



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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May 27, 2009

Board of Directors
Crawford County Youth Program, Inc.
P.O. Box 393
Marengo, IN 47140

We have reviewed the audit report prepared by Steudle Spears & Francke, PSC, Independent Public Accountants, for the period October 1, 2006 to September 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 Crawford County Youth Program, Inc., as of September 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

CRAWFORD COUNTY YOUTH PROGRAM, INC.

AUDITED FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

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STUEDLE SPEARS & FRANCKE PSC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

February 12, 2008

Board of Directors
Crawford County Youth Program, Inc.
P.O. Box 393
Marengo, IN 47140

We have audited the accompanying statements of assets, liabilities, and net assets-modified cash basis of Crawford County Youth Program, Inc. as of September 30, 2007 and 2006, and the related statements of support, revenue and expenses- modified cash basis and the statement of functional expenses- modified cash basis for the year ended September 30, 2007. These financial statements are the responsibility of Crawford County Youth Program, Inc.'s 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. 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.

As described in Note A, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to present fairly, in all material respects, the assets, liabilities, and net assets of Crawford County Youth Program, Inc. as of September 30, 2007 and 2006, and its support, revenue and expenses, and functional expenses for the year ended September 30, 2007, on the basis of accounting described in Note A.

STUEDLE SPEARS & FRANCKE, PSC



CRAWFORD COUNTY YOUTH PROGRAM, INC.
 STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
 AS OF SEPTEMBER 30, 2007

	2007	2006
ASSETS		
Cash and Cash Equivalents	\$ 85,264	\$ 48,799
Total Current Assets	85,264	48,799
Property and Equipment, Net of Accumulated Depreciation	56,587	66,259
Total Assets	\$ 141,851	\$ 115,058
LIABILITIES AND NET ASSETS		
Liabilities:		
Payroll Tax Liabilities	\$ 2,173	\$ -
Total Liabilities	2,173	-
NET ASSETS		
Unrestricted:	108,397	72,485
Temporarily Restricted	2,998	42,573
Permanently Restricted	28,283	-
Total Net Assets	139,678	115,058
Total Liabilities and Net Assets	\$ 141,851	\$ 115,058

The accompanying notes are an integral part of these financial statements

CRAWFORD COUNTY YOUTH PROGRAM, INC.
 STATEMENTS OF SUPPORT, REVENUE, AND EXPENSES - MODIFIED CASH BASIS
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	2007	2006
<u>UNRESTRICTED NET ASSETS</u>		
Support and Revenue		
Donations	\$ 63	\$ 122
Grants	235,457	226,389
Program Fees	2,073	2,025
Contributions In-Kind	24,162	24,162
Other Income	9,828	4,860
Total Unrestricted Support and Revenue	271,583	257,558
Net Assets Released from Restrictions	22,317	5,442
	293,900	263,000
Expenses:		
Program services	180,249	175,636
Management and General	77,739	78,135
Total Expenses	257,988	253,771
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	35,912	9,229
<u>TEMPORARILY RESTRICTED NET ASSETS</u>		
Grants	11,025	11,154
Transfers to Permanently Restricted Net Assets	(28,283)	
Net Assets Released from Restrictions	(22,317)	(5,442)
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	(39,575)	5,712
<u>PERMANENTLY RESTRICTED NET ASSETS</u>		
Transfers from Temporarily Restricted Net Assets	28,283	-
INCREASE (DECREASE) IN PERMANENTLY RESTRICTED NET ASSETS	28,283	
TOTAL INCREASE (DECREASE) IN NET ASSETS	24,620	14,941
Net Assets, Beginning of Year	115,058	100,117
Net Assets, End of Year	\$ 139,678	\$ 115,058

The accompanying notes are an integral part of these financial statements

CRAWFORD COUNTY YOUTH PROGRAM, INC.
 STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Program Services Youth Program	Management and General	Total	2006 Memorandum Only
Salaries	\$ 89,738	\$ 38,459	\$ 128,197	\$ 128,308
Payroll Taxes	6,764	2,899	9,663	9,741
Employee Benefits	10,027	4,297	14,324	19,381
Rent	16,913	7,249	24,162	24,162
Utilities	9,979	4,276	14,255	13,954
Insurance	7,037	3,016	10,053	5,167
Facility Upgrades	2,675	1,147	3,822	-
Repairs and Maintenance	2,842	1,218	4,060	854
Depreciation	9,871	4,230	14,101	17,241
Interest	-	-	-	684
Program Services	1,887	-	1,887	1,817
Outside Services	2,297	-	2,297	4,150
Supplies	7,711	3,304	11,015	7,964
Dues and Subscriptions	1,481	634	2,115	2,100
Postage	250	-	250	233
Training	2,924	-	2,924	2,087
Travel	4,291	-	4,291	4,045
Meals and Entertainment	-	360	360	431
Endowment	155	-	155	-
Loss on Sale of Assets	-	-	-	50
Vending	3,407	-	3,407	2,764
Professional Fees	-	6,650	6,650	8,553
Miscellaneous	-	-	-	85
TOTAL EXPENSES	\$ 180,249	\$ 77,739	\$ 257,988	\$ 253,771

The accompanying notes are an integral part of these financial statements

CRAWFORD COUNTY YOUTH PROGRAM, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2007

NOTE A - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Nature of Activities

The Organization assists troubled youth in the local community by providing counseling, tutoring, and various youth programs to promote a successful transition from adolescence to adulthood.

Accounting Method

The accounting records of the Organization are maintained on the modified cash basis of accounting. Revenue is recorded when cash or donated goods or services are received and expenses are recorded when cash is paid. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

The modified cash basis of accounting differs from generally accepted accounting principles primarily because grants receivable, prepaid expenses, accounts payable to vendors, and accrued expenses are not recorded in the financial statements.

Contributed Services

During the years ended September 30, 2007 and 2006, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Functional Allocation of Expenses

The financial statements include prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read with the organization's financial statements for the year ended September 30, 2006 from which the summarized information was derived.

See accountant's report

CRAWFORD COUNTY YOUTH PROGRAM, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2007

NOTE A - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Organization considers all highly liquid investments available for use with an initial maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided for over the estimated useful lives of the assets on a straight-line basis. The estimated useful lives for equipment, vehicles, and leasehold improvements range from five to fifteen years. Costs incurred on the building are depreciated over a period of thirty-nine years. Depreciable assets are entered into the financial statements at cost if purchased and at fair market value if donated.

Income Taxes

No amount is provided in the financial statements for federal or state income tax due to the fact that the Organization has qualified under Internal Revenue Code Section 501(c)(3) as a non-profit charitable organization exempt from federal income tax.

See accountant's report

CRAWFORD COUNTY YOUTH PROGRAM, INC.
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2007

NOTE A - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Conditional Contributions

Contributions are recognized upon receipt by the Organization. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanent restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

NOTE B - PROPERTY AND EQUIPMENT

Property and Equipment consist of the following at September 30:

	<u>2007</u>	<u>2006</u>
Land	\$ 1,250	\$ 1,250
Buildings	36,386	36,386
Equipment	34,588	32,318
Office Equipment	89,572	88,176
Leasehold Improvements	<u>30,351</u>	<u>30,351</u>
	192,147	188,481
Less: Accumulated Depreciation	<u>135,560</u>	<u>122,222</u>
Net Fixed Assets	<u>\$ 56,587</u>	<u>\$ 66,259</u>

See accountant's report

CRAWFORD COUNTY YOUTH PROGRAM, INC.
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2007

NOTE C - TEMPORARILY RESTRICTED NET ASSETS

Total temporarily restricted net assets are as follows at September 30:

	2007	2006
CCDFC	\$ 225	\$ 413
YSB Grant	2,002	8,750
CARE Grant	771	833
Children's Trust Grant	-	3,361
Youth Center	-	29,216
	\$ 2,998	\$ 42,573
Total		

NOTE D - PERMANENTLY RESTRICTED NET ASSETS

On January 18, 2007 it was determined that the building the Crawford County Youth Program, Inc. operates as the Crawford County Youth Center would remain within the ownership of Crawford County. Therefore, these net assets were transferred from temporarily to permanently restricted net assets. As of September 30, 2007, the Organization had invested \$36,386 in the construction of the building and had taken \$8,103 in depreciation expense, resulting in permanently restricted net assets of \$28,283 as of September 30, 2007.

NOTE E - DONATED FACILITIES

The Organization occupies the facilities owned by Crawford County as described in Note D. No rent is paid by the Organization. The Organization has estimated the approximate fair value of the annual rental to be \$24,162 and has included it in contributions and expenses in the financial statements for the years ended September 30, 2007 and 2006.

See accountant's report

STUEDLE SPEARS & FRANCKE PSC

CERTIFIED PUBLIC ACCOUNTANTS

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Accountant's Report on Management Letter Comments

To the Board of Directors
Allison Milar, Executive Director
Crawford County Youth Program, Inc.
Marengo, IN

Ladies and Gentlemen:

In planning and performing our audit of the financial statements of Crawford County Youth Program, Inc. for the year ended September 30, 2007, we considered its internal control structure in order to determine our audit procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure. In conversations with management it has been stated that the goal is to continue to make improvements as needed. It is with this in mind that we offer the following suggestions. The information contained in this letter does not affect our report dated February 12, 2008 on the financial statements of Crawford County Youth Program, Inc.

We sincerely appreciate the opportunity to be of service to Crawford County Youth Program, Inc. and would be pleased to go over any of the enclosed comments at your convenience. We wish you much success as your organization continues to grow.

Best Regards,



Stuedle Spears & Francke PSC
February 12, 2008

**Crawford County Youth Program, Inc.
Management Letter Comments**

Disaster Recovery Plan and Documentation of Procedures

In recent years, this has gained much more prominence as various entities have been dealt with unfortunate situations, such as fire, natural disaster, or other unexpected operational disturbances. It would be our recommendation that the Organization develop and document a disaster recovery plan that would highlight key functionalities of the Youth Program and also address possible solutions for ensuring the continuity of the Youth Program's key operations and information systems. Those solutions could include nightly backups of vital information or selection of a designated facility in the event the building was to become inoperable. Once a plan is in place, we recommend that it be tested to determine whether the plan is operating as intended.