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December 13, 2019

Board of Directors
North Central Indiana Rural Crisis Center, Inc.
P.O. Box 212
Rensselaer, IN 47978

We have reviewed the audit report of North Central Indiana Rural Crisis Center, Inc., which was opined upon by Huth Thompson LLP, Independent Public Accountants, for the period January 1, 2018 to December 31, 2018. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of North Central Indiana Rural Crisis Center, Inc. as of December 31, 2018 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Huth Thompson LLP 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
Paul D. Joyce, CPA
State Examiner

Financial Statements

**NORTH CENTRAL INDIANA
RURAL CRISIS CENTER, INC.**

DECEMBER 31, 2018 AND 2017

NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

TABLE OF CONTENTS

	<u>PAGE NO.</u>
INDEPENDENT AUDITOR'S REPORT.....	1-2
FINANCIAL STATEMENTS--	
Statements of Assets, Liabilities and Net Assets-- Modified Cash Basis.....	3
Statements of Support, Revenue, Expenses and Changes in Net Assets--Modified Cash Basis.....	4
Statements of Functional Expenses--Modified Cash Basis.....	5
Notes to Financial Statements.....	6-11
INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION.....	12
SUPPLEMENTARY INFORMATION--	
Schedules of Grants--Governmental Agencies-- Modified Cash Basis.....	13



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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
North Central Indiana Rural Crisis Center, Inc.
Rensselaer, Indiana**

We have audited the accompanying financial statements of North Central Indiana Rural Crisis Center, Inc. (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets--modified cash basis as of December 31, 2018 and 2017, and the related statements of support, revenue, expenses and changes in net assets--modified cash basis and the statements of functional expenses--modified cash basis for the years 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 the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 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 Organization'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 on the Organization'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.

INDEPENDENT AUDITOR'S REPORT--CONTINUED

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of North Central Indiana Rural Crisis Center, Inc. as of December 31, 2018 and 2017, and its support, revenue, and expenses for the years then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Huth Thompson LLP

August 10, 2019
Lafayette, Indiana

NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

**STATEMENTS OF ASSETS, LIABILITIES AND
NET ASSETS--MODIFIED CASH BASIS
As of December 31,**

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash	\$ 24,655	\$ 17,485
PROPERTY AND EQUIPMENT		
Buildings and Improvements	262,188	262,188
Furniture and Equipment	22,482	25,208
Vehicles	27,885	27,885
	312,555	315,281
Accumulated Depreciation	(277,891)	(276,639)
	34,664	38,642
	\$ 59,319	\$ 56,127
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Payroll Liabilities	\$ 6,052	\$ 6,231
Employee Loans	251	251
TOTAL CURRENT LIABILITIES	6,303	6,482
NET ASSETS		
Without Donor Restrictions	48,866	46,995
With Donor Restrictions	4,150	2,650
	53,016	49,645
	\$ 59,319	\$ 56,127

See Notes to Financial Statements.

NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

**STATEMENTS OF SUPPORT, REVENUE, EXPENSES AND
CHANGES IN NET ASSETS--MODIFIED CASH BASIS
For Years Ended December 31,**

	COMBINED TOTALS		WITHOUT DONOR RESTRICTIONS		WITH DONOR RESTRICTIONS	
	2018	2017	2018	2017	2018	2017
REVENUE						
Contributions	\$ 14,636	\$ 11,563	\$ 13,136	\$ 10,863	\$ 1,500	\$ 700
In-Kind Contributions	10,167	12,008	10,167	12,008	-	-
Grants--Governmental Agencies	341,795	275,318	341,795	275,318	-	-
Other Grants	750	2,872	750	2,872	-	-
Special Events	17,910	22,368	17,910	22,368	-	-
Interest	67	-	67	-	-	-
	385,325	324,129	383,825	323,429	1,500	700
Net Assets Released from Restrictions	-	-	-	700	-	(700)
	385,325	324,129	383,825	324,129	1,500	-
EXPENSES						
Program Services	309,674	256,544	309,674	256,544	-	-
Management and General	55,804	50,684	55,804	50,684	-	-
Fundraising	16,476	17,685	16,476	17,685	-	-
	381,954	324,913	381,954	324,913	-	-
INCREASE (DECREASE) IN NET ASSETS	3,371	(784)	1,871	(784)	1,500	-
NET ASSETS--Beginning of Year	49,645	50,429	46,995	47,779	2,650	2,650
NET ASSETS--End of Year	\$ 53,016	\$ 49,645	\$ 48,866	\$ 46,995	\$ 4,150	\$ 2,650

See Notes to Financial Statements.

NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

STATEMENTS OF FUNCTIONAL EXPENSES--MODIFIED CASH BASIS
For Years Ended December 31,

	COMBINED TOTALS		PROGRAM SERVICES		MANAGEMENT AND GENERAL		FUNDRAISING	
	2018	2017	2018	2017	2018	2017	2018	2017
Salaries	\$ 268,578	\$ 211,942	\$ 216,763	\$ 168,797	\$ 37,200	\$ 28,645	\$ 14,615	\$ 14,500
Payroll Taxes	20,388	16,345	16,440	13,018	2,830	2,218	1,118	1,109
Employee Benefits	169	153	134	121	23	21	12	11
Utilities and Telephone	11,050	11,040	9,945	9,936	1,105	1,104	-	-
Repairs and Maintenance	5,660	1,666	5,094	1,499	566	167	-	-
Household Supplies and Groceries	3,069	2,401	3,069	2,401	-	-	-	-
In-Kind Program Supplies	10,167	12,008	10,167	12,008	-	-	-	-
Client Expenses	19,838	16,946	19,838	16,946	-	-	-	-
Office Supplies	3,028	3,573	-	-	3,028	3,573	-	-
Office Equipment and Repairs	106	121	-	-	106	121	-	-
Travel and Mileage	5,502	3,042	5,502	3,042	-	-	-	-
Vehicle Expenses	1,284	2,264	1,284	2,264	-	-	-	-
Seminars and Education	2,085	2,959	2,085	2,959	-	-	-	-
Dues and Publications	662	639	-	-	662	639	-	-
Program Supplies	1,370	348	1,370	348	-	-	-	-
Advertising	53	-	-	-	53	-	-	-
Insurance	14,402	19,294	14,402	19,294	-	-	-	-
Professional Fees	9,600	11,015	-	-	9,600	11,015	-	-
Depreciation	3,979	4,346	3,581	3,911	398	435	-	-
Interest	-	15	-	-	-	15	-	-
Miscellaneous	233	156	-	-	233	156	-	-
Special Events	731	2,065	-	-	-	-	731	2,065
Penalties	-	2,575	-	-	-	2,575	-	-
	<u>\$ 381,954</u>	<u>\$ 324,913</u>	<u>\$ 309,674</u>	<u>\$ 256,544</u>	<u>\$ 55,804</u>	<u>\$ 50,684</u>	<u>\$ 16,476</u>	<u>\$ 17,685</u>

See Notes to Financial Statements.

NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of North Central Indiana Rural Crisis Center, Inc.'s significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

- A) **Nature of Operations**--North Central Indiana Rural Crisis Center, Inc. (the Organization) was formed on February 3, 1986 as a not-for-profit corporation located in Rensselaer, Indiana. The Organization provides temporary shelter and counseling for victims of domestic violence in Newton, Jasper, Pulaski, and surrounding counties in Indiana.
- B) **Basis of Accounting**--The Organization's policy is to prepare its financial statements on the modified cash basis of accounting. Consequently, certain revenue is recognized when received rather than when earned and certain expenses and purchases of assets are recognized when the cash is disbursed rather than when the obligation is incurred. Depreciation is calculated on capital assets.
- C) **Use of Estimates**--The preparation of financial statements in conformity with the modified cash basis of accounting requires the Organization to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.
- D) **Property and Equipment**--Property and equipment are recorded at cost. If donated, the cost is the fair market value at the date of receipt. Assets over \$1,000 will be considered for capitalization based upon their expected length of service. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using straight-line and accelerated methods. Maintenance, repairs, and minor renewals are charged to operations as incurred. Improvements and major renewals are capitalized. Upon sale or disposition of properties, the asset account is relieved of the cost and the accumulated depreciation account is charged with depreciation taken prior to the sale. Any resultant gain or loss is credited or charged to operations. Depreciation expense was \$3,979 and \$4,346 for the years ended December 31, 2018 and 2017, respectively.

NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

E) Net Assets--In accordance with FASB Accounting Standards Codification, the net assets of the Organization are reported in each of the following two classes:

(1) *Net Assets Without Donor Restrictions*--Net assets that are not subject to donor-imposed stipulations. Other donor-imposed restrictions require the Organization to use all or part of the income earned on any related investments for general or specific purposes.

(2) *Net Assets With Donor Restrictions*--Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time.

All donor-restricted contributions are recorded as increases in net assets with donor restrictions, depending on the restriction. When a restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of support, revenue, and expenses and changes in net assets--modified cash basis as net assets released from restrictions. Restrictions on gifts of fixed assets or contributions restricted for the purchase of fixed assets expire when the asset is placed in service, unless otherwise stipulated by the donor.

F) Income Taxes--The Organization is a not-for-profit Corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision is made for federal and state income taxes on the Organization's exempt activities. However, if the Organization conducts certain unrelated business activities that do not relate to the exempt purpose of the Organization, those activities will be subject to unrelated business income tax.

NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

F) **Income Taxes (Continued)**--The Organization adopted the provisions of accounting for uncertain tax positions under FASB Accounting Standards Codification. These provisions prescribe a recognition threshold of more-likely-than-not, and a measurement attribute for all tax positions taken or expected to be taken on a tax return, in order for those tax positions to be recognized in the financial statements. The adoption of these provisions resulted in no change to the Organization's retained earnings. As of December 31, 2018 and 2017, the Organization reports no uncertain tax positions and therefore has not recorded any unrecognized tax benefits or liabilities.

As of December 31, 2018, tax returns for calendar years 2015 through 2018 remain subject to examination by the Internal Revenue Service and various state and local tax jurisdictions.

G) **Advertising**--The Organization expenses advertising costs as incurred. During 2018 and 2017, advertising costs totaled \$53 and \$0-, respectively.

H) **Donated Goods and Services**--The Organization records various types of in-kind support including property and equipment, professional services, and materials. Property and equipment donated are capitalized on the basis explained above. Contributed professional services are recognized if the services either create or enhance long-lived assets, or require specialized skills and would typically need to be purchased if not provided by the donation. Contributions of supplies and materials are recognized at fair market value when received. In-kind contributions for the years ended December 31, 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Program Supplies	<u>\$ 10,167</u>	<u>\$ 12,008</u>

The Organization also receives significant donations of time from volunteers that do not meet the two recognized criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the financial statements.

NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

- I) New Accounting Pronouncement--On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

NOTE 2: LIQUIDITY AND AVAILABILITY

The following represents the Organization's financial assets at December 31, 2018:

Financial assets, at year end:

Cash	\$ 24,655
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Less amounts not available to be used within one year:

Net assets with donor restrictions	<u>(4,150)</u>
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Financial assets available to meet general expenditures
over the next twelve months

\$ <u>20,505</u>

The Organization's working capital and cash flows have variations throughout the year based on the length of time the Indiana Criminal Justice Institute (ICJI) requires to process grant claims for reimbursement. ICJI experiences delays in administering funding streams at the beginning of the grant cycle for each stream, with delays lasting as long as six (6) months in some instances. To manage liquidity, the Organization has worked to establish a line of credit (Note 6) with a bank that can be drawn upon as needed throughout the year to manage cash flow, and can be repaid when grant claims are reimbursed by ICJI.

NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE 3: NET ASSETS WITH DONOR RESTRICTIONS

	2018	2017
Training Video	\$ 1,500	\$ -
Educational Learning Center	2,650	2,650
	\$ 4,150	\$ 2,650

As of December 31, 2018 and 2017, all restricted funds are included in cash.

NOTE 4: FUNCTIONAL ALLOCATION OF EXPENSES

The major program the Organization operates is providing temporary shelter and counseling for victims of domestic violence in several counties in Indiana. For the years ended December 31, 2018 and 2017, the Organization's program expenses totaled \$309,674 and \$256,544, respectively. For the purposes of the statements of functional expenses, the Organization allocated major expenses by the following percentages for the years ended December 31, 2018 and 2017. All other costs are directly charged to the appropriate functional classification.

	Program Services		Management and General		Fundraising	
	2018	2017	2018	2017	2018	2017
Salaries, Payroll Taxes and Benefits--						
Executive Director	60%	60%	20%	20%	20%	20%
Client Advocate	80%	80%	20%	20%	0%	0%
Sexual Assault Advocate	90%	90%	10%	20%	0%	0%
Other Employees	90%	90%	10%	10%	0%	0%
Utilities	90%	90%	10%	10%	0%	0%
Repairs & Maintenance	90%	90%	10%	10%	0%	0%
Depreciation	90%	90%	10%	10%	0%	0%

NOTE 5: ECONOMIC DEPENDENCE

The Organization is economically dependent on the contracts from the Indiana Criminal Justice Institute (ICJI) and the Indiana Housing and Community Development Authority (IHCDA). For the years ended December 31, 2018 and 2017, the Organization received 57% and 46%, respectively, of its total revenue from ICJI. For the years ended December 31, 2018 and 2017, the Organization received 14% and 18% of its total revenue from IHCDA, respectively.

NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE 6: SUBSEQUENT EVENTS

In March 2019, the Organization opened a line of credit with a bank for \$25,000, available at a rate of 6.5%, dependent upon prime. The line is secured by a building.

The Organization has evaluated subsequent events through August 10, 2019, the date which the financial statements were available to be issued.



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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
North Central Indiana Rural Crisis Center, Inc.
Rensselaer, Indiana

We have audited the financial statements of North Central Indiana Rural Crisis Center, Inc. as of and for the years ended December 31, 2018 and 2017, and have issued our report thereon dated August 10, 2019, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole.

The following schedule is presented for the purpose 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 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 audits 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.

Huth Thompson LLP

August 10, 2019
Lafayette, Indiana

NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

**SCHEDULES OF GRANTS--GOVERNMENTAL AGENCIES--
MODIFIED CASH BASIS**

For Years Ended December 31,

(See Independent Auditor's Report on Supplementary Information)

	<u>2018</u>	<u>2017</u>
Federal Emergency Management Association	\$ 537	\$ 1,050
Social Services Block Grant	14,397	14,384
Domestic Violence Prevention and Treatment	52,026	55,023
Family Violence and Prevention Services	18,259	14,977
Victims Of Crime Act	34,821	39,350
Emergency Shelter Grant	49,447	53,582
Sexual Assault Victim Assistance Fund	30,365	26,751
Sexual Assault Services (SASP)	34,781	-
Victim of Crime Act 21-Month	35,239	-
Temporary Assistance for Needy Families	4,524	5,000
Counties--		
Jasper	28,999	25,750
Newton	28,400	28,400
Pulaski	<u>10,000</u>	<u>11,051</u>
	<u>\$ 341,795</u>	<u>\$ 275,318</u>