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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

January 20, 2010

Board of Directors
Volunteers of Medicine Clinic
of Monroe County, Inc.
811 W. 2nd St.
P.O. Box 2568
Bloomington, IN 47402

We have reviewed the audit report prepared by Crowe Horwath, LLP, Independent Public Accountants, for the period January 1, 2007 to December 31, 2008. 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 Volunteers in Medicine Clinic of Monroe County, Inc., as of December 31, 2008 and 2007, and the results of its operations for the periods 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

**VOLUNTEERS IN MEDICINE CLINIC OF
MONROE COUNTY, INC.**

FINANCIAL STATEMENTS
December 31, 2008 and 2007

VOLUNTEERS IN MEDICINE CLINIC OF MONROE COUNTY, INC.
Bloomington, Indiana

FINANCIAL STATEMENTS
December 31, 2008 and 2007

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Crowe Horwath LLP
Member Horwath International

REPORT OF INDEPENDENT AUDITORS

Board of Directors
Volunteers in Medicine Clinic of Monroe County, Inc.
Bloomington, Indiana

We have audited the accompanying statements of assets, liabilities and net assets of the Volunteers in Medicine Clinic of Monroe County, Inc. ("VIM") as of December 31, 2008 and 2007, and the related statements of revenues, expenses and changes in net assets, and functional expenses for the years then ended. These financial statements are the responsibility of the VIM'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, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than 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 of the Volunteers in Medicine of Monroe County, Inc. as of December 31, 2008 and 2007 and the changes in its net assets for the years then ended, on the basis of accounting described in Note 1.

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
August 14, 2009

VOLUNTEERS IN MEDICINE CLINIC OF
MONROE COUNTY, INC.
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS
December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and cash equivalents	\$ 45,812	\$ 148,299
Funds held by others (Notes 2 and 3)	802,447	804,929
Other assets	1,344	-
Property and equipment, net (Note 4)	<u>57,048</u>	<u>50,056</u>
	<u>\$ 906,651</u>	<u>\$ 1,003,284</u>
LIABILITIES AND NET ASSETS		
Liabilities - payroll tax withholdings	<u>\$ 5,963</u>	<u>\$ 4,679</u>
Net assets		
Unrestricted	775,012	953,903
Temporarily restricted (Note 5)	119,709	44,702
Permanently restricted	<u>5,967</u>	<u>-</u>
Total net assets	<u>900,688</u>	<u>998,605</u>
	<u>\$ 906,651</u>	<u>\$ 1,003,284</u>

See accompanying notes to financial statements.

VOLUNTEERS IN MEDICINE CLINIC OF
MONROE COUNTY, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Year ended December 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and revenue				
Contributions and grants	\$ 715,797	\$ 127,833	\$ 5,967	\$ 849,597
In-kind services	1,154,105	-	-	1,154,105
Pharmacy fees	38,475	-	-	38,475
Investment returns (Note 3)	(237,040)	-	-	(237,040)
Miscellaneous	815	-	-	815
Loss on disposal of fixed asset	(4,900)	-	-	(4,900)
Net assets released from restrictions	<u>52,826</u>	<u>(52,826)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>1,720,078</u>	<u>75,007</u>	<u>5,967</u>	<u>1,801,052</u>
Expenses				
Program services	1,684,851	-	-	1,684,851
Management and general	145,372	-	-	145,372
Fundraising expenses	<u>68,746</u>	<u>-</u>	<u>-</u>	<u>68,746</u>
Total expenses	1,898,969	-	-	1,898,969
Change in net assets	(178,891)	75,007	5,967	(97,917)
Net assets, beginning of year	<u>953,903</u>	<u>44,702</u>	<u>-</u>	<u>998,605</u>
Net assets, end of year	<u>\$ 775,012</u>	<u>\$ 119,709</u>	<u>\$ 5,967</u>	<u>\$ 900,688</u>

See accompanying notes to financial statements.

VOLUNTEERS IN MEDICINE CLINIC OF
MONROE COUNTY, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Year ended December 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and revenue				
Contributions and grants	\$ 1,283,145	\$ 44,702	\$ -	\$ 1,327,847
In-kind services	857,833	-	-	857,833
Pharmacy fees	38,875	-	-	38,875
Investment returns (Note 3)	31,016	-	-	31,016
Miscellaneous	235	-	-	235
Net assets released from restrictions	-	-	-	-
Total revenue	<u>2,211,104</u>	<u>44,702</u>	<u>-</u>	<u>2,255,806</u>
Expenses				
Program services	1,203,251	-	-	1,203,251
Management and general	70,509	-	-	70,509
Fundraising expenses	<u>68,932</u>	<u>-</u>	<u>-</u>	<u>68,932</u>
Total expenses	1,342,692	-	-	1,342,692
Change in net assets	868,412	44,702	-	913,114
Net assets, beginning of year	<u>85,491</u>	<u>-</u>	<u>-</u>	<u>85,491</u>
Net assets, end of year	<u>\$ 953,903</u>	<u>\$ 44,702</u>	<u>\$ -</u>	<u>\$ 998,605</u>

See accompanying notes to financial statements.

VOLUNTEERS IN MEDICINE CLINIC OF
MONROE COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSE
Year ended December 31, 2008

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>2008 Totals</u>
Personnel				
Professional salaries	\$ 15,677	\$ 90,283	\$ -	\$ 105,960
Direct program wages	270,691	-	-	270,691
Payroll taxes	17,042	10,190	-	27,232
Benefits	<u>14,709</u>	<u>8,795</u>	-	<u>23,504</u>
Total personnel	318,119	109,268	-	427,387
Other				
In-kind medical diagnostics	869,348	-	-	869,348
In-kind medical professional services	239,319	-	-	239,319
Medical supplies	91,934	-	-	91,934
Pharmaceuticals	79,393	-	-	79,393
Outsourced fundraising expenses	-	-	67,039	67,039
Office supplies and expenses	25,966	2,516	1,200	29,682
Insurance	761	1,021	-	1,782
Professional fees	21,329	31,385	-	52,714
Printing and promotion	3,509	-	-	3,509
Postage	3,579	278	119	3,976
Telephone	9,211	716	307	10,234
Conferences and training	2,409	7	3	2,419
Depreciation	17,595	-	-	17,595
Other	<u>2,379</u>	<u>181</u>	<u>78</u>	<u>2,638</u>
Total other	<u>1,366,732</u>	<u>36,104</u>	<u>68,746</u>	<u>1,471,582</u>
Total expenses	<u>\$ 1,684,851</u>	<u>\$ 145,372</u>	<u>\$ 68,746</u>	<u>\$ 1,898,969</u>

See accompanying notes to financial statements.

VOLUNTEERS IN MEDICINE CLINIC OF
MONROE COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSE
Year ended December 31, 2007

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>2007 Totals</u>
Personnel				
Professional salaries	\$ 104,177	\$ 54,196	\$ -	\$ 158,373
Direct program wages	87,244	-	-	87,244
Payroll taxes	11,249	3,184	-	14,433
Benefits	3,279	925	-	4,204
Total personnel	205,949	58,305	-	264,254
Other				
In-kind medical diagnostics	652,327	-	-	652,327
In-kind medical professional services	167,674	-	-	167,674
Medical supplies	56,959	-	-	56,959
Pharmaceuticals	45,273	-	-	45,273
Outsourced fundraising expenses	-	-	68,932	68,932
Office supplies and expenses	35,499	2,562	-	38,061
Insurance	5,170	912	-	6,082
Professional fees	1,372	8,229	-	9,601
Printing and promotion	2,709	-	-	2,709
Postage	1,788	-	-	1,788
Telephone	11,199	187	-	11,386
Conferences and training	598	314	-	912
Equipment repairs	1,108	-	-	1,108
Depreciation	8,265	-	-	8,265
Other	7,361	-	-	7,361
Total other	997,302	12,204	68,932	1,078,438
Total expenses	\$ 1,203,251	\$ 70,509	\$ 68,932	\$ 1,342,692

See accompanying notes to financial statements.

VOLUNTEERS IN MEDICINE CLINIC OF
MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: Volunteers in Medicine of Monroe County, Inc. (VIM) is a not-for-profit organization, formed in 2006, whose mission is to provide the following services without cost to the medically underserved in Monroe and Owen Counties.

- Easily accessible, quality primary and preventative healthcare
- Treatment for both acute and chronic conditions
- Health education that empowers individuals to take responsibility for their own well being.

VIM seeks to partner with others in closing the gap by providing a meeting place to bring them together with compassion observed and dignity preserved, for healing, health and hope. VIM's revenues and support are derived principally from contributions, grants, and in-kind support provided by the Bloomington Hospital (Hospital). Program expenses on the statement of functional expenses represent the expenses associated with providing services to the medically underserved.

Basis of Accounting: The financial statements are prepared on a modified cash basis, which differs from accounting principles generally accepted in the United States of America (GAAP) because revenues are recognized when collected rather than when earned or pledged, and expenditures generally are recognized when paid rather than when incurred. In addition, VIM also capitalizes property and equipment, recognizes donated services, records a liability for payroll liabilities withheld from employee paychecks but not yet transmitted for benefits, and recognizes unrealized gains and losses on funds held by others. The financial statements are not intended to comply with GAAP.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of support and revenues, expenses, and changes in net assets during the reporting period. Actual results could differ from those estimates.

Income Taxes: VIM is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, VIM is subject to federal tax on any unrelated business taxable income.

Cash Equivalents: VIM considers all liquid investments with an original maturity of three months or less to be cash equivalents. Cash equivalents consist of bank deposits in an account that is federally insured up to \$250,000 in 2008 and \$100,000 in 2007. At December 31, 2008 and 2007, VIM's bank deposits were approximately \$0 and \$59,000 over the insured limit.

(Continued)

VOLUNTEERS IN MEDICINE CLINIC OF
MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment: Property and equipment with a cost basis of \$1,000 or greater are recorded at cost. Depreciation is computed using the straight-line method over the asset's estimated useful lives, which range from three to five years.

Funds Held by Others: Funds held by others consist of investments held in the pooled funds of the Bloomington Hospital Foundation (Foundation), as described in Note 2. Investments are reported at fair value. Investment return includes dividend, interest and other investment income; and realized and unrealized gains and losses on investments carried at fair value.

Net Assets: Net assets are reported separately by three classifications, as follows:

Unrestricted net assets: The unrestricted net asset class represents the portion of VIM's net assets that have not been designated for a specific purpose, nor permanently or temporarily restricted by donor-imposed stipulations.

Temporarily restricted net assets: The temporarily restricted net asset class represents the portion of VIM's net assets related to contributions with explicit donor-imposed restrictions that have not been met as to specified purpose, or to later periods of time or after specified dates.

Permanently restricted net assets: The permanently restricted net asset class represents the portion of VIM's net assets related to contributions with explicit donor-imposed restrictions that the funds be held in perpetuity as an endowment. Donor-imposed restrictions limiting the use of the assets or its economic benefit neither expire with the passage of time nor can be removed by satisfying a specific purpose.

Contributions: Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue. However, if a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted. When a donor 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 revenues, expenses and change in net assets as released from restrictions.

Donated Services: Contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Included in these in-kind services are medical diagnostic services, professional services, rent, supplies, and equipment, which are primarily provided by the Hospital. For the years ended December 31, 2008 and 2007, the total amount of in-kind services received was \$1,154,105 and \$857,833.

(Continued)

VOLUNTEERS IN MEDICINE CLINIC OF
MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition, a substantial number of volunteers have donated significant amounts of their time and effort assisting with operations and administrative involvement; however, no amounts have been reflected in the accompanying financial statements for the value of these donated services because they do not meet the recognition criteria.

Functional Allocation of Expenses: The costs of supporting the various programs and other activities have been summarized on a functional basis in the statement of activities. Certain costs have been allocated among the program, management and general, and fund raising categories based on the actual direct expenditures and cost allocations based upon estimates by VIM personnel.

Adoption of New Accounting Standard: In 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 157, Fair Value Measurements. SFAS No. 157 defines fair value, provides enhanced guidance for using fair value to measure assets and liabilities under current U.S. GAAP standards and expands the disclosure of the methods used and the effect of fair value measurements on earnings. VIM adopted applicable portions of this standard for the year ended December 31, 2008. Additional disclosure is provided in Note 8.

NOTE 2 - RELATED PARTY TRANSACTIONS AND FUNDS HELD BY OTHERS

VIM is affiliated with the Hospital and the Foundation. The bylaws of VIM state that the Hospital's Board of Directors will appoint three of the nine members of VIM's Board of Directors. The Hospital provides VIM with medical diagnostics and the services of medical professionals at no cost. These amounts are recorded as in-kind contributions and expenses, as noted in Notes 1 and 7.

VIM and the Foundation have an agreement for certain services performed by the Foundation on behalf of VIM. Per the agreement, the Foundation acts as the sole fundraising agent of VIM providing the services of one full-time fundraising employee, and holds contributed amounts until requested by VIM.

VOLUNTEERS IN MEDICINE CLINIC OF
MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 2 - RELATED PARTY TRANSACTIONS AND FUNDS HELD BY OTHERS
(Continued)

Funds held and invested by the Foundation on VIM's behalf totaled \$802,447 and \$804,929 at December 31, 2008 and 2007. These funds are part of the Foundation's investment pool, and investment earnings are allocated to these funds by the Foundation. The Foundation does not have variance power over these funds. VIM reimburses the Foundation for all fees and costs associated with the fundraising process, including an administrative fee of 0.5% of contributions received. These fees and costs totaled \$67,039 and \$68,932 during 2008 and 2007. In addition, VIM is annually charged a 1.25% fee of total funds held in the Foundation's pooled fund up to a \$1,000,000 balance, and a 1% fee of funds over \$1,000,000 held in the Foundation's pooled fund.

VIM periodically enters into business transactions with outside vendors that employ members of the Board of Directors. Under VIM's conflict of interest policy, the Board of Directors monitors these transactions, and steps are taken to ensure that the transactions are appropriate. For the years ended December 31, 2008 and 2007, the primary activities of this nature included fundraising, accounting, hospital and other professional services totaling approximately \$85,800 and \$148,000.

NOTE 3 - INVESTMENTS AND INVESTMENT INCOME

VIM's investments as of December 31, 2008 and 2007 are invested in the pooled funds of the Foundation. Based upon the Foundation's holdings, VIM's estimated allocation of pooled funds at December 31, 2008 and 2007 was:

	<u>2008</u>	<u>2007</u>
Cash	\$ 17,296	\$ 23,791
US treasury securities	118,413	92,982
Corporate debt securities	63,044	63,167
Municipal debt securities	15,112	15,584
Common and preferred stocks	158,081	173,130
Mutual funds	418,400	417,329
Exchange traded funds	9,976	18,946
Real estate investment trusts	<u>2,125</u>	<u>-</u>
	<u>\$ 802,447</u>	<u>\$ 804,929</u>

VOLUNTEERS IN MEDICINE CLINIC OF
MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 3 - INVESTMENTS AND INVESTMENT INCOME (Continued)

Total investment return at December 31, 2008 and 2007 is comprised of the following:

	<u>2008</u>	<u>2007</u>
Interest and dividend income	\$ 42,321	\$ 14,308
Net realized gains (losses) on investments	(37,587)	24,567
Net unrealized losses on investments reported at fair value	<u>(241,774)</u>	<u>(7,859)</u>
	<u>\$ (237,040)</u>	<u>\$ 31,016</u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2008 and 2007 consists of the following:

	<u>2008</u>	<u>2007</u>
Furnishings and equipment	\$ 50,588	\$ 31,721
Software	<u>32,320</u>	<u>26,600</u>
	82,908	58,321
Less accumulated depreciation	<u>(25,860)</u>	<u>(8,265)</u>
	<u>\$ 57,048</u>	<u>\$ 50,056</u>

NOTE 5 - NET ASSETS

Temporarily Restricted Net Assets: Temporarily restricted net assets at December 31 include:

	<u>2008</u>	<u>2007</u>
Purpose restrictions:		
Capital projects	\$ 100,000	\$ -
Obstetrical services	77	14,184
Breast cancer prevention and awareness	14,584	122
Miscellaneous	5,048	743
Time restrictions	<u>-</u>	<u>29,653</u>
	<u>\$ 119,709</u>	<u>\$ 44,702</u>

VOLUNTEERS IN MEDICINE CLINIC OF
MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 6 - PENSION PLAN

VIM participates in a 401k plan. The plan covers all employees at least 21 years of age with at least one year and 1,000 hours of service. Employer contributions to the plan were \$6,797 and \$0 for the years ended December 31, 2008 and 2007.

NOTE 7 - CONCENTRATION OF IN-KIND SERVICES

Substantially all medical diagnostic and medical professional services are donated to VIM by the Hospital, or through services provided by Hospital employees or other medical professionals.

NOTE 8 - FAIR VALUE OF FINANCIAL INSTRUMENTS

SFAS No. 157, Fair Value Measurements, defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in VIM's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Statement 157 establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

VOLUNTEERS IN MEDICINE CLINIC OF
MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 8 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The fair value of investments held by the Foundation's is based upon VIM's proportionate share of the Foundation's pooled investment portfolio. Investments held by the Foundation are reported by the Foundation as level 1 or level 2. VIM has classified its interest in the pool as a level 3 input because VIM was unable to observe the underlying inputs by which the Foundation has made these determinations. In addition, VIM management receives an audited financial statement from the Foundation, and reviews the valuations and returns in comparison to industry benchmarks and other information provided by the Foundation.

Assets and liabilities measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at December 31, 2008 Using		
	Quoted Prices in Active Markets for Identical Assets (Level One)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:			
Funds held by others	\$ -	\$ -	\$ <u>802,447</u>

The table below presents a reconciliation and income statement classification of gains and losses for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31, 2008:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
	Funds Held by Others
Beginning balance, January 1, 2008	\$ 804,929
Total gains/losses included in earnings:	
Interest and dividend income	42,070
Realized loss on investments	(37,587)
Unrealized loss on investments	(241,774)
Transfers into funds held by others	628,843
Transfers out of funds held by others	<u>(394,034)</u>
Ending balance, December 31, 2008	<u>\$ 802,447</u>



Crowe Horwath LLP
Member Horwath International

Finance Committee
Volunteers in Medicine of Monroe County, Inc.
Bloomington, Indiana

Professional standards require that we communicate matters related to our audit of the financial statements of Volunteers in Medicine of Monroe County, Inc. (“the Organization”) that we consider significant and relevant to the responsibilities of Those Charged with Governance in overseeing the financial reporting process. Those Charged with Governance includes the person(s) with responsibility for overseeing the strategic direction of and obligations related to the accountability of the Organization. The Finance Committee has been designated as the group charged with governance; therefore, we refer to the Finance Committee throughout this letter. We cover such matters below.

AUDITOR’S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

The Finance Committee should understand that the auditor is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of the Finance Committee are presented fairly, in all material respects, in conformity with a modified cash basis of accounting, which differs from accounting principles generally accepted in the United States of America and that the audit of the financial statements does not relieve management or the Finance Committee of their responsibilities. Refer to our engagement letter with the Organization for further information on the responsibilities of management and Crowe Horwath LLP.

PLANNED SCOPE AND TIMING OF THE AUDIT

We are to communicate with the Finance Committee an overview of the planned scope and timing of the audit. Accordingly, we communicated the following matters regarding the planned scope and timing of the audit with a representative of the Finance Committee in during the planning stages of the audit, as applicable.

- How we proposed to address the significant risks of material misstatement, whether due to fraud or error.
- Our approach to internal control relevant to the audit.
- The concept of materiality in planning and executing the audit, focusing on the factors considered rather than on specific thresholds or amounts.

- The views and knowledge of the Finance Committee about matters they consider warrant our attention during the audit, as well as their views on:
 - The allocation of responsibilities between the Finance Committee and management.
 - The entity's objectives and strategies, and the related business risks that may result in material misstatements.
 - Significant communications with regulators.
 - Other matters the Finance Committee believes are relevant to the audit of the financial statements.

SIGNIFICANT ACCOUNTING POLICIES AND MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Significant Accounting Policies: The Finance Committee should be informed of the initial selection of and changes in significant accounting policies or their application. Also, The Finance Committee should be aware of methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas where there is a lack of authoritative consensus. We believe management has the primary responsibility to inform The Finance Committee about such matters.

We direct your attention to Note 1 of the financial statements, where the Organization's significant accounting policies are disclosed. In addition, to assist you in your oversight role, we also provide the following information about new accounting standards adopted during 2008.

Accounting Statement	Impact of Adoption
<p>FASB Statement 157, Fair Value Measurements</p> <p>Statement 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Statement 157 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.</p>	<p>Upon adoption of this Statement, the Organization was required to determine the level of inputs for each type of financial instrument and provide other disclosures regarding their financial instruments. See Note 8 of the audited financial statements for these disclosures.</p>

Management Judgments And Accounting Estimates: Further, accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments. These judgments are based upon knowledge and experience about past and current events and assumptions about future events. Certain estimates are particularly sensitive because of their significance and because of the possibility that future events affecting them may differ markedly from management's current judgments and may be subject to significant change in the near term.

The process used by management in formulating particularly sensitive accounting estimates and the primary basis for our conclusions regarding the reasonableness of those estimates primarily involved the following areas for this year:

Area / Accounting Policy	Judgments and Estimates
Cost Allocation	On the Statement of Activities, management makes estimates for cost allocation of expenses between program services, fundraising, and management and general expenses. We analyzed this accounting estimate by inquiry of management regarding the nature of activities conducted that benefit more than one program or function and then examined calculations and journal entries used to allocate expenses using a reasonable method that consistently reflects the benefit received by each function.
Fair Values of Investment Securities and Other Financial Instruments	The disclosure of fair values of financial instruments and their classification under FASB Statement No. 157 requires management to use certain assumptions and estimates pertaining to the fair values of its financial assets and financial liabilities. We reviewed the reasonableness of these estimates and assumptions.
Useful Lives of Fixed Assets	Management has determined the economic useful lives of fixed assets based on past history of similar types of assets, future plans as to their use, and other factors that impact their economic value to the entity. We have tested management's estimate of the economic useful lives based on past asset acquisitions and other factors that impact their economic value to the entity.

AUDITOR'S JUDGMENTS ABOUT QUALITATIVE ASPECTS OF SIGNIFICANT ACCOUNTING PRACTICES

We are to discuss with the Finance Committee our comments about the following matters related to the Organization's accounting policies and financial statement disclosures. Accordingly, these matters will be discussed during our meeting with the Finance Committee, as applicable.

- The appropriateness of the accounting policies to the particular circumstances of the entity, considering the need to balance the cost of providing information with the likely benefit to users of the entity's financial statements.
- The overall neutrality, consistency, and clarity of the disclosures in the financial statements.

- The effect of the timing of transactions in relation to the period in which they are recorded.
- The potential effect on the financial statements of significant risks and exposures, and uncertainties that are disclosed in the financial statements.
- The extent to which the financial statements are affected by unusual transactions including nonrecurring amounts recognized during the period, and the extent to which such transactions are separately disclosed in the financial statements.
- The issues involved, and related judgments made, in formulating particularly sensitive financial statement disclosures.
- The factors affecting asset and liability carrying values, including the entity's bases for determining useful lives assigned to tangible and intangible assets.
- The selective correction of misstatements, for example, correcting misstatements with the effect of increasing reported earnings, but not those that have the effect of decreasing reported earnings.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Corrected Misstatements: We are to inform the Finance Committee of material corrected misstatements that were brought to the attention of management as a result of our audit procedures.

There were no such misstatements.

Uncorrected Misstatements: We are to inform The Finance Committee of uncorrected misstatements that were aggregated by us during the current engagement and pertaining to the latest and prior period(s) presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. For your consideration, we have distinguished misstatements between known misstatements and likely misstatements.

There were no such misstatements.

COMMUNICATIONS REGARDING OUR INDEPENDENCE FROM THE ORGANIZATION

Auditing standards generally accepted in the United States of America require independence for all audits and we confirm that we are independent auditors with respect to the Organization under the independence requirements established by the American Institute of Certified Public Accountants.

Additionally, we wish to communicate that we have no relationships with the Organization that, in our professional judgment, may reasonably be thought to bear on our independence and that we gave significant consideration to in reaching the conclusion that our independence has not been impaired.

OTHER COMMUNICATIONS

Communication Item	Results
<p>Other Information In Documents Containing Audited Financial Statements The Finance Committee often considers information prepared by management that accompanies the financial statements. To assist your consideration of this information, you should know that we are required by audit standards to read such information and consider whether such information, or the manner of its presentation, is materially inconsistent with information in the financial statements. If we consider the information materially inconsistent based on this reading, we are to seek a resolution of the matter.</p>	<p>We understand that management has not prepared such information to accompany the audited financial statements.</p>
<p>Significant Difficulties Encountered During the Audit We are to inform The Finance Committee of any significant difficulties encountered in dealing with management related to the performance of the audit.</p>	<p>There were no significant difficulties encountered in dealing with management related to the performance of the audit.</p>
<p>Disagreements With Management We are to discuss with The Finance Committee any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the Organization's financial statements or the auditor's report.</p>	<p>During our audit, there were no such disagreements with management.</p>
<p>Consultations With Other Accountants If management consulted with other accountants about auditing and accounting matters, we are to inform The Finance Committee of such consultation, if we are aware of it, and provide our views on the significant matters that were the subject of such consultation.</p>	<p>We are not aware of any instances where management consulted with other accountants about auditing or accounting matters since no other accountants contacted us, which they are required to do by Statement on Auditing Standards No. 50, before they provide written or oral advice.</p>
<p>Representations The Auditor Is Requesting From Management We are to provide The Finance Committee with a copy of management's requested written representations to us.</p>	<p>We direct your attention to a copy of the letter of management's representation to us provided separately.</p>

Communication Item	Results
<p>Significant Issues Discussed, or Subject to Correspondence, With Management We are to communicate with The Finance Committee any significant issues that were discussed or were the subject of correspondence with management.</p>	<p>There were no such significant issues discussed, or subject to correspondence, with management.</p>
<p>Other Findings or Issues We Find Relevant or Significant We are to communicate to The Finance Committee other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to the Finance Committee regarding their oversight of the financial reporting process.</p>	<p>There were no such other findings or issues that are, in our judgment, significant and relevant to the Finance Committee regarding their oversight of the financial reporting process.</p>

We were pleased to serve Volunteers in Medicine of Monroe County, Inc. as its independent auditors and look forward to our continued relationship. We provide the above information to assist you in performing your oversight responsibilities, and would be pleased to discuss this letter or any matters further, should you desire. This letter is intended solely for the information and use of the Finance Committee, Board of Directors and, if appropriate, management and is not intended to be and should not be used by anyone other than these specified parties.

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
 August 14, 2009