

**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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November 30, 2009

Board of Directors  
Alternatives Incorporated  
of Madison County  
1309 Monticello Dr.  
Anderson, IN 46011

We have reviewed the audit report prepared by Fitzgerald/Isaac, PC, Independent Public Accountants, for the period July 1, 2006 to June 30, 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 Alternatives Incorporated of Madison County, as of June 30, 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 finding in the report. The management letter contains one comment.

STATE BOARD OF ACCOUNTS

ALTERNATIVES INCORPORATED OF MADISON COUNTY

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INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Alternatives Incorporated of Madison County

We have audited the accompanying statement of financial position of **Alternatives Incorporated of Madison County** ("Alternatives") as of June 30, 2007 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Alternatives' management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 audit provides 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 Alternatives Incorporated of Madison County as of June 30, 2007, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2007 on our consideration of Alternatives' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Indianapolis, IN  
September 14, 2007

*Fitzgerald Isaac p.c.*

ALTERNATIVES INCORPORATED OF MADISON COUNTY

Statement of Financial Position

<u>Assets</u>	<u>June 30, 2007</u>
Current assets:	
Cash	\$ 575,437
Short-term investments	42,472
Accounts receivable:	
Grants	145,078
Other	9,183
Unconditional promises to give	6,018
Prepaid expenses	8,984
Total current assets	<u>787,172</u>
Long-term investments	15,721
Property and equipment, net of accumulated depreciation	<u>3,197,213</u>
	<u>\$ 4,000,106</u>
<u>Liabilities and Net Assets</u>	
Current liabilities:	
Note payable	\$ 252,090
Accounts payable	19,286
Accrued expenses	44,191
Total current liabilities	<u>315,567</u>
Net assets:	
Unrestricted	3,657,942
Temporarily restricted	10,876
Permanently restricted	15,721
Total net assets	<u>3,684,539</u>
	<u>\$ 4,000,106</u>

See accompanying notes to financial statements.

ALTERNATIVES INCORPORATED OF MADISON COUNTY

Statement of Activities

	Year Ended June 30, 2007			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenue and Public Support				
Federal grants	\$ 474,955	-	-	474,955
State and local grants	196,513	4,854	-	201,367
Foundation and other grants	68,256	-	-	68,256
Contributions:				
Cash	429,281	6,022	-	435,303
In-kind	67,837	-	-	67,837
Service revenue	10,916	-	-	10,916
Fundraising income	30,437	-	-	30,437
Investment income	15,178	-	959	16,137
Realized and unrealized gains on investments	1,617	-	989	2,606
Total revenue and public support	1,294,990	10,876	1,948	1,307,814
Expenses				
Program services:				
Crisis residential	464,027	-	-	464,027
Transitional housing	108,601	-	-	108,601
Sexual assault	23,579	-	-	23,579
Child abuse prevention	29,792	-	-	29,792
Children's advocacy	66,106	-	-	66,106
Children's outreach	173,891	-	-	173,891
Family violence outreach	270,555	-	-	270,555
Community education	12,757	-	-	12,757
Total program services	1,149,308	-	-	1,149,308
Administrative and general	133,249	-	-	133,249
Fundraising	11,839	-	-	11,839
Total expenses	1,294,396	-	-	1,294,396
Increase in net assets	594	10,876	1,948	13,418
Net assets, beginning of year	3,657,348	-	13,773	3,671,121
Net assets, end of year	\$ 3,657,942	10,876	15,721	3,684,539

See accompanying notes to financial statements.

ALTERNATIVES INCORPORATED OF MADISON COUNTY

Statement of Functional Expenses

Year Ended June 30, 2007

	Program Services										Administrative and General		Total
	Crisis Residential	Transitional Housing	Sexual Assault	Child Abuse Prevention	Children's Advocacy	Children's Outreach	Family Violence Outreach	Community Education	Total	Fundraising	Total		
Salaries	\$ 202,788	29,114	4,853	16,452	34,402	105,463	123,610	2,300	518,982	76,747	5,654	601,383	
Employee benefits	53,010	6,907	1,306	5,456	9,613	28,120	30,723	921	136,056	18,732	2,018	156,806	
Professional fees	7,875	443	2,603	836	598	2,045	53,979	1,345	69,724	1,394	117	71,235	
Insurance	8,664	1,967	379	714	1,406	3,720	4,377	160	21,387	3,072	215	24,674	
Supplies	60,232	5,127	880	1,938	3,532	9,874	21,538	287	103,408	1,107	293	104,808	
Telephone	2,971	379	69	306	497	3,152	5,872	86	13,332	1,035	79	14,446	
Postage	1,001	106	50	176	157	452	523	438	2,903	335	44	3,282	
Occupancy	38,560	22,701	4,397	907	5,982	5,370	8,319	707	86,943	9,473	904	97,320	
Interest	11,249	6,749	1,352	504	1,709	1,587	1,477	272	24,899	3,482	316	28,697	
Equipment maintenance and repairs	4,055	812	85	413	501	2,342	2,360	272	10,840	890	278	12,008	
Printing	676	8	2	2	98	952	5,869	3,445	11,052	27	1	11,080	
Travel	454	-	608	890	-	4,516	7,651	6	14,125	112	58	14,295	
Training and registration	36	-	-	-	245	2,220	632	515	3,648	293	18	3,959	
Direct client assistance	19,019	-	-	-	-	621	197	-	19,837	-	-	19,837	
Dues and fees	2,068	-	175	-	-	-	83	905	3,231	-	462	3,693	
Depreciation	42,593	29,204	5,790	1,198	6,274	2,911	2,764	935	91,669	12,243	1,177	105,089	
Loss on asset disposal	7,624	5,084	1,008	-	1,092	507	481	163	15,959	2,131	205	18,295	
Miscellaneous	1,152	-	22	-	-	39	100	-	1,313	2,176	-	3,489	
	\$ 464,027	108,601	23,579	29,792	66,106	173,891	270,555	12,757	1,149,308	133,249	11,839	1,294,396	

ALTERNATIVES INCORPORATED OF MADISON COUNTY

Statement of Cash Flows

<u>Operating Activities</u>	Year Ended June 30, 2007
Change in net assets	\$ 13,418
Adjustment to reconcile change in net assets to cash flows from operating activities:	
Depreciation	105,089
Gains on investments	(2,606)
Loss on disposal of property and equipment	18,295
Change in:	
Accounts receivable	(28,292)
Unconditional promises to give	(39,948)
Prepaid expenses	3,839
Accounts payable	6,767
Accrued expenses	11,174
Net cash provided by operating activities	<u>87,736</u>
<u>Investing Activities</u>	
Purchase of fixed assets	(32,625)
Purchases of investments	(3,951)
Net cash used by investing activities	<u>(36,576)</u>
<u>Financing Activities</u>	
Principal payments on note payable	(80,125)
Net cash used by financing activities	<u>(80,125)</u>
Net decrease in cash	(28,965)
Cash, beginning of year	<u>604,402</u>
Cash, end of year	<u>\$ 575,437</u>
Supplemental disclosures:	
Cash paid for interest expense	\$ 28,697

See accompanying notes to financial statements.

## ALTERNATIVES INCORPORATED OF MADISON COUNTY

### Notes to Financial Statements

June 30, 2007

#### (1) Summary of Significant Accounting Policies

##### General

Alternatives Incorporated of Madison County ("Alternatives") is a not-for-profit organization, incorporated under the laws of the State of Indiana. Alternatives' purpose is to eradicate family violence in all its facets through education, prevention and intervention. Alternatives serves residents of Madison, Hamilton, Hancock, Henry and Marion counties in Indiana. Alternatives' foundation program is an emergency shelter and transitional housing for women and children who are victims of domestic violence, homelessness and sexual assault. Prevention and education services include collaborative projects with law enforcement organizations, healthcare providers, employers, governmental agencies and schools. Outreach services concentrate on rural communities and underserved populations. Children's services include in-shelter preschool, an after school and summer tutoring and activity program for elementary aged children, and safe-touch child abuse prevention program.

##### Financial Statement Presentation

Alternatives reports its financial position and activities according to three classes of assets as follows:

- Unrestricted net assets, which represent assets that the Board of Directors has discretionary control to use in carrying on the operations of the corporation in accordance with its articles of incorporation and by-laws.
- Temporarily restricted net assets, which represent assets restricted by the donor, grantor, or other outside party for a specific purpose or until the passage of time.
- Permanently restricted net assets, which represent assets that are subject to restriction by gift instruments requiring that the principal be invested in perpetuity and only the income be expended, or assets donated with the provision that they not be sold.

ALTERNATIVES INCORPORATED OF MADISON COUNTY

Notes to Financial Statements

(1) Summary of Significant Accounting Policies, Continued

Accounting Estimates

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which 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 the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions

Contributions received are measured at their fair values and are reported as an increase in net assets. Alternatives reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a 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. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Property and Equipment

Purchases of these assets and expenditures that materially increase value or extend useful lives are capitalized and are included in the accounts at cost. Routine maintenance and repairs, minor replacement costs, and equipment purchases with a unit cost of less than \$1,000 are charged to expense as incurred.

Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives are as follows:

Building .....	40 years
Equipment.....	5 to 10 years
Vehicles .....	7 years

## ALTERNATIVES INCORPORATED OF MADISON COUNTY

### Notes to Financial Statements

#### (1) Summary of Significant Accounting Policies, Continued

##### Property and Equipment, Continued

Under the terms of Alternatives' grants, its Federal grantors and the State of Indiana reserve the right to approve any sale, transfer or disposition of property or equipment having a unit acquisition cost of \$5,000 or more purchased with grant funds. Furthermore, this equipment is eligible to be transferred at the discretion of the State to a program which is being, or has been, transferred to another grantee, to ensure continued use of the equipment if Alternatives can no longer meet the terms of the grant agreement.

##### Revenue Recognition

A portion of Alternatives' revenue is the product of cost reimbursement grants. Accordingly, Alternatives recognizes revenue under these grants in the amount of costs and expenses at the time they are incurred. Revenue under fee for service arrangements is recognized at the time the service delivery requirements are met.

##### Taxes on Income

Alternatives has received a determination from the U.S. Treasury Department stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization. Accordingly, no provision has been made in the accompanying financial statements for federal or state income taxes.

#### (2) Investments

Short-term investments represent resources in excess of normal operating needs invested to generate a higher return. All amounts at June 30, 2007 were invested in a high yield mutual fund.

Long-term investments represent funds held by the Madison County Community Foundation, Inc. Income from the investments is available to support Alternatives' activities. Under terms of the agreement, the Foundation has been granted variance authority related to the fund assets and earnings.

ALTERNATIVES INCORPORATED OF MADISON COUNTY

Notes to Financial Statements

(3) Accounts Receivable

Accounts receivable are primarily related to grants due from State and Federal governmental agencies. Alternatives believes that all claims are within the terms of the grant agreements. As such, no allowance has been made for doubtful accounts.

(4) Property and Equipment

Property and equipment as of June 30, 2007 was comprised of the following:

Building .....	\$3,139,451
Equipment.....	266,910
Vehicles .....	<u>47,822</u>
	3,454,183
Less accumulated depreciation.....	<u>(256,970)</u>
	<u>\$3,197,213</u>

Alternatives leases the land underneath its housing facility from Community Hospital of Anderson and Madison County, Inc. under a 35-year lease, which terminates on June 30, 2038. The agreement provides for an annual lease payment of \$1. Alternatives has the option to extend the lease for three additional 5-year terms.

(5) Restricted Net Assets

Temporarily restricted net assets represent resources that have been received from grantors and donors but had not been expended for donor purposes as of June 30, 2007. Temporarily restricted net assets as of June 30, 2007 were available for the following purposes:

Drug use education .....	\$ 4,854
Playground construction .....	<u>6,022</u>
	<u>\$10,876</u>

ALTERNATIVES INCORPORATED OF MADISON COUNTY

Notes to Financial Statements

(6) Grant Funding

Grant funding for the year ended June 30, 2007 was provided through the following sources:

Federal grants:

Title XX.....	\$ 41,638
Communities Against Rape Education.....	16,514
Family Violence and Prevention Services.....	48,566
Indiana Housing and Community Development Authority .....	32,500
Department of Education.....	55,810
Indiana Criminal Justice Institute .....	77,942
Office of Violence Against Women .....	73,911
Housing and Urban Development .....	90,518
Other .....	<u>37,556</u>
Total.....	<u>\$474,955</u>

State grants:

Madison County Dept. of Child Service.....	\$ 98,699
Domestic Violence Prevention and Treatment	64,418
Indiana Coalition Against Domestic Violence	<u>38,250</u>
Total.....	<u>\$201,367</u>

Foundations and others:

Community Hospital Anderson Foundation...	\$ 10,000
Madison County Community Foundation .....	5,000
Legacy Fund .....	7,000
Christ Church Cathedral .....	18,000
Episcopal Diocese of Indianapolis.....	11,000
Citigroup Foundation.....	5,000
Other .....	<u>12,256</u>
Total.....	<u>\$ 68,256</u>

ALTERNATIVES INCORPORATED OF MADISON COUNTY

Notes to Financial Statements

(7) Leases

Alternatives leases an office copier under an agreement accounted for as an operating lease. Rent expense for the year ended June 30, 2007 was \$4,748.

Minimum future lease obligations as of June 30, 2007 were:

Year Ending June 30:

2008 .....	\$4,991
2009 .....	4,991
2010 .....	1,248

(8) Retirement Plan

In 2006, Alternatives adopted a defined contribution plan, which covers all employees over the age of 21 who work at least 1,000 hours per year and have completed one year of service. Under the plan, Alternatives makes elective contributions based on the total compensation of each individual. Expense recognized under the plan for 2007 was \$27,163.

(9) Risks and Uncertainties

The majority of revenues relate directly or indirectly to programs sponsored by federal and state legislation. Changes in government sponsored programs may significantly affect Alternatives.

Alternatives maintains the majority of its cash deposits at First Merchants Bank of Central Indiana. Accounts at this institution are insured by the Federal Deposit Insurance Corporation up to \$100,000 per institution. Cash deposits frequently exceed the insured balance.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

The Board of Directors  
Alternatives Incorporated of Madison County

We have audited the financial statements of **Alternatives Incorporated of Madison County**, ("Alternatives") as of and for the year ended June 30, 2007 and have issued our report thereon dated September 14, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Alternatives' internal control over financial reporting 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 Alternatives' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Alternatives' internal control over financial reporting.

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 organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or 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 organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of Alternatives are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Stymura / Inatt p.c.*

Indianapolis, IN  
September 14, 2007

To the Board of Directors  
Alternatives Incorporated of Madison County

We are pleased to have provided audit services to **Alternatives Incorporated of Madison County** ("Alternatives") for the year ended June 30, 2007.

One of our responsibilities is to present to you information regarding the scope and results of the audit to assist you in overseeing the financial disclosure and reporting process of Alternatives. The comments that follow are intended for that purpose.

#### The Auditors' Responsibility

As stated in our engagement letter dated July 9, 2007, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of Alternatives. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Alternatives' compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

#### Significant Accounting Policies

Management is responsible for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Alternatives are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies is consistent with the preceding year. We noted no transactions entered into by Alternatives during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

### Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance and/or the possibility that future results may vary materially from those expected. There are no estimates in Alternatives financial statements that are considered significant for purposes of this letter.

### Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on Alternatives' financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, whether recorded or unrecorded by the organization, either individually or in the aggregate, indicate matters that could have a significant effect on Alternatives' financial reporting process.

### Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of our audit.

### Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Alternatives' financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to communicate with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### Issues Discussed Prior to Retention of Independent Auditors

We discussed a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as Alternatives' auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Performance of the Audit

There were no significant difficulties encountered in performing the audit. The information we requested was provided according to the schedule agreed to by management. Completion of our audit procedures in a timely manner necessitates making inquiries of personnel. Alternatives' personnel were helpful and accessible.

### Other Matters

During an audit, we frequently become aware of conditions where internal controls or operating efficiency can be improved. Following is a description of one such matter and our recommendation.

#### Cash Disbursements

Due to the limited number of administrative personnel, it is difficult to achieve optimum internal control. As such, the majority of accounting functions are vested in the position of Chief Financial Officer. One area where internal control can be strengthened is in the cash disbursements process. At present, the CFO controls the blank check supply, processes payments, affixes the facsimile signatures, and reconciles the bank account. This level of responsibility creates an environment where fraudulent payments could be processed and concealed.

We recommend that control of facsimile signature stamps used to sign disbursement checks be given to someone other than the CFO. This person would be responsible for examining the invoices for proper CEO authorization, affixing the signatures to the checks, mailing the checks, and canceling the invoices. The cancelled invoices would then be returned to the CFO.

This report is intended solely for the use of the Board of Directors and management and should not be used for any other purpose.

We appreciate this opportunity to be of service and extend our thanks to everyone at **Alternatives Incorporated of Madison County** for their cooperation and assistance. We would be pleased to discuss any of the above matters with you at your convenience.



September 14, 2007

Corporate Office:  
Post Office Box 1302  
Anderson, Indiana 46015-1302

Hancock County Office:  
120 West McKenzie Road, Suite D  
Greenfield, Indiana 46140-1072



Administrative: (765) 643-0218  
Crisis: (765) 643-0200  
Elwood Crisis: (765) 552-1038  
Toll Free Crisis: (866) 593-9999  
Hancock County: (317) 462-8777  
Fax: (765) 643-0291  
alternatives@alternativesdv.org  
www.alternativesdv.org

January 14, 2008

Mr. Gene Fitzgerald  
Fitzgerald Isaac, p.c.  
9245 North Meridian Street, Suite 302  
Indianapolis, IN 46260

Dear Mr. Fitzgerald:

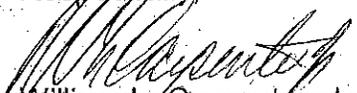
Thank you for the efficient and professional manner in which the audit of our accounting procedures was conducted. We appreciate your services. In response to your recommendation regarding internal control in the area of cash disbursements, we have taken the following actions:

- The Executive Administrative Assistant has possession of the facsimile signature stamps
- The Executive Administrative Assistant is responsible for examining the invoices, affixing signatures to the checks, mailing the checks, and canceling invoices
- The CEO reviews and approves all disbursements
- In the absence of the CEO, disbursements will be reviewed and approved by the Finance Committee Chair or any member of the Finance Committee

As you stated, achieving maximum internal control in an organization as small as ours is difficult; however, your recommendations did greatly assist us in strengthening our procedures.

Thank you again for your services. We look forward to working with you again.

Respectfully,



William L. Carpenter, Jr.  
President

cc Finance Committee

Program services funded by: Anderson Community School Corporation, Central Indiana Power Community Trust, Chemical People Task Force of Madison County, Christ Church Cathedral, Community Hospital Anderson, Eli Lilly Greenfield Labs, Emergency Food & Shelter Program, Episcopal Diocese of Indianapolis, Hamilton County CDBG Program, Hancock County Community Foundation, Henry County Community Foundation, Henry County United Fund, Hoosier Park, Indiana CARE Initiative, Indiana Coalition Against Domestic Violence, Indiana Criminal Justice Institute, Indiana Department of Education, Indiana Family & Social Services Administration, Indiana Housing and Community Development Authority, Legacy Fund Community Foundation, Madison County Commissioners, Madison County Office of Family Resources, Mary Kay Ash Charitable Foundation, Sexual Assault Victims Assistance Fund, Target Stores, U.S. Department of Housing and Urban Development, U.S. Department of Justice, United Way of Central Indiana, United Way of Madison County, Vectren Foundation, and contributions.



Equal Opportunity/Affirmative Action Employer