

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Help in Crisis, Inc.  
Tahlequah, Oklahoma

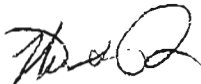
We have audited the accompanying statement of financial position of Help in Crisis, Inc., (a nonprofit organization) as of June 30, 2007 and 2008, and the related statement of activities, and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. 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 and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Help in Crisis, Inc., as of June 30, 2007 and 2008, and change in net assets and its cash flows for the year then ended in conformity with accounting principals generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have issued a report dated November 20, 2008, on our consideration of Help in Crisis, Inc., Tahlequah, Oklahoma, internal controls over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basis financial statements of Help in Crisis, Inc., taken as a whole. The accompanying schedule of expenditures of federal and state awards 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 procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.



Robert St. Pierre, C.P.A., P.C.  
November 20, 2008

**HELP IN CRISIS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2007 and 2008**

ASSETS		<u>2008</u>	<u>2007</u>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents		\$ 123,719	\$ 182,207
Certificates of Deposit		84,913	57,303
Investment (Restricted Funds Note D)		26,730	23,321
Accounts Receivable (net of allowance)		128,623	62,776
Pre-Paid Expenses		<u>5,533</u>	<u>7,649</u>
<b>TOTAL CURRENT ASSETS</b>		<u>369,518</u>	<u>333,256</u>
<b>FIXED ASSETS</b>			
Land		31,416	11,416
Buildings and Improvements		1,075,445	905,314
Office Furniture and Equipment		203,436	193,968
<i>Accumulated Depreciation</i>		<u>(373,057)</u>	<u>(315,094)</u>
<b>TOTAL FIXED ASSETS</b>		<u>937,240</u>	<u>795,604</u>
<b>TOTAL ASSETS</b>		<u><u>1,306,758</u></u>	<u><u>1,128,860</u></u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable		6,586	6,266
Accrued Expenses		24,759	22,254
Payroll Taxes Payable		2,198	5,736
Deferred Revenue		60,138	67,684
Current Portion of Long Term Debt		<u>11,878</u>	<u>8,176</u>
<b>TOTAL CURRENT LIABILITIES</b>		105,559	110,116
<b>LONG TERM DEBT</b>		<u>173,985</u>	<u>107,976</u>
<b>TOTAL LIABILITIES</b>		<u>279,544</u>	<u>218,092</u>
<b>NET ASSETS</b>			
Restricted (Note D)		26,730	23,321
Unrestricted		<u>1,000,484</u>	<u>887,447</u>
<b>TOTAL NET ASSETS</b>		<u>1,027,214</u>	<u>910,768</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<u><u>\$ 1,306,758</u></u>	<u><u>\$ 1,128,860</u></u>

**HELP IN CRISIS, INC.**  
**STATEMENT OF ACTIVITIES**  
For the Years Ended June 30, 2007 and 2008

	<u>2008</u>	<u>2007</u>
<b>REVENUE AND SUPPORT:</b>		
Domestic Violence / Sexual Assault	\$ 201,732	\$ 161,814
Child Abuse Prevention DHS	143,172	98,932
Cherokee Nation Grant	44,500	65,000
Emergency Shelter Grant	76,227	63,167
Federal Domestic Violence / Sexual Assault	51,587	51,413
National Children's Alliance	9,479	6,544
Federal Violence Against Women	36,319	38,930
Child Abuse Prevention	130,000	139,268
Victims of Crime Assistance	93,868	105,595
Federal Emergency Management Agency	3,370	3,547
Sexual Assault Prevention & Education	17,260	700
Rape Prevention ODH	22,830	3,749
Alltria Grant	85,102	-
Donations (Volunteers & In Kind)	41,699	55,115
Other Income	51,073	38,689
Other Grants	44,163	49,895
Donations	168,258	52,937
Interest Income	3,528	3,242
	<u>1,224,167</u>	<u>938,537</u>
<b>TOTAL REVENUE AND SUPPORT</b>		
<b>PROGRAM SERVICES:</b>		
Shelter	411,978	353,400
Crisis Line, Court Advocacy, and Community Education	160,790	196,174
Sexual Assault Services	76,409	50,703
Child Abuse Prevention	138,059	154,781
Child Advocacy	115,528	105,259
Batterers Treatment	5,791	777
Counseling & Victim Support	85,103	-
<b>SUPPORTING SERVICES:</b>		
Management and General	114,063	106,278
	<u>1,107,721</u>	<u>967,372</u>
<b>TOTAL PROGRAM SERVICES</b>		
<b>CHANGE IN NET ASSETS</b>	116,446	(28,835)
<b>UNRESTRICTED NET ASSETS PRIOR PERIOD</b>	<u>910,768</u>	<u>939,603</u>
<b>UNRESTRICTED NET ASSETS AT END OF YEAR</b>	<u>\$ 1,027,214</u>	<u>\$ 910,768</u>

**HELP IN CRISIS, INC.**  
**STATEMENT OF CASH FLOWS**  
For The Year Ended June 30, 2007 and 2008

	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (Decrease) in Net Assets	\$ 116,446	\$ (28,835)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	57,963	54,868
(Increase) Decrease In:		
Accounts Receivable	(65,847)	(9,224)
Pre-Paid Expenses	2,115	101
Increase (Decrease) In:		
Accrued Expenses	2,505	4,302
Payroll Taxes Payable	(3,538)	32
Deferred Revenue	(7,547)	27,559
Accounts Payable	320	(842)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>102,417</b>	<b>47,961</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net (Increase) Decrease in Certificate of Deposit	(30,162)	(3,237)
Net (Increase) Decrease in Investments	(855)	(6,769)
Purchase of Land	(20,000)	
Shelter Furnishings	(9,468)	-
Purchase of Building	(170,129)	-
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>(230,614)</b>	<b>(10,006)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowing of Long Term Debt	76,680	
Retirement of Long Term Debt	(6,971)	(6,424)
<b>NET CASH PROVIDED (USED) FROM FINANCING ACTIVITIES</b>	<b>69,709</b>	<b>(6,424)</b>
<b>NET CHANGE IN CASH</b>	<b>(58,488)</b>	<b>31,531</b>
<b>CASH AT THE BEGINNING OF THE YEAR</b>	<b>182,207</b>	<b>150,676</b>
<b>CASH AT THE END OF THE YEAR</b>	<b>\$ 123,719</b>	<b>\$ 182,207</b>
<b>ADDITIONAL CASH FLOW INFORMATION</b>		
Interest Paid	19,254	12,583
<b>TOTAL INTEREST PAID</b>	<b>19,254</b>	<b>12,583</b>

HELP IN CRISIS, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**NATURE OF THE ORGANIZATION**

Help in Crisis, Inc., was incorporated in the state of Oklahoma as a non-profit organization on December 29, 1980. The organization is tax exempt under section 501 (c)(3) of the Internal Revenue Code. This does not preclude the fact that Form 990 must be filed with the Internal Revenue Service on an annual basis. Help in Crisis, Inc., is a non-profit entity organized for the purpose of providing community-based aid to victims of domestic violence, rape and potential suicide victims. The administrative office is located in Tahlequah, Oklahoma with satellite offices located in Sequoyah, Adair and Wagoner Counties.

**BASIS OF ACCOUNTING**

The financial statements of Help in Crisis, Inc., have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

**BASIS OF PRESENTATION**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its 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.

**CASH AND CASH EQUIVALENTS**

For the purpose of the statement of cash flows, the organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**PROPERTY AND EQUIPMENT**

It is the organization's policy to capitalize property and equipment over \$100.00. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has

restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

### **PROMISES TO GIVE**

Contributions are recognized when the donor makes a promise to give the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature on the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

### **INVESTMENTS**

Investments in marketable securities with readily determinable fair market values and all investments in debt securities are reported at their fair values in the statement of position. Unrealized gains and losses are included in the change in net assets.

### **ESTIMATES**

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

### **INCOME TAXES**

Help in Crisis, Inc., is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, Help in Crisis, Inc., has been determined by the Internal Revenue Service not to be a "Private Foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the year ended June 30, 2008.

**NOTE B: CASH AND EQUIVALENTS**

Unrestricted cash consists of the following:

Petty Cash	100
Operating Account (Armstrong Bank)	72,701
Money Market (Arvest Bank)	50,918

<b>TOTAL CASH</b>	<b>\$ 123,719</b>
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Deposits with the Armstrong Bank exceeded FDIC limitations; therefore deposits were not adequately insured.

**NOTE C: INVESTMENTS**

At June 30, 2008 Help in Crisis, Inc. owned the following certificates of deposit:

Certificates of Deposit :

Banc First	32,740
Banc First	27,131
Bank of Cherokee County	25,042

<b>TOTAL CERTIFICATES OF DEPOSIT &amp; INVESTMENTS</b>	<b>84,913</b>
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Certificates of deposits were within FDIC limitations; therefore deposits were insured.

**NOTE D: RESTRICTED FUNDS**

The restricted funds are cash reserves invested in US Treasury / Agency Securities and cash equivalents. The funds are to be used for the maintenance and repair of the renovated and expanded facility and its furnishings and equipment paid for with grant proceeds from the Reynolds Foundation.

**NOTE E: INVENTORY**

Expendable items are reflected as expenditures when purchased. Merchandise on hand at June 30, 2008, is determined as immaterial; therefore no inventories have been reflected in the financial statements.

**NOTE F: ACCOUNTS RECEIVABLE**

The majority of receivables are from federal and state agencies. When an account is determined to be uncollectible it is written off and charged to the current years operations or to allowance for doubtful accounts. Accounts Receivable, net of the estimated allowance at June 30, 2008, consisted of the following:

Current Receivables	91,282
1-30 Days Past Due	22,669
30-60 Days Past Due	7,750
Over 60 Days Past Due	6,922
Over 90 Days Past Due	-
Allowance For Doubtful Accounts	-
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TOTAL RECEIVABLES	<u>128,623</u>

**NOTE G: COMMITMENTS AND CONTINGENCIES**

Help in Crisis, Inc., currently participates in a number of state assisted grant and contract programs. These programs are subject to audit by the grantors or their representatives. Such audits could lead to requests for reimbursement to the grantor agency for expenses disallowed under the terms of the grant. Presently, Help in Crisis, Inc., has no such requests pending, and in the opinion of management, any such amounts would not be considered material. In the event agencies discontinue support under these programs, the organization's net assets could be materially affected.

**NOTE H: NOTES PAYABLE**

The long-term debt as of June 30, 2008 consists of the following:

Payable To:	Date Note Matures	Collateral Pledged	Rate Of Interest	Balance at 06-30-08	Current Portion Due in One Year	Interest Due in One Year
First National Bank	09/05/22	Real Estate	7.25%	74,196	3,099	5,303
BancFirst	08/28/17	Real Estate	7.00%	111,667	8,779	7,431
TOTALS				<u>185,863</u>	<u>11,878</u>	<u>12,734</u>

The total future scheduled maturities of long-term debt are as follows:

Years ending June 30:	Principal	Interest
2010	12,758	11,854
2011	13,703	10,909
2012	14,717	9,895
2013	16,807	8,805
2014	16,978	7,634
Thereafter	<u>100,022</u>	<u>22,063</u>
TOTALS	<u>173,985</u>	<u>71,160</u>

# ROBERT ST. PIERRE, C.P.A., P.C.

Certified Public Accountant

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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

To the Board of Directors  
Help in Crisis, Inc.  
Tahlequah, Oklahoma

We have audited the financial statements of Help in Crisis, Inc., Tahlequah, Oklahoma, (a non-profit organization) as of and for the years ended June 30, 2007 and 2008, and have issued our report thereon dated November 20, 2008. 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 the *Government Auditing Standards*, issued by the Comptroller General of the United States.

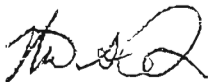
### Compliance

As part of obtaining reasonable assurance about whether Help in Crisis, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Help in Crisis, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected in a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of Help in Crisis, Inc., in a separate letter dated November 20, 2008.

This report is intended solely for the information of the Board of Directors, management, funding agencies and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.



Robert St. Pierre, C.P.A., P.C.  
November 20, 2008

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HELP IN CRISIS, INC.  
SCHEDULE OF FEDERAL AND STATE ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2008

Grantor / Pass- Through Grantor/ Program Title	CFDA Number	Contract Period	Contract Amount	Net Assets at 07-01-07	Contract Revenue	Contract Expenditures	Net Assets at 06-30-08
Attorney General FED Domestic Violence / Sexual Assault	N/A	7/1/2007 6/30/2008	51,587	-	51,587	51,587	-
Attorney General State Domestic Violence / Sexual Assault	N/A	7/1/2007 6/30/2008	201,732	-	201,732	201,732	-
Cherokee Nation	N/A	7/1/2007 6/30/2008	84,500	-	84,500	84,500	-
Department of Health Child Abuse Prevention	N/A	7/1/2007 6/30/2008	130,000	-	130,000	130,000	-
State Dept. of Health Child Abuse Prevention (CAMA)	N/A	1/1/2007 12/31/2007		67,684	-	67,684	-
State Dept. of Health Child Abuse Prevention (CAMA)	N/A	1/1/2008 12/31/2008	126,492	-	126,492	73,923	52,569
District Attorneys Council Crimes Victims Assistance	16.575	7/1/2007 6/30/2008	98,795	-	93,868	93,868	-
Federal Emergency Management Assistance	97.024	7/1/2007 6/30/2008	3,370	-	3,370	3,370	-
Emergency Shelter Grant Department of Commerce	83.523	5/1/2007 4/30/2008	75,000	-	66,367	66,367	-
Emergency Shelter Grant Department of Commerce	83.523	5/1/2008 4/30/2009	75,000	-	9,860	9,860	-
District Attorneys Council Sexual Abuse Services	16.579	1/1/2007 12/31/2007	37,419	-	20,620	20,620	-
District Attorneys Council Sexual Abuse Services	16.579	1/1/2008 12/31/2008	34,370	-	15,700	15,684	16
Oklahom Dept of Health Sexual Assault Prevention Grant	N/A	4/3/2007 10/31/2007	40,000	-	17,260	17,260	-
Oklahom Dept of Health Sexual Assault Prevention Grant	N/A	11/1/2007 10/31/2008	40,000	-	22,830	22,830	-
National Childrens Alliance	16.453	1/1/2007 12/31/2007	12,000	-	3,829	3,829	-
National Childrens Alliance	16.453	1/1/2008 12/31/2008	10,000	-	5,650	5,650	-
Dep of Justice Empowering Families and Strengthening Communities	16.589	10/1/2007 9/30/2009	500,000		85,102	85,102	
<b>TOTAL FEDERAL AND STATE AWARDS</b>			<b>1,520,264</b>	<b>67,684</b>	<b>938,767</b>	<b>953,866</b>	<b>52,585</b>