



STATE OF INDIANA
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October 18, 2011

Board of Directors
Laporte County Child Abuse
Prevention Council, Inc.
7451 W. Johnson Road
Michigan City, IN 46360

We have reviewed the audit report prepared by Applegate & Company, 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 Laporte County Child Abuse Prevention Council, 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

LAPORTE COUNTY CHILD ABUSE
PREVENTION COUNCIL, INC.
Michigan City, Indiana

ANNUAL REPORT
December 31, 2008

CONTENTS

REPORT OF INDEPENDENT AUDITORS ON FINANCIAL STATEMENTS 1

FINANCIAL STATEMENTS

Statements of Activities 2

Statements of Financial Position 6

Statements of Cash Flows 7

Statements of Functional Expenses 8

Notes to Financial Statements 10

Schedule of Expenditures of Federal Awards 16

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS 17

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 19

Schedule of Findings and Questioned Costs 21

Schedule of Prior Findings and Questioned Costs 22

APPLEGATE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

APPLEGATE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors Report

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Ryan J. Skonieczny, CPA

Board of Directors
LaPorte County Child Abuse
Prevention Council, Inc.
Michigan City, Indiana

We have audited the accompanying statements of financial position of LaPorte County Child Abuse Prevention Council, Inc. as of December 31, 2008 and 2007 and the related statements of activities, functional expenses and cash flows 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 LaPorte County Child Abuse Prevention Council, Inc. as of December 31, 2008 and 2007 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.

In accordance with Government Auditing Standards, we have also issued our report dated June 25, 2009, on our consideration of LaPorte County Child Abuse Prevention Council, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of LaPorte County Child Abuse Prevention Council, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit 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.


APPLEGATE & COMPANY
Certified Public Accountants

Michigan City, Indiana
June 25, 2009

LAPORTE COUNTY CHILD ABUSE PREVENTION COUNCIL, INC.

STATEMENTS OF ACTIVITIES

For the year ended December 31, 2008

<u>PUBLIC SUPPORT AND REVENUE</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support:				
Contributions - cash	\$ 45,954	\$ 6,366	\$ 5,110	\$ 57,430
Special events	40,030	25,857		65,887
Allocated by The United Way	15,529	12,404		27,933
In-kind services (Note 1)	11,794			11,794
Total public support	<u>113,307</u>	<u>44,627</u>	<u>5,110</u>	<u>163,044</u>
Grants from governmental agencies:				
Healthy Families Indiana	562,223			562,223
Michigan City Area Schools	84,565			84,565
Healthy Families				
LaPorte County	114,988			114,988
ITPC	37,384			37,384
Indiana State Department				
of Health	45,077			45,077
LaPorte County - Office				
of Family and Children	120,713			120,713
Department Child				
Services - Pulaski County	1,594			1,594
Department Child				
Services - Indiana	1,141,796			1,141,796
LaPorte County Grant	13,503			13,503
Total grants from	<u>2,121,843</u>			<u>2,121,843</u>
governmental agencies				
Other operating revenue:				
Income released from				
restrictions		(134,989)		(134,989)
Private grants	163,897	41,516		205,413
Program service fees	96,301			96,301
Investment income	1,814		5,448	7,262
Endowment transfer	5,680		(5,680)	
Unrealized loss on				
investments (Note 3)			(64,382)	(64,382)
Miscellaneous revenue	1,155			1,155
Total other revenue	<u>268,847</u>	<u>(93,473)</u>	<u>(64,614)</u>	<u>110,760</u>
Total support and revenue	<u>2,503,997</u>	<u>(48,846)</u>	<u>(59,504)</u>	<u>2,395,647</u>

- Continued -

LAPORTE COUNTY CHILD ABUSE PREVENTION COUNCIL, INC.

STATEMENTS OF ACTIVITIES (CONTINUED)
For the year ended December 31, 2008

<u>EXPENSES</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Program services	2,115,860			2,115,860
Management and general	164,301		2,960	167,261
Fund-raising	62,020			62,020
Total expenses	<u>2,342,181</u>	<u> </u>	<u>2,960</u>	<u>2,345,141</u>
CHANGE IN NET ASSETS BEFORE BUILDING EXPANSION REVENUES	<u>161,816</u>	<u>(48,846)</u>	<u>(62,464)</u>	<u>50,506</u>
<u>BUILDING EXPANSION REVENUES/(EXPENSE)</u>				
Contributions - cash	100			100
Loss on disposition of fixed assets (Note 1)	(447)			(447)
Interest expense	<u>(10,476)</u>			<u>(10,476)</u>
Total building expansion expense	<u>(10,823)</u>	<u> </u>	<u> </u>	<u>(10,823)</u>
CHANGE IN NET ASSETS	150,993	(48,846)	(62,464)	39,683
NET ASSETS AT BEGINNING OF YEAR	<u>1,558,883</u>	<u>134,989</u>	<u>252,293</u>	<u>1,946,165</u>
NET ASSETS AT END OF YEAR	<u>\$1,709,876</u>	<u>\$ 86,143</u>	<u>\$189,829</u>	<u>\$1,985,848</u>

The accompanying notes are an integral part of these financial statements.

LAPORTE COUNTY CHILD ABUSE PREVENTION COUNCIL, INC.

STATEMENTS OF ACTIVITIES
For the year ended December 31, 2007

<u>PUBLIC SUPPORT AND REVENUE</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support:				
Contributions - cash	\$ 12,256	\$ 3,533	\$126,455	\$ 142,244
Special events	26,554	13,853		40,407
Allocated by The United Way	48,297			48,297
Total public support	<u>87,107</u>	<u>17,386</u>	<u>126,455</u>	<u>230,948</u>
Grants from governmental agencies:				
Department of Education	76,542	442		76,984
Healthy Families Indiana	425,911			425,911
Michigan City Area Schools	55,588	8,910		64,498
Healthy Families				
LaPorte County	111,389			111,389
ITPC	2,885	6,345		9,230
Indiana State Department				
of Health	56,066			56,066
LaPorte County - Office				
of Family and Children	93,841	24,012		117,853
Kids First - Bethune				
Department Child				
Services - Lake County	8,618			8,618
Department Child				
Services - Pulaski County	1,344			1,344
Department Child				
Services - Indiana	480,874			480,874
LaPorte County Grant	3,978			3,978
LaPorte County Circuit Court	20,000			20,000
Total grants from				
governmental agencies	<u>1,337,036</u>	<u>39,709</u>		<u>1,376,745</u>
Other operating revenue:				
Income released from				
restrictions		(141,377)		(141,377)
Private grants	221,585	77,894		299,479
Program service fees	140,654			140,654
Investment income	10,821		3,323	14,144
Unrealized gain on invest-				
ments (Note 3)			4,743	4,743
Miscellaneous Revenue	583			583
Total other revenue	<u>373,643</u>	<u>(63,483)</u>	<u>8,066</u>	<u>318,226</u>
Total support and revenue	<u>1,797,786</u>	<u>(6,388)</u>	<u>134,521</u>	<u>1,925,919</u>

- Continued -

LAPORTE COUNTY CHILD ABUSE PREVENTION COUNCIL, INC.

STATEMENTS OF ACTIVITIES (CONTINUED)
For the year ended December 31, 2007

<u>EXPENSES</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Program services	1,661,094			1,661,094
Management and general	136,373			136,373
Fund-raising	61,539	_____	2,529	64,068
Total expenses	<u>1,859,006</u>	_____	<u>2,529</u>	<u>1,861,535</u>
CHANGE IN NET ASSETS BEFORE BUILDING EXPANSION REVENUES	<u>(61,220)</u>	<u>(6,388)</u>	<u>131,992</u>	<u>64,384</u>
<u>BUILDING EXPANSION REVENUES/(EXPENSE)</u>				
Private grants	85,382			85,382
Contributions - cash	100			100
Special events	1,045			1,045
Loss on disposition of fixed assets (Note 1)	(1,356)			(1,356)
Interest expense	<u>(24,451)</u>	_____	_____	<u>(24,451)</u>
Total building expansion revenues	<u>60,720</u>	_____	_____	<u>60,720</u>
CHANGE IN NET ASSETS	(500)	(6,388)	131,992	125,104
NET ASSETS AT BEGINNING OF YEAR	<u>1,559,383</u>	<u>141,377</u>	<u>120,301</u>	<u>1,821,061</u>
NET ASSETS AT END OF YEAR	<u>\$1,558,883</u>	<u>\$134,989</u>	<u>\$252,293</u>	<u>\$1,946,165</u>

The accompanying notes are an integral part of these financial statements.

LAPORTE COUNTY CHILD ABUSE PREVENTION COUNCIL, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2008 and 2007

	<u>ASSETS</u>	<u>2008</u>	<u>2007</u>
<u>CURRENT ASSETS</u>			
Cash and cash equivalents			\$ 225,782
Accounts receivable			
Unity Foundation		\$ 5,680	48,110
Grants from governmental agencies		613,572	230,828
Prepaid family incentives		29,880	
Prepaid expenses		8,098	11,901
Total current assets		<u>657,230</u>	<u>516,621</u>
<u>PROPERTY AND EQUIPMENT (Note 1)</u>			
Land and land improvements (Note 6)		92,205	92,205
Building		1,504,775	1,504,775
Furniture and fixtures		263,113	252,613
Total cost		<u>1,860,093</u>	<u>1,849,593</u>
Accumulated depreciation		377,919	316,277
Total property and equipment		<u>1,482,174</u>	<u>1,533,316</u>
<u>OTHER ASSETS</u>			
Loan fees			4,721
Endowment fund (Note 3)		189,829	252,293
Total other assets		<u>189,829</u>	<u>257,014</u>
Total assets		<u>\$2,329,233</u>	<u>\$2,306,951</u>
<u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES</u>			
Checks written in excess of bank balance		\$ 48,045	
Current portion of long-term debt (Note 4)			\$ 11,805
Accounts payable		181,283	84,180
Payroll withholdings payable		4,713	3,018
Retirement plan payable		3,336	2,588
Total current liabilities		<u>237,377</u>	<u>101,591</u>
<u>LONG-TERM LIABILITIES</u>			
Long-term debt (Note 4)		<u>106,008</u>	<u>259,195</u>
<u>NET ASSETS</u>			
Unrestricted		1,709,876	1,558,883
Temporarily restricted (Note 5)		86,143	134,989
Permanently restricted (Note 5)		189,829	252,293
Total net assets		<u>1,985,848</u>	<u>1,946,165</u>
Total liabilities and net assets		<u>\$2,329,233</u>	<u>\$2,306,951</u>

The accompanying notes are an integral part of these financial statements.

LAPORTE COUNTY CHILD ABUSE PREVENTION COUNCIL, INC.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 39,683	\$125,104
Adjustments to reconcile change in net assets to net cash from operating activities		
Net change to endowment	62,464	(135,061)
Depreciation and amortization	81,194	76,971
Loss on disposition of fixed assets	447	1,356
(Increase)/decrease in assets		
Accounts receivable	(340,314)	(124,619)
Prepaid family incentives	(29,880)	
Prepaid expenses	3,803	(6,960)
Increase/(decrease) in liabilities		
Accounts payable	97,103	75,680
Other current liabilities	2,443	1,411
Net cash provided by/(applied to) operating activities	<u>(83,057)</u>	<u>13,882</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Additions to property and equipment	<u>(25,778)</u>	<u>(9,492)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Debt reduction:		
Long-term	<u>(164,992)</u>	<u>(114,328)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(273,827)	(109,938)
CASH AT BEGINNING OF YEAR	<u>225,782</u>	<u>335,720</u>
CASH/(DEFICIT) AT END OF YEAR	<u>\$ (48,045)</u>	<u>\$225,782</u>
Schedule of noncash investing and financing activities		
Cost of assets acquired	\$ 25,777	\$ 9,492
Fixed assets loan		
Cash payments for fixed assets	<u>\$ 25,777</u>	<u>\$ 9,492</u>
Interest paid	<u>\$ 10,476</u>	<u>\$ 24,451</u>

The accompanying notes are an integral part of these financial statements.

LAPORTE COUNTY CHILD ABUSE PREVENTION COUNCIL, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
For the year ended December 31, 2008

	<u>Program Services</u>	<u>Management & General</u>	<u>Fund- raising</u>	<u>Total Expenses</u>
Salaries	\$ 934,831	\$ 103,505	\$39,549	\$1,077,885
Payroll taxes	74,682	7,808	3,142	85,632
Health insurance	106,611	4,089	7,234	117,934
Retirement plan	12,304	2,070	931	15,305
Professional fees	37,475	5,947		43,422
Direct assistance	29,239			29,239
Contract services	444,393			444,393
In-kind services (Note 1)		11,794		11,794
House supplies	6,546	13		6,559
Office supplies	29,132	1,670		30,802
Telephone	15,695	850		16,545
Postage	4,069	652	1,156	5,877
Utilities	17,148			17,148
Insurance	18,445			18,445
Repairs and maintenance	19,617	1,800		21,417
Special programs	131,876	5		131,881
Printing and copier	20,596	3,784		24,380
Advertising	22,849			22,849
Travel	55,538	1,502	372	57,412
Conferences and training	48,392	1,396		49,788
Special events	8,798		9,631	18,429
Membership dues	450	1,591		2,041
Management and bank fees		4,148		4,148
Incentive expense	3,773	512		4,285
Amortization - loan costs		4,721		4,721
Miscellaneous	4,575	1,757	5	6,337
Total expenses before depreciation	2,047,034	159,614	62,020	2,268,668
Depreciation of building and equipment	68,826	7,647		76,473
Total expenses	<u>\$2,115,860</u>	<u>\$167,261</u>	<u>\$62,020</u>	<u>\$2,345,141</u>

The accompanying notes are an integral part of these financial statements.

LAPORTE COUNTY CHILD ABUSE PREVENTION COUNCIL, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
For the year ended December 31, 2007

	<u>Program Services</u>	<u>Management & General</u>	<u>Fund- raising</u>	<u>Total Expenses</u>
Salaries	\$ 900,484	\$ 93,581	\$37,718	\$1,031,783
Payroll taxes	71,934	7,476	3,013	82,423
Health insurance	104,217	10,830	5,950	120,997
Retirement plan	15,961	1,659	871	18,491
Professional fees	5,110	5,110		10,220
Direct assistance	4,199			4,199
Contract services	179,225			179,225
House supplies	4,175	121		4,296
Office supplies	15,229	692		15,921
Telephone	15,069	809	229	16,107
Postage	3,038	680	640	4,358
Utilities	15,238			15,238
Insurance	26,197	655		26,852
Repairs and maintenance	16,827	552		17,379
Special programs	104,444	26		104,470
Printing and copier	19,275	539		19,814
Advertising	3,643		1,131	4,774
Travel	36,615	1,049	559	38,223
Conferences and training	31,673	1,590		33,263
Special events	7,524		10,504	18,028
Membership dues	340	1,362	75	1,777
Management and bank fees		657		657
Incentive expense	4,717	7		4,724
Amortization - loan costs		282		282
Miscellaneous	<u>6,940</u>	<u>1,027</u>	<u>3,378</u>	<u>11,345</u>
Total expenses before depreciation	1,592,074	128,704	64,068	1,784,846
Depreciation of building and equipment	<u>69,020</u>	<u>7,669</u>		<u>76,689</u>
Total expenses	<u>\$1,661,094</u>	<u>\$136,373</u>	<u>\$64,068</u>	<u>\$1,861,535</u>

The accompanying notes are an integral part of these financial statements.

LAPORTE COUNTY CHILD ABUSE PREVENTION COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008 and 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITY - The LaPorte County Child Abuse Prevention Council, Inc., d/b/a Dunebrook, is a voluntary, not-for-profit organization whose purpose is to promote positive family interaction and child development through education and supportive programs while maintaining an environment that enhances child advocacy efforts.

The Organization was created in 1989 to be a center where intervention and prevention would work together toward the best interests of the children in LaPorte County. They envisioned Dunebrook as a child-centered, safe place devoted to nurturing families and protecting children. Their vision and the mission of Dunebrook have grown beyond the borders of LaPorte County. Nurturing families, helping parents, and advocating for children have become Dunebrook's greatest strengths.

The staff at Dunebrook works collaboratively with many agencies to provide parenting education and support to thousands of families in LaPorte County, the Northwest Indiana Region, and the state of Indiana. Many of the programs are offered in a home visitation model while others are offered at Dunebrook or at school sites, libraries, churches and various other places. Information and education are offered on-line through their web site: www.dunebrook.org <<http://www.dunebrook.org>>. Several of the Dunebrook programs are offered in English and Spanish. A substantial amount of the Organization's support is received from governmental agencies.

- Continued -

LAPORTE COUNTY CHILD ABUSE PREVENTION COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2008 and 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL STATEMENT PRESENTATION - The Organization uses 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.

Also, the Organization uses 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 support depending on the existence or nature of any donor restrictions. Under SFAS No. 116, such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the purpose restriction. Restricted support is reported as unrestricted, if the restrictions are met in the same reporting period when received.

IN-KIND SERVICES - The Organization recognizes contribution revenues and corresponding expenses for maintenance services at values provided by the vendors. For the year 2008, the donated services totaled \$11,794.

- Continued -

LAPORTE COUNTY CHILD ABUSE PREVENTION COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2008 and 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ACCOUNTS RECEIVABLE - LaPorte County Child Abuse Prevention Council, Inc. makes direct write-offs when specific accounts are determined to be uncollectible. It is the opinion of management that a further provision for doubtful accounts is not necessary at December 31, 2008 and 2007 and that the direct charge-off method does not differ materially from generally accepted accounting principles.

LAND, BUILDING AND EQUIPMENT - Land, building and equipment are recorded at cost. Donated assets are capitalized at the fair market value on the date of donation. Depreciation of building and equipment is calculated using both accelerated and straight-line methods over the estimated useful lives. For the years ended December 31, 2008 and 2007, depreciation totaled \$76,473 and \$76,689, respectively.

INCOME TAXES - LaPorte County Child Abuse Prevention Council, Inc. is exempt from tax on income under section 501(c) of the Internal Revenue Code. Therefore, these statements do not include any provision for income taxes.

CASH EQUIVALENTS - All highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents and are reflected as cash in the statement of cash flows.

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

- Continued -

LAPORTE COUNTY CHILD ABUSE PREVENTION COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2008 and 2007

NOTE 2 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization has a number of financial instruments, none of which are held for trading purposes. The Organization estimates that the fair value of all financial instruments at December 31, 2008 and 2007 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheets.

NOTE 3 - ENDOWMENT AND CHALLENGE FUNDS

The endowment fund is restricted in perpetuity to continue the purpose of the Organization and is managed by a third party trustee. Income generated by the assets held in the endowment fund is to be used for operations and is distributed to the Organization annually. Gains realized on the investments are recorded on the Organization's books, but are retained in the trust to be distributed to the Organization at the trustee's discretion. The endowment fund has been recorded at market value of \$189,829 and \$252,293 as of December 31, 2008 and 2007, respectively. The unrealized gain/(loss) of \$(64,382) and \$4,743 for the years ended December 31, 2008 and 2007, respectively, are reflected as changes in net assets on the statements of activities.

NOTE 4 - LONG-TERM DEBT

At December 31, 2008, the Organization is indebted on a \$300,000 line of credit with Horizon Bank in the amount of \$106,008. The loan is

- Continued -

LAPORTE COUNTY CHILD ABUSE PREVENTION COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2008 and 2007

NOTE 4 - LONG-TERM DEBT (Continued)

secured by a real estate mortgage and assignment of rents. The loan has a variable interest rate (5% at December 31, 2008) and matures July 31, 2013.

A schedule of the Organization's long-term debt at December 31, 2007 follows:

<u>Due to/(Security)</u>	<u>Interest Rate</u>	<u>Payment Amount and Maturity Date</u>	<u>Amount</u>
Horizon Bank/(Real estate mortgage)	Variable (rate 6.37%)	\$2,983 including interest due 07/19/25	\$271,000
	Less current maturity		<u>11,805</u>
	Net long-term debt		<u>\$259,195</u>

This loan was repaid with proceeds from the line of credit in 2008.

NOTE 5 - RESTRICTED NET ASSETS

The permanently restricted net assets of the Organization are funds held at the Unity Foundation of LaPorte County.

	<u>2008</u>	<u>2007</u>
Permanently restricted net assets are restricted as follows:		
Endowment fund	<u>\$189,829</u>	<u>\$252,293</u>

At December 31, 2008 and 2007, the temporarily restricted net assets of \$86,143 and \$134,989, respectively, represent cash collected for grants, service fees, and public support received and designated for future projects.

- Continued -

LAPORTE COUNTY CHILD ABUSE PREVENTION COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2008 and 2007

NOTE 6 - SIMPLE RETIREMENT PLAN

LaPorte County Child Abuse Prevention Council, Inc. established a discretionary contributory Simple retirement plan for qualifying employees. LaPorte County Child Abuse Prevention Council, Inc. contributes an amount equal to 2% of each participating employee's compensation. The expense for the years ended December 31, 2008 and 2007 was \$15,305 and \$18,491, respectively.

NOTE 7 - RELATED PARTY TRANSACTIONS

The LaPorte County Child Abuse Prevention Council, Inc. occasionally obtains services from firms that are owned or partially owned by certain Board of Directors. All transactions are at arms-length and approved in advance by the entire Board of Directors.

LAPORTE COUNTY CHILD ABUSE PREVENTION COUNCIL, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2008

<u>Federal Granting Agency</u>	<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor</u>	<u>Pass-Through Number</u>	<u>Federal Expenditures</u>	<u>Amounts Provided to Sub-recipient</u>
Department of Health and Human Services	Temporary Assistance for Needy Families	93.558	Indiana Family & Social Services Admin.	46-02-60-1560	\$466,645*	\$-0-
Department of Health and Human Services	Community For Child Safety	93.590	Indiana Department of Child Services	N/A	<u>228,359**</u>	<u>-0-</u>
Total					<u>\$695,004</u>	<u>\$-0-</u>

* Total funds of \$562,223 x 83% federal funds

** Total funds of \$1,141,796 x 20% federal funds

Note: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

APPLEGATE & COMPANY

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
LaPorte County Child Abuse
Prevention Council, Inc.
Michigan City, Indiana

We have audited the financial statements of LaPorte County Child Abuse Prevention Council, Inc. as of and for the year ended December 31, 2008 and have issued our report thereon dated June 25, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered LaPorte County Child Abuse Prevention Council, Inc.'s internal control 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 LaPorte County Child Abuse Prevention Council, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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 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.

- Continued -

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)

A material weakness is a significant deficiency, or 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance

As part of obtaining reasonable assurance about whether LaPorte County Child Abuse Prevention Council, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the audit committee, management, others within the Organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


APPLEGATE & COMPANY
Certified Public Accountants

Michigan City, Indiana
June 25, 2009

APPLEGATE & COMPANY

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REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133

Board of Directors
LaPorte County Child Abuse
Prevention Council, Inc.
Michigan City, Indiana

Compliance

We have audited the compliance of LaPorte County Child Abuse Prevention Council, Inc. with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to its major federal program for the year ended December 31, 2008. LaPorte County Child Abuse Prevention Council, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of LaPorte County Child Abuse Prevention Council, Inc.'s management. Our responsibility is to express an opinion on LaPorte County Child Abuse Prevention Council, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about LaPorte County Child Abuse Prevention Council, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of LaPorte County Child Abuse Prevention Council, Inc.'s compliance with those requirements.

In our opinion, LaPorte County Child Abuse Prevention Council, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal program for the year ended December 31, 2008.

- Continued -

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 (CONTINUED)

Internal Control Over Compliance

The management of LaPorte County Child Abuse Prevention Council, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirement of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered LaPorte County Child Abuse Prevention Council, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of LaPorte County Child Abuse Prevention Council, Inc.'s internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program 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 combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, others within the Organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


APPLEGATE & COMPANY
Certified Public Accountants

Michigan City, Indiana
June 25, 2009

APPLEGATE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

LAPORTE COUNTY CHILD ABUSE PREVENTION COUNCIL, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended December 31, 2008

SUMMARY OF AUDIT RESULTS

1. The auditor's report expressed an unqualified opinion on the financial statements of LaPorte County Child Abuse Prevention Council, Inc.
2. No reportable conditions in internal control were disclosed by the audit of the financial statements.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of LaPorte County Child Abuse Prevention Council, Inc.
4. No reportable conditions in internal controls over major programs were disclosed by the audit of major federal programs.
5. The auditor's report on compliance for the major federal award programs for LaPorte County Child Abuse Prevention Council, Inc. expresses an unqualified opinion on its major federal program.
6. There are no audit findings or questioned costs related to the major federal award program for LaPorte County Child Abuse Prevention Council, Inc.
7. The program tested as major program was: Agency-Department of Health and Human Services; Title-Temporary Assistance for Needy Families; CFDA #93.558.
8. The threshold used to distinguish between Type A and Type B programs was \$300,000.
9. LaPorte County Child Abuse Prevention Council, Inc. was determined to not qualify as a low-risk auditee.
10. Findings related to financial statements that are required to be reported in accordance with GAGAS:

None.
11. Findings and questioned costs for federal awards including audit findings as described in OMB Circular A-133 Section 510(a):

None.

LAPORTE COUNTY CHILD ABUSE PREVENTION COUNCIL, INC.

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS

For the year ended December 31, 2007

SUMMARY OF AUDIT RESULTS

1. The auditor's report expressed an unqualified opinion on the financial statements of LaPorte County Child Abuse Prevention Council, Inc.
2. No reportable conditions in internal control were disclosed by the audit of the financial statements.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of LaPorte County Child Abuse Prevention Council, Inc.
4. No reportable conditions in internal controls over major programs were disclosed by the audit of major federal programs.
5. The auditor's report on compliance for the major federal award programs for LaPorte County Child Abuse Prevention Council, Inc. expresses an unqualified opinion on its major federal program.
6. There are no audit findings or questioned costs related to the major federal award program for LaPorte County Child Abuse Prevention Council, Inc.
7. The program tested as major program was: Agency-Department of Health and Human Services; Title-Community Partners for Child Safety; CFDA #93.590.
8. The threshold used to distinguish between Type A and Type B programs was \$300,000.
9. LaPorte County Child Abuse Prevention Council, Inc. was determined to qualify as a low-risk auditee.
10. Findings related to financial statements that are required to be reported in accordance with GAGAS:

None.
11. Findings and questioned costs for federal awards including audit findings as described in OMB Circular A-133 Section 510(a):

None.