



Youth Connections

JOHNSON COUNTY YOUTH SERVICES BUREAU, INC.

D/B/A

YOUTH CONNECTIONS

FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015



JOHNSON COUNTY YOUTH SERVICES BUREAU, INC.
D/B/A
YOUTH CONNECTIONS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Johnson County Youth Services Bureau, Inc.
d/b/a Youth Connections
Franklin, Indiana

We have audited the accompanying financial statements of Johnson County Youth Services Bureau, Inc. d/b/a/ Youth Connections, which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Johnson County Youth Services Bureau, Inc. d/b/a Youth Connections as of December 31, 2016 and 2015, and the changes in net assets, functional expenses, and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Aludy CPA Group

May 9, 2017

JOHNSON COUNTY YOUTH SERVICES BUREAU, INC.
D/B/A
YOUTH CONNECTIONS

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Current Assets:		
Cash - operating	\$ 23,936	\$ 61,871
Cash - reserves (Note 7)	30,886	37,878
Grants receivable - United Way agencies	55,064	55,519
Grants and other receivables	14,301	16,216
Prepaid expenses	<u>7,687</u>	<u>3,592</u>
Total current assets	<u>131,874</u>	<u>175,076</u>
 Property and Equipment:		
Office furniture and equipment	29,512	21,157
Leasehold Improvements	<u>-0-</u>	<u>5,184</u>
	29,512	26,341
Accumulated depreciation	<u>(18,615)</u>	<u>(18,781)</u>
Property and equipment, net	<u>10,897</u>	<u>7,560</u>
	 <u>\$ 142,771</u>	 <u>\$ 182,636</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable	\$ 2,762	\$ 3,030
Deferred income	40,866	35,975
Accrued expenses	<u>6,794</u>	<u>5,305</u>
Total liabilities	<u>50,422</u>	<u>44,310</u>
 Net Assets:		
Unrestricted net assets	62,349	128,326
Temporarily restricted net assets	<u>30,000</u>	<u>10,000</u>
Total net assets	<u>92,349</u>	<u>138,326</u>
	 <u>\$ 142,771</u>	 <u>\$ 182,636</u>

See accompanying Notes to Financial Statements.

**JOHNSON COUNTY YOUTH SERVICES BUREAU, INC.
D/B/A
YOUTH CONNECTIONS**

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenues:			
United Way grants	\$ 25,488	\$ 35,758	\$ 61,246
Other grants	-0-	152,196	152,196
Fees	67,687	-0-	67,687
Special events	20,418	-0-	20,418
Donations	4,289	-0-	4,289
In-kind donations	17,328	-0-	17,328
Interest income	101	-0-	101
	<u>135,311</u>	<u>187,954</u>	<u>323,265</u>
Temporarily Restricted Net Assets Released from Restrictions	<u>167,954</u>	<u>(167,954)</u>	<u>-0-</u>
Total Support and Revenue	<u>303,265</u>	<u>20,000</u>	<u>323,265</u>
Expenses:			
Program Services:			
Families in Transition	50,371	-0-	50,371
Safe Place and Host Homes	76,207	-0-	76,207
Custody Evaluations	15,181	-0-	15,181
Childrens' Visitation Center	57,379	-0-	57,379
Jumpstart Mentoring	64,809	-0-	64,809
Total program services	<u>263,947</u>	<u>-0-</u>	<u>263,947</u>
Fundraising	32,131	-0-	32,131
Management and general	73,164	-0-	73,164
Total expenses	<u>369,242</u>	<u>-0-</u>	<u>369,242</u>
Change in net assets	(65,977)	20,000	(45,977)
Net Assets, Beginning of Year	<u>128,326</u>	<u>10,000</u>	<u>138,326</u>
Net Assets, End of Year	<u>\$ 62,349</u>	<u>\$ 30,000</u>	<u>\$ 92,349</u>

See accompanying Notes to Financial Statements.

JOHNSON COUNTY YOUTH SERVICES BUREAU, INC.
D/B/A
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STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenues:			
United Way grants	\$ 24,085	\$ 34,635	\$ 58,720
Other grants	-0-	141,645	141,645
Fees	90,777	-0-	90,777
Special events	55,510	-0-	55,510
Donations	7,361	-0-	7,361
In-kind donations	19,745	-0-	19,745
Interest income	325	-0-	325
	<u>197,803</u>	<u>176,280</u>	<u>374,083</u>
Total support and revenues			
	<u>197,803</u>	<u>176,280</u>	<u>374,083</u>
Temporarily Restricted Net Assets Released from Restrictions	<u>167,280</u>	<u>(167,280)</u>	<u>-0-</u>
Total Support and Revenue	<u>365,083</u>	<u>9,000</u>	<u>374,083</u>
Expenses:			
Program Services:			
Families in Transition	45,998	-0-	45,998
Safe Place and Host Homes	96,903	-0-	96,903
Custody evaluations	22,815	-0-	22,815
Childrens' Visitation Center	54,368	-0-	54,368
Jumpstart Mentoring	53,717	-0-	53,717
	<u>273,801</u>	<u>-0-</u>	<u>273,801</u>
Total program services			
Fundraising	27,463	-0-	27,463
Management and general	48,697	-0-	48,697
	<u>349,961</u>	<u>-0-</u>	<u>349,961</u>
Total expenses			
	<u>349,961</u>	<u>-0-</u>	<u>349,961</u>
Change in net assets	15,122	9,000	24,122
Net Assets, Beginning of Year	<u>113,204</u>	<u>1,000</u>	<u>114,204</u>
Net Assets, End of Year	<u>\$ 128,326</u>	<u>\$ 10,000</u>	<u>\$ 138,326</u>

See accompanying Notes to Financial Statements.

JOHNSON COUNTY YOUTH SERVICES BUREAU, INC.
D/B/A
YOUTH CONNECTIONS

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2016

	Families in Transition	Safe Place and Host Homes	Custody Evaluations	Children's Visitation Center	Jumpstart Mentoring	Total Program Services	Fundraising	Management and General	Total Expenses
Salaries and wages	\$ 35,267	\$ 47,135	\$ 9,394	\$ 36,118	\$ 33,036	\$ 160,950	\$ 18,834	\$ 39,596	\$ 219,380
Occupancy	1,650	3,300	2,475	5,775	1,650	14,850	1,320	2,583	18,753
Payroll taxes	950	3,605	514	2,863	2,526	10,458	1,437	3,039	14,934
Telephone	878	2,105	255	913	479	4,630	70	233	4,933
Equipment rental	2,319	3,261	143	287	215	6,225	962	282	7,469
Travel	103	3,060	52	1,092	3,819	8,126	854	2,869	11,849
Professional fees	2,753	5,936	1,255	4,815	4,362	19,121	3,439	12,713	35,273
Postage	13	14	44	14	14	99	382	258	739
Supplies and materials	479	2,360	358	882	4,348	8,427	340	2,910	11,677
Insurance	299	977	136	272	462	2,146	190	3,195	5,531
Promotion and marketing	-0-	-0-	64	-0-	-0-	64	35	852	951
Organizational dues	-0-	1,750	-0-	100	1,750	3,600	0	575	4,175
Fundraising	-0-	-0-	-0-	-0-	-0-	-0-	3,925	-0-	3,925
Repairs and maintenance	210	519	119	595	637	2,080	-0-	655	2,735
Staff development	175	338	-0-	204	362	1,079	-0-	508	1,587
Loss on disposal of assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,468	1,468
Technology	460	44	57	147	284	992	81	950	2,023
In-kind donations	4,460	1,154	140	1,700	9,874	17,328	-0-	-0-	17,328
Depreciation	244	505	122	1,542	915	3,328	-0-	217	3,545
Miscellaneous	111	144	53	60	76	444	262	261	967
Total Expenses	\$ 50,371	\$ 76,207	\$ 15,181	\$ 57,379	\$ 64,809	\$ 263,947	\$ 32,131	\$ 73,164	\$ 369,242

See accompanying Notes to Financial Statements.

JOHNSON COUNTY YOUTH SERVICES BUREAU, INC.
D/B/A
YOUTH CONNECTIONS

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015

	Families in Transition	Safe Place and Host Homes	Custody Evaluations	Children's Visitation Center	Jumpstart Mentoring	Total Program Services	Fundraising	Management and General	Total Expenses
Salaries and wages	\$ 33,024	\$ 65,784	\$ 17,521	\$ 36,137	\$ 33,451	\$ 185,917	\$ 13,858	\$ 27,487	\$ 227,262
Occupancy	1,800	3,600	2,700	6,300	1,800	16,200	900	900	18,000
Payroll taxes	1,027	5,091	729	2,776	2,572	12,195	1,061	2,151	15,407
Telephone	847	1,983	408	636	302	4,176	67	199	4,442
Equipment rental	1,871	2,913	132	265	198	5,379	1,100	260	6,739
Travel	12	2,818	71	1,405	2,805	7,111	109	1,096	8,316
Professional fees	896	2,932	407	1,140	1,384	6,759	530	854	8,143
Postage	88	105	89	27	47	356	488	41	885
Supplies and materials	423	4,880	169	1,954	1,482	8,908	64	1,022	9,994
Insurance	749	1,787	319	550	881	4,286	383	509	5,178
Promotion and marketing	-0-	-0-	60	-0-	-0-	60	89	17	166
Organizational dues	-0-	2,580	-0-	-0-	1,160	3,740	-0-	581	4,321
Fundraising	-0-	-0-	-0-	-0-	-0-	-0-	2,247	-0-	2,247
Repairs and maintenance	14	36	14	21	36	121	-0-	7	128
Staff development	497	2	-0-	23	26	548	-0-	12,579	13,127
Volunteer appreciation	-0-	3	-0-	-0-	-0-	3	-0-	49	52
Technology	42	206	29	100	209	586	33	62	681
In-kind donations	4,320	1,516	-0-	991	6,563	13,390	6,355	-0-	19,745
Depreciation	169	447	85	1,936	682	3,319	-0-	817	4,136
Miscellaneous	219	220	82	107	119	747	179	66	992
Total Expenses	\$ 45,998	\$ 96,903	\$ 22,815	\$ 54,368	\$ 53,717	\$ 273,801	\$ 27,463	\$ 48,697	\$ 349,961

See accompanying Notes to Financial Statements.

JOHNSON COUNTY YOUTH SERVICES BUREAU, INC.
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STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ (45,977)	\$ 24,122
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	3,545	4,136
Loss on disposal of fixed assets	1,468	-0-
Change in operating assets and liabilities:		
Grants and other receivables	2,370	3,481
Prepaid expenses	(4,095)	(263)
Accounts payable	(268)	(1,288)
Deferred income	4,891	1,340
Accrued expenses	<u>1,489</u>	<u>(6,201)</u>
Net cash provided by (used in) operating activities	<u>(36,577)</u>	<u>25,327</u>
Cash Flows From Investing Activities:		
Capital expenditures	<u>(8,350)</u>	<u>-0-</u>
Net cash used in investing activities	<u>(8,350)</u>	<u>-0-</u>
Net increase (decrease)	(44,927)	25,327
Cash, Beginning of Year	<u>99,749</u>	<u>74,422</u>
Cash, End of Year	<u>\$ 54,822</u>	<u>\$ 99,749</u>

See accompanying Notes to Financial Statements.

JOHNSON COUNTY YOUTH SERVICES BUREAU, INC.
D/B/A
YOUTH CONNECTIONS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

1. SIGNIFICANT ACCOUNTING POLICIES

Description of the Entity

Johnson County Youth Services Bureau, Inc. d/b/a Youth Connections (the "Organization") was founded in October 1976 and is a community-based nonprofit agency that serves youth and families in Johnson and Morgan Counties.

The Organization is a proud member of the Indiana Youth Services Association, the United Way of Johnson County, the United Way of Central Indiana, and The National Safe Place.

The Organization has six distinct programs that focus on serving at-risk youth and their families through crisis intervention, education and mentoring to foster positive relationships and self-worth. Families in Transition was established in 1983. Safe Place and Host Homes, both national program models, were established in Johnson County in 1988 and in Morgan County in 2000. In 2016, the Organization expanded the Safe Place program to include providing advocacy, information, referral and community education regarding Human Trafficking. Custody Evaluation programming was established in 1997. The Children's Visitation Center for supervised visitation was established in 1998. Jumpstart Mentoring was established in 2008.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. The Organization uses the following accounts to distinguish among restrictions:

Unrestricted Net Assets

Unrestricted net assets include all contributions received, without donor restrictions, and revenues and expenses for the programs and general operations of the Organization.

Temporarily Restricted Net Assets

Temporarily restricted net assets include contributions that have donor imposed restrictions that limit the use of the donated assets. When a donor's restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets through the release of restrictions on the statement of activities and changes in net assets.

JOHNSON COUNTY YOUTH SERVICES BUREAU, INC.
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts in the financial statements and notes to the financial statements. Actual results could differ from those estimates. The primary estimates utilized in the preparation of the financial statements include depreciable lives of property and equipment and the reporting of functional expenses among functional categories.

Property and Equipment and Depreciation

Office furniture and equipment are recorded at cost. Items donated are recorded at fair market value as of the date of donation. Costs of improvements are capitalized and cost of repairs and maintenance are expensed as incurred. Depreciation is recorded over the estimated useful lives of the assets utilizing the straight-line method. The lives of these assets range from 3 to 7 years. The Organization has a capitalization policy that requires all expenditures exceeding \$1,000 to be evaluated for capitalization.

Support and Revenue Recognition

Revenues are reported as either increases in unrestricted or temporarily restricted net assets if they are limited by donor-imposed restrictions. Contributions are recorded in the period the promise to give is received from the donor.

Income Taxes

The Organization is organized as an Indiana not-for-profit corporation and, accordingly, is exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

Management of the Organization evaluates all significant tax positions to ensure compliance with exempt purpose of the Organization including consideration of any unrelated business income tax. As of December 31, 2016, Management does not believe the Organization has taken any tax positions that are not in compliance with the exempt purpose of the Organization. The Organization's Federal and state tax returns remain open and subject to examination beginning with the calendar tax year ended December 31, 2013.

Subsequent Events

Subsequent events have been evaluated through May 9, 2017, which is the date the financial statements were available for issuance.

JOHNSON COUNTY YOUTH SERVICES BUREAU, INC.
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

2. GRANTS AND COMMITMENTS

United Way

The Organization receives annual support from United Way of Central Indiana and United Way of Johnson County.

2016

During 2016, United Way of Central Indiana provided \$25,488 to support general operations and United Way of Johnson County provided \$35,758 for various programs. Grants are recognized as revenue in the year the grant period begins, at which time a grant receivable is recorded for future income to be received under the grant. At December 31, 2016, \$21,639 was due to the Organization for these grants and is included in grants receivable.

During 2016, the Organization received commitments for the 2017 grant period, which started in March 2017. The commitments of \$33,425 are included in grants receivable and deferred income.

2015

During 2015, United Way of Central Indiana provided \$24,085 to support general operations and United Way of Johnson County provided \$34,635 for various programs. Grants are recognized as revenue in the year the grant period begins, at which time a grant receivable is recorded for future income to be received under the grant. At December 31, 2015, \$19,544 was due to the Organization for these grants and is included in grants receivable.

During 2015, the Organization received commitments for the 2016 grant period, which started in March 2016. The commitments of \$35,975 are included in grants receivable and deferred income.

State Funding

The Organization receives funding from the State of Indiana providing cost reimbursement funding for certain programs at a usage rate not to exceed allowable amounts. The State is invoiced on a monthly basis, at which time the amounts are recorded as grant revenue. Revenues recognized for the years ended December 31, 2016 and 2015 were \$36,479 and \$42,448, respectively, and is included in temporarily restricted other grants in the Statement of Activities and Changes in Net Assets. As of December 31, 2016 and 2015, respectively, \$5,870 and \$6,429 was due to the Organization and is included in grants and other receivables.

JOHNSON COUNTY YOUTH SERVICES BUREAU, INC.
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

3. ENDOWMENT BENEFICIARY

The Organization is the beneficiary of an endowment held by Johnson County Community Foundation ("JCCF"). Funds were donated directly to JCCF to create the endowment, and JCCF maintains variance power. Accordingly, the endowment has not been recorded in the financial statements presented herein. The Organization is entitled to annual endowment draws as calculated by JCCF. The endowment balance as of December 31, 2016 and 2015 was \$20,731 and \$20,718, respectively. Endowment draws during the years ended December 31, 2016 and 2015 were \$1,635 and \$-0-, respectively.

4. LEASES

The Organization has non-cancelable operating leases for office space and equipment requiring monthly payments aggregating \$2,032 and expiring at various dates through December 2022. Lease expense for the years ended December 31, 2016 and 2015 was \$26,222 and \$24,739, respectively.

Future minimum payments due under the terms of operating leases are as follows:

Year Ending <u>December 31</u>	
2017	\$ 10,880
2018	24,386
2019	24,386
2020	24,386
2021	24,386
Thereafter	<u>37,891</u>
	<u>\$ 146,315</u>

5. NET ASSETS RELEASED FROM RESTRICTIONS

The net assets released from restrictions, due to the satisfaction of donor-imposed restrictions, were \$167,954 and \$167,280 for the years ended December 31, 2016 and 2015, respectively, and were used for program services.

**JOHNSON COUNTY YOUTH SERVICES BUREAU, INC.
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NOTES TO FINANCIAL STATEMENTS
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6. TEMPORARILY RESTRICTED NET ASSETS

The temporarily restricted net assets as of December 31, 2016 and 2015 include the following:

	<u>2016</u>	<u>2015</u>
Jumpstart	\$ 20,000	\$ -0-
Families in Transition	5,000	-0-
Children's Visitation Center	5,000	-0-
Safe place	-0-	10,000
	<u>\$ 30,000</u>	<u>\$ 10,000</u>

7. DESIGNATION OF UNRESTRICTED NET ASSETS

It is the policy of the board of directors of the Organization to periodically review its plans for future property improvements, acquisitions and operational needs and to designate appropriate amounts of unrestricted net assets to assure adequate funding of such needs.

8. CONCENTRATION OF CREDIT RISK

As of and for the year ended December 31, 2016, two (2) grantors represented 79% of grants receivable and three (3) grantors represented 38% of support and revenues.

As of and for the year ended December 31, 2015, two (2) grantors represented 77% of grants receivable and three (3) grantors represented 31% of support and revenues.