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February 1, 2010

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, 2008 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 North Central Indiana Rural Crisis Center, Inc., as of December 31, 2008, 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 finding in the report. The management letter contains one comment.

STATE BOARD OF ACCOUNTS

Financial Statements

**NORTH CENTRAL INDIANA
RURAL CRISIS CENTER, INC.**

DECEMBER 31, 2008 AND 2007

NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

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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, 2008 and 2007, 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 of North Central Indiana Rural Crisis Center, Inc. as of December 31, 2008 and 2007, and its revenue and expenses and changes in net assets for the years then ended, on the basis of accounting described in Note 1.

Huth Thompson LLP

June 10, 2009
Lafayette, Indiana



NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

**STATEMENTS OF ASSETS, LIABILITIES AND
NET ASSETS--MODIFIED CASH BASIS**

As of December 31,

	<u>2008</u>	<u>2007</u>
ASSETS		
CURRENT ASSETS		
Cash (Including Interest Bearing Accounts of \$157,193 and \$166,325 in 2008 and 2007, respectively)	\$ 157,280	\$ 166,375
PROPERTY AND EQUIPMENT		
Buildings and Improvements	222,938	220,412
Furniture and Equipment	29,047	27,907
Vehicles	<u>27,885</u>	<u>26,520</u>
	279,870	274,839
Accumulated Depreciation	<u>(231,163)</u>	<u>(245,679)</u>
	<u>48,707</u>	<u>29,160</u>
	<u>\$ 205,987</u>	<u>\$ 195,535</u>
LIABILITIES AND NET ASSETS		
NET ASSETS		
Unrestricted, Undesignated	<u>\$ 205,987</u>	<u>\$ 195,535</u>
	<u>\$ 205,987</u>	<u>\$ 195,535</u>

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	
	2008	2007	2008	2007	2008	2007
REVENUE						
Contributions	\$ 6,258	\$ 5,070	\$ 6,258	\$ 5,070	\$ -	\$ -
In-Kind Contributions	8,110	13,774	8,110	13,774	-	-
Grants--Governmental Agencies	212,497	194,000	202,497	194,000	10,000	-
Other Grants	7,270	4,644	7,270	4,644	-	-
Developmental Funds	22,695	14,304	22,695	6,254	-	8,050
Special Events	17,652	18,656	17,652	18,656	-	-
Interest	3,494	7,322	3,494	7,322	-	-
	<u>277,976</u>	<u>257,770</u>	<u>267,976</u>	<u>249,720</u>	<u>10,000</u>	<u>8,050</u>
Net Assets Released from Restrictions	-	-	10,000	8,050	(10,000)	(8,050)
	<u>277,976</u>	<u>257,770</u>	<u>277,976</u>	<u>257,770</u>	-	-
EXPENSES						
Program Services	179,583	171,130	179,583	171,130	-	-
Management and General	57,565	60,569	57,565	60,569	-	-
Fundraising	28,171	25,781	28,171	25,781	-	-
	<u>265,319</u>	<u>257,480</u>	<u>265,319</u>	<u>257,480</u>	-	-
INCREASE IN NET ASSETS BEFORE (LOSS) ON SALE OF ASSETS	12,657	290	12,657	290	-	-
	<u>(2,205)</u>	-	<u>(2,205)</u>	-	-	-
INCREASE IN NET ASSETS	10,452	290	10,452	290	-	-
NET ASSETS--Beginning of Year	<u>195,535</u>	<u>195,245</u>	<u>195,535</u>	<u>195,245</u>	-	-
NET ASSETS--End of Year	<u>\$ 205,987</u>	<u>\$ 195,535</u>	<u>\$ 208,192</u>	<u>\$ 195,535</u>	<u>\$ -</u>	<u>\$ -</u>

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	
	2008	2007	2008	2007	2008	2007	2008	2007
Salaries	\$ 164,943	\$ 151,498	\$ 108,819	\$ 99,243	\$ 33,226	\$ 30,850	\$ 22,898	\$ 21,405
Payroll Taxes	12,607	11,484	8,314	7,511	2,541	2,343	1,752	1,630
Employee Benefits	14,190	13,443	9,918	9,064	2,619	2,625	1,653	1,754
Utilities and Telephone	8,245	8,385	7,420	7,547	825	838	-	-
Repairs and Maintenance	2,413	3,602	2,172	3,242	241	360	-	-
Household Supplies and Groceries	2,754	2,085	2,714	2,000	40	85	-	-
In-Kind Program Supplies	8,110	13,774	8,110	13,774	-	-	-	-
Client Expenses	5,511	4,176	5,511	4,176	-	-	-	-
Office Supplies	3,626	2,815	-	-	3,626	2,815	-	-
Office Equipment and Repairs	802	806	-	-	802	806	-	-
Travel and Mileage	192	530	192	530	-	-	-	-
Vehicle Expenses	4,779	4,208	4,779	4,208	-	-	-	-
Seminars and Education	1,020	981	1,020	981	-	-	-	-
Dues and Publications	682	677	-	-	682	677	-	-
Program Supplies	701	562	701	562	-	-	-	-
Advertising	1,039	1,171	-	-	1,039	1,171	-	-
Insurance	12,314	11,888	12,314	11,888	-	-	-	-
Professional Fees	10,923	17,195	-	-	10,923	17,195	-	-
Depreciation	7,804	7,004	7,024	6,304	780	700	-	-
Miscellaneous	796	204	575	100	221	104	-	-
Special Events	1,868	992	-	-	-	-	1,868	992
	<u>\$ 265,319</u>	<u>\$ 257,480</u>	<u>\$ 179,583</u>	<u>\$ 171,130</u>	<u>\$ 57,565</u>	<u>\$ 60,569</u>	<u>\$ 28,171</u>	<u>\$ 25,781</u>

See Notes to Financial Statements.

NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008 and 2007

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 \$7,804 and \$7,004 for the years ended December 31, 2008 and 2007, respectively.

NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008 and 2007

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.

Net assets of the two restricted classes are created only by donor-imposed 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, 2008 and 2007.

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.

NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008 and 2007

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

- F) Income Taxes (Continued)--As of December 31, 2008, the Organization has not adopted FIN 48, *Accounting for Uncertainty in Income Taxes*. Management evaluates all tax positions annually and had not identified any uncertain tax positions as of and for the year ended December 31, 2008.
- G) Advertising--The Organization expenses advertising costs as incurred. During 2008 and 2007, advertising costs totaled \$1,039 and \$1,171, 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, 2008 and 2007 were as follows:

	<u>2008</u>	<u>2007</u>
Program Supplies	<u>\$ 8,110</u>	<u>\$ 13,774</u>

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, 2008 and 2007, the Organization's program expenses totaled \$179,583 and \$171,130, 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, 2008 and 2007. All other costs are directly charged to the appropriate functional classification.

NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008 and 2007

NOTE 2: FUNCTIONAL ALLOCATION OF EXPENSES (Continued)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>
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 amount insured by the Federal Deposit Insurance Corporation (FDIC). Beginning October 2008, the FDIC limit increased to \$250,000 from \$100,000. At December 31, 2008 and 2007, the amount of cash over the FDIC limit was \$-0- and \$70,490, 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, 2008 and 2007, the Organization received 35% and 42% of its total revenue from IFSSA, respectively.



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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

June 10, 2009
Lafayette, Indiana



Certified Public Accountants and Consultants
www.huththompson.com



NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.

**SCHEDULES OF GRANTS--GOVERNMENTAL AGENCIES--
MODIFIED CASH BASIS**

For Years Ended December 31,

(See Independent Auditor's Report on the Supplementary Information)

	<u>2008</u>	<u>2007</u>
Federal Emergency Management Association	\$ 2,375	\$ 2,326
Social Services Block Grant	16,625	14,990
Domestic Violence Prevention and Treatment	42,614	47,007
Federal Family Violence	34,196	40,531
VOCA	19,758	15,324
Emergency Shelter	6,929	1,649
Sexual Offense Services	4,587	6,606
Counties--		
Jasper	30,833	23,667
Pulaski	17,000	17,100
Newton	<u>37,580</u>	<u>24,800</u>
	<u>\$ 212,497</u>	<u>\$ 194,000</u>



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June 10, 2009

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, 2008, 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. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a control deficiency.

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. We consider the following deficiency to be a control deficiency in internal control.

Recording of In-Kind Donations

We noted during the year, the Organization did not record in-kind donations. All donations were properly tracked and valued by the Organization, but were not properly recorded in the financial statements until after year-end. We recommend the Organization monitor the financial statements quarterly to verify in-kind donations are properly presented.

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 that we consider to be material weaknesses, as defined above.

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



Certified Public Accountants and Consultants
www.huththompson.com

