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February 4, 2010

Board of Directors
Substance Abuse Council of
Vanderburgh County, Inc.
2425 US Hwy. 41 N.
Evansville, IN 47711

We have reviewed the audit report prepared by Timothy J. Otte CPA, PC, Independent Public Accountant, 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 Substance Abuse Council of Vanderburgh County, 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.

STATE BOARD OF ACCOUNTS

Timothy J.  Otte CPA, PC

SUBSTANCE ABUSE COUNCIL OF VANDERBURGH COUNTY, INC.

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2008

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Member of American Institute of Certified Public Accountants

SUBSTANCE ABUSE COUNCIL OF VANDERBURGH COUNTY, INC.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Substance Abuse Council of Vanderburgh County, Inc.
Evansville, Indiana

We have audited the accompanying statements of financial position of Substance Abuse Council of Vanderburgh County, Inc. (a nonprofit organization) as of December 31, 2008, and the related statements of activities, functional expenses, and cash flows for the year 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Substance Abuse Council of Vanderburgh County, Inc. as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Timothy J. Otte, C.P.A., P.C.

Timothy J Otte CPA PC
August 30, 2009

SUBSTANCE ABUSE COUNCIL OF VANDERBURGH COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008

ASSETS

Current Assets

Cash & Cash Equivalents	\$ 104,920
Grants Receivable	35,296
Total Current Assets	<u>140,216</u>

Property and Equipment

Property and Equipment	5,375
Less Accum. Depr.	<u>(2,320)</u>
Total Property and Equipment	<u>3,054</u>

Total Assets	<u><u>\$ 143,270</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accrued Expenses	\$ 9,124
Payroll Liabilities	<u>2,278</u>
Total Current Liabilities	<u>11,402</u>

Net Assets- Unrestricted	<u>131,869</u>
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Total Liabilities and Net Assets	<u><u>\$ 143,270</u></u>
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See notes to financial statements

**SUBSTANCE ABUSE COUNCIL OF VANDERBURGH COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008**

UNRESTRICTED NET ASSETS

SUPPORT AND REVENUE

Federal Financial Assistance Grants	\$ 233,889
City & County Funds	200,000
Special Events	3,139
Program Services	2,108
Total Support and Revenue	<u>439,136</u>

EXPENSES

Program Services	300,576
Management and General	27,698
Fundraising	1,701
Total Expenses	<u>329,975</u>

CHANGE IN NET ASSETS

109,161

NET ASSETS- beginning of year

22,707

NET ASSETS- end of year

\$ 131,869

SUBSTANCE ABUSE COUNCIL OF VANDERBURGH COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

	Program Services	Management and General	Fund- Raising	Total
Wages & Taxes	\$ 84,839	\$ 9,427	\$ -	\$ 94,265
Fringe Benefits	10,783	1,198	-	11,981
Depreciation	921	102	-	1,024
Fees & Sponsorships	-	442	-	442
Insurance	-	1,308	-	1,308
Office Supplies	-	1,405	-	1,405
Postage	-	480	-	480
Professional Fees	-	-	-	-
Program Expenses	204,033	-	-	204,033
Rent	-	8,894	-	8,894
Special Events	-	-	1,701	1,701
Telephone/Internet	-	4,441	-	4,441
	<u>\$ 300,576</u>	<u>\$ 27,698</u>	<u>\$ 1,701</u>	<u>\$ 329,975</u>

See notes to financial statements

SUBSTANCE ABUSE COUNCIL OF VANDERBURGH COUNTY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets \$ 109,161

**Adjustments to Reconcile Increase (Decrease) in Net Assets
to net cash provided by operating activities:**

Depreciation	1,024
(Increase) Decrease in Operating Assets:	
Grants Receivable	(32,277)
Increase (Decrease) in Operating Liabilities:	
Accrued Expenses	1,802
Payroll Liabilities	75
Net Cash Provided by Operating Activities	79,784

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Equipment	(1,445)
Net Cash Provided (Used) by Investing Activities	(1,445)

Net Increase (Decrease) in Cash 78,340

Cash- beginning of year 26,581

Cash- end of year **\$ 104,920**

Supplemental Cash Disclosures:

Cash paid during the year for:	
Interest expense	\$ -

**Substance Abuse Council of Vanderburgh County
Notes to Financial Statements
December 31, 2008**

NOTE 1- SIGNIFICANT ACCOUNTING POLICIES

Mission- To prevent and reduce the incidence of alcohol, drug abuse, and other co-related addictive behaviors in Vanderburgh County.

Basis of Accounting- The financial statements of the Organization are prepared on the accrual basis, where revenues are recognized when earned and expenditures are recognized when incurred.

Financial Statement Presentation- The Organization complies with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-For-Profit Organizations." Under SFAS No. 117, the organization 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. At December 31 2007, the Organization had no restricted net assets.

Contributions- The Organization accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence or nature of any donor restrictions.

Estimates- The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax Status- The Organization is recognized as a non-profit organization, under Section 501(c)(3) of the Internal Revenue Code, by both federal and state taxing authorities and is exempt from income taxes. The Organization has been determined to not be a private foundation.

Cash and Cash Equivalents- For purposes of the Statements of Cash Flows, the Organization considers all investments with a maturity of three months or less at the date of purchase to be cash equivalents.

Property and Equipment- Property and equipment are stated at cost. The Organization follows the practice of capitalizing all expenditures for fixed assets in excess of \$250. Provisions for depreciation of property and equipment have been computed on the straight-line method over the estimated useful life.

Grants Receivable- Grants Receivable at December 31, 2008 consists of Government grants that are due within one year.

**Substance Abuse Council of Vanderburgh County
Notes to Financial Statements
December 31, 2008**

Functional Expenses- The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been estimated and allocated among the programs and supporting services benefited.

NOTE 2- LEASE OBLIGATIONS

The Organization leases office space located at 2425 US Hwy 41N Suite 205, Evansville, Indiana. Retention of occupancy at the location has been extended to a term of one year commencing March 1, 2008 at \$743 per month. The Organization is responsible for operating expenses incurred at the leased premises. Total rent paid for the year ended December 31, 2008 was \$8,894.

In addition, the Organization leases equipment under a short-term operation lease agreement. Total rental expense for the year ended December 31, 2008 was \$255.

NOTE 3- DISBURSEMENTS

The Organization disburses a majority of funds utilizing a process whereby a voucher is submitted to the Vanderburgh County Auditor and Treasurer for payment.

NOTE 4- CONCENTRATION OF CREDIT RISKS

The Organization received approximately 99 percent of its funding from grants awarded from the federal, state and local governments for the year ended December 31, 2008.