



STATE OF INDIANA
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November 10, 2011

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

We have reviewed the audit report prepared by Monroe Shine, Independent Public Accountants, for the period January 1, 2009 to December 31, 2009. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Crisis Connection, Inc., as of December 31, 2009, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

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

FINANCIAL STATEMENTS

**YEARS ENDED
DECEMBER 31, 2009 AND 2008**

CRISIS CONNECTION, INC.

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MONROE SHINE

KNOWLEDGE FOR TODAY . . . VISION FOR TOMORROW
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Independent Auditor's Report

Board of Directors
Crisis Connection, Inc.
Jasper, Indiana

We have audited the accompanying statements of financial position of **Crisis Connection, Inc.** as of December 31, 2009 and 2008 and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the **Crisis Connection, Inc's.** management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Crisis Connection, Inc.** as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Monroe Shine

Bedford, Indiana
August 31, 2010

CRISIS CONNECTION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2009 AND 2008

ASSETS

	<u>2009</u>	<u>2008</u>
CURRENT ASSETS		
Cash	\$ 29,407	\$ 40,437
Cash - restricted	1,649	3,990
Grants receivable	106,532	62,572
Prepaid expense	9,449	7,793
Total Current Assets	<u>147,037</u>	<u>114,792</u>
PROPERTY AND EQUIPMENT		
Leasehold improvements	19,136	19,136
Equipment	83,803	67,387
	<u>102,939</u>	<u>86,523</u>
Less accumulated depreciation	73,339	69,235
Net Property and Equipment	<u>29,600</u>	<u>17,288</u>
	<u>\$ 176,637</u>	<u>\$ 132,080</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Line of credit	\$ 15,000	\$ -
Current portion of long-term debt	3,191	-
Accounts payable	5,611	2,766
Accrued expenses	12,873	11,209
Total Current Liabilities	<u>36,675</u>	<u>13,975</u>
LONG TERM DEBT, less current portion	6,545	-
NET ASSETS		
Unrestricted	131,768	114,115
Temporarily restricted	1,649	3,990
Total Net Assets	<u>133,417</u>	<u>118,105</u>
	<u>\$ 176,637</u>	<u>\$ 132,080</u>

See accompanying notes to financial statements.

**CRISIS CONNECTION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
CHANGES IN UNRESTRICTED NET ASSETS:		
Revenues		
United Way	\$ 34,468	\$ 34,835
Grant income	365,052	310,894
Donations	34,518	40,677
Interest income	153	421
Other	7,446	9,026
Net assets released from restrictions	2,341	3,332
Total Revenues	443,978	399,185
Expenses		
Program services	389,572	386,258
Supporting services:		
Management and general	28,335	19,264
Fundraising	8,418	8,717
Total Expenses	426,325	414,239
 CHANGE IN UNRESTRICTED NET ASSETS	 17,653	 (15,054)
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:		
Revenues		
Donations	-	5,000
Net assets released from restrictions	(2,341)	(3,332)
 CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	 (2,341)	 1,668
 Total Change in Net Assets	 15,312	 (13,386)
 Net assets at beginning of year	 118,105	 131,491
 Net Assets at End of Year	 \$ 133,417	 \$ 118,105

See accompanying notes to financial statements.

CRISIS CONNECTION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>				<u>2008</u>			
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Compensation and related expenses								
Salaries	\$ 207,280	\$ 13,518	\$ 4,506	\$ 225,304	\$ 211,148	\$ 13,771	\$ 4,590	\$ 229,509
Employee benefits	32,028	2,089	696	34,813	29,741	1,940	647	32,328
Payroll taxes	15,740	1,027	342	17,109	16,133	1,052	351	17,536
	<u>255,048</u>	<u>16,634</u>	<u>5,544</u>	<u>277,226</u>	<u>257,022</u>	<u>16,763</u>	<u>5,588</u>	<u>279,373</u>
Client assistance	24,145	-	-	24,145	28,005	-	-	28,005
Educational	4,753	-	-	4,753	860	-	-	860
Training materials	2,628	-	-	2,628	2,127	-	-	2,127
Office supplies	23,663	709	2,036	26,408	19,171	785	2,158	22,114
Occupancy	41,417	-	-	41,417	41,048	-	-	41,048
Telephone	8,487	-	-	8,487	8,767	-	-	8,767
Advertising	3,342	-	-	3,342	5,446	-	-	5,446
Insurance	8,157	1,257	838	10,252	7,284	1,457	971	9,712
Depreciation	3,694	410	-	4,104	2,335	259	-	2,594
Professional dues	1,600	-	-	1,600	715	-	-	715
Professional services	-	9,325	-	9,325	-	-	-	-
Travel	9,539	-	-	9,539	9,519	-	-	9,519
Miscellaneous	3,099	-	-	3,099	3,959	-	-	3,959
TOTAL EXPENSES	<u>\$ 389,572</u>	<u>\$ 28,335</u>	<u>\$ 8,418</u>	<u>\$ 426,325</u>	<u>\$ 386,258</u>	<u>\$ 19,264</u>	<u>\$ 8,717</u>	<u>\$ 414,239</u>

See accompanying notes to financials statements.

CRISIS CONNECTION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 15,312	\$ (13,386)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	4,104	2,594
(Increase) decrease in current assets:		
Grants receivable	(43,960)	(14,216)
Prepaid expense	(1,656)	2,993
Increase (decrease) in current liabilities:		
Accounts payable	2,845	(3,063)
Accrued expenses	1,664	2,912
Net Cash Used In Operating Activities	(21,691)	(22,166)
 INVESTING ACTIVITY		
Purchase of equipment	(16,416)	(3,914)
 FINANCING ACTIVITY		
Net increase in short-term debt	15,000	-
Proceeds from issuance of long-term debt	10,000	-
Repayment of long-term debt	(264)	-
Net Cash Provided By Financing Activities	24,736	-
 Net Decrease in Cash	(13,371)	(26,080)
 Cash at beginning of year	44,427	70,507
 Cash at End of Year	\$ 31,056	\$ 44,427

See accompanying notes to financial statements.

CRISIS CONNECTION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

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

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

Use of Estimates

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

Property and Equipment

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

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

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the financial statements do not provide for income taxes.

During 2009, the Organization adopted Accounting Standards Codification (ASC) 740-10 as it relates to uncertain tax positions. Currently, the Organization's Forms 990 for 2006, 2007, and 2008 are subject to examination by the Internal Revenue Service and the Indiana Department of Revenue. The Organization is not currently being examined by these jurisdictions and management believes its tax-exempt status would be upheld under examination. No provision for uncertain tax positions has been recorded at December 31, 2009.

Advertising

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

CRISIS CONNECTION, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2009 AND 2008

(1-continued)

Basis of Presentation

The Organization uses the accrual basis of accounting.

The Organization reports information regarding its financial position and activities in two classes of net assets: unrestricted and temporarily restricted net assets. No permanently restricted net assets existed at December 30, 2009 and 2008. The terms are defined below:

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

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

The Organization has no permanently restricted net assets.

(2) LINE OF CREDIT

The Organization has a revolving line of credit with German American Bank in the amount of \$20,000. The interest rate charged on this line of credit is 6.0%. The line of credit is secured by equipment. At December 31, 2009, the Organization had borrowed \$15,000 against this line of credit.

(3) LONG-TERM DEBT

Long term debt at December 31, 2009 was as follows:

	<u>2009</u>
4.50% note payable to the bank in monthly installments of \$298, including interest	\$ 9,736
Less payments due within one year	<u>3,191</u>
Total long-term debt	<u>\$ 6,545</u>

The following is a schedule by years of maturity requirements on long-term debt as of December 31, 2009:

Year ending December 31:

2010	\$ 3,191
2011	3,333
2012	<u>3,212</u>
Total	<u>\$ 9,736</u>

CRISIS CONNECTION, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2009 AND 2008

(4) TEMPORARILY RESTRICTED NET ASSETS

At December 31, 2009 and 2008, the Organization had temporarily restricted net assets of \$1,649 and \$3,990, respectively, from donor restricted contributions.

(5) ENDOWMENT

During 2000, an endowment account with the Dubois County Community Foundation, Inc. was created. The endowment was originated with contributions of \$31,015. The donations included contributions from the community. The contributions are an irrevocable transfer to the Community Foundation endowment account. The Organization will receive an annual distribution of a portion of the allocable net earnings of the fund. The total value of the endowment at December 31, 2009 and 2008 was \$38,899 and \$32,320, respectively.

(6) LEASES

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

The following are future minimum rental payments required under leases that have initial or remaining noncancellable lease terms in excess of one year as of December 31, 2009. The annual lease payments of \$90,138 continue until December 31, 2015 for a total of \$200,538.

(7) SUBSEQUENT EVENTS

The Organization has evaluated whether any subsequent events that require recognition or disclosure in the accompanying financial statements and related notes thereto have taken place through August 31, 2010, the date these financial statements were issued. The Organization has determined that there are no such subsequent events.