

FAIR HAVEN CENTER FOR WOMEN, INC.

FINANCIAL STATEMENTS

Year Ended July 31, 2017

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Fair Haven Center For Women, Inc.
Highland, Indiana

We have audited the accompanying financial statements of Fair Haven Center for Women, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities and net assets – modified cash basis as of July 31, 2017, and the related statements of support, revenue, expenses and change in net assets – modified cash basis, functional expenses – modified cash basis, and cash flows – modified cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting in an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditors' judgment, including the assessment of the risks of material misstatements 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 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 assets, liabilities, and net assets of Fair Haven Center for Women, Inc. as of July 31, 2017, and its support, revenue and expenses for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

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

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of government funds received on page 11 is presented for purposes of additional analysis as required by the Indiana State Board of Accounts and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Fort Wayne, Indiana
April 5, 2018

FAIR HAVEN CENTER FOR WOMEN, INC.
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
July 31, 2017

ASSETS

Cash	\$ 4,338
Fixed assets - net	<u>7,763</u>
Total Assets	<u><u>\$ 12,101</u></u>

LIABILITIES AND NET ASSETS

Line of credit	\$ 60,000
Payroll withholdings and accruals	7,223
Credit card payable	<u>8,483</u>
Total Liabilities	75,706
Net Assets (Deficit):	
Unrestricted	(65,227)
Temporarily restricted	<u>1,622</u>
Total Net Assets (Deficit)	<u>(63,605)</u>
Total Liabilities and Net Assets	<u><u>\$ 12,101</u></u>

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

FAIR HAVEN CENTER FOR WOMEN, INC.
STATEMENT OF SUPPORT, REVENUE, EXPENSES AND CHANGE IN NET ASSETS -
MODIFIED CASH BASIS
Years Ended July 31, 2017

	Unrestricted	Temporarily Restricted	Total
CHANGES IN NET ASSETS			
Support and Revenue:			
Government grants	\$ 331,742	\$ -	\$ 331,742
Contributions	22,707	50,728	73,435
Special events:			
Proceeds	13,868	-	13,868
Less cost of direct benefit to donors	(660)	-	(660)
Other income	4,680	-	4,680
Net Assets Released From Restrictions:			
Satisfaction of purpose requirements	49,106	(49,106)	-
	<hr/>	<hr/>	<hr/>
Total Support and Revenue	421,443	1,622	423,065
Expenses:			
Program	390,972	-	390,972
Management and general	69,829	-	69,829
Fund raising	22,484	-	22,484
	<hr/>	<hr/>	<hr/>
Total Expenses	483,285	-	483,285
CHANGE IN NET ASSETS	(61,842)	1,622	(60,220)
NET ASSETS (DEFICIT) - August 1, 2016	<hr/> (3,385) <hr/>	<hr/> - <hr/>	<hr/> (3,385) <hr/>
NET ASSETS (DEFICIT) - July 31, 2017	<hr/> <u>\$ (65,227)</u> <hr/>	<hr/> <u>\$ 1,622</u> <hr/>	<hr/> <u>\$ (63,605)</u> <hr/>

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

FAIR HAVEN CENTER FOR WOMEN, INC.
SCHEDULE OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
Year Ended July 31, 2017

	Program Services	Management and General	Fund Raising	Total
Salaries	\$ 270,403	\$ 28,298	\$ 15,721	\$ 314,422
Payroll taxes	20,585	2,154	1,197	23,936
Employee benefits	24,075	2,519	1,400	27,994
	<hr/>	<hr/>	<hr/>	<hr/>
Total Salaries and Related and Related Expenses	315,063	32,971	18,318	366,352
Occupancy	23,640	140	-	23,780
Travel	9,553	10,506	199	20,258
Supplies	9,011	3,798	142	12,951
Conferences and training	8,666	732	-	9,398
Contract labor	3,306	4,960	-	8,266
Client expenses	5,809	-	-	5,809
Information technology	3,625	1,909	274	5,808
Telephone and internet	2,937	2,402	-	5,339
Insurance	3,432	1,334	-	4,766
Postage and printing	4,349	-	134	4,483
Professional fees	-	3,350	700	4,050
Interest	-	3,756	-	3,756
Miscellaneous	23	3,238	70	3,331
Special events	-	-	2,337	2,337
Advertising	-	-	310	310
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses Before Depreciation	389,414	69,096	22,484	480,994
Depreciation	1,558	733	-	2,291
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	<u>\$ 390,972</u>	<u>\$ 69,829</u>	<u>\$ 22,484</u>	<u>\$ 483,285</u>

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

FAIR HAVEN CENTER FOR WOMEN, INC.
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
Year Ended July 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets (deficit)	\$ (60,220)
Adjustments to reconcile change in net assets to cash flows from operating activities:	
Depreciation	2,291
Changes in assets and liabilities:	
Increase (decrease) in:	
Payroll withholdings and accruals	2,867
Credit card payable	(9,862)

Cash Flows From Operating Activities	(64,924)
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CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of fixed assets	(5,337)
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CASH FLOWS FROM FINANCING ACTIVITIES

Increase (decrease) in line of credit	60,000
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INCREASE (DECREASE) IN CASH	(10,261)
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CASH - August 1, 2016	14,599
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CASH - July 31, 2017	\$ 4,338
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The accompanying notes are an integral part of these financial statements.

FAIR HAVEN CENTER FOR WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
July 31, 2017

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Fair Haven Center for Women, Inc. (the Organization) is a non-profit organization located in Highland, Indiana. The Organization's mission is to provide faith-focused services to those affected by sexual violence and trauma.

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and qualifies for the 50% charitable contributions deduction limitation. The Organization has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

Estimates

The process of preparing financial statements in conformity with the modified cash basis of accounting requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Basis of Accounting

The Organization's policy is to prepare its financial statements on the modified cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when cash is disbursed rather than when the obligation is incurred. Modifications to the cash basis include recognition of fixed assets and related depreciation, payroll tax withholdings and debt. This basis differs from generally accepted accounting principles primarily because the Organization has not recognized accounts receivable, accounts payable and accruals and their related effects on earnings in the accompanying financial statements.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

Fixed Assets

Fixed assets are stated at cost or, if donated, at fair value at the date of the gift. All items with a cost in excess of \$1,000 and a useful life in excess of one year are capitalized. The Organization follows the policy of providing depreciation on the straight-line method for financial reporting purposes over the estimated useful lives of the related assets. It is not the Organization's policy to imply time restrictions expiring over the useful life of the donated assets. In the absence of donor-imposed restrictions on the use of the asset, gifts of long-lived assets are reported as unrestricted support.

Contributions

All contributions are considered to be available for the general operations of the Organization unless specifically restricted by the donor. Gifts of cash and other assets are reported as temporarily restricted or permanently restricted support if they are received with donor stipulations that limit their use. In the case of temporarily restricted support, when the restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. By definition, permanently restricted support must be maintained in perpetuity. Restrictions on these net assets do not expire and no assets are reclassified in the statement of activities.

Subsequent Events

Management has evaluated subsequent events through April 5, 2018, the date which the financial statements were available for issue.

2. FIXED ASSETS

The components of fixed assets are as follows:

Furniture and equipment	\$	10,644
Leasehold improvements		<u>2,004</u>
		12,648
Accumulated depreciation		<u>4,885</u>
	\$	<u>7,763</u>

3. LINE OF CREDIT

The Organization maintains a \$130,000 line of credit with Peoples Bank. The line is secured by all business assets. The amount outstanding under this line at July 31, 2017 was \$60,000, bearing interest at 5.25% at July 31, 2017.

4. NET ASSETS

Temporarily restricted net assets at July 31, 2017 are restricted for the following:

Assistance for East Chicago residents	\$ 990
Crisis intervention program	<u>632</u>
	<u>\$ 1,622</u>

5. OPERATING LEASES

The Organization leases office space under an operating lease expiring in October 2018. Monthly payments are \$1,850 through October 2017 and \$1,900 through October 2018. Rental expense under the noncancelable lease was \$21,600 for 2017.

Minimum future rental payments under the noncancelable operating leases as of July 31, 2017 for each of the next five years and in the aggregate are as follows:

2018	\$ 22,650
2019	5,700
2020 and thereafter	<u>-</u>
Total lease commitments	<u>\$ 28,350</u>

In addition, the Organization leases additional office space on a month-to-month basis. Total rental expense under the cancelable operating lease was \$2,040 for 2017.

6. ADVERTISING

Advertising costs are charged to operations as incurred and totaled \$310 for 2017.

7. RELATED PARTY

During 2017, the Organization paid the son of the Executive Director \$6,250 for contracted services.

FAIR HAVEN CENTER FOR WOMEN, INC.
SCHEDULE OF GOVERNMENT FUNDS RECEIVED
Year Ended July 31, 2017

Federal or State Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Revenue Recognized
Department of Justice:		
Passed through Indiana Criminal Justice Institute:		
Victim of Crime Act (VOCA)	16.575	\$ 138,338
Sexual Assault Services Program (SASP)	16.017	43,477
Services, Training, Officers and Prosecutors (STOP)	16.588	41,306
Department of Health and Human Services:		
Passed through Indiana Criminal Justice Institute:		
Sexual Offense Services (SOS)	93.758	2,141
Indiana Criminal Justice Institute:		
Sexual Assault Victim Assistance Fund (SAVAF)	N/A	<u>106,480</u>
Total Government Funds Received		<u><u>\$ 331,742</u></u>

See independent auditors' report.

