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June 18, 2009

Board of Directors
North Central Indiana
Rural Crisis Center, Inc.
P.O. Box 212
Rensselaer, IN 47978

We have reviewed the audit report prepared by Huth Thompson, 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 North Central Indiana Rural Crisis 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

Financial Statements

NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

DECEMBER 31, 2007 AND 2006

NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

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Huth THOMPSON LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
North Central Indiana Rural Crisis Center, Inc.
Rensselaer, Indiana

We have audited the accompanying statements of assets, liabilities and net assets on a modified cash basis of North Central Indiana Rural Crisis Center, Inc. as of December 31, 2007 and 2006, and the related statements of revenue and expenses and changes in net assets and statements of functional expenses on a modified cash basis 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.

As described in Note 1 to the financial statements, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than the accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets on a modified cash basis of North Central Indiana Rural Crisis Center, Inc. as of December 31, 2007 and 2006, and its revenue and expenses and changes in net assets on a modified cash basis for the years then ended, on the basis of accounting described in Note 1.

Huth Thompson LLP

July 21, 2008
Lafayette, Indiana

NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS--MODIFIED CASH BASIS
As of December 31,

	2007	2006
ASSETS		
CURRENT ASSETS		
Cash (Including Interest Bearing Accounts of $166,325 and $172,134 in 2007 and 2006, respectively)	$ 166,375	$ 172,184
PROPERTY AND EQUIPMENT		
Buildings and Improvements	220,412	209,664
Furniture and Equipment	27,907	26,385
Vehicles	26,520	26,520
	274,839	262,569
Accumulated Depreciation	(245,679)	(238,675)
	29,160	23,894
	$ 195,535	$ 196,078
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Payroll Liabilities	$ -	$ 833
NET ASSETS		
Unrestricted, Undesignated	195,535	195,245
	195,535	195,245
	$ 195,535	$ 196,078

See Notes to Financial Statements.

NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS--MODIFIED CASH BASIS

For Years Ended December 31,

	COMBINED TOTALS		UNRESTRICTED		TEMPORARILY RESTRICTED	
	2007	2006	2007	2006	2007	2006
REVENUE						
Contributions	$ 5,070	$ 9,677	$ 5,070	$ 9,677	$ -	$ -
In-Kind Contributions	13,774	16,870	13,774	16,870	-	-
Grants--Governmental Agencies	194,000	201,916	194,000	201,916	-	-
Other Grants	4,644	4,310	4,644	4,310	-	-
Developmental Funds	14,304	-	6,254	-	8,050	-
Special Events	18,656	19,419	18,656	19,419	-	-
Interest	7,322	6,919	7,322	6,919	-	-
	257,770	259,111	249,720	259,111	8,050	-
Net Assets Released from Restrictions	-	-	8,050	-	(8,050)	-
	257,770	259,111	257,770	259,111	-	-
EXPENSES						
Program Services	171,130	176,937	171,130	176,937	-	-
Management and General	60,569	56,752	60,569	56,752	-	-
Fundraising	25,781	26,127	25,781	26,127	-	-
	257,480	259,816	257,480	259,816	-	-
INCREASE (DECREASE) IN NET ASSETS	290	(705)	290	(705)	-	-
NET ASSETS--Beginning of Year	195,245	195,950	195,245	195,950	-	-
NET ASSETS--End of Year	$ 195,535	$ 195,245	$ 195,535	$ 195,245	$ -	$ -

See Notes to Financial Statements.

NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

STATEMENTS OF FUNCTIONAL EXPENSES--MODIFIED CASH BASIS
For Years Ended December 31,

	COMBINED TOTALS		PROGRAM SERVICES		MANAGEMENT AND GENERAL		FUNDRAISING	
	2007	2006	2007	2006	2007	2006	2007	2006
Salaries	$ 151,498	$ 144,933	$ 99,243	$ 93,903	$ 30,850	$ 29,954	$ 21,405	$ 21,076
Payroll Taxes	11,484	12,666	7,511	6,882	2,343	4,247	1,630	1,537
Employee Benefits	13,443	20,061	9,064	14,226	2,625	3,707	1,754	2,128
Utilities and Telephone	8,385	9,235	7,547	8,312	838	923	-	-
Repairs and Maintenance	3,602	1,786	3,242	1,608	360	178	-	-
Household Supplies and Groceries	2,085	2,202	2,000	2,100	85	102	-	-
In-Kind Program Supplies	13,774	9,870	13,774	9,870	-	-	-	-
Client Expenses	4,176	3,655	4,176	3,655	-	-	-	-
Office Supplies	2,815	3,653	-	-	2,815	3,653	-	-
Office Equipment and Repairs	806	768	-	-	806	768	-	-
Travel and Mileage	530	302	530	302	-	-	-	-
Vehicle Expenses	4,208	5,687	4,208	5,687	-	-	-	-
Seminars and Education	981	479	981	479	-	-	-	-
Dues and Publications	677	610	-	-	677	610	-	-
Program Supplies	562	734	562	734	-	-	-	-
Advertising	1,171	1,364	-	-	1,171	1,364	-	-
Insurance	11,888	10,443	11,888	10,443	-	-	-	-
Professional Fees	17,195	9,282	-	-	17,195	9,282	-	-
Depreciation	7,004	18,950	6,304	17,055	700	1,895	-	-
Miscellaneous	204	1,750	100	1,681	104	69	-	-
Special Events	992	1,386	-	-	-	-	992	1,386
	$ 257,480	$ 259,816	$ 171,130	$ 176,937	$ 60,569	$ 56,752	$ 25,781	$ 26,127

See Notes to Financial Statements.

NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2007 and 2006

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of North Central Indiana Rural Crisis Center, Inc.'s significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

A) Nature of Operations--North Central Indiana Rural Crisis Center, Inc. (the Organization) was formed on February 3, 1986 as a not-for-profit corporation located in Rensselaer, Indiana. The Organization provides temporary shelter and counseling for victims of domestic violence in Newton, Jasper, Pulaski, and surrounding counties in Indiana.

B) Basis of Accounting--The Organization's policy is to prepare its financial statements on the modified cash basis of accounting. Consequently, certain revenue is recognized when received rather than when earned, and certain expenses and purchases of assets are recognized when the cash is disbursed rather than when the obligation is incurred. Depreciation is calculated on capital assets.

C) Use of Estimates--The preparation of financial statements in conformity with the modified cash basis of accounting requires the Organization to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

D) Property and Equipment--Property and equipment are recorded at cost. If donated, the cost is the fair market value at the date of receipt. The Organization considers assets over $1,000 and their expected length of service for capitalization. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using straight-line and accelerated methods. Maintenance, repairs, and minor renewals are charged to operations as incurred. Improvements and major renewals are capitalized. Upon sale or disposition of properties, the asset account is relieved of the cost and the accumulated depreciation account is charged with depreciation taken prior to the sale. Any resultant gain or loss is credited or charged to operations. Depreciation expense was $7,004 and $18,950 for the years ended December 31, 2007 and 2006, respectively.

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E) Net Assets--In accordance with Statement of Financial Accounting Standards No. 117, "*Financial Statements for Not-for-Profit Organizations*" the net assets of the Organization are reported in each of the following three classes:

(1) *Unrestricted Net Assets*--Net assets that are not subject to donor-imposed stipulations.

(2) *Temporarily Restricted Net Assets*--Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time.

(3) *Permanently Restricted Net Assets*--Net assets subject to donor-imposed stipulations that the assets be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

All donor-restricted contributions are recorded as increases in temporarily or permanently restricted net assets, depending on 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 revenue and expenses and changes in net assets--modified cash basis as net assets released from restrictions.

Restrictions on gifts of fixed assets or contributions restricted for the purchase of fixed assets expire when the asset is placed in service, unless otherwise stipulated by the donor. This method of accounting is also followed when the restrictions on contributions are met in the same period that the contributions were received.

Net assets of the two restricted classes are created only by donor-restrictions on their use. All other assets, including board-designated amounts, are legally unrestricted and are reported as part of the unrestricted class. All assets are unrestricted as of December 31, 2007 and 2006.

F) Income Taxes--The Organization is a not-for-profit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and state income taxes under the Indiana General Not-for-Profit Act.

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G) Advertising--The Organization expenses advertising costs as incurred. During 2007 and 2006, advertising costs totaled $1,171 and $1,364, respectively.

H) Donated Goods and Services--The Organization records various types of in-kind support including property and equipment, professional services, and materials. Property and equipment donated are capitalized on the basis explained above. Contributed professional services are recognized if the services either create or enhance long-lived assets, or require specialized skills and would typically need to be purchased if not provided by the donation. Contributions of supplies and materials are recognized at fair market value when received. In-kind contributions for the years ended December 31, 2007 and 2006 were as follows:

	2007	2006
Program Supplies	$ 13,774	$ 9,870
Vehicle	-	7,000
	$ 13,774	$ 16,870

The Organization also receives significant donations of time from volunteers that do not meet the two recognized criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the financial statements.

NOTE 2: FUNCTIONAL ALLOCATION OF EXPENSES

The major program the Organization operates is providing temporary shelter and counseling for victims of domestic violence in several counties in Indiana. For the years ended December 31, 2007 and 2006, the Organization's program expenses totaled $171,130 and $176,937, respectively. For the purposes of the statements of functional expenses, the Organization allocated major expenses by the following percentages for the years ended December 31, 2007 and 2006. All other costs are directly charged to the appropriate functional classification.

NOTE 2: FUNCTIONAL ALLOCATION OF EXPENSES (Continued)

	Program Services	Management and General	Fundraising
Salaries, Payroll Taxes and Benefits--			
Executive Director	50%	25%	25%
Managing Director	0%	50%	50%
Other Employees	90%	10%	0%
Utilities	90%	10%	0%
Repairs & Maintenance	90%	10%	0%
Depreciation	90%	10%	0%

NOTE 3: CONCENTRATION OF CREDIT RISK

At certain times during the year, the Organization maintained cash deposits with its bank which exceeded the $100,000 amount insured by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2007 and 2006, the amount of cash over the FDIC limit was $70,490 and $79,619, respectively.

NOTE 4: ECONOMIC DEPENDENCE

The Organization is economically dependent on the contracts from The State of Indiana Family and Social Services Administration (IFSSA). For the years ended December 31, 2007 and 2006, the Organization received 42% and 39% of its total revenue from IFSSA, respectively.

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Huth THOMPSON LLP

INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Directors
North Central Indiana Rural Crisis Center, Inc.
Rensselaer, Indiana

Our report on our audits of the basic financial statements of North Central Indiana Rural Crisis Center, Inc. appears on page 1. Those audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information 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 audits 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.

Huth Thompson LLP

July 21, 2008
Lafayette, Indiana

NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

SCHEDULES OF GRANTS--GOVERNMENTAL AGENCIES
For Years Ended December 31,
(See Independent Auditor's Report on the Supplementary Information)

	2007	2006
Federal Emergency Management Association	$ 2,326	$ 2,032
Social Services Block Grant	14,990	10,871
Domestic Violence Prevention and Treatment	47,007	41,425
Federal Family Violence	40,531	44,310
VOCA	15,324	22,361
Emergency Shelter	1,649	4,744
Sexual Offense Services	6,606	5,325
Trustee Funds	-	3,050
Counties--		
Jasper	23,667	23,000
Pulaski	17,100	19,000
Newton	24,800	25,798
	$ 194,000	$ 201,916

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Huth THOMPSON LLP

July 21, 2008

To the Board of Directors of
North Central Indiana Rural Crisis Center, Inc.
Rensselaer, Indiana

In planning and performing our audit of the financial statements of North Central Indiana Rural Crisis Center, 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. Our consideration of internal control included procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented, but it did not include procedures to test the operating effectiveness of controls, and accordingly, was not directed to discovering significant deficiencies in 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.

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 a 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 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 Organization's internal control.

We did not identify any deficiencies considered to be material weaknesses requiring reporting for the year ended December 31, 2007. In addition, we have the following business advice comment:

Risk Assessment

For the 2007 audit, the auditing standards board implemented risk assessment procedures the auditor was required to follow. Based on changes in auditing standards over the last year, we believe it would be beneficial for the Organization to consider establishing a formal annual risk assessment process. This analysis could be performed in connection with or intertwined within the strategic planning process. This risk assessment should include analysis of the nonprofit environment, financial, compliance, and fraud risks.

CURRENT DEVELOPMENTS FOR NONPROFITS

While this section of the management recommendation letter is not required by standards, we want to take this opportunity to inform you about emerging issues affecting the nonprofit community.

Governance Practice Guidelines

Recently, the IRS issued governance practices for 501(c)(3) organizations. They issued this guidance as it is their belief that "a charity that has clearly articulated purposes that describe its mission, a knowledgeable and committed governing body and management team, and sound management practices is more likely to operate effectively and consistent with tax law requirements."

We concur with the IRS statement as we have seen numerous entities struggle to maintain their existence caused by a lack of a mission, knowledgeable board members and management, and strong business practices. These guidelines address the following specific topics and specifically relate to various sections of the newly revised Form 990. A summary of each recommendation is as follows:

- *Mission*--Organizations should establish a clearly articulated mission which serves to guide the Organization in all its activities. Organizations should review regularly their mission to ensure compliance with the mission.
- *Organizational Documents*--Organizational documents provide a framework for governance and management. Each Organization should ensure documents are in compliance with various federal and state guidelines.
- *Governing Body*--An active and engaged board is important to the success of the Organization. Organizations should evaluate whether the size of the board promotes efficiency. The board should include independent members.
- *Governance and Management Policies*--The IRS is specifically reviewing exemption and annual information returns to determine whether Organizations have implemented policies relating to executive compensation, conflicts of interest, investments, fundraising, documenting governance decisions, document retention and destruction, and whistleblower claims.
- *Financial Statements and Form 990 Reporting*--The IRS is encouraging the board to ensure that financial resources are used to further the charitable purpose of the Organization and to ensure the funds are properly accounting for. The Board should consider obtaining audits and establishing an independent audit committee to oversee the auditor. From a governance perspective, the Organizations should consider whether a practice of reviewing Form 990 should be implemented.
- *Transparency and Accountability*--By making a full and accurate presentation of the Organization's mission, activities, finance and governance publicly available, an Organization encourages transparency and accountability to donors.

Guidelines can be found on the *www.irs.gov/pub/irs-tege/governance_practices.*

In addition to the IRS guidelines, the Panel on the Nonprofit Sector (independent effort by nonprofits to ensure that the nonprofit community remains a vibrant and health part of American Society) issued "Principles for Good Governance and Ethical Practice." In response to setting standards of ethical practices that preserve and strengthen the public's confidence in a nonprofit organization, these principles were established. These principles should be considered for strengthening effectiveness and accountability within a nonprofit organization and encompass the following discussion topics:

- Legal Compliance and Public Disclosures
- Effective Governance
- Strong Financial Oversight
- Responsible Fundraising

These topics highlight the IRS guidelines and expand governance and accountability for nonprofits. Expanded details are available at *www.nonprofitpanel.org/report/principles.*

2008 Changes to Form 990

Effective for 2008 year ends, the IRS has made substantial changes to Form 990. The current Form 990 consists of a nine core page form, Schedule A and B, and possible additional attachments. The 2008 Form 990 consists of an eleven core page form along with sixteen schedules that should be completed based on an organization's type and/or activities. By the expansion of the form, the IRS is addressing governance, management, and financial reporting aspects of nonprofits. For small organizations there is a phase in period. Some of the highlights of changes include the following:

- Fundraising Disclosures--(over $15,000 in fundraising, activities, special events, or gaming revenue; disclosure required) Methods of fundraising, detail as to use of fundraisers, geographical size of fundraising, breakout by event/campaign.
- Non-Cash Contributions--If more than $25,000 in non-cash contributions is received, details on non-cash contributions must be reported; including property type, number of each type of contribution, revenue, method to determine revenue, Form 8283 received, gift restrictions, gift acceptance policy, and processing organization.
- Reporting total numbers of volunteers.
- Reporting of independent board members.
- Disclosure of business and family relationships among directors/officers.
- Disclosure of providing 990's to boards for review.
- Policy disclosure--Conflict of interest, whistleblower, document retention/destruction, rebuttable presumption for CEO, investments in joint ventures.
- Listing of how tax reporting forms are disclosed and how governing documents are made available to the public.
- Additional compensation disclosure of key employees.
- Expanded financial statement disclosures.
- Expanded related organization disclosures.

Organizations should ensure policies and tracking mechanisms are currently operating effectively to ensure compliance with the new reporting for the 2008 year.

This communication is intended solely for the information and use of the Board of Directors, Audit/Finance Committee, management and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank the Executive Director and the accounting department for their support and assistance during our audit.

Sincerely,

Huth Thompson LLP

HUTH THOMPSON LLP