incurring expenses satisfying the restricted purpose or by occurrence of other events. Net assets released from restriction consist primarily of expenses incurred for grant programs and other restricted purposes.

Revenue Recognition – Revenue from all sources is recorded in the period earned.

Contributions and Grants – The Center records contributions and grants received and unconditional promises to give as unrestricted, temporarily restricted or permanently restricted support depending on the existence of donor or grantor restrictions and the nature of restrictions, if they exist. Contributions and grants received are considered to be available for unrestricted use unless specifically restricted by the donor or grantor.

Functional Expenses – The costs of providing the programs and supporting services have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services based on management's best estimates.

Income Tax Status – The Center is exempt from federal and state income taxes pursuant to provisions of Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code and qualifies for the 50% charitable contributions deduction for individual donors. Therefore, no income taxes are reflected in the accompanying financial statements.

Uncertain Tax Positions – In accordance with FASB ASC 740-10-*Income Taxes*, the Organization reviews its tax positions on an annual basis and does not take any position resulting in a deduction that, in their evaluation, will not be completely sustained under an audit by the applicable governing body. The organization is no longer subject to United States federal and state income tax examinations for the years prior to 2012, for jurisdictions in which it files tax returns.

Advertising Costs – The Center expenses all advertising costs as incurred.

Date of Management's Review – The Center has evaluated subsequent events for potential recognition and/or disclosure through September 28, 2016, the date the financial statements were available to be issued.

Comparative Amounts – The comparative totals shown as of and for the year ended June 30, 2015 in the accompanying financial statements are included to provide a basis for comparison with 2016 and are not intended to present all information necessary for a fair presentation in accordance with generally accepted accounting principles.

NOTE 2 – LINE OF CREDIT

At June 30, 2016 and 2015, the Center has a $50,000 line of credit agreement with a bank with an interest rate of 1.0% over prime rate from the bank's prime rate "index". There were no outstanding balances on this line at June 30, 2016 and 2015. The Center provided its receivables, equipment and general assets as collateral.

NOTE 3 – FUNDS HELD FOR OTHERS AND REMISSION OF PROGRAM FEES

Funds held for others include certain transactions that are considered to be agency transactions and are not included in the Statement of Activities of the Center. As of June 30, 2016 and 2015 the balances of the funds held for others also includes $3,430 and $7,472, respectively, for restitution payments from offenders to victims which pass through the Center in order to maintain a record for the Victim Offender Restitution Contract (VORP) program in Elkhart County. The VORP program is required and does have a separate bank account for this activity.

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the purpose of operating community-based services for victims, offenders and the community at June 30, 2016 and 2015 as follows:

	2016	2015
Temporarily Restricted Net Assets:		
Contributions – Bob Peters Internship Fund	$ -0-	$ 884
Total	$ -0-	$ 884

NOTE 5 – RELATED PARTY TRANSACTIONS

The Sherriff of Elkhart County is on the Board of Directors of the organization. During the year ended June 30, 2016, the Organization received funding for the Transitional Coaching program in the amount of $3,000 and funding for the Community Mediation program in the amount of $5,625 from the Elkhart County Sheriff's department.

NOTE 6 – FAIR VALUE MEASUREMENTS

Accounting Standards Codification (ASC) Section 820, *Fair Value Measurements and Disclosures*, defines fair value as an exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the entity's principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments included in Level 1 includes listed equities and listed derivatives.

- Level 2: Pricing inputs are other than quoted prices in active markets of comparable instruments, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives.

- Level 3: Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation. Investments that are included in this category generally include equity and debt positions in private companies.

Following is a description of the valuation methodology used for the assets measured at fair value. There have been no changes in the methodologies used at June 30, 2016 and 2015.

Level 3 – Funds held at Community Foundation of Elkhart County were recorded at fair value based on the Foundation's year-end investment statement.

The Center's investments at fair value, within the fair value hierarchy, are as follows as of June 30, 2016 and 2015:

	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Funds Held at Community Foundation of Elkhart County:				
June 30, 2016	$7,968			$7,968
June 30, 2015	$8,117			$8,117

NOTE 6 – FAIR VALUE MEASUREMENTS (CONTINUED)

The following table is the reconciliation of Funds held at Community Foundation of Elkhart County for the years ended June 30, 2016 and June 30, 2015.

	2016	2015
Balance Beginning of Year	$ 8,117	$ 8,135
Increase/(Decrease) in Value Included in Net Assets	(149)	(18)
New Contribution/(Distribution of Residuum)	-0-	-0-
Balance Ending of Year	$ 7,968	$ 8,117

NOTE 7 – RETIREMENT PLAN

The Center has a SEP IRA retirement plan. The Center did not make an employer contribution for the years ended June 30, 2016 and 2015.

NOTE 8 –COMMUNITY FOUNDATION OF ELKHART COUNTY

The Community Foundation OF Elkhart County, Inc. (the Foundation) holds a fund named the Center for Community Justice Fund (the Fund). The purpose of the Fund is to further the charitable purposes of the Center. A portion of the Fund is a permanent endowment fund whereby the principal is held and controlled by the Foundation and investment income of the Fund is distributed to the Center at the discretion of the Foundation. The other portion of the Fund is a board designated asset.

At June 30, 2016 and 2015, the board designated balance of the Fund, which is reflected as an asset of the Center in accordance with accounting principles generally accepted in the United States, approximated $7,968 and $8,117, respectively, at market value. The total balance of the Fund, which includes original contribution, market growth and additional public contributions, approximated $11,102 as of June 30, 2016 and $10,987 as of June 30, 2015. The Center received $-0- from the Fund in 2016 and 2015.

NOTE 9 – BUILDING LEASE INCOME

The Center leased a portion of its building to two other non-profit organizations under month by month leases for $400 and $450 per month. The lease for $400 lasted the entire year ended June 30, 2016. The lease for $450 terminated in September 2015. During the years ended June 30, 2016 and 2015, building lease income was $6,150 and $10,200 respectively.

CENTER FOR COMMUNITY JUSTICE, INC.
SUPPLEMENTARY INFORMATION
SCHEDULE I -STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2016
(With Summarized Totals For the Year Ended June 30, 2015)

	2016				2015
	Program Services	Management and General	Fund Raising	Total	Total
Direct Program Costs					
Transitional Coaching Program	$ 700			$ 700	$ 100
Thinking for Change Program	665			665	6,007
Mediation Training					14
Community Service Program	397			397	1,493
Reading For Life	424			424	3,921
Victim Impact	2,090			2,090	3,016
Juvenile Accountability Block Grant	6,425			6,425	
Total Direct Program Costs	10,701			10,701	14,551
Salaries & Related Expenses					
Salaries	207,226	$ 27,374	$ 13,821	248,421	277,306
Payroll Taxes	14,840	1,762	1,050	17,652	20,272
Insurance	25,009	4,778	1,419	31,206	33,069
Staff Development	140	145		285	1,520
Temporary Help	4,000			4,000	1,200
Total Salaries & Related Exp	251,215	34,059	16,290	301,564	333,367
Occupancy					
Telephone & Utilities	3,234	4,042		7,276	7,551
Repairs & Maintenance	2,858	2,858		5,716	5,246
Total Occupancy	6,092	6,900		12,992	12,797
General & Administrative					
Travel & Meals	759	948	257	1,964	2,142
Office Supplies & Postage	2,248	3,635	1,536	7,419	9,774
Dues & Subscriptions	50	950		1,000	613
Fund Raising			4,784	4,784	2,525
Professional Fees	16,379	13,760		30,139	12,831
Printing		58		58	465
Insurance	4,937	5,295		10,232	12,758
Advertising	14			14	3,134
Payroll Processing Charges		2,054		2,054	2,065
Board Expenses		100		100	
Miscellaneous	97	852	144	1,093	1,036
Total General & Administrative	24,484	27,652	6,721	58,857	47,343
Depreciation	4,035	4,035		8,070	8,383
Total Functional Expenses	$ 296,527	$ 72,646	$ 23,011	$ 392,184	$ 416,441

The accompanying notes are an integral part of these financial statements.
(See Independent Auditor's Report)