

INDIANA 211 PARTNERSHIP, INC.  
FINANCIAL STATEMENTS  
Together with Independent Auditors' Report  
DECEMBER 31, 2009

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Greenwalt CPAs, Inc.  
5342 W. Vermont Street  
Indianapolis, IN 46224  
www.greenwaltcpas.com

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Indiana 211 Partnership, Inc.:

We have audited the accompanying statement of financial position of Indiana 211 Partnership, Inc., a not-for-profit corporation, as of December 31, 2009, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Indiana 211 Partnership, Inc.'s 2008 financial statements and, in our report dated June 12, 2009, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in 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 audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial position referred to above presents fairly, in all material respects, the financial position of Indiana 211 Partnership, Inc. as of December 31, 2009, and the changes in its net assets and cash flows for the year ended December 31, 2009, in conformity with accounting principles generally accepted in the United States.

*Greenwalt CPAs, Inc.*

May 5, 2010

INDIANA 211 PARTNERSHIP, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 DECEMBER 31, 2009 AND 2008

<u>ASSETS</u>		
	<u>2009</u>	<u>2008</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 46,932	\$ 81,154
Restricted cash held for another organization	5,245	5,245
Accounts receivable	-	2,593
Contributions receivable	10,000	-
Prepaid expenses	2,231	504
	<hr/>	<hr/>
<i>Total current assets</i>	64,408	89,496
	<hr/>	<hr/>
<b>NONCURRENT ASSETS</b>		
Contributions receivable, long-term	10,000	-
	<hr/>	<hr/>
<b>PROPERTY AND EQUIPMENT</b>		
Office equipment	3,901	3,901
Less accumulated depreciation	(3,901)	(3,718)
	<hr/>	<hr/>
	-	183
	<hr/>	<hr/>
<i>Total assets</i>	\$ 74,408	\$ 89,679
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND NET ASSETS</u>		
<b>CURRENT LIABILITIES</b>		
Related party payable	\$ 6,002	\$ 5,924
Accrued expenses	1,923	1,923
Funds held for another organization	5,245	5,245
	<hr/>	<hr/>
<i>Total liabilities</i>	13,170	13,092
	<hr/>	<hr/>
<b>COMMITMENTS (NOTE 5)</b>		
<b>NET ASSETS</b>		
Unrestricted	31,238	66,587
Temporarily restricted	30,000	10,000
	<hr/>	<hr/>
<i>Total net assets</i>	61,238	76,587
	<hr/>	<hr/>
<i>Total liabilities and net assets</i>	\$ 74,408	\$ 89,679
	<hr/> <hr/>	<hr/> <hr/>

INDIANA 211 PARTNERSHIP, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2009,

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>				
Grants	\$ 150,000	\$ 20,000	\$ 170,000	\$ 244,278
Contributions	9,295	-	9,295	6,448
Membership dues	2,900	-	2,900	2,700
Call centers	(691)	-	(691)	20,251
Miscellaneous	8,884	-	8,884	3,660
	<u>170,388</u>	<u>20,000</u>	<u>190,388</u>	<u>277,337</u>
<i>Total revenues</i>				
<b>EXPENSES</b>				
Program	189,378	-	189,378	264,755
Management and general	13,129	-	13,129	13,859
Fundraising	3,230	-	3,230	6,457
	<u>205,737</u>	<u>-</u>	<u>205,737</u>	<u>285,071</u>
<i>Total expenses</i>				
<b>CHANGE IN ASSETS</b>	(35,349)	20,000	(15,349)	(7,734)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>66,587</u>	<u>10,000</u>	<u>76,587</u>	<u>84,321</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 31,238</u>	<u>\$ 30,000</u>	<u>\$ 61,238</u>	<u>\$ 76,587</u>

INDIANA 211 PARTNERSHIP, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2009,

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>2009 TOTAL</u>	<u>2008 TOTAL</u>
Call center services	\$ 64,500	\$ -	\$ -	\$ 64,500	\$ 107,860
Conference and meetings	385	-	-	385	1,122
Copier	95	11	4	110	756
Depreciation	157	19	7	183	367
Dues and fees	-	44	4	48	1,015
Insurance	-	466	38	504	1,965
Mileage and parking	264	-	-	264	867
Occupancy	6,228	724	290	7,242	8,348
Office supplies	304	36	14	354	386
Postage	60	7	3	70	134
Professional fees	-	4,625	-	4,625	7,500
Public education	-	-	-	-	1,200
Salary and benefits	60,885	7,079	2,832	70,796	71,660
Technology and consulting	2,271	-	-	2,271	6,302
Telephone	773	90	36	899	1,134
Translation and toll free line	53,456	-	-	53,456	74,139
Miscellaneous	-	28	2	30	316
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total functional expenses</i>	<u>\$ 189,378</u>	<u>\$ 13,129</u>	<u>\$ 3,230</u>	<u>\$ 205,737</u>	<u>\$ 285,071</u>

CHANGE IN CASH

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from grants and members	\$ 172,981	\$ 323,420
Cash paid to vendors and employee	<u>(207,203)</u>	<u>(273,463)</u>
<i>Net cash provided by (used in) operating activities</i>	<u>(34,222)</u>	<u>49,957</u>
<b>CHANGE IN CASH</b>	(34,222)	49,957
<b>CASH, BEGINNING OF YEAR</b>	<u>81,154</u>	<u>31,197</u>
<b>CASH, END OF YEAR</b>	<u><u>\$ 46,932</u></u>	<u><u>\$ 81,154</u></u>

**RECONCILIATION OF CHANGE IN NET ASSETS TO  
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES**

	<u>2009</u>	<u>2008</u>
CHANGE IN NET ASSETS	\$ (15,349)	\$ (7,734)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Depreciation expense	183	367
<i>(Increase) decrease in operating assets:</i>		
Restricted cash held for other organization	-	(5,245)
Accounts receivable	2,593	51,328
Prepaid expenses	(1,727)	2,808
Contributions receivable	(20,000)	-
<i>Increase (decrease) in operating liabilities:</i>		
Accounts payable	78	5,924
Accrued expenses	-	1,278
Funds held for other organizations	-	1,231
<i>Total adjustments</i>	<u>(18,873)</u>	<u>57,691</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (34,222)</u>	<u>\$ 49,957</u>

# INDIANA 211 PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### DESCRIPTION OF ORGANIZATION

Indiana 211 Partnership, Inc. is a nonprofit organization dedicated to creating and maintaining a seamless network of information and referral services that enables anyone in Indiana in need of human services to have quick referrals to those who provide them. The Indiana Utility Regulatory Commission on February 20, 2002 designated Indiana 211 Partnership as the sole authorized user of the 211 dialing service. Indiana 211 Partnership is actively working to complete implementation of the 2-1-1 services through linked IN211 Centers.

### BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted (GAAP) in the United States 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.

### SUMMARIZED COMPARATIVE INFORMATION

The financial statements include certain prior year summarized comparative information in total, but not by net asset class and functional expense class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2008, from which the summarized information was derived.

### RECEIVABLES AND CREDIT POLICIES

Accounts receivable are uncollateralized obligations due under normal trade terms requiring payment within 30 days from the invoice date. Accounts receivable are stated at the amount billed. Account balances with invoices dated over 90 days old are considered delinquent.

Payments of accounts receivable are allocated to the specific invoices identified on the remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

Accounts receivable are reported at the amount management expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off, as of year-end, all balances that are not considered collectible.

### CONTRIBUTIONS AND CONTRIBUTIONS RECEIVABLE

Contributions are recognized when a donor makes an unconditional promise to give and are recorded at their fair values as revenues and assets in the period received. Contributions that are restricted by the donor are

# INDIANA 211 PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

### CONTRIBUTIONS AND CONTRIBUTIONS RECEIVABLE, CONTINUED

reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to estimate uncollectible pledges receivable. The allowance is based on historical experience and management's analysis of specific promises made. At December 31, 2009, management's analysis deemed all amounts to be collectible. The following unconditional promises to give are included in contributions receivable:

Amounts due in one year or less	\$	10,000
Amounts due in more than one year		<u>10,000</u>
Total contributions and pledges receivable	\$	<u>20,000</u>

### FAIR VALUE MEASUREMENTS

Accounting Standards for Fair Value defines fair value as the price that would be received for an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. These standards also establishes a three-level fair value hierarchy for disclosure that prioritizes valuations based on whether the significant inputs used to estimate fair value are observable, giving highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and lowest priority to valuations primarily based on unobservable inputs (level 3 measurements). There were no financial assets or liabilities measured at fair value as of December 31, 2009.

### PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Donated property and equipment is recorded at fair value. The Organization's capitalization policy is \$500 for assets purchased with an estimated useful life of three years or more. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Estimated useful lives range from 3 to 7 years.

### TAX STATUS

The Organization is exempt from federal and state income taxes on its related activities under Internal Revenue Service Code Section 501(c)(3).

Accounting Standards for Income Taxes provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements. The Organization adopted the provisions of this standard on January 1, 2009. The implementation of this standard did not have any impact on the financial position or net assets of the Organization.

# INDIANA 211 PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

### TAX STATUS, CONTINUED

The Organization individually evaluates its activities to determine that they are in compliance with its tax-exempt purposes. The Organization's management does not believe it is engaged in any activities that would create uncertain tax positions. All tax periods prior to 2006 are no longer subject to examination.

### EXPENSE ALLOCATION

Expenses have been classified as program, fundraising, and management and general based on the actual direct expenditures and cost allocation based on estimates of time and usage by organization personnel and programs.

### NET ASSETS

The financial statements have been prepared in accordance with Accounting Standards for the presentation of Financial Statements of not-for-profit organizations. These standards of the financial statements require the Organization to report information regarding its assets, liabilities, and net assets and its revenue, expenses, and other changes in net assets according to class. The Organization utilizes the following classes of net assets:

#### Unrestricted

Unrestricted net assets include revenue and expenses from the regular operations of the Organization, which are at the discretion of management and the Board of Directors.

#### Temporarily Restricted

Temporarily restricted net assets include contributions used to meet expenses of current operations in accordance with restrictions specified by the contributor. When a 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. At December 31, 2009, net assets of \$30,000 were temporarily restricted. \$10,000 of these net assets were restricted for a reserve fund for natural disaster emergency response, and \$20,000 were restricted for use in a future period.

### SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through May 5, 2010, which is the date the financial statements were available to be issued.

# INDIANA 211 PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

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## 2. RESTRICTED CASH AND FUNDS HELD FOR OTHER ORGANIZATION

The Organization is the fiscal agent for the Alliance of Information and Referral Systems (AIRS) Indiana. AIRS Indiana is an affiliate of the national AIRS, a non-profit membership organization serving information and referral interests throughout the U.S. and Canada. AIRS Indiana provides local information and referral training.

## 3. RELATED PARTY TRANSACTIONS

Indiana Association of United Ways (laUW) provides accounting and payroll services for the Indiana 211 Partnership. The Organization has its own accounting records; however, they are maintained by laUW. Per an annual service agreement, laUW employs and pays the Organization's executive director. The Organization reimburses laUW for the salary, benefits, taxes, and other office expenses paid. The Organization had accounts payable to laUW of \$6,002 and \$5,924 at December 31, 2009 and 2008, respectively. Total amounts reimbursed to laUW were \$71,108 and \$70,839 in 2009 and 2008, respectively. The Organization received grants of \$100,000 and \$198,360 from laUW in 2009 and 2008, respectively.

## 4. CONCENTRATION OF CREDIT RISK

A significant portion of the Organization's total support and revenue is derived from three grantors.

<u>Grantor</u>	<u>2009 %</u>	<u>2008 %</u>
A	16%	-%
B	53%	36%
C	21%	14%
D	- %	35%

## 5. LEASE OBLIGATION

The Organization leases office space from United Way of Central Indiana, Inc. The original lease agreement was from calendar year 2006 and required payments of \$646/month through February 2009. The Organization amended its original lease in March 2009 to include less square footage which reduced the monthly lease payments to \$548.