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June 18, 2009

Board of Directors
Indiana Coalition Against Sexual Assault
55 Monument Circle, Suite 1224
Indianapolis, IN 46204

We have reviewed the audit report prepared by Thomas & Reed, LLC, 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 Indiana Coalition Against Sexual Assault, as of December 31, 2007, and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

We call your attention to the findings in the report. The report on internal control contains two comments.

STATE BOARD OF ACCOUNTS

Thomas & Reed, LLC

Certified Public Accountants & Consultants

INDIANA COALITION AGAINST SEXUAL ASSAULT

AUDIT OF FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006

CONFIDENTIAL

INDIANA COALITION AGAINST SEXUAL ASSUALT

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Thomas & Reed, LLC

Certified Public Accountants & Consultants

Independent Accountants' Audit Report

To the Board of Directors
Indiana Coalition Against Sexual Assault
55 Monument Circle, Suite 1224
Indianapolis, Indiana 46204

We have audited the accompanying statements of financial position of Indiana Coalition Against Sexual Assault (INCASA), a non-for-profit organization, as of December 31, 2007 and 2006, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of INCASA'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.

In our opinion, the combined and separate financial statements referred to above present fairly, in all material respects, the financial position of INCASA as of December 31, 2007 and 2006, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Sincerely,

Stephen A. Reed, CPA, MBA

Stephen A. Reed, CPA, MBA
Audit Member
Indianapolis, Indiana
April 29, 2008

8925 N. Meridian St., Suite 115 Indianapolis, IN 46260
Office: 317-571-7600; Fax: 317-571-7601

INDIANA COALITION AGAINST SEXUAL ASSAULT
STATEMENTS OF FINANCIAL POSITION
As of December 31, 2007 and 2006

	Unrestricted	Temporarily Restricted	2007 Total	2006 Total
ASSETS				
Cash and equivalents	$ 41,937		$ 41,937	$ 9,072
Grants receivable	-	321,830	321,830	286,212
Other assets	1,765	-	1,765	1,658
Net property, plant and equipment*(Note 2)*	9,768	-	9,768	14,635
TOTAL ASSETS	53,470	321,830	375,300	311,577
LIABILITIES				
Accounts payable	62,859	-	62,859	19,876
Accrued salaries & wages	3,976	-	3,976	15,267
Accrued taxes	948	-	948	6,237
Line of credit*(Note 6)*	58,000	-	58,000	60,000
TOTAL LIABILITIES	125,783	-	125,783	101,380
NET ASSETS	(72,313)	321,830	249,517	210,197
TOTAL LIABILITIES AND NET ASSETS	$ 53,470	$ 321,830	$ 375,300	$ 311,577

See Accompanying Accountant's Audit Report and Notes to Financial Statements.

INDIANA COALITION AGAINST SEXUAL ASSAULT
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2007 and 2006

	Unrestricted	Temporarily Restricted	2007 Total	2006 Total
PUBLIC SUPPORT				
Contributions	$ 9,163	-	$ 9,163	$ 7,901
Membership	6,629	-	6,629	7,260
Fundraising	2,571	-	2,571	6,292
REVENUE				
Grants from governmental agencies	-	425,601	425,601	411,953
Grants from non-governmental agencies	-	122,112	122,112	251,737
In-kind revenue	36,250	-	36,250	28,000
Conference registration	1,835	-	1,835	7,108
Other income	736	-	736	523
TOTAL REVENUE	57,184	547,713	604,897	720,774
RECLASSIFICATION OF RESTRICTED ASSETS	512,095	(512,095)	-	-
TOTAL RECLASSIFICATIONS	512,095	(512,095)	-	-
EXPENSES				
Management & general	54,777	-	54,777	46,372
Grant development & administration	51,965	-	51,965	51,008
Program services	458,835	-	458,835	497,994
TOTAL EXPENSES	565,577	-	565,577	595,374
INCREASE IN NET ASSETS	3,702	35,618	39,320	125,400
NET ASSETS				
Beginning of Year	(76,015)	286,212	210,197	84,797
End of Year	$ (72,313)	$ 321,830	$ 249,517	$ 210,197

See Accompanying Accountant's Audit Report and Notes to Financial Statements.

INDIANA COALITION AGAINST SEXUAL ASSAULT
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2007 and 2006

	2007 Total	2006 Total
OPERATING ACTIVITIES		
Increase in net assets	$ 39,320	$ 125,400
Adjustments to reconcile net assets to net cash provided by operating activities:		
Depreciation	4,865	4,972
Increase in other assets	(106)	(1,658)
Increase in grants receivable	(35,618)	(151,545)
(Decrease)Increase in accrued payroll & taxes	(16,580)	11,422
(Decrease)Increase in accounts payable	42,983	(66,350)
Net Cash Provided(Used) by Operating Activities	34,864	(77,759)
FINANCING ACTIVITIES		
Borrowings from line of credit	(2,000)	31,248
Net Cash Provided(Used) by Financing Activities	(2,000)	31,248
NET INCREASE/DECREASE IN CASH AND EQUIVALENTS	32,864	(46,511)
CASH AND EQUIVALENTS		
Beginning of Year	9,072	55,583
End of Year	$ 41,936	$ 9,072

See Accompanying Accountants' Audit Report and Notes to Financial Statements.

INDIANA COALITION AGAINST SEXUAL ASSAULT
SCHEDULES OF FUNCTIONAL EXPENSES
Years Ended December 31, 2007 and 2006

	Program Support	Grant Development & Administration	Management & General	2007 Total	2006 Total
Advertising/promotion	$ 3,362	$ 384	$ 405	$ 4,151	$ 10,900
Bank service charges	172	20	21	213	565
Conferences/meetings	9,095	1,039	1,095	11,229	24,407
Consulting services	44,621	5,096	5,371	55,088	48,190
Contributions/donations/awards	227	26	27	280	5,900
Dues/subscriptions	1,771	202	213	2,186	1,082
Employee benefits	3,088	353	372	3,813	4,843
Fund development	11	1	1	13	520
Inkind expenses	29,363	3,353	3,534	36,250	28,000
Insurance	39,341	4,493	4,735	48,569	46,129
Lobby expense	4,143	-	-	4,143	5,200
Miscellaneous	1,750	241	256	2,247	2,755
Office supplies	7,764	887	935	9,586	16,085
Payroll taxes	13,805	1,576	1,662	17,043	12,758
Postage	2,733	312	329	3,374	2,526
Printing	9,057	1,034	1,090	11,181	20,954
Professional services	34,768	3,970	4,185	42,923	21,959
Rent	17,265	1,972	2,079	21,316	20,009
Repairs/maintenance	530	60	64	654	360
Resource materials	47	5	6	58	261
Salaries/wages	154,288	17,619	18,572	190,479	179,531
Telephone	8,191	935	986	10,112	9,684
Trainers/presenters	40,319	4,604	4,853	49,776	74,308
Training/education	2,161	247	260	2,668	22,567
Travel/transportation	18,521	2,115	2,229	22,865	22,614
Treasury	3,442	393	414	4,249	3,381
Utilities	239	27	29	295	264
TOTAL EXPENSES BEFORE DEPRECIATION AND INTEREST EXPENSE	450,074	50,964	53,723	554,761	585,752
Depreciation	3,941	450	474	4,865	4,972
Interest	4,820	551	580	5,951	4,650
TOTAL EXPENSES	$ 458,835	$ 51,965	$ 54,777	$ 565,577	$ 595,374

FUNCTIONAL EXPENSE TRENDS	PROGRAM SERVICES	GRANT DEVELOPMENT & ADMINISTRATION	MANAGEMENT & GENERAL
2007	81.00%	9.25%	9.75%
2006	83.60%	8.60%	7.80%

See Accompanying Accountant's Audit Report and Notes to Financial Statements.

INDIANA COALITION AGAINST SEXUAL ASSAULT

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Indiana Coalition Against Sexual Assault (INCASA) was incorporated under the laws of the State of Indiana on March 10, 1987. INCASA was formed to provide nonjudgmental support services for victims; to develop effective prevention and treatment programs for offenders; to develop statewide educational and prevention programs and to advance effective public policy regarding sexual assault throughout Indiana.

Basis of Accounting

The financial statements of INCASA have been prepared on the accrual basis of accounting and accordingly reflect all receivables and payables.

Financial Statement Presentation

In accordance with the Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-For-Profit Organizations, INCASA is required to report 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. INCASA did not have any permanently restricted net assets as of December 31, 2007 and 2006.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Estimates

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

Contributions

Under SFAS No. 116, "Accounting for Contributions Received and Contributions Made", contributions received are recorded as unrestricted, temporarily restricted or permanently restricted net assets depending on the absence or existence and nature of any donor restrictions. Generally, the donors of these assets permit INCASA to use all or part of the income earned on the related investments for general or specific purposes.

In-Kind Revenue

The organization records in-kind revenue including contributed professional services at fair market value. The donations of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not donated.

Income Taxes

INCASA is a not-for-profit organization exempt from income taxes under Section 501(C) (3) of the Internal Revenue Code. However, INCASA is required to file annual information return Form 990. An automatic extension has been filed to extend the due date until August 15, 2008.

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method. INCASA capitalizes its property acquisitions if greater than $500 dollars.

Property and equipment consists of the following at December 31, 2007:

Property & equipment	$50,793
Accumulated depreciation	(41,025)
Total Property & equipment	$9,768

NOTE 3 – RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met by actions of INCASA's management and/or the passage of time. The amount of temporarily restricted net assets at December 31, 2007 and 2006 totaled $321,830 and $286,212, respectively.

NOTE 4 – OPERATING LEASE

The organization renewed its agreement to lease its office space until July 31, 2010. During 2007 the monthly rent payment was $1,732. Total rent expense for 2007 and 2006 was $ 21,315 and $20,009, respectively.

NOTE 6 – LINE OF CREDIT

The entity has established a $60,000 line of credit with National City Bank. As of December 31, 2007, the outstanding balance was $58,000. The interest rate on the line of credit is the "prime rate" as published in the Money Rates Table of the Wall Street Journal as of the 17th business day of the calendar month plus 2 percent. At December 31, 2007 the rate of interest was 9.50 percent. Interest expense totaled $5,951 for 2007 and $4,650 for 2006. The line of credit is secured by all business assets of the organization, except fixtures and investment properties.

Thomas & Reed, LLC
Certified Public Accountants & Consultants

April 29, 2008

To the Board of Directors
Indiana Coalition Against Sexual Assault
55 Monument Circle, Suite 1225
Indianapolis, IN 46204

Dear Board:

In planning and performing our audit of the financial statements of Indiana Coalition Against Sexual Assault (INCASA) for the periods ending December 31, 2007 and 2006 in accordance with auditing standards generally accepted in the United States of America, we considered INCASA's internal controls 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 entity's internal controls. Accordingly, we do not express an opinion on the effectiveness of the entity's internal controls.

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

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal controls. Our consideration of internal controls was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal controls that might be significant deficiencies or material weaknesses.

We did not identify any significant deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified the following deficiencies in internal controls that we would like to disclose to the board.

Findings and Recommendations

Bank signature cards are on file since non-routine payments over $1,000 need two signatures, one of which must be an Officer. A new Treasurer was appointed to replace the outgoing Treasurer during 2007. However, no signature card had been created for the new Treasurer. We recommend Bank Signatory cards be updated to reflect the current Officers of the Board.

We noted Spreadsheets were prepared to track various grant activities for reporting purposes; however, there were no budget to actual financial data set up in QuickBooks for these grants. We recommend budgets for grants get created in QuickBooks and that all income and expense items related to grants are recorded in the appropriate accounts and grant classes.

We believe that the implementation of these recommendations will provide INCASA with a stronger system of internal accounting controls while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you and assist in any way possible with their implementation.

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

Stephen A. Reed, CPA, MBA

Stephen A. Reed, CPA, MBA
Audit Member
Indianapolis, Indiana