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November 18, 2009

Board of Directors
Youth Services Bureau of
Huntington County, Inc.
1344 Maple Drive
Huntington, IN 46750

We have reviewed the audit report prepared by David Culp & Co., LLP, Independent Public Accountants, for the period January 1, 2007 to December 31, 2007. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Youth Services Bureau of Huntington County, Inc., as of December 31, 2007, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

We call your attention to the findings in the report. The management letter contains three comments.

STATE BOARD OF ACCOUNTS

YOUTH SERVICES BUREAU OF HUNTINGTON COUNTY, INC.

AUDIT REPORT

DECEMBER 31, 2007 AND 2006

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To the Board of Directors
Youth Services Bureau of Huntington County, Inc.
Huntington, Indiana

Independent Auditor's Report

We have audited the accompanying statements of financial position of Youth Services Bureau of Huntington County, Inc. (the Organization) as of December 31, 2007 and 2006, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Youth Services Bureau of Huntington County, Inc. as of December 31, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the statement of program expenses and schedule of expenditures of federal, state and local awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

David Culp & Co. LLP
Certified Public Accountants

Huntington, Indiana
June 13, 2008

YOUTH SERVICES BUREAU OF HUNTINGTON COUNTY, INC.

COMPARATIVE STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2007 AND 2006

ASSETS

	<u>2007</u>	<u>2006</u>
<u>Current Assets:</u>		
Cash and cash equivalents - Note 1	\$ 35,391	\$ 29,029
Accounts receivable	<u>35,141</u>	<u>15,741</u>
Total current assets	<u>70,532</u>	<u>44,770</u>
 <u>Fixed Assets - Note 1:</u>		
Land and buildings	190,000	190,000
Building improvements	14,998	2,358
Office furniture and equipment	<u>10,146</u>	<u>10,146</u>
	215,144	202,504
<u>Less:</u> Accumulated depreciation	<u>18,213</u>	<u>13,206</u>
Total fixed assets	<u>196,931</u>	<u>189,298</u>
Total assets	\$267,463 =====	\$234,068 =====

LIABILITIES AND NET ASSETS

<u>Current Liabilities:</u>		
Line of credit - Note 2	\$ -	\$ 15,000
Accounts payable	150	391
Accrued and withheld payroll taxes	11,293	25
Accrued property taxes	<u>-</u>	<u>5,780</u>
Total current liabilities	<u>11,443</u>	<u>21,196</u>
 <u>Net Assets:</u>		
Unrestricted	245,331	184,277
Temporarily restricted - Note 3	<u>10,689</u>	<u>28,595</u>
Total net assets	<u>256,020</u>	<u>212,872</u>
Total liabilities and net assets	\$267,463 =====	\$234,068 =====

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

- David Culp & Co. LLP, Certified Public Accountants -

YOUTH SERVICES BUREAU OF HUNTINGTON COUNTY, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenue, gains and other support -</u>			
Contributions - Note 1	\$ 58,281	\$ -	\$ 58,281
In-kind contributions - Note 1	-	-	-
United Way	35,614	-	35,614
Grants	129,854	8,063	137,917
Fees	133,904	-	133,904
Special events -			
Proceeds	7,096	-	7,096
Less: Direct benefits to donors	(1,161)	-	(1,161)
Interest	<u>125</u>	<u>-</u>	<u>125</u>
Total revenues, gains and other support before net assets released from program restrictions	363,713	8,063	371,776
Net assets released from program restrictions	<u>25,969</u>	<u>(25,969)</u>	<u>-</u>
Total revenues, gains and other support	<u>389,682</u>	<u>(17,906)</u>	<u>371,776</u>
<u>Expenses -</u>			
Program	261,257	-	261,257
Management and general	60,898	-	60,898
Fundraising	<u>6,473</u>	<u>-</u>	<u>6,473</u>
Total expenses	<u>328,628</u>	<u>-</u>	<u>328,628</u>
Change in net assets	61,054	(17,906)	43,148
<u>Net assets, beginning of year</u>	<u>184,277</u>	<u>28,595</u>	<u>212,872</u>
<u>Net assets, end of year</u>	\$ 245,331 =====	\$ 10,689 =====	\$256,020 =====

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

- David Culp & Co. LLP, Certified Public Accountants -

YOUTH SERVICES BUREAU OF HUNTINGTON COUNTY, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenue, gains and other support -</u>			
Contributions - Note 1	\$ 11,886	\$ 15,000	\$ 26,886
In-kind contributions - Note 1	194,750	-	194,750
United Way	27,500	-	27,500
Grants	142,005	-	142,005
Fees	149,325	15,196	164,521
Special events -			
Proceeds	8,151	-	8,151
Less: Direct benefits to donors	(2,233)	-	(2,233)
Interest	<u>63</u>	<u>-</u>	<u>63</u>
Total revenues, gains and other support before net assets released from program restrictions	531,447	30,196	561,643
Net assets released from Program restrictions	<u>9,074</u>	<u>(9,074)</u>	<u>-</u>
Total revenues, gains and other support	<u>540,521</u>	<u>21,122</u>	<u>561,643</u>
<u>Expenses -</u>			
Program	285,023	-	285,023
Management and general	67,531	-	67,531
Fundraising	<u>7,483</u>	<u>-</u>	<u>7,483</u>
Total expenses	<u>360,037</u>	<u>-</u>	<u>360,037</u>
Change in net assets	180,484	21,122	201,606
<u>Net assets, beginning of year</u>	<u>3,793</u>	<u>7,473</u>	<u>11,266</u>
<u>Net assets, end of year</u>	\$ 184,277 =====	\$ 28,595 =====	\$212,872 =====

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

- David Culp & Co. LLP, Certified Public Accountants -

YOUTH SERVICES BUREAU OF HUNTINGTON COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2007

	<u>Program</u>	<u>Manage- ment And General</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries	\$186,580	\$ 44,248	\$ 3,777	\$234,605
Employee benefits	6,859	484	-	7,343
Payroll taxes	<u>14,291</u>	<u>3,389</u>	<u>289</u>	<u>17,969</u>
Total salaries and related expenses	207,730	48,121	4,066	259,917
Occupancy	8,623	1,025	-	9,648
Contracted services	9,575	-	-	9,575
Supplies	6,783	1,195	643	8,621
Property taxes	1,917	228	-	2,145
Telephone	4,901	290	141	5,332
Legal and professional	-	4,374	-	4,374
Printing	3,947	-	359	4,306
Professional liability insurance	2,016	1,494	-	3,510
Dues	625	2,170	-	2,795
Fundraising	-	-	195	195
Training and conferences	2,201	(767)	15	1,449
Building repair	2,173	846	-	3,019
Miscellaneous	2,156	(1,402)	-	754
Postage	794	626	336	1,756
Travel	1,559	611	-	2,170
Interest expenses	-	349	-	349
Advertising - Note 1	135	-	718	853
Small equipment	965	392	-	1,357
Volunteer recognition	600	895	-	1,495
Depreciation - Note 1	<u>4,557</u>	<u>451</u>	<u>-</u>	<u>5,008</u>
Total expenses	\$261,257	\$ 60,898	\$ 6,473	\$328,628
	=====	=====	=====	=====

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

- David Culp & Co. LLP, Certified Public Accountants -

YOUTH SERVICES BUREAU OF HUNTINGTON COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2006

	<u>Program</u>	<u>Manage- ment And General</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries	\$191,070	\$ 48,068	\$ 3,470	\$242,608
Employee benefits	6,887	460	-	7,347
Payroll taxes	<u>14,625</u>	<u>3,657</u>	<u>265</u>	<u>18,547</u>
Total salaries and related expenses	212,582	52,185	3,735	268,502
Occupancy	27,089	2,555	-	29,644
Contracted services	12,140	-	-	12,140
Supplies	6,029	1,675	193	7,897
Property taxes	5,264	496	-	5,760
Telephone	5,147	261	143	5,551
Legal and professional	-	4,489	-	4,489
Printing	3,848	-	218	4,066
Professional liability insurance	2,345	1,494	-	3,839
Dues	700	2,000	-	2,700
Fundraising	-	-	2,493	2,493
Training and conferences	1,478	188	-	1,666
Building repair	1,632	-	-	1,632
Miscellaneous	1,436	104	-	1,540
Postage	1,159	268	61	1,488
Travel	1,176	266	-	1,442
Interest expenses	-	849	-	849
Advertising - Note 1	-	-	640	640
Small equipment	241	152	-	393
Volunteer recognition	88	285	-	373
Depreciation - Note 1	<u>2,669</u>	<u>264</u>	<u>-</u>	<u>2,933</u>
Total expenses	\$285,023	\$ 67,531	\$ 7,483	\$360,037
	=====	=====	=====	=====

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

- David Culp & Co. LLP, Certified Public Accountants -

YOUTH SERVICES BUREAU OF HUNTINGTON COUNTY, INC.

COMPARATIVE STATEMENT OF CASH FLOWS

DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	\$ 43,148	\$ 201,606
Adjustments to reconcile change in net assets to net cash provided by operating activities -		
Depreciation	5,008	2,933
In-kind contribution of fixed assets	-	(190,750)
(Increase) decrease in -		
Accounts receivable	(19,400)	(6,355)
Prepaid expenses	-	2,000
Increase (Decrease) in -		
Accounts payable	(242)	391
Payroll withholding and accrual	11,268	(1,107)
Accrued property taxes	(5,780)	(20)
Net cash provided by operating activities	<u>34,002</u>	<u>8,698</u>
<u>Cash flows from investing activities:</u>		
Purchase of fixed assets	(12,640)	-
Net increase (decrease) in line of credit	<u>(15,000)</u>	<u>15,000</u>
Net cash provided by (used in) investing activities	<u>(27,640)</u>	<u>15,000</u>
<u>Net increase in cash and cash equivalents</u>	6,362	23,698
<u>Cash and cash equivalents at beginning of year</u>	<u>29,029</u>	<u>5,331</u>
<u>Cash and cash equivalents at end of year</u>	\$ 35,391	\$ 29,029
	=====	=====
<u>Supplemental disclosures of cash flow information:</u>		
Cash paid during the year for -		
Interest	\$ 349	\$ 849
	=====	=====
In-kind investing and financing activities include -		
In-kind donation of land and building	\$ -	\$ 190,000
	=====	=====
In-kind donation of equipment	\$ -	\$ 750
	=====	=====
Other in-kind donations include -		
In-kind donation of rent	\$ -	\$ 4,000
	=====	=====

The accompanying notes are integral part of these financial statements.

- David Culp & Co. LLP, Certified Public Accountants -

YOUTH SERVICES BUREAU OF HUNTINGTON COUNTY, INC.

NOTES TO COMPARATIVE FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006

Note 1: Organization and summary of significant accounting policies -

Organization - Youth Services Bureau of Huntington County, Inc. (Organization) is an Indiana non-profit corporation organized on March 25, 1987. Its purpose is to provide community education and outreach, delinquency prevention, advocacy for youth and youth issues and information and referral on youth and family issues.

Basis of accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. Under this method, revenues are recognized when earned and expenses are recognized when liabilities are incurred.

In the accompanying Statement of Financial Position, net assets that have similar characteristics are presented based on donor restrictions as follows:

Unrestricted - Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

Temporarily restricted - Net assets whose use by the Organization is subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by passage of time.

Contributions - All contributions are considered to be available for the general programs of the Organization unless specifically restricted by the donor. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit their use. When the donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. If a donor restriction is satisfied in the period the gift is received, this support is reported as unrestricted revenue. 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.

YOUTH SERVICES BUREAU OF HUNTINGTON COUNTY, INC.

NOTES TO COMPARATIVE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

Note 1: Organization and summary of significant accounting policies
(Continued) -

Cash and cash equivalents - For the purpose of reporting cash flows, the Organization considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Fixed assets - Fixed assets are stated at cost or, if donated, at fair value at the date of the gift. Items with a cost or value of \$500 or more and a useful life of one year or more 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 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.

Depreciation - Depreciation charged against income was \$5,008 and \$2,933 for the years ended December 31, 2007 and 2006, respectively.

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 the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue, expenses and changes in net assets during the reporting period. Actual results could differ from those estimates.

Federal income taxes - The Organization is exempt from federal income taxes 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.

In-kind contributions - In-kind contributions of services, equipment and supplies are recognized as revenue and expenses or capital assets and are recorded at market value on the date received. Limited amounts have been reported in the financial statements for donated services because they do not meet the accounting guidelines for reporting.

- David Culp & Co. LLP, Certified Public Accountants -

YOUTH SERVICES BUREAU OF HUNTINGTON COUNTY, INC.

NOTES TO COMPARATIVE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

Note 1: Organization and summary of significant accounting policies (Continued) -

Accounts receivable - Accounts receivable are due from government and other significant funding sources. Based on historical collection experience with these agencies, no allowance for doubtful accounts is deemed necessary.

Advertising - Advertising costs are charged to operations when incurred. Total advertising costs expensed during the years ended December 31, 2007 and 2006 was \$853 and \$640, respectively.

Note 2: Line of credit - The Organization has entered into an agreement with Lake City Bank for a line of credit in the maximum amount of \$20,000. The agreement is secured by substantially all of the Organization's assets. The interest rate is 1.75% over Lake City's base rate which is 9.0% and 10.0% at December 31, 2007 and 2006, respectively. The balance drawn on the line of credit at December 31, 2007 and 2006 is none and \$15,000, respectively.

Note 3: Temporarily restricted net assets - Temporarily restricted net assets are restricted for the following:

	<u>2007</u>	<u>2006</u>
Child abuse prevention	\$ 98	\$ 278
Teen court	3,000	2,528
Mentoring parents	-	15,000
Community education and outreach	-	1,405
System of care	-	6,000
Students out of school	-	3,384
Unemployment reserve	2,362	-
MAD Camp equity	90	-
Restricted Drive Alive	<u>5,139</u>	<u>-</u>
Total	\$10,689	\$28,595
	=====	=====

Note 4: Operating lease - The Organization leases facilities and equipment under operating leases expiring in various years through 2011. Total rental expense was none and \$24,884 for the years ended December 31, 2007 and 2006, respectively.

YOUTH SERVICES BUREAU OF HUNTINGTON COUNTY, INC.

NOTES TO COMPARATIVE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

Note 5: Credit risk and concentrations - The Organization receives substantial support from federal, state and local governments. A significant reduction in the level of this support, if it were to occur, may have an effect on the Organization's programs and activities.

Note 6: Community Foundation funds - The Huntington County Community Foundation holds funds donated on behalf of Youth Services Bureau of Huntington County, Inc. totaling \$53,466 and \$52,505 at December 31, 2007 and 2006, respectively. This balance has not been recorded as an asset of the Organization because the Community Foundation has maintained variance power over these funds. A portion of the earnings from these funds is made available to the Organization each year. At December 31, 2007 and 2006, \$2,139 and \$860 was available for distribution.

YOUTH SERVICES BUREAU OF HUNTINGTON COUNTY, INC.

STATEMENT OF PROGRAM EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2007

	Comm- unity Edu- cation	Tobacco Edu- cation	Safe Place Host Home	Home Based Services	Visi- tation	Mentor- ing Parents	Tran- sition Center	Students Out Of School	Teen Court	Other	Total	
											2007	2006
Salaries	\$2,210	\$2,141	\$15,388	\$ 83,816	\$6,716	\$5,447	\$ -	\$22,273	\$10,319	\$38,270	\$186,580	\$191,070
Employee benefits	141	141	471	1,414	236	8	-	471	236	3,741	6,859	6,887
Payroll taxes	169	164	1,178	6,420	514	417	-	1,706	790	2,933	14,291	14,625
Total salaries and related expenses	2,520	2,446	17,037	91,650	7,466	5,872	-	24,450	11,345	44,944	207,730	212,582
Occupancy	182	182	514	1,825	692	514	-	1,825	456	2,433	8,623	27,089
Contracted services	-	-	-	7,175	-	-	-	-	-	2,400	9,575	12,140
Supplies	345	17	394	1,007	68	154	-	786	72	3,940	6,783	6,029
Property taxes	40	40	114	406	154	114	-	406	101	542	1,917	5,264
Telephone	200	47	1,299	1,243	94	340	-	235	235	1,208	4,901	5,147
Printing	158	42	238	1,345	42	123	-	212	271	1,516	3,947	-
Professional liability insurance	81	41	242	605	121	141	-	202	101	482	2,016	3,848
Building repair	46	46	130	460	174	130	-	460	115	612	2,173	2,345
Training and conferences	35	-	460	201	-	-	-	-	960	545	2,201	700
Miscellaneous	-	-	-	-	-	-	-	-	-	2,156	2,156	-
Travel	-	-	336	1,120	-	-	-	-	103	-	1,559	1,478
Postage	45	20	122	54	10	15	-	18	143	367	794	1,632
Dues	-	-	-	-	-	-	-	-	-	625	625	1,436
Small equipment	-	-	5	10	5	5	-	-	5	935	965	1,159
Volunteer recognition	-	-	-	-	-	-	-	-	-	600	600	1,176
Advertising	-	-	-	-	-	-	-	-	-	135	135	-
Depreciation	96	96	272	957	366	272	-	957	228	1,313	4,557	-
Total expenses	\$3,748	\$2,977	\$21,163	\$108,058	\$9,192	\$7,680	\$ -	\$29,551	\$14,135	\$64,753	\$261,257	\$282,025

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

YOUTH SERVICES BUREAU OF HUNTINGTON COUNTY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2007

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency Or Pass-Through Number</u>	<u>Expendi- tures</u>
<u>Federal:</u>			
U.S. Department of Health And Human Services -			
Runaway and Homeless Youth	96.623	Indiana Juvenile Justice Task Force	\$ 10,582
Child Welfare Services - State Grants	93.645	Indiana Depart- ment of Child Services	<u>58,931</u>
Total federal assistance			<u>69,513</u>
<u>State of Indiana:</u>			
Indiana Youth Service Association			35,890
Indiana Department of Child Services - Child Welfare Services - State Grants Safe Place Grant			44,690 <u>10,686</u>
Total state assistance			<u>91,266</u>
<u>Local:</u>			
Huntington County			26,500
City of Huntington			<u>26,000</u>
Total local assistance			<u>52,500</u>
Total federal, state and local awards			\$213,279 =====

June 13, 2008

Board of Directors
Youth Services Bureau of Huntington
County, Inc.
1344 Maple Drive
Huntington, Indiana 46750

We have completed our audit of the statement of financial position of Youth Services Bureau of Huntington County, Inc. (the Organization) as of December 31, 2007, and the related statements of activities, functional expenses, and cash flows for the year then ended. Our opinion on the financial statements, which was unqualified, is included in the bound copies of the financial statements. The purpose of this report is to provide you with required communications regarding the conduct of our audit as well as our recommendations and other information noted during the performance of our audit engagement.

This report is intended solely for the information and use of the Board of Directors, management and others within the Organization.

COMMUNICATION WITH THE BOARD OF DIRECTORS

U.S. Generally Accepted Auditing Standards (GAAS) require that certain matters relating to the conduct of our audit be communicated to you and to those who have responsibility of the financial reporting process. The matters to be communicated to you are as follows:

Auditors' Responsibility Under GAAS -

Management is responsible for the establishment and maintenance of adequate records and effective internal controls over financial reporting, the selection and application of accounting principles, and the safeguarding of assets. Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Management is also responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

We conducted our audit in accordance with GAAS, which requires that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Significant Accounting Policies, Management's Judgements And Accounting Estimates -

The significant accounting policies adopted by management and the use of significant estimates in the preparation of the financial statements are disclosed in the notes to the financial statements. As part of our audit, we reviewed and concur with the Organization's selection of accounting policies and its use of accounting estimates.

Significant Audit Adjustments -

Adjusting entries recorded during the course of our audit are attached hereto on a separate listing. Any differences noted below \$500 were considered immaterial, individually and in the aggregate, to the financial statements taken as a whole, and have not been recorded unless otherwise requested.

Disagreements With Management -

Management and other personnel were well prepared, cooperative and provided our representatives with all information requested during our audit. Our representatives were provided access to all employees and information requested was provided on a timely basis. There were no differences or disagreements with management or difficulties encountered in the performance of our audit.

Fraud Prevention -

During the current year audit, we performed additional procedures relating to the detection of fraud as required by Statement on Auditing Standards No. 99 (Consideration of Fraud in a Financial Statement Audit).

Internal Controls -

In planning and performing our audit of the financial statements of the Organization for the year ended December 31, 2007, we considered its internal control in order to determine our auditing procedures solely for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. Our findings on significant deficiencies or other deficiencies we consider to be material weaknesses are presented in a separate report.

RECOMMENDATIONS AND OTHER INFORMATION

The Organization is required to report all grant expenditures to the State Board of Accounts one month after the end of the calendar year. To facilitate this process, we recommend the preparation of a grant expenditure schedule. This schedule includes the date of the grant, grant name, federal agency and CFDA number, if necessary, pass-through entity and number, if necessary, and program amount. It is a rolling schedule including prior year, current year and next year. A schedule was prepared by our firm and was forwarded to your organization to be updated periodically throughout the year.

We would like to express our appreciation to you and your personnel for providing us the opportunity to serve a well-managed and successful organization like Youth Services Bureau of Huntington, Inc. We want to assure you that you have access to our personnel at any time to discuss any matters relating to the conduct of our audit or any other matters. Please feel free to contact the undersigned at any time.

Yours very truly,

DAVID CULP & CO. LLP

Daniel L. Boyle, CPA

DLB/kp

June 13, 2008

Board of Directors
Youth Services Bureau of Huntington
County, Inc.
1344 Maple Drive
Huntington, Indiana 46750

In planning and performing our audit of the financial statements of Youth Services Bureau of Huntington, Inc. (the Organization) as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies and other deficiencies that we consider to be material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies to be significant deficiencies in internal control.

1. An inadequate segregation of duties exists with respect to cash transactions that results in inadequate control over cash receipts. The Assistant to the Executive Director prepares the deposit, records the deposit and reconciles the bank account. We recommend that a second person be involved with the preparation of the deposit.

2. An inadequate control existed in cash disbursements. The Assistant to the Executive Director, who prepared the checks, received the checks back from the signers to be mailed. The check preparer should not regain control of the checks after preparation. Per discussion with management, the checks are now mailed by a third party. Therefore, the deficiency no longer exists.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe that the following deficiency constitutes a material weakness:

1. The Organization's personnel do not have the expertise to draft the financial statements and footnotes at year-end in accordance with auditing standards generally accepted in the United States of America. We recommend that if additional accounting personnel is hired, consideration should be given to the financial statement and footnote preparation ability of the individual.

This communication is intended solely for the information and use of management, the board of directors, and others within the Organization, and is not intended to be and should not be used by anyone other than these specified parties.

Yours very truly,

David Culp & Co. LLP
Certified Public Accountants