

**RAPE CRISIS AND ABUSE CENTER  
OF HAMILTON COUNTY,  
dba WOMEN HELPING WOMEN**

**AUDIT REPORT**

**DECEMBER 31, 2007**

The logo for Hennekes CPA Services features a large, white, stylized arc that curves around the text. The text is arranged in three lines: "Hennekes" in a serif font, "CPA" in a large, bold, serif font, and "Services" in a serif font.

**Hennekes  
CPA  
Services**

*CPA's Audit Report and  
Financial Statements*

**RAPE CRISIS AND ABUSE CENTER OF HAMILTON COUNTY,  
dba WOMEN HELPING WOMEN**

**2007 AUDIT REPORT**

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**Independent CPA's Report**  
**on Financial Statements**

Board of Trustees  
Rape Crisis and Abuse Center of Hamilton County,  
dba Women Helping Women  
Cincinnati, Ohio

We have audited the accompanying statements of financial position of Rape Crisis and Abuse Center of Hamilton County, dba Women Helping Women ("the Agency") (a nonprofit organization) as of December 31, 2007 and 2006 and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with United States generally accepted auditing standards ("U.S. GAAS") and the standards applicable to financial audits contained in *Generally Accepted Government Auditing Standards* ("GAGAS"), 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 Rape Crisis and Abuse Center of Hamilton County, dba Women Helping Women as of December 31, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with United States generally accepted accounting principles ("U.S. GAAP").

In accordance with *GAGAS*, we have also issued our report dated May 22, 2008 on our consideration of the Agency's internal control over financial reporting and on 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 *GAGAS*, and should be considered in assessing the results of our financial statement audit.

*Hennekes CPA Services*

May 22, 2008

**RAPE CRISIS AND ABUSE CENTER OF HAMILTON COUNTY,  
dba WOMEN HELPING WOMEN**

**STATEMENTS OF FINANCIAL POSITION**

**December 31, 2007 and 2006**

	<b>2007</b>	<b>2006</b>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 207,469	\$ 160,073
Grants and accounts receivable	229,246	196,541
Prepaid expenses	17,296	12,505
<b>Total current assets</b>	<b>454,011</b>	<b>369,119</b>
<b>Long-term assets:</b>		
Investments	220,699	110,633
Property and equipment - net	30,702	32,426
Deposits	1,094	1,094
<b>Total long-term assets</b>	<b>252,495</b>	<b>144,153</b>
<b>Total Assets</b>	<b>\$ 706,506</b>	<b>\$ 513,272</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 38,867	\$ 10,276
Accrued expenses and other liabilities	46,115	44,570
Deferred government revenues	161	8,497
<b>Total Liabilities</b>	<b>85,143</b>	<b>63,343</b>
<b>Net Assets:</b>		
Unrestricted	438,751	268,236
Temporarily restricted	132,612	131,693
Permanently restricted	50,000	50,000
<b>Total Net Assets</b>	<b>621,363</b>	<b>449,929</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 706,506</b>	<b>\$ 513,272</b>

The accompanying notes are an integral part of these financial statements

**RAPE CRISIS AND ABUSE CENTER OF HAMILTON COUNTY,  
dba WOMEN HELPING WOMEN**

**STATEMENTS OF ACTIVITIES**

**Years Ended December 31, 2007 and 2006**

	<b>2007</b>				<b>2006</b>			
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<b>Public support and revenues:</b>								
Private grants and allocations	\$ 68,857	\$ 124,612	\$ -	\$ 193,469	\$ 90,877	\$ 123,000	\$ -	\$ 213,877
Government grants	348,576			348,576	368,301			368,301
Contributions	402,288			402,288	198,070			198,070
Special events	91,274	8,000		99,274	71,791			71,791
Program services fees	22,530			22,530	5,990			5,990
Investment earnings, net	13,122			13,122	16,450			16,450
Other income	2,043			2,043	2,367			2,367
Release of restricted contributions	131,693	(131,693)		-	147,827	(147,827)		-
<b>Total revenues</b>	<b>1,080,383</b>	<b>919</b>	<b>-</b>	<b>1,081,302</b>	<b>901,673</b>	<b>(24,827)</b>	<b>-</b>	<b>876,846</b>
<b>Expenses:</b>								
Program services:								
Adults	620,570			620,570	611,742			611,742
Children	89,091			89,091	80,265			80,265
Total program services	709,661	-	-	709,661	692,007	-	-	692,007
Supporting services:								
Fundraising	115,802			115,802	117,006			117,006
Management and general	84,405			84,405	89,058			89,058
<b>Total expenses</b>	<b>909,868</b>	<b>-</b>	<b>-</b>	<b>909,868</b>	<b>898,071</b>	<b>-</b>	<b>-</b>	<b>898,071</b>
<b>Incr (decr) in net assets</b>	<b>170,515</b>	<b>919</b>	<b>-</b>	<b>171,434</b>	<b>3,602</b>	<b>(24,827)</b>	<b>-</b>	<b>(21,225)</b>
<b>Net assets:</b>								
Beginning of year	268,236	131,693	50,000	449,929	264,634	156,520	50,000	471,154
<b>End of year</b>	<b>\$ 438,751</b>	<b>\$ 132,612</b>	<b>\$ 50,000</b>	<b>\$ 621,363</b>	<b>\$ 268,236</b>	<b>\$ 131,693</b>	<b>\$ 50,000</b>	<b>\$ 449,929</b>

The accompanying notes are an integral part of these financial statements

**RAPE CRISIS AND ABUSE CENTER OF HAMILTON COUNTY,  
dba WOMEN HELPING WOMEN**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended December 31, 2007**

	2007					
	Adult	Children	Total Program	Fund Raising	Management & General	Total Expenses
Salaries and wages	\$ 394,230	\$ 37,537	\$ 431,767	\$ 69,108	\$ 47,974	\$ 548,849
Employee benefits	44,689	5,864	50,553	10,681	5,656	66,890
Payroll taxes	34,656	3,851	38,507	5,793	4,410	48,710
Temporary contract labor	1,349	2,480	3,829	455	2,016	6,300
<b>Total salaries and related</b>	<b>474,924</b>	<b>49,732</b>	<b>524,656</b>	<b>86,037</b>	<b>60,056</b>	<b>670,749</b>
Occupancy	64,092	16,023	80,115	-	8,901	89,016
Special event expenses	-	-	-	12,159	-	12,159
Telephone	16,724	302	17,026	1,788	1,608	20,422
Supplies and other office expenses	4,015	5,778	9,793	1,360	2,448	13,601
Professional fees	19,429	7,775	27,204	11,446	750	39,400
Printing and publications	4,950	2,121	7,071	-	1,768	8,839
Direct mail costs	-	-	-	1,224	-	1,224
Equipment expense and repairs	6,894	905	7,799	963	866	9,628
Postage and shipping	5,981	785	6,766	-	1,691	8,457
Travel, meals and entertainment	3,754	3,071	6,825	435	1,706	8,966
Insurance	5,421	711	6,132	-	682	6,814
Conferences, meetings, education	2,913	382	3,295	135	351	3,781
Membership dues	782	103	885	255	295	1,435
Depreciation	6,756	887	7,643	-	849	8,492
Miscellaneous	3,935	516	4,451	-	2,434	6,885
<b>Total expenses</b>	<b>\$ 620,570</b>	<b>\$ 89,091</b>	<b>\$ 709,661</b>	<b>\$ 115,802</b>	<b>\$ 84,405</b>	<b>\$ 909,868</b>
Percent of total expenses	68.2%	9.8%	78.0%	12.7%	9.3%	100.0%

The accompanying notes are an integral part of these financial statements

**RAPE CRISIS AND ABUSE CENTER OF HAMILTON COUNTY,  
dba WOMEN HELPING WOMEN**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended December 31, 2006**

	2006					
	Adult	Children	Total Program	Fund Raising	Management & General	Total Expenses
Salaries and wages	\$ 403,892	\$ 37,757	\$ 441,649	\$ 70,980	\$ 49,072	\$ 561,701
Employee benefits	50,097	6,574	56,671	10,693	6,333	73,697
Payroll taxes	33,051	3,672	36,723	5,943	4,188	46,854
Temporary contract labor	203	128	331	23	37	391
<b>Total salaries and related</b>	<b>487,243</b>	<b>48,131</b>	<b>535,374</b>	<b>87,639</b>	<b>59,630</b>	<b>682,643</b>
Occupancy	61,160	15,290	76,450	-	8,494	84,944
Special event expenses	-	-	-	20,769	-	20,769
Telephone	16,768	307	17,075	1,794	1,614	20,483
Supplies and other office expenses	3,860	5,554	9,414	1,308	2,354	13,076
Professional fees	8,352	2,595	10,947	217	944	12,108
Printing and publications	3,046	1,306	4,352	-	1,088	5,440
Direct mail costs	-	-	-	3,652	-	3,652
Equipment expense and repairs	5,742	753	6,495	802	722	8,019
Postage and shipping	4,496	590	5,086	-	1,271	6,357
Travel, meals and entertainment	4,328	3,541	7,869	435	1,967	10,271
Insurance	4,969	652	5,621	-	624	6,245
Conferences, meetings, education	1,757	231	1,988	135	351	2,474
Membership dues	587	77	664	255	221	1,140
Depreciation	7,641	1,003	8,644	-	960	9,604
Miscellaneous	1,793	235	2,028	-	8,818	10,846
<b>Total expenses</b>	<b>\$ 611,742</b>	<b>\$ 80,265</b>	<b>\$ 692,007</b>	<b>\$ 117,006</b>	<b>\$ 89,058</b>	<b>\$ 898,071</b>
Percent of total expenses	68.1%	8.9%	77.1%	13.0%	9.9%	100.0%

The accompanying notes are an integral part of these financial statements

**RAPE CRISIS AND ABUSE CENTER OF HAMILTON COUNTY,  
dba WOMEN HELPING WOMEN**

**STATEMENTS OF CASH FLOWS**

**Years Ended December 31, 2007 and 2006**

	<b>2007</b>	<b>2006</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Change in net assets</b>	<b>\$ 171,434</b>	<b>\$ (21,225)</b>
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	8,492	9,604
Donated investment securities	-	(8,018)
Realized (gains) losses on investments, net	(1,312)	(5)
Unrealized (gains) losses on investments, net	(1,713)	(7,711)
(Increase) decrease in:		
Grants and accounts receivable	(32,705)	38,156
Prepaid expenses and other assets	(3,697)	6,202
Increase (decrease) in:		
Accounts payable	28,591	(16,712)
Accrued expenses	1,544	3,059
Deferred revenue	(8,336)	8,497
	<b>162,298</b>	<b>11,847</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(6,768)	(1,692)
Proceeds from sale of investments	60,652	8,018
Purchases of investments	(168,786)	(5,242)
	<b>(114,902)</b>	<b>1,084</b>
<b>Net increase in cash</b>	<b>47,396</b>	<b>12,931</b>
<b>Cash and cash equivalents:</b>		
Beginning of year	160,073	147,142
End of year	<b>\$ 207,469</b>	<b>\$ 160,073</b>
<b>Supplemental Cash Flow Disclosures:</b>		
<b>Non cash operating and investing activities:</b>		
Purchase of investments through receipt of in-kind stock donation	\$ -	\$ 8,018

The accompanying notes are an integral part of these financial statements

**RAPE CRISIS AND ABUSE CENTER OF HAMILTON COUNTY,  
dba WOMEN HELPING WOMEN**

**NOTES TO FINANCIAL STATEMENTS**

**(1) Summary of Significant Accounting Policies**

Nature of Operations

Rape Crisis and Abuse Center of Hamilton County, dba Women Helping Women (“the Agency”) is an Ohio NonProfit corporation located in Cincinnati, Ohio. In 2007, Rape Crisis and Abuse Center of Hamilton County began using the name Women Helping Women. Its mission, to serve Southwestern Ohio as a unique provider of crisis intervention and support services for direct and indirect victims of sexual assault, domestic violence and stalking, did not change. The Agency also takes a leading role in educating the community to promote awareness and help to prevent these types of abuses.

Income Taxes

The Agency is considered a tax exempt NonProfit entity under Section 501(c)(3) of the Internal Revenue Code. As such, it is exempt from federal, state and local income taxes. The Agency is not a private foundation.

Financial Statement Presentation

The financial statements have been prepared using the accrual basis of accounting pursuant to United States Generally Accepted Accounting Principles (“U.S. GAAP”). Accordingly, support and revenue are recognized when earned and expenses are recognized when the obligation is incurred.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Agency and changes therein are classified and reported as follows:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations and may be utilized at the discretion of the Board of Trustees. Temporarily restricted net assets that are received and reclassified to unrestricted net assets within the same fiscal year are presented as unrestricted net assets in the financial statements.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Agency satisfying the purpose or the passage of time. When a donor 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 Activities as net assets released from restrictions.
- Permanently restricted net assets - Net assets for which the principal must be maintained in perpetuity and the income may be spent according to the instructions of the donor, if any. Permanently restricted net assets were \$50,000 as of December 31, 2007 and 2006.

### Recognition of Donations

The Agency is funded mainly through government grants, private grants and contributions. The Agency records gifts of cash and other assets at their fair market value as of the date of contribution. Such donations are recorded as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted revenue. Absent explicit donor stipulations, the Agency reports expirations of donor restrictions when the donated or long-lived assets are placed in service.

The Agency records donated services as revenues in the period received only if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. See Note 6.

### Functional Expenses

Expenses are charged directly to program services, administrative and/or fund raising based on the nature of the costs as they are incurred. Certain overhead expenses are allocated to these functions based on management estimates and rational methodologies.

### Cash and Cash Equivalents

Cash and cash equivalents include highly liquid debt instruments with maturities of three months or less and available for operating purposes. The Agency maintains its bank deposit accounts which, at times, exceed federally insured limits. The Agency has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

### Accounts Receivable

The Agency grants credit on open account to various sources, primarily governmental agencies. The Agency has not sustained any significant losses from its accounts receivable and management believes the Agency is not adversely affected by credit risk on its accounts receivable. Accounts receivable are due within one year.

### Investments

Investments are reported at fair market value and consist of equity mutual funds, pooled investments and money market accounts. Investments earnings are reported net of investment expenses. The Agency typically immediately sells any donated securities and transfers the sale proceeds into its investment accounts.

### Property and Equipment

Property and equipment are recorded at cost, or if donated at fair market value when received. Depreciation on buildings and equipment is provided using the straight-line method over the following estimated useful lives:

	<u>Useful Life (years)</u>
Furniture, fixtures and equipment	5 to 7
Computer hardware and software	5

The cost of maintenance and repairs is charged to expense as incurred. Significant renewals and major improvements extending an asset's useful life are capitalized. When property is sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized as income or expense for the period.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

**(2) Investments**

Investments are as follows as of December 31, 2007 and 2006:

<u>December 31, 2007:</u>	Market Value	Cost	Unrealized gain (loss)
Equity mutual funds	\$ 109,085	\$ 96,500	\$ 12,585
Pooled investments held by Greater Cincinnati Foundation	9,270	6,079	3,191
Money market funds	102,344	101,031	1,313
	<u>\$ 220,699</u>	<u>\$ 203,610</u>	<u>\$ 17,089</u>
<u>December 31, 2006:</u>	Market Value	Cost	Unrealized gain (loss)
Equity mutual funds	\$ 101,064	\$ 84,788	\$ 16,276
Pooled investments held by Greater Cincinnati Foundation	8,547	6,021	2,526
Money market funds	1,022	1,022	-
	<u>\$ 110,633</u>	<u>\$ 91,831</u>	<u>\$ 18,802</u>

Investment earnings are as follows during 2007 and 2006:

	2007	2006
Interest and dividends	\$ 17,907	\$ 9,649
Realized gains (losses) on investments, net	(1,312)	5
Unrealized gains (losses) on investments, net	(1,713)	7,711
Gross investment earnings	14,882	17,365
Bank charges	(1,760)	(915)
	<u>\$ 13,122</u>	<u>\$ 16,450</u>

(3) **Property and Equipment**

Property and equipment at December 31, 2007 and 2006, respectively, consist of the following:

	<u>2007</u>	<u>2006</u>
Office furniture, fixtures and equipment	\$ 40,015	\$ 40,015
Computer hardware and software	50,003	43,235
Total - at cost	90,018	83,250
Less: accumulated depreciation	(59,316)	(50,824)
Property and equipment, net	<u>\$ 30,702</u>	<u>\$ 32,426</u>

Depreciation expense was \$8,492 and \$9,604 for the years ended December 31, 2007 and 2006, respectively.

(4) **Temporarily Restricted Net Assets**

Temporarily restricted net assets are as follows as of December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
United Way allocation contribution for subsequent year	\$ 123,000	\$ 123,000
Sunday Salons for subsequent year	8,000	5,675
Children witness program (from Target Corp.)	440	2,281
Miscellaneous other restrictions	1,172	737
Total	<u>\$ 132,612</u>	<u>\$ 131,693</u>

(5) **Lease Agreement**

The Agency leases office space under a lease expiring November 30, 2013. Monthly payments under this lease include inflationary increases in future years. On September 26, 2007, the Agency entered into a 5-year lease for a copier. Future minimum lease payments under all operating leases having an initial non-cancelable term in excess of one year are as follows:

	<u>Office Space</u>	<u>Copier</u>	<u>Total</u>
2008	\$ 73,357	\$ 5,148	\$ 78,505
2009	75,942	5,148	81,090
2010	78,528	5,148	83,676
2011	81,119	5,148	86,267
2012	83,700	3,432	87,132
Thereafter	78,903	-	78,903
	<u>\$ 471,549</u>	<u>\$ 24,024</u>	<u>\$ 495,573</u>

**(6) In-Kind Contributions**

The Agency has volunteers who have donated significant amounts of time to the Agency's programs and operations. The Agency has not recorded these donated services as there is no objective basis by which to measure such services. Total volunteer hours during 2007 and 2006 are:

	<u>2007</u>	<u>2006</u>
Total direct service hours	6,469	6,600
Total administrative and fundraising hours	2,046	1,948
Total volunteer hours	<u>8,515</u>	<u>8,548</u>

**(7) Retirement Plan**

The Agency has maintained a Simplified Employee Pension ("SEP") Plan through Trans-America Co. Employer contributions are discretionary. The Agency made no contributions to the SEP Plan during the years ending December 31, 2007 and 2006.

The Agency also maintains a tax-deferred retirement plan as per the Internal Revenue Code section 403(b). The 403(b) Plan covers substantially all full-time employees and provides for both employer and employee contributions. Horan Securities administers and is the custodian of the retirement assets. The Agency makes matching contributions of 50% of the first 6% of salary contributed by employees. Total Agency contributions (expenses) were \$3,137 and \$2,860 during 2007 and 2006, respectively.

**(8) Grantor Concentrations**

The Agency received 21% and 24% of its total revenues from the City of Cincinnati during the years ending December 31, 2007 and 2006. Additionally, the Agency received 12% and 14% of its total revenues from United Way of Greater Cincinnati during the years ending December 31, 2007 and 2006, respectively. Management believes neither of these concentrations will adversely affect the Agency.

**RAPE CRISIS AND ABUSE CENTER OF HAMILTON COUNTY,  
dba WOMEN HELPING WOMEN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year Ended December 31, 2007**

**Section I - Summary of Auditor's Results**

***Financial Statements***

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

- |   |       |     |       |   |    |
|---|-------|-----|-------|---|----|
| • Material weakness(es) identified?   | _____ | Yes | _____ | x | No |
| • Control deficiency(ies) identified that are not considered to be material weaknesses? | _____ | Yes | _____ | x | No |
| • Noncompliance material to financial statements noted?                                 | _____ | Yes | _____ | x | No |

**Section II - Financial Statement Findings**

***Current year:***

No findings.

***Prior year:***

No findings.



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

Board of Trustees  
Rape Crisis and Abuse Center of Hamilton County,  
dba Women Helping Women  
Cincinnati, OH

We have audited the financial statements of Rape Crisis and Abuse Center of Hamilton County, dba Women Helping Women (“the Agency”) (a nonprofit organization) as of and for the year ended December 31, 2007, and have issued our report thereon dated May 22, 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 *Generally Accepted Government Auditing Standards* (“GAGAS”), issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Agency’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the Agency’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of control deficiencies, that adversely affects an 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 financial statements that is more than inconsequential will not be prevented or detected by the internal controls.

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 an 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 over financial reporting that we consider to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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 or other matters that are required to be reported under *Generally Accepted Government Auditing Standards*.

This report is intended solely for the information and use of management, the audit committee, Board of Trustees, 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.

*Hennekes CPA Services*

Cincinnati, OH  
May 22, 2008