

CRISIS CENTER, INC.

FINANCIAL STATEMENTS

Years Ended December 31, 2015 and 2014



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INDEPENDENT AUDITORS' REPORT

The Board of Directors

CRISIS CENTER, INC.

We have audited the accompanying financial statements of Crisis Center, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and changes in net assets, functional expenses and cash flows 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 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.

Auditors' 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 auditors' 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 Crisis Center, Inc. as of December 31, 2015 and 2014, 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.

Mayer *Jeffman* *McCann P.C.*

October 17, 2016
Chicago, Illinois

CRISIS CENTER, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2015 and 2014

	2015	2014
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 215,228	\$ 250,362
Grants and contracts receivable, less allowance for doubtful accounts (\$2,500 in 2015 and 2014)	369,557	292,340
Other receivables	13,250	-
Prepaid insurance	42,257	23,017
TOTAL CURRENT ASSETS	640,292	565,719
INVESTMENTS		
Porter County Community Foundation, Inc.	834,395	917,411
Legacy Foundation, Inc.	54,322	44,923
J.P. Morgan Chase	-	1,856,377
Merrill Lynch	1,941,642	-
TOTAL INVESTMENTS	2,830,359	2,818,711
PROPERTY, PLANT AND EQUIPMENT, at cost, less accumulated depreciation	3,207,787	3,316,649
TOTAL ASSETS	\$ 6,678,438	\$ 6,701,079
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 50,066	\$ 42,808
Accrued expenses	32,110	26,104
TOTAL CURRENT LIABILITIES	82,176	68,912
<u>NET ASSETS</u>		
NET ASSETS		
Unrestricted	5,098,594	5,130,387
Temporarily restricted	4,080	8,192
Permanently restricted	1,493,588	1,493,588
TOTAL NET ASSETS	6,596,262	6,632,167
TOTAL LIABILITIES AND NET ASSETS	\$ 6,678,438	\$ 6,701,079

See Notes to Financial Statements

CRISIS CENTER, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended December 31, 2015 and 2014

	2015	2014
CHANGES IN UNRESTRICTED NET ASSETS		
UNRESTRICTED REVENUES AND PUBLIC SUPPORT		
Public support:		
Contributions received directly	\$ 25,063	\$ 13,787
Contribution from Anderson Foundation	100,000	100,000
Allocated by the Lake Area United Way	53,000	62,576
Allocated by other area United Ways	9,021	8,987
TOTAL PUBLIC SUPPORT	187,084	185,350
Program revenue:		
Counseling	1,315	5,839
Teen Court	3,780	2,865
TOTAL PROGRAM REVENUE	5,095	8,704
Cost reimbursements - federal programs:		
HHS Runaway Youth Program (FYSB)	198,790	198,670
Emergency Solutions Grant (City of Gary)	87,250	50,835
Indiana Department of Education	23,493	18,554
TOTAL COST REIMBURSEMENTS - FEDERAL PROGRAMS	309,533	268,059
Cost reimbursements - state and local programs:		
Indiana Department of Child Services	842,490	553,049
Indiana Youth Service Association	54,968	37,633
Indiana Youth Service Association - Safe Place	11,285	14,000
Geminus - Circle Around Families	91,371	39,513
Geminus - Safely Home	45,819	31,250
Choices Inc.	64,265	43,230
Teen Court Portage Township School	-	34,820
LCSAC Life Skills Training Grant	3,000	5,000
LCSAC Law Enforcement Teen Court	8,500	15,000
Geminus - Strengthening Families	3,500	5,833
Geminus - Let's Talk Runaway Prevention	3,934	-
TOTAL COST REIMBURSEMENTS - STATE AND LOCAL PROGRAMS	1,129,132	779,328
Other sources:		
Special events	269,242	252,272
Miscellaneous	42	169
Volunteer services	47,898	39,508
Donated supplies	14,739	21,761
TOTAL OTHER SOURCES	331,921	313,710
Investment income (loss):		
Interest and dividend income	67,649	99,164
Gain (loss) on investments	(77,288)	12,236
TOTAL INVESTMENT INCOME (LOSS)	(9,639)	111,400
TOTAL UNRESTRICTED REVENUES AND PUBLIC SUPPORT	1,953,126	1,666,551

See Notes to Financial Statements

CRISIS CENTER, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS - Continued

Years Ended December 31, 2015 and 2014

	2015	2014
FUNCTIONAL EXPENSES		
Program services:		
Alternative House	\$ 1,282,560	\$ 1,108,157
Counseling Services	202,232	139,891
Crisis Contact	52,180	31,980
Safe Place	47,496	46,428
Teen Court	91,879	96,782
TOTAL PROGRAM SERVICES	1,676,347	1,423,238
Supporting services:		
Special events	62,814	56,998
General and administrative	245,758	194,297
TOTAL SUPPORTING SERVICES	308,572	251,295
TOTAL FUNCTIONAL EXPENSES	1,984,919	1,674,533
DECREASE IN UNRESTRICTED NET ASSETS	(31,793)	(7,982)
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Gain (loss) on investments	(15,132)	1,417
Interest and dividend income	11,020	6,775
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	(4,112)	8,192
INCREASE (DECREASE) IN NET ASSETS	(35,905)	210
NET ASSETS, BEGINNING OF YEAR	6,632,167	6,631,957
TOTAL NET ASSETS	\$ 6,596,262	\$ 6,632,167

See Notes to Financial Statements

CRISIS CENTER, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2015

	Program Services					Supporting Services			Grand Total	
	Alternative House	Counseling Services	Crisis Contact	Safe Place	Teen Court	Total	Special Events	General and Administrative		Total
SALARIES AND RELATED EXPENSES										
Salaries and wages	\$ 651,101	\$ 138,459	\$ 36,212	\$ 26,721	\$ 59,252	\$ 911,745	\$ 18,353	\$ 121,645	\$ 139,998	\$ 1,051,743
Employee health and life insurance	43,520	10,103	1,554	4,663	6,217	66,057	-	11,657	11,657	77,714
Employee retirement plan	11,393	2,644	407	1,221	1,628	17,293	-	3,051	3,051	20,344
Employee disability and workers' compensation	17,459	4,053	624	1,871	2,494	26,501	-	4,677	4,677	31,178
Payroll taxes	63,063	12,825	3,287	2,304	5,167	86,646	1,404	10,393	11,797	98,443
TOTAL SALARIES AND RELATED EXPENSES	786,536	168,084	42,084	36,780	74,758	1,108,242	19,757	151,423	171,180	1,279,422
OPERATING EXPENSES										
Professional fees and consultants	23,091	19,160	824	2,474	3,299	48,848	-	6,043	6,043	54,891
Donated services	54,867	-	-	-	7,770	62,637	1,015	-	1,015	63,652
Printing expenses	2,014	44	539	1,454	357	4,408	-	1,006	1,006	5,414
Office expense and supplies	18,674	2,702	416	1,247	1,663	24,702	4,060	5,755	9,815	34,517
Telephone	9,358	220	141	110	110	9,939	-	1,089	1,089	11,028
Postage and shipping	31	-	-	-	-	31	-	1,575	1,575	1,606
Utilities	53,126	1,188	625	625	686	56,250	-	6,247	6,247	62,497
Maintenance expense	34,939	-	-	-	-	34,939	-	2,730	2,730	37,669
Equipment repair and rental	5,183	-	-	-	-	5,183	479	1,161	1,640	6,823
Food supplies	84,077	-	153	-	6	84,236	30,632	-	30,632	114,868
Resident and recreation supplies	22,619	-	-	-	-	22,619	-	-	-	22,619
Van expense and staff mileage	29,778	-	1,292	273	1,132	32,475	1,736	4,098	5,834	38,309
Conferences and education	3,598	975	1,670	1,927	-	8,170	-	7,092	7,092	15,262
Subscriptions	220	575	2,388	-	-	3,183	-	1,769	1,769	4,952
Miscellaneous	1,131	205	-	98	138	1,572	2,087	-	2,087	3,659
Employee expenses	12,388	613	72	219	424	13,716	-	1,834	1,834	15,550
Membership dues	639	-	-	-	-	639	-	7,474	7,474	8,113
Insurance	29,454	4,864	347	348	252	35,265	-	10,674	10,674	45,939
Special event purchases	-	-	-	-	-	-	3,048	-	3,048	3,048
Property taxes	-	-	-	-	-	-	-	360	360	360
Investment fees/losses	-	-	-	-	-	-	-	23,515	23,515	23,515
TOTAL OPERATING EXPENSES	385,187	30,546	8,467	8,775	15,837	448,812	43,057	82,422	125,479	574,291
TOTAL EXPENSES BEFORE DEPRECIATION	1,171,723	198,630	50,551	45,555	90,595	1,557,054	62,814	233,845	296,659	1,853,713
DEPRECIATION	110,837	3,602	1,629	1,941	1,284	119,293	-	11,913	11,913	131,206
TOTAL EXPENSES	\$ 1,282,560	\$ 202,232	\$ 52,180	\$ 47,496	\$ 91,879	\$ 1,676,347	\$ 62,814	\$ 245,758	\$ 308,572	\$ 1,984,919

See Notes to Financial Statements

CRISIS CENTER, INC.

STATEMENTS OF FUNCTIONAL EXPENSES - Continued

Year Ended December 31, 2014

	Program Services					Total	Supporting Services			Grand Total
	Alternative House	Counseling Services	Crisis Contact	Safe Place	Teen Court		Special Events	General and Administrative	Total	
SALARIES AND RELATED EXPENSES										
Salaries and wages	\$ 527,555	\$ 83,325	\$ 19,279	\$ 24,269	\$ 62,800	\$ 717,228	\$ 18,159	\$ 87,410	\$ 105,569	\$ 822,797
Employee health and life insurance	48,923	11,357	1,747	5,242	6,989	74,258	-	13,104	13,104	87,362
Employee retirement plan	10,723	2,489	383	1,149	1,532	16,276	-	2,872	2,872	19,148
Employee disability and workers' compensation	18,284	4,245	653	1,959	2,612	27,753	-	4,898	4,898	32,651
Payroll taxes	50,305	8,633	1,966	2,060	5,340	68,304	1,389	7,190	8,579	76,883
TOTAL SALARIES AND RELATED EXPENSES	655,790	110,049	24,028	34,679	79,273	903,819	19,548	115,474	135,022	1,038,841
OPERATING EXPENSES										
Professional fees and consultants	28,980	16,757	1,035	3,105	4,220	54,097	-	7,622	7,622	61,719
Donated services	55,459	-	-	-	5,810	61,269	-	-	-	61,269
Printing expenses	1,102	200	126	192	299	1,919	819	232	1,051	2,970
Office expense and supplies	15,048	2,177	335	1,005	1,340	19,905	846	7,063	7,909	27,814
Telephone	9,073	213	107	107	107	9,607	-	1,067	1,067	10,674
Postage and shipping	1,246	289	45	134	178	1,892	1,486	335	1,821	3,713
Utilities	49,233	1,158	579	579	579	52,128	-	5,792	5,792	57,920
Maintenance expense	25,102	-	-	-	-	25,102	-	3,895	3,895	28,997
Equipment repair and rental	11,944	-	-	-	-	11,944	400	1,044	1,444	13,388
Food supplies	59,868	-	107	37	-	60,012	30,339	-	30,339	90,351
Resident and recreation supplies	12,574	-	-	15	-	12,589	-	-	-	12,589
Van expense and staff mileage	23,669	-	138	842	862	25,511	159	3,272	3,431	28,942
Conferences and education	6,236	-	777	695	445	8,153	-	4,868	4,868	13,021
Subscriptions	57	-	2,388	-	-	2,445	-	1,201	1,201	3,646
Miscellaneous	369	57	9	26	35	496	1,000	105	1,105	1,601
Interest expense	-	-	-	-	-	-	-	326	326	326
Employee expenses	9,579	474	56	169	328	10,606	-	1,418	1,418	12,024
Membership dues	4,603	-	-	1,967	1,192	7,762	-	20	20	7,782
Insurance	28,035	4,630	330	331	240	33,566	-	10,160	10,160	43,726
Special event purchases	-	-	-	-	-	-	2,401	-	2,401	2,401
Investment fees/losses	-	-	-	-	-	-	-	19,945	19,945	19,945
TOTAL OPERATING EXPENSES	342,177	25,955	6,032	9,204	15,635	399,003	37,450	68,365	105,815	504,818
TOTAL EXPENSES BEFORE DEPRECIATION	997,967	136,004	30,060	43,883	94,908	1,302,822	56,998	183,839	240,837	1,543,659
DEPRECIATION	110,190	3,887	1,920	2,545	1,874	120,416	-	10,458	10,458	130,874
TOTAL EXPENSES	\$ 1,108,157	\$ 139,891	\$ 31,980	\$ 46,428	\$ 96,782	\$ 1,423,238	\$ 56,998	\$ 194,297	\$ 251,295	\$ 1,674,533

See Notes to Financial Statements

CRISIS CENTER, INC.

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (35,905)	\$ 210
Adjustments to reconcile increase (decrease) in net assets to net cash flows from operating activities:		
Depreciation	131,206	130,874
Realized and unrealized (gain) loss on investments	92,420	(13,653)
Increase in operating assets:		
Grants and contracts receivable	(77,217)	(151,308)
Other receivables	(13,250)	-
Prepaid insurance	(19,240)	(15,812)
Increase in operating liabilities:		
Accounts payable and accrued expenses	13,264	18,309
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>91,278</u>	<u>(31,380)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(22,344)	(9,870)
Proceeds from sale of investments	2,419,561	528,271
Purchase of investments	(2,523,629)	(553,438)
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(126,412)</u>	<u>(35,037)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(35,134)	(66,417)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>250,362</u>	<u>316,779</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 215,228</u>	<u>\$ 250,362</u>

See Notes to Financial Statements

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(1) Summary of significant accounting policies

Nature of organization - Crisis Center, Inc. (the "Organization") is a not-for-profit organization which operates the following programs benefiting clients primarily in the Lake and Porter counties of Indiana:

Alternative House is an emergency shelter for runaway, homeless, frightened, abused and/or neglected boys and girls, ages 10 to 20. Food; clothing; transportation; education; medical and dental referrals; recreation; group, individual and family counseling; and diagnostic testing are provided through either the Organization's services or referral. Efforts are aimed at reuniting families, if possible, or to assist in developing an alternative and safe living environment. Twenty beds are assigned for runaway and homeless youths. Years-long outcome determination is made through phone contact with parents or caregivers.

Alternative House's Safely Home project provides for the protection, safety and well-being of children in crisis. Children and youths who have been pushed out, are runaways, or are discovered on the streets by police are transported by police to safety and services at Alternative House. Parents or caregivers are immediately contacted when a youth enters the program so that counseling and other services aimed at reuniting, strengthening and preserving families take place.

The Counseling Services offer fast, easy-to-reach, professional services that include individual, group and family counseling. Master degreeed counselors are available for scheduled appointments evenings and weekends. Life Skills and Strengthening Family groups are substance abuse services for Alternative House youth provided by the Organization's counselors to decrease drug use and improve family functioning.

Crisis Contact is a 365-day, free, immediate telephone information, referral, crisis intervention listening/phone counseling service answered by trained volunteers. The service is connected to the national suicide prevention telephone lines.

The Organization's Safe Place project employs a network of volunteer businesses that display a Safe Place sign indicating their willingness to offer fast, free, immediate safety. The Organization's staff provides transportation from the business to the emergency shelter, Alternative House, where professionals provide services to help youths and families.

Teen Court is a youth development and delinquency prevention program of the Organization. Teen Court provides a youth-run court in which attorney-trained young people act as prosecution, defense, clerk, bailiff and jurors. Volunteer youth jurors determine the sentence for youth offenses referred by area police departments. Community service, restitution, and other sentences include serving on the Teen Court for a specified period of time. The goal of Teen Court is to provide a learning experience in personal responsibility as citizens of their community. Years-long contact determines success of Teen Court through recidivism determination.

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(1) Summary of significant accounting policies (continued)

Basis of presentation - The Organization is required to report information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted - Includes undesignated and board-designated sources, with no legal or donor-imposed restrictions. Items affecting this net asset category include program expenses associated with the Organization's activities and all other expenses and restricted contributions whose donor-imposed restrictions were met during the years.

Temporarily restricted - Includes resources with legal or donor-imposed restrictions, including restrictions as to time of utilization of resources and resources for which use is restricted to specified programs. Items affecting this net asset category are restricted contributions and grants. These amounts are reclassified to unrestricted net assets when the restrictions have expired or have been satisfied by expenditures for the intended purposes. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Permanently restricted - Includes resources subject to restrictions of gift instruments requiring that principal be invested in perpetuity and investment income be utilized for support of activities.

Cash and cash equivalents - Cash and cash equivalents consist of highly liquid interest-bearing depository accounts. The Organization considers all highly liquid investments with a maturity of three months or less at date of purchase to be cash equivalents.

Property, plant and equipment - Property, plant and equipment are stated at cost if purchased and at fair value at the date of contribution of assets donated to the Organization. Depreciation of property, plant and equipment is provided using the straight-line method over the estimated useful lives of the respective assets. Maintenance, repairs and items less than \$5,000 are charged to expense as incurred; major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in revenues. Depreciation expense for the years ended December 31, 2015 and 2014, was \$131,206 and \$130,874, respectively.

Contributions and grants - All public support is considered to be available for unrestricted use unless restricted specifically by the donor or funding agency. At its discretion, the Board of Directors may designate certain funds for specific purposes.

Contributions and grants restricted by the donor, grantor or other outside party are reported as temporarily or permanently restricted revenue, as applicable, when granted or pledged to the Organization.

Contributions of securities and equipment are recorded at fair market value at the date of the gift.

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(1) Summary of significant accounting policies (continued)

Investments - The Organization invests in investment pools and marketable securities with readily determinable fair values. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities and changes in net assets.

Functional expenses - Operating expenses directly identifiable with a functional area are charged to that area, and, where expenses affect more than one area, they are allocated on the basis of ratios determined by management.

Asset impairment assessments - The Organization reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. An impairment is evaluated based on the sum of undiscounted estimated future cash flows expected to result from use of the asset compared to its carrying value. If an impairment is recognized, the carrying value of the impaired asset is reduced to its fair value. No impairment was recognized in 2015 or 2014.

Use of estimates - The preparation of financial statements in conformity with U.S. 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 financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Investments and fair value measurements

Effective July 1, 2008, the Organization adopted the generally accepted accounting framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under U.S. generally accepted accounting principles are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(2) Investments and fair value measurements (continued)

Level 3: Inputs to the valuation methodology are significant to the fair value measurement and are unobservable.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual fund investments - Valued at the net asset value, based on quoted market prices in active markets, of shares held by the Organization at year-end.

Investment pools - The investments at Legacy Foundation, Inc. and Porter County Community Foundation, Inc. represent pools of funds held by Legacy Foundation, Inc. and Porter County Community Foundation, Inc. for the benefit of the Organization and other not-for-profit organizations. These funds are valued at fair value of the underlying securities which are primarily determined from closing prices reported on the active market.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of the different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(2) Investments and fair value measurements (continued)

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2015 and 2014:

	December 31, 2015				Total
	Cost	Level 1	Level 2	Level 3	
Merrill Lynch:					
Equity	\$ 1,381,823	\$ 1,136,372	\$ -	\$ -	\$ 1,136,372
Fixed Income	659,719	805,270	-	-	805,270
Total	<u>2,041,542</u>	<u>1,941,642</u>	<u>-</u>	<u>-</u>	<u>1,941,642</u>
Porter County Community Foundation, Inc.:					
Mutual Funds - Pool A	127,001	-	138,162	-	138,162
Mutual Funds - Pool B	1,013,555	-	696,233	-	696,233
Total	<u>1,140,556</u>	<u>-</u>	<u>834,395</u>	<u>-</u>	<u>834,395</u>
Legacy Foundation, Inc.:					
Mutual Funds	55,907	-	54,322	-	54,322
Total	<u>\$ 3,238,005</u>	<u>\$ 1,941,642</u>	<u>\$ 888,717</u>	<u>\$ -</u>	<u>\$ 2,830,359</u>

	December 31, 2014				Total
	Cost	Level 1	Level 2	Level 3	
J.P. Morgan Chase:					
Large Cap Equity	\$ 361,296	\$ 485,926	\$ -	\$ -	\$ 485,926
Mid Cap/Small Cap Equity	78,532	128,102	-	-	128,102
Non US Equity	471,106	508,058	-	-	508,058
Fixed Income	420,855	734,291	-	-	734,291
Total	<u>1,331,789</u>	<u>1,856,377</u>	<u>-</u>	<u>-</u>	<u>1,856,377</u>
Porter County Community Foundation, Inc.:					
Mutual Funds - Pool A	132,443	-	150,445	-	150,445
Mutual Funds - Pool B	1,040,775	-	766,966	-	766,966
Total	<u>1,173,218</u>	<u>-</u>	<u>917,411</u>	<u>-</u>	<u>917,411</u>
Legacy Foundation, Inc.:					
Mutual Funds	50,085	-	44,923	-	44,923
Total	<u>\$ 2,555,092</u>	<u>\$ 1,856,377</u>	<u>\$ 962,334</u>	<u>\$ -</u>	<u>\$ 2,818,711</u>

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(3) Grants and contracts receivable

Grants and contracts receivable are reported at their estimated net realizable value. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of grantors to meet their obligations. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Grants and contracts receivable are composed of the following amounts due at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Indiana Department of Child Services	\$ 168,970	\$ 136,145
Less: allowance for uncollectible accounts	<u>(2,500)</u>	<u>(2,500)</u>
Total Indiana Department of Child Services	<u>166,470</u>	<u>133,645</u>
Federal, state and local grants:		
Geminus - Safely Home	9,023	9,375
Geminus - Circle Around Families	28,635	5,673
Choices Inc.	5,246	5,868
Geminus - Strengthening Families	-	1,750
Geminus - Training Reimbursement	1,900	-
Geminus - Let's Talk Runaway Prevention	1,311	-
Emergency Solutions Grant (City of Gary)	87,250	50,835
HHS Runaway Youth Program (FYSB)	49,698	49,698
Indiana Department of Education	10,448	6,334
Indiana Youth Service Association	8,348	9,416
Indiana Youth Service Association - Safe Place	1,228	2,333
Teen Court Portage Township School	-	17,413
Total federal, state and local grants	<u>203,087</u>	<u>158,695</u>
Total grants and contracts receivable	<u>\$ 369,557</u>	<u>\$ 292,340</u>

All grants receivable are expected to be collected in 2016.

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(4) Property, plant and equipment

Property, plant and equipment as of December 31, 2015 and 2014, consist of the following:

	<u>2015</u>	<u>2014</u>
Cost:		
Land	\$ 43,813	\$ 43,813
Buildings	4,137,097	4,137,097
Building improvements	236,340	236,340
Landscape improvements	159,023	159,023
Furniture and equipment	280,271	257,928
Automobiles	77,589	77,589
Total cost	4,934,133	4,911,790
Accumulated depreciation and amortization	<u>(1,726,346)</u>	<u>(1,595,141)</u>
Net property, plant and equipment	<u>\$ 3,207,787</u>	<u>\$ 3,316,649</u>

(5) Donated materials and services

Donated equipment, furniture and fixtures are reflected as contributions in the accompanying statements at their estimated values on the date of receipt. For the years ended December 31, 2015 and 2014, volunteers contributed significant hours of their time. The value of contributed services meeting the requirements for recognition in the financial statements amounted to \$47,898 and \$39,508 as of December 31, 2015 and 2014, respectively.

(6) Pension plan

The Organization maintains a tax-deferred annuity plan under Internal Revenue Code Section 403(b). Organization contributions to the plan were \$20,344 and \$19,148 as of December 31, 2015 and 2014, respectively.

(7) Temporarily and permanently restricted net assets

The Sourlis-Sandala Family Endowment Fund for Crisis Center, Inc., a Youth Service Bureau, was established on December 20, 2002. The primary purpose of the fund is to provide continuing support for the charitable work performed by the Organization.

At the May 14, 2009 board of directors meeting, there was a unanimous vote to move the Sourlis-Sandala Family Endowment Fund to the Porter County Community Foundation, Inc. This move is consistent with the original donors' intentions and allows the Organization to benefit from the management expertise provided by the Porter County Community Foundation, Inc. On August 25, 2009, this change was effected, and funds valued at \$947,087 were transferred from First Midwest Bank, J.P. Morgan Chase, Peoples Bank, and Centier Bank to the Porter County Community Foundation, Inc.

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(7) Temporarily and permanently restricted net assets (continued)

In concert with the move to the community foundation, and on the advice of legal counsel, the original agreement between the principal original donor, Tom Sourlis, and the Organization, which established the endowment fund, was replaced by a new agreement entitled "Designated Endowment Fund Agreement Between Porter County Community Foundation, Inc., and Crisis Center, Inc., a Youth Service Bureau" (the "Donor"). Mr. Sourlis was involved in the process of replacing the former agreement with the new one and was in favor of the change.

The new agreement establishes, in effect, a new fund to be known as the "Sourlis-Sandala Family Endowment Fund for Crisis Center, Inc., a Youth Service Bureau" (the "Fund"), with a corpus valued at \$947,087 on the date of inception. General provisions of the agreement are as follows:

- Irrevocability of the asset transfer.
- Purpose of the Fund, which is to provide support to the Organization to further its charitable or other exempt purposes consistent with its mission.
- Distributions of income, capital appreciation, and principal, net of fees, to be made in accordance with Porter County Community Foundation, Inc.'s spending policy, with the goal of preserving the capital, balanced with the Organization's current needs.
- The Porter County Community Foundation, Inc. will hold and administer the Fund and will provide the Donor with a copy of its annual audit.
- Conditions for acceptance of gifts, which must comply with applicable laws and bylaws of the Porter County Community Foundation, Inc.
- Continuity, which provides that the Fund will continue as long as assets are available and the purposes of the Fund can be served.
- The Fund is not a separate trust and is a component part of the Porter County Community Foundation, Inc.
- Receipts and disbursements of the Fund will be accounted for separately.
- The Porter County Community Foundation, Inc. has the power to retain or invest Fund assets, including the power to comingle assets with other funds for investment purposes.
- Costs of the Fund will be determined in accordance with Porter County Community Foundation, Inc.'s fee schedule.

Assets in the Fund were valued at \$834,395 and \$917,411 at December 31, 2015 and 2014, respectively. The Fund had losses of \$32,622 and gains of \$30,569 for the years ended December 31, 2015 and 2014, respectively. At December 31, 2015 and 2014, the permanently restricted assets in the Fund exceeded the market value by \$112,692 and \$29,677, respectively. Under the current spending policy of Porter County Community Foundation, Inc., \$50,353 was released to unrestricted net assets and distributed in 2015 and \$47,342 will be distributed in 2016.

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(7) Temporarily and permanently restricted net assets (continued)

As of December 31, 2015 and 2014, the Organization has received cumulative contributions of \$506,801 to the Donald G. Capp Memorial Fund. The primary purpose of the Donald G. Capp Memorial Fund is to provide support for the Organization. The corpus is considered permanently restricted, and earnings are considered temporarily restricted. The Fund had losses of \$4,112 and gains of \$16,077 for the years ended December 31, 2015 and 2014, respectively. At December 31, 2015 and 2014, the market value exceeded permanently restricted assets by \$4,080 and \$8,192, respectively. Earnings in excess of the corpus are temporarily restricted. Unrestricted net assets were charged for unrealized losses in excess of the permanently restricted amount.

According to the agreement with Legacy Foundation, Inc., the corpus of \$36,655 should be permanently restricted, with all unrealized gains on endowment securities unrestricted.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(7) Temporarily and permanently restricted net assets (continued)

As of December 31, 2015 and 2014, temporarily restricted net assets were available for the following purposes:

	<u>December 31, 2014</u>	<u>Contributions</u>	<u>Appropriated for Expenditure</u>	<u>Investment Losses</u>	<u>December 31, 2015</u>
Donald G. Capp Memorial Fund	\$ 8,192	\$ -	\$ -	\$ (4,112)	\$ 4,080
Porter County Community Foundation, Inc.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 8,192</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,112)</u>	<u>\$ 4,080</u>
	<u>December 31, 2013</u>	<u>Contributions</u>	<u>Appropriated for Expenditure</u>	<u>Investment Gains</u>	<u>December 31, 2014</u>
Donald G. Capp Memorial Fund	\$ -	\$ -	\$ -	\$ 8,192	\$ 8,192
Porter County Community Foundation, Inc.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,192</u>	<u>\$ 8,192</u>

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(7) Temporarily and permanently restricted net assets (continued)

As of December 31, 2015 and 2014, permanently restricted net assets were available for the following purposes:

	December 31, 2014	Contributions	Undistributed Gain to Corpus	Investment Losses	December 31, 2015
Donald G. Capp Memorial Fund	\$ 509,846	\$ -	\$ -	\$ -	\$ 509,846
Legacy Foundation, Inc.	36,655	-	-	-	36,655
Porter County Community Foundation, Inc.	947,087	-	-	-	947,087
	<u>\$ 1,493,588</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,493,588</u>
	December 31, 2013	Contributions	Undistributed Gain to Corpus	Investment Losses	December 31, 2014
Donald G. Capp Memorial Fund	\$ 509,846	\$ -	\$ -	\$ -	\$ 509,846
Legacy Foundation, Inc.	36,655	-	-	-	36,655
Porter County Community Foundation, Inc.	947,087	-	-	-	947,087
	<u>\$ 1,493,588</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,493,588</u>

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(8) Concentrations

The Organization is supported by grants and contributions from the public. During 2015 and 2014, approximately 43% and 36%, respectively, of the Organization's revenue were earned under contract with Indiana Department of Child Services.

The Organization's cash on deposit at financial institutions is potentially exposed to concentrations of credit risk. However, the deposits are placed with major financial institutions, which management believes limits its exposure to risk of loss.

(9) Income taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and accordingly, no provision has been made for Federal income tax.

(10) Line of credit

The Organization maintained a line of credit agreement with J.P. Morgan Chase in the amount of \$500,000. The amounts borrowed under this agreement bore interest monthly at a fixed rate equal to the Adjusted LIBOR rate plus 1.70%. The loan was collateralized by the J.P. Morgan Chase Prime Money Market investment account. The line of credit was scheduled to expire on October 31, 2014, and was canceled on October 23, 2014.

(11) Cash flow disclosures

As of December 31, 2014, interest expense was paid in cash of \$326.

(12) Subsequent events

The Organization has evaluated subsequent events through October 17, 2016, the date which the financial statements were available to be issued.