



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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STATE BOARD OF ACCOUNTS  
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November 6, 2009

Board of Directors  
Crisis Connection, Inc.  
607 Third Ave., P.O. Box 903  
Jasper, IN 47547

We have reviewed the audit report prepared by Monroe Shine, 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 Crisis Connection, 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

**CRISIS CONNECTION, INC. -  
JASPER, INDIANA**

**FINANCIAL STATEMENTS**

**YEARS ENDED  
DECEMBER 31, 2007 AND 2006**

**CRISIS CONNECTION, INC.**

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# MONROE SHINE

KNOWLEDGE FOR TODAY . . . VISION FOR TOMORROW

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## Independent Auditor's Report

Board of Directors  
**Crisis Connection, Inc.**  
Jasper, Indiana

We have audited the accompanying statements of financial position of **Crisis Connection, Inc.** 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 the **Crisis Connection, Inc'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 audits 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Crisis Connection, Inc.** as of December 31, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Monroe Shine*

January 7, 2009

**CRISIS CONNECTION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2007 AND 2006**

**ASSETS**

	<u>2007</u>	<u>2006</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 70,507	\$ 31,350
Grants receivable	48,356	39,643
Prepaid expense	10,786	5,770
<b>Total Current Assets</b>	<b>129,649</b>	<b>76,763</b>
<b>PROPERTY AND EQUIPMENT</b>		
Leasehold improvements	19,136	19,136
Equipment	63,473	63,473
	82,609	82,609
Less accumulated depreciation	66,641	63,483
<b>Net Property and Equipment</b>	<b>15,968</b>	<b>19,126</b>
	<b>\$ 145,617</b>	<b>\$ 95,889</b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 5,829	\$ 3,548
Accrued expenses	8,297	6,993
<b>Total Current Liabilities</b>	<b>14,126</b>	<b>10,541</b>
<b>NET ASSETS</b>		
Unrestricted	129,169	84,513
Temporarily restricted	2,322	835
<b>Total Net Assets</b>	<b>131,491</b>	<b>85,348</b>
	<b>\$ 145,617</b>	<b>\$ 95,889</b>

See accompanying notes to financial statements.

**CRISIS CONNECTION, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
<b>CHANGES IN UNRESTRICTED NET ASSETS:</b>		
<b>Revenues</b>		
United Way	\$ 40,434	\$ 37,738
Grant income	310,426	244,456
Donations	46,516	26,812
Interest income	520	1,876
Other	15,140	17,353
Net assets released from restrictions	3,513	4,165
<b>TOTAL REVENUES</b>	<b>416,549</b>	<b>332,400</b>
<b>Expenses</b>		
Program services	345,876	313,939
Supporting services:		
Management and general	19,361	18,112
Fundraising	6,656	5,449
<b>Total Expenses</b>	<b>371,893</b>	<b>337,500</b>
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	<b>44,656</b>	<b>(5,100)</b>
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:</b>		
<b>Revenues</b>		
Donations	5,000	5,000
Net assets released from restrictions	(3,513)	(4,165)
<b>CHANGE IN TEMPORARILY RESTRICTED NET ASSETS</b>	<b>1,487</b>	<b>835</b>
<b>TOTAL CHANGE IN NET ASSETS</b>	<b>46,143</b>	<b>(4,265)</b>
Net Assets at Beginning of Year	85,348	89,613
<b>Net Assets at End of Year</b>	<b>\$ 131,491</b>	<b>\$ 85,348</b>

See accompanying notes to financial statements.

**CRISIS CONNECTION, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED DECEMBER 31, 2007 AND 2006**

	<u>2007</u>				<u>2006</u>			
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
<b>Compensation and related expenses</b>								
Salaries	\$ 203,477	\$ 12,567	\$ 4,189	\$ 220,233	\$ 173,694	\$ 11,409	\$ 3,803	\$ 188,906
Payroll taxes	17,974	961	498	19,433	13,153	873	452	14,478
	<u>221,451</u>	<u>13,528</u>	<u>4,687</u>	<u>239,666</u>	<u>186,847</u>	<u>12,282</u>	<u>4,255</u>	<u>203,384</u>
Client assistance	25,398	-	-	25,398	29,148	-	-	29,148
Educational	3,784	-	-	3,784	2,107	-	-	2,107
Training materials	1,462	-	-	1,462	449	-	-	449
Office supplies	19,383	90	1,969	21,442	17,030	105	1,194	18,329
Occupancy	36,382	-	-	36,382	42,223	-	-	42,223
Telephone	7,257	-	-	7,257	8,237	-	-	8,237
Advertising	2,003	-	-	2,003	1,486	-	-	1,486
Insurance	7,360	1,227	-	8,587	8,596	1,239	-	9,835
Depreciation	2,842	316	-	3,158	5,275	586	-	5,861
Professional dues	1,150	-	-	1,150	1,315	-	-	1,315
Professional services	-	4,200	-	4,200	-	3,900	-	3,900
Travel	9,805	-	-	9,805	7,075	-	-	7,075
Miscellaneous	7,599	-	-	7,599	4,151	-	-	4,151
<b>TOTAL EXPENSES</b>	<u>\$ 345,876</u>	<u>\$ 19,361</u>	<u>\$ 6,656</u>	<u>\$ 371,893</u>	<u>\$ 313,939</u>	<u>\$ 18,112</u>	<u>\$ 5,449</u>	<u>\$ 337,500</u>

See accompanying notes to financials statements.

**CRISIS CONNECTION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 46,143	\$ (4,265)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	3,158	5,861
Increase in current assets:		
Grants receivable	(8,713)	(4,648)
Prepaid expense	(5,016)	(530)
Increase (decrease) in current liabilities:		
Accounts payable	2,281	1,446
Accrued expenses	1,304	(336)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>39,157</u>	<u>(2,472)</u>
 <b>Net Decrease in Cash</b>	 39,157	 (2,472)
 Cash at beginning of year	 <u>31,350</u>	 <u>33,822</u>
 <b>Cash at End of Year</b>	 <u>\$ 70,507</u>	 <u>\$ 31,350</u>

See accompanying notes to financial statements.

**CRISIS CONNECTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007 AND 2006**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The Organization provides educational and counseling services for individuals who have been exposed to domestic violence in Southern Indiana.

The Organization receives a majority of its revenue from United Way and government funding. The remaining funds are provided from public donations and fundraising.

**Use of Estimates**

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

**Property and Equipment**

The Organization uses the straight line method of computing depreciation at rates adequate to amortize the cost of the applicable assets over their useful lives.

Items capitalized as part of property and equipment are valued at cost. Maintenance and repairs are expensed as incurred. The asset cost and related accumulated depreciation of assets sold or otherwise disposed of are removed from the related accounts and any gain or loss is included in operations.

**Income Taxes**

The Organization is a non-profit Organization, organized under the laws of the State of Indiana, and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

**Advertising**

The Organization uses advertising to promote its programs among the audiences it serves. The costs of advertising are expensed as incurred.

**Basis of Presentation**

The Organization uses the accrual basis of accounting.

Under the provisions of Statement of Financial Accounting Standards No. 117, Organizations' net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

**CRISIS CONNECTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2007 AND 2006**

(1-continued)

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

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.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they 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 related investments for general or specific purposes.

The Organization has no permanently restricted net assets.

(2) **ENDOWMENT**

During 2000, an endowment account with the Dubois County Community Foundation, Inc. was created. The endowment was originated with contributions of \$31,015. The donations included contributions from the community. The contributions are an irrevocable transfer to the Community Foundation endowment account. The Organization will receive an annual distribution of a portion of the allocable net earnings of the fund. The total value of the endowment at December 31, 2007 was \$44,643.

(3) **LEASES**

The Organization conducts its activities from leased facilities in three locations, Jasper, Rockport and Tell City, Indiana. The leases are for various periods from one to fifteen years. Management expects that in the normal course of business, leases will be renewed or replaced by other leases.

The following are future minimum rental payments required under leases that have initial or remaining noncancellable lease terms in excess of one year as of December 31, 2007. The annual lease payments of \$36,214 continue until December 31, 2017 for a total of \$362,140.