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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


September 20, 2019

Board of Directors
Kosciusko County Shelter for Abuse, Inc.
d/b/a The Beaman Home
P.O. Box 12
Warsaw, IN 46581

We have reviewed the audit report of Kosciusko County Shelter for Abuse, Inc. d/b/a The Beaman Home which was opined upon by Culp CPA Group, Independent Public Accountants, for the period July 1, 2017 to June 30, 2018. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Kosciusko County Shelter for Abuse, Inc. d/b/a The Beaman Home as of June 30, 2018 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Culp CPA Group prepared the audit report in accordance with 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, CPA
State Examiner

KOSCIUSKO COUNTY SHELTER FOR ABUSE, INC.

D/B/A THE BEAMAN HOME

AUDIT REPORT

JUNE 30, 2018

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Independent Auditor's Report

To the Board of Directors
Kosciusko County Shelter for Abuse, Inc.
d/b/a The Beaman Home
Warsaw, Indiana

We have audited the accompanying financial statements of Kosciusko County Shelter for Abuse, Inc. d/b/a The Beaman Home (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

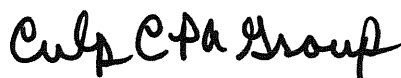
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 Kosciusko County Shelter for Abuse, Inc. d/b/a The Beaman Home as of June 30, 2018, 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.



Culp CPA Group
Certified Public Accountants

Huntington, Indiana
December 11, 2018

KOSCIUSKO COUNTY SHELTER FOR ABUSE, INC.

D/B/A THE BEAMAN HOME

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2018

ASSETS

Current Assets:

Cash and cash equivalents - Notes 1 and 2	\$ 323,805
Grants receivable	163,385
Pledges receivable	11,044
Inventory	8,600
Prepaid expenses	<u>12,331</u>
 Total current assets	 <u>519,165</u>

Fixed Assets - Note 1:

Land	75,000
Building	2,042,286
Equipment	147,556
Furniture and fixtures	36,574
Vehicles	22,063
Construction in progress	<u>3,883</u>
	2,327,362
<u>Less:</u> Accumulated depreciation	<u>176,509</u>
 Total fixed assets	 <u>2,150,853</u>

Other Assets:

Loan fees	5,030
<u>Less:</u> Accumulated amortization	<u>(5,030)</u>
Total other assets	<u>-</u>
 Total assets	 <u>\$2,670,018</u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Wages payable	\$ 5,844
Compensated absences	23,542
Payroll taxes payable	2,761
Line of credit - Note 3	<u>121,456</u>
 Total current liabilities	 <u>153,603</u>
 Total liabilities	 <u>153,603</u>

Net Assets:

Unrestricted	2,356,836
Temporarily restricted - Note 4	<u>159,579</u>
Total net assets	<u>2,516,415</u>
 Total liabilities and net assets	 <u>\$2,670,018</u>

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

KOSCIUSKO COUNTY SHELTER FOR ABUSE, INC.

D/B/A THE BEAMAN HOME

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenues, gains and other support -</u>			
Grants - Note 6 -			
Federal and state	\$ 545,515	\$ 148,535	\$ 694,050
County and city	49,118	-	49,118
Other	15,000	-	15,000
Contributions	167,894	-	167,894
Contributions - In-kind	261,782	-	261,782
United Way	93,715	-	93,715
Special events - Net of direct expenses of \$21,891	62,636	-	62,636
Interest income	102	-	102
Other income	<u>3,337</u>	<u>-</u>	<u>3,337</u>
Total revenues, gains and other support before net assets released from program restrictions	1,199,099	148,535	1,347,634
Net assets released from program Restrictions - Note 4	<u>449,780</u>	<u>(449,780)</u>	<u>-</u>
Total revenues, gains and other support	<u>1,648,879</u>	<u>(301,245)</u>	<u>1,347,634</u>
<u>Expenses -</u>			
Program	1,069,887	-	1,069,887
Management and general	256,897	-	256,897
Fundraising	<u>49,876</u>	<u>-</u>	<u>49,876</u>
Total expenses	<u>1,376,660</u>	<u>-</u>	<u>1,376,660</u>
Change in net assets	272,219	(301,245)	(29,026)
<u>Net assets, beginning of year</u>	<u>2,084,617</u>	<u>460,824</u>	<u>2,545,441</u>
<u>Net assets, end of year</u>	<u>\$ 2,356,836</u>	<u>\$ 159,579</u>	<u>\$2,516,415</u>

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

KOSCIUSKO COUNTY SHELTER FOR ABUSE, INC.D/B/A THE BEAMAN HOMESTATEMENT OF FUNCTIONAL EXPENSESFOR THE YEAR ENDED JUNE 30, 2018

	<u>Program</u>	<u>Management And General</u>	<u>Fund- raising</u>	<u>Total</u>
Salaries and wages	\$ 453,949	\$ 176,098	\$41,541	\$ 671,588
Payroll taxes and fees	<u>33,966</u>	<u>14,834</u>	<u>3,917</u>	<u>52,717</u>
 Total salaries and related expenses	 487,915	 190,932	 45,458	 724,305
Accounting and legal	252	20,949	-	21,201
Bank charges	262	545	117	924
Educational	428	40	-	468
Food supplies	46,346	-	-	46,346
Household/personal supplies	232,255	2,083	2,961	237,299
Office supplies	4,622	332	-	4,954
Advertising and marketing - Note 1	708	7,220	65	7,993
Postage	1,183	1,024	212	2,419
Rent assistance	47,491	-	-	47,491
Rent expense	6,100	-	-	6,100
Utilities	30,282	-	-	30,282
Telephone and internet	17,577	3,160	694	21,431
Insurance	18,190	13,229	-	31,419
Equipment rental and purchases	4,424	2,648	-	7,072
Building repairs and maintenance	6,847	-	-	6,847
Equipment repairs and maintenance	2,504	161	-	2,665
Technology	57,060	-	-	57,060
Vehicle	2,990	-	-	2,990
Meals, lodging, and travel	1,913	3,108	256	5,277
Personnel recruitment and recognition	1,836	447	113	2,396
Dues and subscriptions	257	1,118	-	1,375
Miscellaneous	3,266	590	-	3,856
Depreciation - Note 1	82,416	9,311	-	91,727
Amortization	1,397	-	-	1,397
Interest expense	<u>11,366</u>	<u>-</u>	<u>-</u>	<u>11,366</u>
 Total expenses	 <u>\$ 1,069,887</u>	 <u>\$ 256,897</u>	 <u>\$49,876</u>	 <u>\$1,376,660</u>

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

KOSCIUSKO COUNTY SHELTER FOR ABUSE, INC.

D/B/A THE BEAMAN HOME

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

<u>Cash flows from operating activities:</u>	
Change in net assets	\$ (29,026)
Adjustments to reconcile change in net assets to net cash provided by operating activities -	
Depreciation and amortization	93,124
(Increase) Decrease in -	
Grants receivable	263,288
Pledges receivable	23,107
Inventory	(1,100)
Prepaid expenses	1,893
Increase (Decrease) in -	
Accounts payable	(320)
Wages payable	583
Compensated absences	12,313
Payroll taxes payable	371
Grants payable	<u>(22,269)</u>
Net cash provided by operating activities	<u>341,964</u>
<u>Cash flows from investing activities:</u>	
Purchase of fixed assets	<u>(37,344)</u>
Net cash (used in) investing activities	<u>(37,344)</u>
<u>Cash flows from financing activities:</u>	
Payments on line of credit	<u>(203,544)</u>
Net cash (used in) financing activities	<u>(203,544)</u>
<u>Net increase in cash and cash equivalents</u>	101,076
<u>Cash and cash equivalents at beginning of year</u>	<u>222,729</u>
<u>Cash and cash equivalents at end of year</u>	<u>\$ 323,805</u>
<u>Supplementary cash flow information:</u>	
Cash paid for interest	<u>\$ 11,366</u>

The accompanying notes are integral part of these financial statements.

KOSCIUSKO COUNTY SHELTER FOR ABUSE, INC.

D/B/A THE BEAMAN HOME

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 1: Organization and summary of significant accounting policies -

Organization - The Kosciusko County Shelter for Abuse, Inc. d/b/a The Beaman Home (the Organization) is a nonprofit corporation serving Kosciusko, Fulton, and Marshall Counties and was formed under Indiana law pursuant to Articles of Incorporation, effective September 17, 1984. The Organization's purpose is to provide services for individuals and their dependent children in crisis as it relates to domestic violence and sexual assault and to provide educational, informative, and supportive services to residents. The Organization also assists former clients with relocation. The Organization is primarily supported through grants, donor contributions, and the United Way.

Basis of accounting - The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded when liabilities are incurred. Also, equipment purchased through grant awards is charged to expense in the period during which it is approved by funding sources and purchased. The equipment acquired is owned by the Organization while used in current or other future authorized programs. The funding sources have a reversionary interest in the equipment purchased with grant funds; therefore, its disposition as well as the ownership of any sale proceeds, is subject to funding source regulations.

Basis of presentation - The financial statements have been prepared in accordance with FASC 958, which requires, among other things, that the financial statements report the changes in, and totals of each net asset class based on the existence of donor restrictions, as applicable. Net assets are classified as unrestricted, temporarily restricted or permanently restricted and are detailed as follows:

Unrestricted - Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Donor-imposed stipulations are reported as unrestricted net assets if the stipulations expire in the reporting period in which the revenue is recognized.

Temporarily restricted - Net assets whose use by the Organization is subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by passage of time.

Permanently restricted - Net assets whose use by the Organization is subject to donor-imposed restrictions requiring that the principal be invested in perpetuity and the income only be utilized for purposes specified by the donor. At June 30, 2018, there were no permanently restricted net assets.

KOSCIUSKO COUNTY SHELTER FOR ABUSE, INC.

D/B/A THE BEAMAN HOME

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

Note 1: Organization and summary of significant accounting policies (Continued) -

Cash and cash equivalents - For the purpose of reporting 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.

Significant concentrations of credit risk - Cash balances at various local banks are insured by the Federal Deposit Insurance Corporation (FDIC). The amount of coverage is \$250,000 per financial institution. In the case of bank failure, accounts of deposits in excess of that federally insured amount would be subject to loss. At times throughout the year, the balances of certain accounts may exceed these limits. The Organization's balance did not exceed federally insured limits at June 30, 2018.

Pledges receivable - When a donor has unconditionally promised to contribute funds to the Organization in future periods, the Organization recognizes a pledge receivable. Pledges expected to be collected within one year are recorded as support and a receivable at net realizable value. Pledges expected to be collected in future years are recorded as support and a receivable at the present value of expected future cash flows.

Allowance for uncollectible accounts - The Organization believes that all of the grant receivables will be collected. Therefore, no allowance for uncollectible accounts has been established. Management closely monitors outstanding grants receivable, and charges off to expense any balances that are determined to be uncollectible.

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 \$500 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.

Food, clothing, and supplies inventory - Inventory is carried at cost if purchased. However, if inventory is donated, the item is valued at fair market value at the date of the gift. All inventory is valued on a first-in, first-out (FIFO) basis. Other in-kind donations for use in the Basic Needs Center have not been inventoried.

Depreciation - Depreciation charged against income was \$91,727 for the year ended June 30, 2018. The Organization depreciates assets over their estimated useful lives, using the straight-line method of computing depreciation for financial statement purposes. Estimated useful lives for computing depreciation were as follows:

<u>Assets</u>	<u>Years</u>
Building	39
Equipment	5-10
Furniture and fixtures	5-10
Vehicles	5

KOSCIUSKO COUNTY SHELTER FOR ABUSE, INC.

D/B/A THE BEAMAN HOME

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

Note 1: Organization and summary of significant accounting policies (Continued) -

Contributions - Under FASC 958, all contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Gifts of cash and other assets are reported as temporarily restricted or permanently restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, 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. By definition, permanently restricted support must be maintained in perpetuity. Restrictions on these net assets do not expire and no assets are reclassified in the statement of activities.

Functional expenses - The cost of the Organization's programs and supporting services have been reported on a functional basis in the statement of functional expenses. Expenses are charged to each program based on direct expenses incurred. Any program expenses not directly chargeable to a program have been allocated among the programs and supporting services benefited.

Income tax status - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and qualifies for the 50% charitable contributions deduction limitation, and is not considered to be a private foundation under Section 509(a) of the Code.

The Organization has adopted the accounting standard on accounting for uncertainty in income taxes. This standard addresses the determination of whether tax benefits claimed, or expected to be claimed, on a tax return should be recorded in the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits that could be recognized in the financial statements from such positions would be measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses derecognition, classification, interest and penalties on income taxes, and accounting in interim periods. At June 30, 2018, there were no unrecognized tax benefits identified or recorded as liabilities. The Organization files Form 990 and the related state of Indiana return.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make 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 could differ from those estimates.

Advertising - Advertising costs are charged to operations as incurred. Total advertising costs expensed during the year ended June 30, 2018 was \$7,993.

Note 2: Pledges receivable - The capital campaign is in the final year of collections. The Organization received pledges totaling \$22,663 for the year ended June 30, 2018. Management does not believe an allowance for uncollectible pledges is necessary for the year ended June 30, 2018.

KOSCIUSKO COUNTY SHELTER FOR ABUSE, INC.

D/B/A THE BEAMAN HOME

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

Note 3: Line of credit - The Organization had a revolving line of credit agreement with a local bank which provides that it may borrow up to \$600,000 at the bank's prime rate. The line of credit matured in May 2018. In May 2018, the Organization secured a \$275,000 non-revolving line of credit at the Wall Street prime rate. The line of credit was secured by the building. The line of credit matured on July 12, 2018. At that time, a loan of \$121,456 was secured requiring monthly payments of \$1,325 through July 12, 2023 at an interest rate of 5.5%. Then, one principal and interest payment are due on July 12, 2028 to pay the remaining balance.

Note 4: Temporarily restricted net assets - Temporarily restricted net assets are available for the following purposes at June 30, 2018:

Government grants	\$148,535
Capital campaign	<u>11,044</u>
Total temporarily restricted net assets	<u>\$159,579</u>

Net assets were released from donor restriction by incurring expenses satisfying the purpose of the restrictions as follows:

Government grants	\$426,673
Capital campaign	<u>23,107</u>
Total net assets released from restrictions	<u>\$449,780</u>

Note 5: Donated materials and services - Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated fair values at date of receipt. Donated materials are included in the financial statements as follows:

Food supplies	\$ 19,838
Household/personal supplies	<u>241,944</u>
	<u>\$261,782</u>

Many individuals volunteer their time and perform a variety of tasks that assist the Organization. These services do not meet the criteria for recognition in the financial statements and, accordingly, have not been recorded. The Organization received approximately 6,113 hours of donated services during the year ended June 30, 2018. The fair value of donated service hours for the year was estimated to be \$67,247. Services that are donated which would otherwise be purchased and do meet the criteria, are recorded at fair market value.

Note 6: Government funding - During 2017 and 2016, the Organization received the following amounts from government entities:

KOSCIUSKO COUNTY SHELTER FOR ABUSE, INC.
D/B/A THE BEAMAN HOME
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

Note 6: Government funding (Continued) -

<u>Agency Or Federal Grantor/ Pass-Through Grantor</u>	
Housing and Urban Development - Passed through Indiana Housing and Community Development Authority - Continuum of Care Rapid Rehousing	\$ 75,683
Emergency Solutions Grant	57,718
U.S. Department of Health and Human Services - Passed through Indiana Criminal Justice Institute - Victims of Crime Act	278,309
Social Service Block Grant	16,262
Family Violence Preventions and Services	58,542
U.S. Department of Education - Passed through Indiana Department of Education - Child and Adult Care Food Program Grant	<u>12,280</u>
Total federal assistance	498,794
State of Indiana	195,256
Kosciusko County and City of Warsaw	<u>49,118</u>
	<u>\$743,168</u>

Note 7: Operating leases - In January 2016, the Organization entered into a building lease for the Basic Needs Center which expired in January 2018. This is now a month-to-month lease. Lease expense for the year ended June 30, 2018 was \$6,000.

The Organization also leases a copier through an annual lease that ended July 31, 2018. Monthly payments were \$455. A new annual lease commenced on August 1, 2018 with monthly payments of \$825. Total copier lease expense was \$5,460 for the year ended June 30, 2018.

The remaining rents are temporary, month-to-month rents, and include short-term storage units and client rental assistance.

Note 8: Subsequent events - The Organization evaluated all events or transactions that occurred after June 30, 2018 up through December 11, 2018, which is the date the financial statements were available to be issued. During this period, management has determined that the Organization did not have any material recognizable or disclosable subsequent events.