



STATE OF INDIANA
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March 23, 2023

Board of Directors
Family and Youth Services Bureau
253 W. Lincolnway
Valparaiso, IN 46383

We have reviewed the audit report of Family and Youth Services Bureau which was opined upon by Swartz, Retson & Co., PC, Independent Public Accountants, for the period July 1, 2020 to June 30, 2021. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Family and Youth Services Bureau as of June 30, 2021 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Swartz, Retson & Co., PC prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

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

A handwritten signature in black ink that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

**FAMILY AND YOUTH
SERVICES BUREAU**

JUNE 30, 2021 AND 2020

SWARTZ, RETSON & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS
235 E. 86TH AVENUE
MERRILLVILLE, INDIANA 46410

FAMILY AND YOUTH SERVICES BUREAU

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Family and Youth Services Bureau
253 W. Lincolnway
Valparaiso, IN 46383

Opinion

We have audited the accompanying financial statements of Family and Youth Services Bureau (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family and Youth Services Bureau as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Family and Youth Services Bureau and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Family and Youth Services Bureau's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Family and Youth Services Bureau's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Family and Youth Services Bureau's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Merrillville, IN
January 20, 2022

FAMILY AND YOUTH SERVICES BUREAU

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$1,321,808	\$1,338,054
Accounts Receivable – Net of Allowance of \$0 and \$0	152,063	117,094
Prepaid Expenses	19,082	16,016
Land, Buildings and Equipment – Net	<u>582,902</u>	<u>562,781</u>
TOTAL ASSETS	<u>\$2,075,855</u>	<u>\$2,033,945</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Notes Payable	\$ 432,711	\$ 690,540
Capital Leases Payable	31,415	00
Accounts Payable	6,494	8,527
Accrued Taxes and Expenses	(171)	(3,037)
Accrued Salaries and Wages	43,098	44,314
Deferred Revenue	<u>51,220</u>	<u>4,586</u>
Total Liabilities	<u>564,767</u>	<u>744,930</u>
NET ASSETS		
Without Donor Restrictions	1,136,013	910,175
With Donor Restrictions	<u>375,075</u>	<u>378,840</u>
Total Net Assets	<u>1,511,088</u>	<u>1,289,015</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$2,075,855</u>	<u>\$2,033,945</u>

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

FAMILY AND YOUTH SERVICES BUREAU

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS, AND OTHER SUPPORT			
Grants, Contracts, and Client Fees	\$1,118,146	\$375,075	\$1,493,221
Contributions	40,450	00	40,450
Program Income	720	00	720
Interest	1,720	00	1,720
Project Income	25,410	00	25,410
Fundraising Revenue	16,887	00	16,887
Payroll Protection Act Loan Forgiveness	<u>241,592</u>	<u>00</u>	<u>241,592</u>
Revenues, Gains, and Other Support Prior to			
Net Assets Released from Restrictions	1,444,925	375,075	1,820,000
Net Assets Release from Restrictions:			
Satisfaction of Program Restrictions	<u>378,840</u>	<u>(378,840)</u>	<u>00</u>
Total Revenues, Gains, and Other Support	<u>1,823,765</u>	<u>(3,765)</u>	<u>1,820,000</u>
EXPENSES			
Family Services	1,049,535	00	1,049,535
Management and General	500,138	00	500,138
Fundraising	<u>48,254</u>	<u>00</u>	<u>48,254</u>
Total Expenses	<u>1,597,927</u>	<u>00</u>	<u>1,597,927</u>
CHANGE IN NET ASSETS	225,838	(3,765)	222,073
NET ASSETS – Beginning of Year	<u>910,175</u>	<u>378,840</u>	<u>1,289,015</u>
NET ASSETS – End of Year	<u>\$1,136,013</u>	<u>\$375,075</u>	<u>\$1,511,088</u>

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

FAMILY AND YOUTH SERVICES BUREAU

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS, AND OTHER SUPPORT			
Grants, Contracts, and Client Fees	\$1,406,295	\$378,840	\$1,785,135
Contributions	16,786	00	16,786
Interest	1,578	00	1,578
Fundraising Revenue	7,037	00	7,037
Program Income	<u>3,639</u>	<u>00</u>	<u>3,639</u>
Revenues, Gains, and Other Support Prior to Net Assets Released from Restrictions	1,435,335	378,840	1,814,175
Net Assets Release from Restrictions:			
Satisfaction of Program Restrictions	<u>333,900</u>	<u>(333,900)</u>	<u>00</u>
Total Revenues, Gains, and Other Support	<u>1,769,235</u>	<u>44,940</u>	<u>1,814,175</u>
EXPENSES			
Family Services	1,085,296	00	1,085,296
Management and General	<u>564,249</u>	<u>00</u>	<u>564,249</u>
Total Expenses	<u>1,649,545</u>	<u>00</u>	<u>1,649,545</u>
CHANGE IN NET ASSETS	119,690	44,940	164,630
NET ASSETS - Beginning of Year	<u>790,485</u>	<u>333,900</u>	<u>1,124,385</u>
NET ASSETS - End of Year	<u>\$ 910,175</u>	<u>\$378,840</u>	<u>\$1,289,015</u>

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

FAMILY AND YOUTH SERVICES BUREAU
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program	Support Services			Grand Total
	Services	Mgmt and General	Fund- Raising	Total	
	Family Services				
SALARIES AND RELATED EXPENSES					
Salaries and Wages	\$ 694,281	\$267,396	\$ 28,000	\$295,396	\$ 989,677
Employee Benefits	123,041	68,352	14,732	83,084	206,125
Payroll Taxes	<u>55,425</u>	<u>17,871</u>	<u>1,979</u>	<u>19,850</u>	<u>75,275</u>
Total Salaries and Related Expenses	<u>872,747</u>	<u>353,619</u>	<u>44,711</u>	<u>398,330</u>	<u>1,271,077</u>
EXPENSES					
Bank Service Charges	2,713	00	00	00	2,713
Chalk the Walk	00	00	600	600	600
Conference and Training	4,956	270	00	270	5,226
Dues and Subscriptions	2,587	7,539	00	7,539	10,126
Equipment Rental and Repair	13,412	27,429	00	27,429	40,841
Insurance - Auto	00	2,132	00	2,132	2,132
Insurance - Business	00	14,994	00	14,994	14,994
Insurance - Workers' Comp	00	12,327	00	12,327	12,327
Insurance - Other	416	9,294	00	9,294	9,710
Interest	00	23,103	00	23,103	23,103
Office Supplies	8,273	11,206	1,997	13,203	21,476
Postage and Delivery	1,264	1,072	946	2,018	3,282
Printing	1,819	1,582	00	1,582	3,401
Professional Fees	15,166	6,434	00	6,434	21,600
Recruitment	1,808	1,012	00	1,012	2,820
Repairs and Maintenance	19,356	8,593	00	8,593	27,949
Supplies	39,388	00	00	00	39,388
Telephone	7,924	3,943	00	3,943	11,867
Travel	5,776	106	00	106	5,882
Utilities	14,132	9,078	0	9,078	23,210
Volunteer Recognition	<u>1,500</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>1,500</u>
Total Expenses before Depreciation	<u>1,013,237</u>	<u>493,733</u>	<u>48,254</u>	<u>541,987</u>	<u>1,555,224</u>
Depreciation	<u>36,298</u>	<u>6,405</u>	<u>00</u>	<u>6,405</u>	<u>42,703</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$1,049,535</u>	<u>\$500,138</u>	<u>\$ 48,254</u>	<u>\$548,392</u>	<u>\$1,597,927</u>

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

FAMILY AND YOUTH SERVICES BUREAU
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Program Services</u> Family <u>Services</u>	<u>Support Services</u> Mgmt and <u>General</u>	<u>Grand Total</u>
SALARIES AND RELATED EXPENSES			
Salaries and Wages	\$ 764,136	\$286,293	\$1,050,429
Employee Benefits	92,921	80,521	173,442
Payroll Taxes	<u>61,235</u>	<u>18,498</u>	<u>79,733</u>
Total Salaries and Related Expenses	918,292	385,312	1,303,604
EXPENSES			
Agency Events	00	730	730
Auto Maintenance	00	459	459
Bank Service Charges	651	1,600	2,251
Conference and Training	6,998	2,111	9,109
Dues and Subscriptions	6,083	5,859	11,942
Equipment Rental and Repair	12,377	36,079	48,456
Insurance - Auto	00	1,897	1,897
Insurance - Business	00	8,816	8,816
Insurance - Workers' Comp	00	12,489	12,489
Insurance - Other	1,379	13,800	15,179
Interest	00	23,106	23,106
Newsletter	00	1,027	1,027
Office Supplies	8,159	7,395	15,554
Postage and Delivery	1,644	2,464	4,108
Printing	820	904	1,724
Professional Fees	4,067	19,049	23,116
Recruitment	925	585	1,510
Repairs and Maintenance	10,991	14,274	25,265
Retention	17,481	00	17,481
Supplies	30,184	6,934	37,118
Telephone	7,520	3,970	11,490
Travel	9,650	470	10,120
Utilities	<u>14,977</u>	<u>9,078</u>	<u>24,055</u>
Total Expenses before Depreciation	1,052,198	558,408	1,610,606
Depreciation	<u>33,098</u>	<u>5,841</u>	<u>38,939</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$1,085,296</u>	<u>\$564,249</u>	<u>\$1,649,545</u>

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

FAMILY AND YOUTH SERVICES BUREAU

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 222,073	\$ 164,630
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	42,703	38,939
(Increase) Decrease in:		
Accounts Receivable	(34,969)	32,045
Prepaid Expenses	(3,066)	(276)
Increase (Decrease) in:		
Accounts Payable	(2,033)	(81,503)
Accrued Taxes and Expenses	2,866	(4,792)
Accrued Salaries and Wages	(1,216)	14,436
Deferred Revenue	<u>46,634</u>	<u>4,586</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>272,992</u>	<u>168,065</u>
 CASH FLOWS FROM INVESTMENT ACTIVITIES		
Acquisition of Property and Equipment	<u>(62,483)</u>	<u>00</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of Capital Leases	35,251	00
Proceeds of Notes Payable	00	241,592
Repayment of Capital Leases	(4,177)	00
Repayment of Notes Payable	<u>(257,829)</u>	<u>(15,258)</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(226,755)</u>	<u>226,334</u>
 NET INCREASE (DECREASE) IN CASH	(16,246)	394,399
 CASH - Beginning of Year	<u>1,338,054</u>	<u>943,655</u>
 CASH - End of Year	<u>\$1,321,808</u>	<u>\$1,338,054</u>
 SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION		
CASH PAID DURING THE YEAR FOR:		
Interest	\$ 23,103	\$ 23,106
 SUPPLEMENTAL DISCLOSURES OF NON-CASH FINANCING ACTIVITIES		
Forgiveness of Payroll Protection Act Loan	\$ 241,591	\$ 00
Proceeds from Capital Lease	\$ 35,251	\$ 00
 SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING ACTIVITIES		
Equipment Purchased with Proceeds of Capital Leases	\$ (35,251)	\$ 00

The accompanying notes are in integral part of the financial statements.

FAMILY AND YOUTH SERVICES BUREAU

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The mission of the Family and Youth Services Bureau (the Organization) is to assist youth and families through supportive services that create a positive change for Porter County.

Accounting Methods

The financial statements of the Organization are prepared on the accrual basis of accounting.

Program Revenue

The Organization receives program revenue from federal, state, and local agencies. Receipt of these funds is subject to the fulfillment of certain obligations by the Organization as prescribed by these programs and funds may be subject to repayment upon a determination of noncompliance made by a funding agency.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Contributions whose restrictions are met in the same period as the recognition of the contribution are considered unrestricted for reporting purposes.

Contributions

Unconditional pledges by others to give cash and other assets to the Organization are reported at fair value at the date the pledge is received to the extent estimated to be collectible. Pledges and contributions received with donor restrictions that limit the use of the donated assets are reported as increases in net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose for which the donated assets were restricted is fulfilled, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Net Assets With Donor Restrictions

Net assets with donor restrictions are used to differentiate resources, the use of which is restricted by donors or grantors to a specific time period or purpose, from resources on which no restrictions have been placed or that arise from the general operations of the Organization. Gifts, grants, and bequests with donor restrictions are reported as an increase in net assets with donor restrictions in the period received.

Cash

Cash, as presented on the accompanying balance sheets and statements of cash flows, includes cash on hand and deposits in interest bearing and non-interest bearing accounts in financial institutions.

FAMILY AND YOUTH SERVICES BUREAU

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Accounts Receivable

The Organization maintains an allowance for doubtful accounts carried at an amount which bad accounts are reasonably expected not to exceed. Receivables are considered past due when payment is not received within the period allowed under terms of the sales. Periodically, the Organization's management reviews past due receivables and allows for all accounts deemed uncollectible after all reasonable collection efforts have been exhausted.

Liquidity Management

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization maintains cash in excess of monthly requirements in an interest-bearing savings account.

Functional Expense Allocation Methodology

The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. The financial statements report certain categories of expenses as attributable to one or more program or supporting functions of the Organization. Those expenses include depreciation, office space, and administrative department. Depreciation and office space are allocated based on square footage; the administrative department allocated a percentage of cost to each program based on the programs budget as it relates to the overall budget of the entire Organization.

Financial Instruments and Credit Risk

The Organization is a not-for-profit organization providing supportive services to youth and families in need in Porter County, Indiana. The Organization's accounts receivable from grantors, municipalities or other entities purchasing services on a contract basis or consumers are unsecured. Unsecured accounts receivable at June 30, 2021 and 2020 are \$152,063 and \$117,094, respectively. At June 30, 2021, the Organization has \$841,581 in financial institutions in excess of the Federal Deposit Insurance Corporations' (FDIC) insured level of \$250,000. The amount of potential exposure is computed based on the bank's statement balance at June 30, 2021 and is not adjusted for the outstanding checks and other in-transit items reflected in the Organization's records.

Property and Equipment

Property, equipment, and improvement expenditures in excess of \$1,000 are capitalized and carried at cost. Depreciation expense is computed using straight-line and accelerated methods over the estimated useful life of the assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any gain or loss resulting from the transactions is recognized as income for the period. The cost of repairs and maintenance is charged to income as incurred; significant renewals and betterments are capitalized. The depreciation expense for the years ended June 30, 2021 and 2020 was \$38,847 and \$38,939, respectively.

FAMILY AND YOUTH SERVICES BUREAU

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Income Taxes

Family and Youth Services Bureau is exempt from the payment of federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and from state income taxes under Indiana law. The Organization is not a private foundation.

Revenue Recognition

Grants, Contributions, and Pledges - The Organization receives grants and contributions to support operating activities, to subsidize clients, and to support capital projects. The Organization records contributions receivable, net of allowance for estimated uncollectible amounts, when there is sufficient evidence in the form of verifiable documentation that an unconditional promise was received. The Organization discounts multi-year pledges which are recorded at fair value at the date of the pledge. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. The Organization receives grants that are non-exchange transactions that are recognized upon award.

Exchange Transactions - The Organization has revenue streams that are accounted for as exchange transactions and receives payment after services are performed. The Organization's primary program is to provide support to persons in need including individual clients and families. Services are billed out and revenue is recognized monthly which matches the period of time when services were performed.

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 that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Uncertain Income Tax Positions

When applicable, changes in benefits arising from current and prior tax positions taken by the Organization are recognized in the period in which the change occurs. Changes resulting from settlements with taxing authorities are recognized in the period that settlement occurs. Reductions in unrecognized tax benefits as a result of a lapse of the applicable statute of limitations are recognized in the period the statute lapses. Projected penalties and interest recognized on tax positions where it is reasonably possible that the Organization's tax position will not prevail in a review by taxing authorities is recognized as part of current period income tax expense. Management believes that the current and three prior tax periods remain subject to examination by taxing jurisdictions.

FAMILY AND YOUTH SERVICES BUREAU

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

NOTE 2 - ACCOUNTING PRONOUNCEMENTS ADOPTED

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU and all subsequently issued clarifying ASUs replaces most existing revenue recognition guidance in U.S. GAAP. The goal of ASU 2014-09 is to improve comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets. The new guidance requires entities to recognize revenue based on the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization has adopted ASU 2014-09 as of July 1, 2019, using the modified retrospective approach which requires cumulative effect adjustment to opening retained earnings be recorded for the effects of revenue recognition on years prior to adoption. Management has determined that application of ASU 2014-09 and subsequent amendments did not have a material effect on the financial statements for years prior to adoption and, therefore, a cumulative effect adjustment is not necessary.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2021 and 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Grant and Contracts Receivable -		
Net of Allowance for Uncollectable of \$0 and \$0		
for the years ended June 30, 2021 and 2020, respectively	\$ <u>152,063</u>	\$ <u>117,094</u>

NOTE 4 - PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Land	\$ 44,222	\$ 44,222
Building and Improvements	1,192,083	1,176,391
Furniture and Fixtures	79,469	67,929
Vehicles	19,373	19,373
Accumulated Depreciation	<u>(783,981)</u>	<u>(745,134)</u>
Total Property and Equipment	\$ <u>551,166</u>	\$ <u>562,781</u>

FAMILY AND YOUTH SERVICES BUREAU

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 5 - COMMITMENTS

The Organization has long-term lease commitments for office equipment. Rent expense for these leases was \$9,801 and \$11,771 for the years ended June 30, 2021 and 2020, respectively.

Future minimum payments over the remaining terms of the leases are as follows:

<u>Year Ending</u>	<u>Amount</u>
June 30, 2022	\$ 5,285
June 30, 2023	\$ 5,285
June 30, 2024	\$ 3,196
June 30, 2025	\$ 568

NOTE 6 - NOTES PAYABLE

The Organization has the following long-term notes payable at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Payroll Protection Loan, monthly installments of \$10,172, including interest at 1.000%, matures on April 23, 2022	\$ 00	\$241,591
Teachers Credit Union, monthly installments of \$1,302, including interest at 5.08%, matures on May 31, 2038, secured by real estate with a carrying value of \$232,748	176,105	182,723
Teachers Credit Union, monthly installments of \$1,895, including interest at 5.08%, matures on May 31, 2038, secured by real estate with a carrying value of \$219,361	<u>256,606</u>	<u>266,225</u>
Total	432,711	690,539
Less: Current Portion of Debt	<u>16,769</u>	<u>257,517</u>
Total Long-Term Notes Payable	<u>\$415,942</u>	<u>\$433,022</u>

A summary of maturities of debt for the next five years are as follows:

<u>Year Ending</u>	<u>Amount</u>
June 30, 2022	\$ 16,769
June 30, 2023	\$ 17,641
June 30, 2024	\$ 18,558
June 30, 2025	\$ 19,523
June 30, 2026	\$ 20,539

FAMILY AND YOUTH SERVICES BUREAU

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 7 - CAPITAL LEASES

The Organization leases equipment under capital leases. The economic substance of the leases is that the Organization is financing the acquisition of the assets through the leases. Accordingly, the Organization has capitalized equipment as disclosed below:

	<u>2021</u>	<u>2020</u>
Copiers, imputed interest rate of 5.08%, monthly payments of \$559, final payment due November 2025, acquisition cost of \$20,572, accumulated depreciation of \$3,203 and \$0 for the years ended June 30, 2021 and 2020, respectively, depreciation expense of \$3,203 and \$0 for the years ended June 30, 2021 and 2020, respectively	\$ 26,496	\$ 00
Postage machine, imputed interest rate of 5.08%, quarterly payments of \$206, final payment due June 2024, acquisition cost of \$2,839, accumulated depreciation of \$326 and \$0 for the years ended June 30, 2021 and 2020, respectively, depreciation expense of \$326 and \$0 for the years ended June 30, 2021 and 2020, respectively	2,460	00
Postage machine, imputed interest rate of 5.08%, quarterly payments of \$206, final payment due June 2024, acquisition cost of \$2,839, accumulated depreciation of \$326 and \$0 for the years ended June 30, 2021 and 2020, respectively, depreciation expense of \$326 and \$0 for the years ended June 30, 2021 and 2020, respectively	<u>2,460</u>	<u>00</u>
Total	<u>\$ 31,415</u>	<u>\$ 00</u>

Minimum annual lease payments for the term of the leases are as follows:

<u>Year Ending</u>	<u>Amount</u>
June 30, 2022	\$ 8,361
June 30, 2023	8,361
June 30, 2024	8,361
June 30, 2025	7,123
June 30, 2026	<u>2,796</u>
Total Minimum Lease Payments	35,002
Less: Amounts Representing Interest	<u>3,587</u>
Total Obligations Under Capital Leases	31,415
Less: Current Installments of Obligations Under Capital Leases	<u>6,919</u>
Long Term Obligations Under Capital Leases	<u>\$ 24,496</u>

FAMILY AND YOUTH SERVICES BUREAU

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 8 - INTEREST EXPENSE

Interest expense incurred for the years ended June 30, 2021 and 2020 was \$23,103 and \$23,106, respectively.

NOTE 9 - RETIREMENT PLAN

The Organization has a 403(b) plan with Capital Bank and Trust whereby eligible employees make elective deferrals, and the Organization funds 4% of their salary. Employees who are 21 years of age and meet the minimum service requirement are eligible to participate. Full-time employees must be employed a minimum of 12 consecutive months, and part-time employees must be employed a minimum of 36 consecutive months to be eligible to participate. The retirement plan expense for the years ended June 30, 2021 and 2020 totaled \$29,422 and \$30,350, respectively.

NOTE 10 - AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	<u>Amount</u>
Cash	\$1,321,808
Accounts Receivable	<u>152,063</u>
Total Financial Assets Available Within One Year	1,473,871
Less: Amounts Unavailable for General Expenditures Within One Year, due to Restricted by Donors With Purpose Restrictions	<u>375,075</u>
Total Financial Assets Available to Management for General Expenditures Within One Year	<u>\$1,098,796</u>

NOTE 11 - CONCENTRATION OF REVENUE

During the years ended June 30, 2021 and 2020, the Organization received 67% and 54% of its revenues from three and two sources, respectively. No determination has been made as to the effect on the financial statements should funding cease. One source in 2021 was forgiveness of a Payroll Protection Act loan in the amount of \$241,592, which will not reoccur in future periods.

FAMILY AND YOUTH SERVICES BUREAU

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS

Cash, as reported on the statement of financial position, includes amounts which are restricted for specific purposes by the direction of the donor or grantor:

	<u>2021</u>	<u>2020</u>
Services for the Residents of Porter County, Indiana -		
Total Net Assets With Donor Restrictions	<u>\$375,075</u>	<u>\$378,840</u>

NOTE 13 - SMALL BUSINESS ADMINISTRATION - PAYCHECK PROTECTION PROGRAM

During the fiscal year ending June 30, 2020, the Organization received loan proceeds of \$241,591 under the Paycheck Protection Program ("PPP") administered by the Small Business Administration ("SBA"). The PPP was established as part of the Coronavirus aid, Relief, and Economic Security ("CARES") Act to provide economic stimulus and relief to employers and individuals that are dealing with the COVID-19 pandemic and its economic consequences. Qualifying businesses were eligible to receive loans based upon eligible payroll expenses. The loan and accrued interest are forgivable providing the business uses the proceeds for eligible purposes during the covered period as described in the CARES Act, including payroll and benefit, rent and utilities, and the maintenance of pre-pandemic employment levels. Loan forgiveness may be reduced if the business terminates employees or reduces salaries during the covered period.

During the prescribed performance period, the Organization expended all PPP proceeds for qualified purposes and met the requirements for forgiveness. The Organization has been advised that the loan has been forgiven by the SBA. The forgiven amount of proceeds has been reflected in the accompanying financial statements for the year ended June 30, 2021 .

NOTE 14 - SUBSEQUENT EVENT - CORONAVIRUS (COVID-19)

In December 2019, an outbreak of a new strain of coronavirus, COVID-19, emerged in Wuhan, China. Within weeks, despite efforts to contain the virus in China that included widespread shutdowns of cities and businesses, the number of those infected grew significantly, and beyond China's borders. During 2020, the coronavirus has spread worldwide, including the United States. The virus continues to spread in the United States and it affects business operations, supply chains, business and leisure travel, commodity prices, consumer confidence and business sentiment, and as companies consider the impact on their businesses of employees working from home and consumers avoiding air travel, stores, restaurants, sports events and other venues, most businesses and industry sectors will be affected. The coronavirus outbreak is still evolving and its effects on the Organization cannot be reasonably determined.

FAMILY AND YOUTH SERVICES BUREAU

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 15 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 20, 2022, the date the financial statements were available for issuance.