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May 27, 2009

Board of Directors  
Huffer Memorial Children's Center, Inc.  
2000 N. Elgin St.  
Muncie, IN 47303

We have reviewed the audit report prepared by Agresta & Associates, PC, Independent Public Accountant, 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 Huffer Memorial Children's Center, 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.

STATE BOARD OF ACCOUNTS

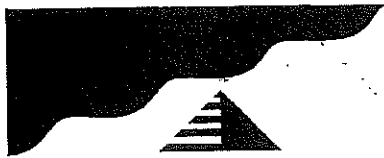
**HUFFER MEMORIAL  
CHILDREN'S CENTER, INC.  
MUNCIE, INDIANA**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2007**

**HUFFER MEMORIAL CHILDREN'S CENTER, INC.**

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## Agresta & Associates, PC

Certified Public Accountants & Business Consultants

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### Independent Auditor's Report

Board of Directors  
Huffer Memorial Children's Center, Inc.  
(an Indiana Not-For-Profit Corporation)  
Muncie, Indiana

We have audited the accompanying statement of financial position of Huffer Memorial Children's Center, Inc. (a nonprofit organization) as of December 31, 2007, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 the 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 Huffer Memorial Children's Center, Inc. as of December 31, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2008, on our consideration of Huffer Memorial Children's Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Huffer Memorial Children's Center, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing 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.

*Agrestis & Associates, PC*

Indianapolis, Indiana  
September 29, 2008

**HUFFER MEMORIAL CHILDREN'S CENTER, INC.**

**STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2007**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 257,707
Accounts receivable	87,984
Prepaid insurance	5,071

Total Current Assets 350,762

**PROPERTY AND EQUIPMENT**

Land	20,243
Building	636,330
Kitchen equipment	29,940
Office furniture and equipment	92,305
Classroom and playground equipment	190,577
Vehicles	32,358

Accumulated depreciation (630,574)

Total Property and Equipment 371,179

**OTHER ASSETS**

Investments	<u>40,849</u>
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Total Assets \$ 762,790

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 23,097
Accrued vacation pay	16,773

Total Current Liabilities 39,870

**NET ASSETS**

Unrestricted	527,711
Temporarily restricted	195,209

Total Net Assets 722,920

Total Liabilities and Net Assets \$ 762,790

**HUFFER MEMORIAL CHILDREN'S CENTER, INC.**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND OTHER SUPPORT</b>			
Child care grants	\$ 192,487	\$ -	\$ 192,487
School lunch program	81,770	-	81,770
United Way	132,000	-	132,000
CCR and R Grants	419,301	-	419,301
Program service fees	104,723	-	104,723
Other public funding	352,635	-	352,635
Investment and other income (loss)	81,073	(9,151)	71,922
Capital campaign contributions	-	185,626	185,626
Miscellaneous income	29,219	-	29,219
	<u>1,393,208</u>	<u>176,475</u>	<u>1,569,683</u>
Net assets released from restrictions	<u>31,266</u>	<u>(31,266)</u>	<u>-</u>
 Total Revenue and Other Support	 \$ 1,424,474	 \$ 145,209	 \$ 1,569,683
 <b>EXPENSES</b>			
Salaries	\$ 905,686	\$ -	\$ 905,686
Payroll taxes	71,981	-	71,981
Insurance - employees, other	111,456	-	111,456
Professional fees	36,910	-	36,910
Educational program supplies	16,064	-	16,064
Food costs	49,879	-	49,879
Other supplies	39,566	-	39,566
Telephone	7,819	-	7,819
Postage	5,487	-	5,487
Building insurance	8,040	-	8,040
Utilities	23,450	-	23,450
Building and grounds maintenance	12,022	-	12,022
Other occupancy cost	18,806	-	18,806
Subscription and dues	4,597	-	4,597
Travel	15,873	-	15,873
Conference and meetings	11,102	-	11,102
Capital campaign expense	1,124	-	1,124
Depreciation	43,295	-	43,295
Miscellaneous expense	30,419	-	30,419
	<u>1,413,576</u>	<u>-</u>	<u>1,413,576</u>
 Total Expenses	 \$ 1,413,576	 -	 \$ 1,413,576
 <b>CHANGE IN NET ASSETS</b>	 \$ 10,898	 \$ 145,209	 \$ 156,107
 <b>NET ASSETS AT BEGINNING OF YEAR</b>	 <u>516,813</u>	 <u>50,000</u>	 <u>566,813</u>
 <b>NET ASSETS AT END OF YEAR</b>	 <u>\$ 527,711</u>	 <u>\$ 195,209</u>	 <u>\$ 722,920</u>

See accompanying Notes to Financial Statements.

**HUFFER MEMORIAL CHILDREN'S CENTER, INC.**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

**INCREASE IN CASH AND CASH EQUIVALENTS**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from grants and program services	\$ 1,202,025
Cash paid to suppliers and employees	(1,356,088)
Cash received from contributions	185,626
Rent received	14,675
Interest received	3,924
Cash received from other sources	87,308
Net Cash Provided By Operating Activities	<u>137,470</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of fixed assets	(34,946)
Proceeds from sale of easement	72,764
Investment purchases	(17,312)
Investment sales	18,192
Net Cash Provided By Investing Activities	<u>38,698</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	176,168
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>81,539</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 257,707</u>

**HUFFER MEMORIAL CHILDREN'S CENTER, INC.**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

**RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES**

<b>CHANGE IN NET ASSETS</b>	<u>\$ 156,107</u>
<b>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Depreciation	\$ 43,295
Unrealized (gain) loss on investments	4,767
Proceeds from sale of easement	(72,764)
Changes in assets	
Accounts receivable	(8,127)
Prepaid expenses	406
Changes in liabilities	
Accounts payable	11,455
Payroll liabilities	<u>2,331</u>
<b>TOTAL ADJUSTMENTS</b>	<u>\$ (18,637)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 137,470</u>

## HUFFER MEMORIAL CHILDREN'S CENTER, INC.

### NOTES TO FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### *Organization*

Huffer Memorial Children's Center, Inc. (the Center), is an Indiana nonprofit corporation, incorporated on February 18, 1965, for the purpose of providing childcare for the economically disadvantaged. The Center is supported through a block grant from Indiana Family and Social Services, Indiana Department of Education, service fees, United Way, and contributions.

##### *Basis of Presentation*

The Center reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

##### *Property, Equipment and Depreciation*

Property and equipment are stated at cost. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. It is the policy of the Center to capitalize property and equipment over \$1,000.

##### *Revenue Recognition*

Revenue and other support are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and/or nature of any donor restrictions. Contract revenues are recorded in the period in which the service was provided. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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.

##### *Income Taxes*

The Center is exempt from federal income tax under the provisions of *Section 501(c)(3)* of the *Internal Revenue Code* and, therefore, has made no provision for federal income taxes in the accompanying financial statements. In addition, the Center has been determined by the Internal Revenue Service not to be a private foundation within the meaning of *Section 509(a)* of the *Internal Revenue Code*. Accordingly, no accounting for federal or state income taxes is required in the accompanying financial statements.

## HUFFER MEMORIAL CHILDREN'S CENTER, INC.

### NOTES TO FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### *Accounts Receivable*

Accounts receivable are stated at unpaid balances. Management of the Center believes the amounts are fully collectible and, therefore, have not recorded a reserve for uncollectible amounts at December 31, 2007. No interest is charged on past due amounts.

##### *Investments*

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

##### *Statement of Cash Flows*

For purposes of the statement of cash flows, the Center considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

##### *Economic Dependency*

The Center is economically dependent on the funding received from the State of Indiana and the United Way.

##### *Credit Risks*

The Center, at any point in time, has significant receivables principally from federal, state, and county welfare programs. Management does not believe there are any undue credit risks resulting from these assets due to the approval status of the contracts.

The Center places its cash and cash equivalents with high credit quality institutions. At times, such amounts may be in excess of the FDIC insured limit. At December 31, 2007, cash accounts in excess of federally insured amounts totaled \$146,063.

##### *Use of Estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**HUFFER MEMORIAL CHILDREN'S CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**2. INVESTMENTS**

Marketable securities consist of equity investments. \$40,849 of the equity investments can only be used for future building additions.

Investment gain in the statements of activities is comprised of the following:

Proceeds from sale of easement	\$ 72,764
Dividends and interest	3,925
Loss on investments	<u>(4,767)</u>
	<u>\$ 71,922</u>

The aggregate carrying value of investments in the statements of financial position is as follows:

Equity securities	<u>\$ 40,849</u>
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The fair value of equity securities has been determined using market value at December 31, 2006.

**3. PROPERTY, EQUIPMENT, AND DEPRECIATION**

A summary of property and equipment is as follows:

Building	10 to 50 years
Kitchen equipment	5 to 12 years
Office furniture and equipment	3 to 12 years
Classroom and playground equipment	3 to 10 years
Vehicles	7 years

Depreciation expense was \$43,295 for the year ended December 31, 2007.

**4. LINE OF CREDIT**

The Center had available a \$50,000 line of credit. Borrowings were charged interest at prime and the note was unsecured. At December 31, 2007, there were no outstanding borrowings on the line of credit. Subsequent to year-end, the line was closed.

**5. RESTRICTIONS/LIMITATIONS ON NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

Future building additions	<u>\$ 195,209</u>
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**HUFFER MEMORIAL CHILDREN'S CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**6. FUNCTIONAL ALLOCATION**

The costs of providing programs and activities have been summarized on a functional basis below. Accordingly, certain costs have been allocated among programs and supporting services benefited.

Program services	\$	1,276,686
Management and general		135,766
Fundraising		<u>1,124</u>
	\$	<u>1,413,576</u>

**7. RETIREMENT PLAN**

The Center has a 403(b) savings plan whereby an employee can contribute and defer taxes on compensation contributed to the plan. The Center does not contribute to the plan.

**HUFFER MEMORIAL CHILDREN'S CENTER, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
<b>U.S. Department of Health and Human Services</b>			
Pass-through Indiana Family and Social Services Administration - Social Service Block Grant-Child Care	93.596	18-07-1A-0034	\$ 180,100
Pass-through Indiana Family and Social Services Administration CCDF Resource and Referral	93.575	18-07-03-0034	12,387
Pass-through Indiana Family and Social Services Administration CCDF Resource and Referral	93.575	49-07-87-0491	<u>383,414</u>
Subtotal Department of Health and Human Services			<u>575,901</u>
<b>U.S. Department of Agriculture</b>			
Pass-through Indiana Department of Education Division of Child Care Food Program	10.558	1180033	<u>81,770</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 657,671</u></u>

**HUFFER MEMORIAL CHILDREN'S CENTER, INC.**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

**BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Huffer Memorial Children's Center, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**HUFFER MEMORIAL CHILDREN'S CENTER, INC.**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

No findings.



## Agresta & Associates, PC

Certified Public Accountants & Business Consultants

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### **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**

Board of Directors  
Huffer Memorial Children's Center, Inc.  
(an Indiana Not-For-Profit Corporation)  
Muncie, Indiana

We have audited the financial statements of Huffer Memorial Children's Center, Inc. as of and for the year ended December 31, 2007, and have issued our report thereon dated September 29, 2008. 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 the Organization's 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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 generally accepted accounting principles 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.

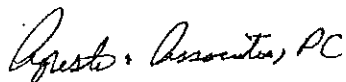
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the second paragraph 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 that we consider to be material weaknesses, as defined above. However, we noted other matters involving internal control and its operation that we have reported to the management of the Organization in a separate letter dated September 29, 2008.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements 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*. However, we noted certain matters that we have reported to management in a separate letter dated September 29, 2008.

This report is intended solely for the information and use of the audit committee, board of directors, management, others within the organization, 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.



Indianapolis, Indiana  
September 29, 2008



**Agresta & Associates, PC**  
Certified Public Accountants & Business Consultants

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**Report on Compliance with Requirements Applicable to Each Major Program and on  
Internal Control over Compliance in Accordance with OMB Circular A-133**

Board of Directors  
Huffer Memorial Children's Center, Inc.  
(an Indiana Not-For-Profit Corporation)  
Muncie, Indiana

Compliance

We have audited the compliance of Huffer Memorial Children's Center, Inc. (Organization) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2007. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Organization's compliance with those requirements.

In our opinion, the Organization complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2007.

### Internal Control over Compliance

The management of Huffer Memorial Children's Center, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Organization's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A control deficiency in an Organization's internal control over compliance exists when the design or operation of a control does not allow management or employees within a timely period, in the normal course of performing their assigned functions, to prevent or detect noncompliance with applicable requirements of laws, regulations, contracts and grants that would have a direct and material effect on a major federal program. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants such that there is more than a remote likelihood that the Organization's noncompliance 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 material noncompliance with applicable requirements of laws, regulations, contracts and grants in relation to a major federal program will not be prevented or detected by the Organization's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the fourth paragraph 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 compliance that we consider to be material weaknesses, as defined above.

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



Indianapolis, Indiana  
September 29, 2008

HUFFER MEMORIAL CHILDREN'S CENTER, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2007

Section 1 - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued?	Unqualified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ yes	_____ x _____	no
Significant deficiencies identified that are not considered to be material weakness(es)?	_____ yes	_____ x _____	no
Noncompliance material to financial statements noted?	_____ yes	_____ x _____	no

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	_____ yes	_____ x _____	no
Significant deficiencies identified that are not considered to be material weakness(es)?	_____ yes	_____ x _____	no
Type of auditors' report issued on compliance for major programs?	Unqualified		
Any audit findings disclosed that are required to be reported in accordance with <i>Section 510(a)</i> of <i>Circular A-133</i> ?	_____ yes	_____ x _____	no

**HUFFER MEMORIAL CHILDREN'S CENTER, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

**Section 1 - Summary of Auditors' Results (continued)**

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.575	Pass-through from Indiana Division of Family and Children Social Service Block Grant - CCDF Resource and Referral

Dollar threshold used to distinguish  
between type A and type B  
programs:

\$300,000

Auditee qualified as low-risk auditee?

  x   yes             no

**Section 2 - Financial Statement Findings**

No matters were reported for year ending December 31, 2007

**Section 3 - Federal Awards Findings and Questioned Costs**

No matters were reported for year ending December 31, 2007

**HUFFER MEMORIAL CHILDREN'S CENTER, INC.**

2000 North Elgin Street  
Muncie, Indiana 47303-2338

**CORRECTIVE ACTION PLAN**

Indiana Family Social Services:

Huffer Memorial Children's Center, Inc., respectfully submits the following corrective action plan for the year ended December 31, 2007.

Audit Period: December 31, 2007

**FINDINGS - FINANCIAL STATEMENT AUDIT**

No findings.

**FINDINGS - FEDERAL AWARD PROGRAMS AUDIT**

No findings.



**Agresta & Associates, PC**  
Certified Public Accountants & Business Consultants

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**Independent Auditors' Report on Supplementary Information**

Board of Directors  
Huffer Memorial Children's Center, Inc.  
(an Indiana Not-For-Profit Corporation)  
Muncie, Indiana

Our report on our audit of the basic financial statements of Huffer Memorial Children's Center, Inc., for the year ended December 31, 2007, appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of Revenue and Other Support 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 auditing 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.

*Agresta & Associates, PC*

Indianapolis, Indiana  
September 29, 2008

**HUFFER MEMORIAL CHILDREN'S CENTER, INC.**

SCHEDULE OF REVENUE AND OTHER SUPPORT  
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Amount</u>	<u>Percent of Total</u>
<b>REVENUE FUNDING SOURCE</b>		
Indiana Family and Social Services		
Child Care Block Grant	\$ 180,100	
School Age Child Care	12,387	
CCDF Resource and Referral	<u>419,301</u>	
Total Indiana Family Social Services	\$ 611,788	39 %
Indiana Department of Education	81,770	5
United Way Contribution	132,000	8
Program Service Fees	104,723	7
Welfare Vouchers for Child Care	309,582	20
Other Public Funding	43,053	3
Capital Campaign Contributions	185,626	12
Other	<u>101,141</u>	<u>6</u>
Total Revenue and Other Support	<u>\$ 1,569,683</u>	<u>100 %</u>