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February 2, 2010

Board of Directors
Indiana Center for Family, School and
Community Partnerships, Inc.
921 E. 86th St., Ste. #108
Indianapolis, IN 46208

We have reviewed the audit report prepared by Greenwalt Sponsel & Co., Inc., Independent Public Accountants, for the period January 1, 2007 to December 31, 2007. 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 Indiana Center for Family, School and Community Partnerships, Inc., as of December 31, 2007, 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.

We call your attention to the finding in the report. Pages 17 and 18 contain one current audit finding.

STATE BOARD OF ACCOUNTS

INDIANA CENTER FOR FAMILY, SCHOOL AND COMMUNITY PARTNERSHIPS, INC.

Financial Statements

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

December 31, 2007

Greenwalt Sponsel & Co., Inc.

We Deliver Peace of Mind

GS&Co Greenwalt Sponsel & Co., Inc.

Business & Financial Advisors Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Indiana Center for Family, School and Community Partnerships, Inc.:

We have audited the accompanying statement of financial position of Indiana Center for Family, School and Community Partnerships, Inc. (the Center) as of December 31, 2007 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Center'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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and *Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources* established by the Indiana State Board of Accounts. 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 financial statements referred to above present fairly, in all material respects, the financial position of the Center as of December 31, 2007 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2008 on our consideration of the Center'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 *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit of the financial statements of the Center was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the 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.

Information for the year ended December 31, 2006 is presented for comparative purposes only and was extracted from the financial statements for that year, on which an unqualified opinion dated May 25, 2007 was expressed.

Greenwalt Sponsel & Co., Inc.

June 6, 2008

INDIANA CENTER FOR FAMILY, SCHOOL AND COMMUNITY PARTNERSHIPS, INC.
Statements of Financial Position
December 31, 2007 and 2006

ASSETS

	2007	2006
Current Assets		
Cash	$ 75,291	$ 93,907
Accounts and grant receivables	64,511	48,671
Inventory	7,254	7,475
Total current assets	147,056	150,053
Property and Equipment		
Office furniture and equipment	49,039	42,993
Accumulated depreciation	(21,336)	(17,489)
Net property and equipment	27,703	25,504
Total assets	$ 174,759	$ 175,557

LIABILITIES AND NET ASSETS

	2007	2006
Current Liabilities		
Accounts payable	$ 37,339	$ 21,472
Accrued payroll and related expenses	23,066	17,839
Total liabilities	60,405	39,311
Commitments (Note 2)		
Net Assets		
Unrestricted	95,429	126,246
Temporarily restricted	18,925	10,000
Total net assets	114,354	136,246
Total liabilities and net assets	$ 174,759	$ 175,557

INDIANA CENTER FOR FAMILY, SCHOOL AND COMMUNITY PARTNERSHIPS, INC.

Statement of Activities

For the Year Ended December 31, 2007, With Comparative Totals for December 31, 2006

	Unrestricted	Temporarily Restricted	Totals 2007	Totals 2006
Revenue and Support				
Grants	$ 712,504	$ 14,446	$ 726,950	$ 619,148
Materials fees	7,260	-	7,260	9,531
Training fees - Workshops	4,600	-	4,600	11,350
Training fees - APL	36,000	-	36,000	38,646
In-kind revenue	57,492	-	57,492	73,094
Miscellaneous	3,992	-	3,992	1,118
Net assets released from restriction	5,521	(5,521)	-	-
Total revenue and support	827,369	8,925	836,294	752,887
Expenses				
Program	739,123	-	739,123	636,938
Management and general	93,643	-	93,643	75,726
Fundraising	25,420	-	25,420	11,932
Total expenses	858,186	-	858,186	724,596
Change in Net Assets	(30,817)	8,925	(21,892)	28,291
Net Assets, Beginning of Year	126,246	10,000	136,246	107,955
Net Assets, End of Year	$ 95,429	$ 18,925	$ 114,354	$ 136,246

See accompanying notes to financial statements.

INDIANA CENTER FOR FAMILY, SCHOOL AND COMMUNITY PARTNERSHIPS, INC.

Statement of Functional Expenses

For the Year Ended December 31, 2007, With Comparative Totals for December 31, 2006

	Program	Management and General	Fund Raising	Totals 2007	Totals 2006
Salaries and wages	$ 255,149	$ 37,304	$ 22,263	$ 314,716	$ 235,414
Payroll taxes	19,469	2,848	1,704	24,021	17,709
Employee benefits	25,154	3,207	1,453	29,814	12,258
Total salaries and related benefits	299,772	43,359	25,420	368,551	265,381
Contracted labor	65,713	-	-	65,713	51,049
Sub grants	91,397	-	-	91,397	115,750
Cost of materials	5,618	-	-	5,618	9,612
Training	90,581	-	-	90,581	67,773
Supplies	18,571	6,190	-	24,761	16,180
Internet	3,335	-	-	3,335	960
Telephone	2,678	141	-	2,819	3,219
Rent	30,353	3,372	-	33,725	25,071
Travel	14,561	1,618	-	16,179	12,493
Professional fees	8,213	5,707	-	13,920	22,016
Printing	33,051	3,269	-	36,320	24,917
Postage	7,141	793	-	7,934	6,736
Insurance	-	2,511	-	2,511	2,475
Professional development	-	-	-	-	1,688
Depreciation	-	5,158	-	5,158	4,644
Loss on disposal of fixed assets	-	1,752	-	1,752	1,597
In-kind expenses	57,492	-	-	57,492	73,094
Miscellaneous	10,647	19,773	-	30,420	19,941
	$ 739,123	$ 93,643	$ 25,420	$ 858,186	$ 724,596

INDIANA CENTER FOR FAMILY, SCHOOL AND COMMUNITY PARTNERSHIPS, INC.
Statements of Cash Flows
For the Years Ended December 31, 2007 and 2006

CHANGE IN CASH

	2007	2006
Cash Flows from Operating Activities		
Cash received from grantors and program services	$ 762,962	$ 725,924
Cash paid to employees and vendors	(772,469)	(653,694)
Net cash provided by (used in) operating activities	(9,507)	72,230
Cash Flows from Investing Activities		
Purchases of office furniture and equipment	(9,109)	(2,241)
Change in Cash	(18,616)	69,989
Cash, Beginning of Year	93,907	23,918
Cash, End of Year	$ 75,291	$ 93,907

See accompanying notes to financial statements.

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

	2007	2006
Change in Net Assets	$ (21,892)	$ 28,291
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used in) Operating Activities		
Depreciation	5,158	4,644
Loss on disposal of fixed assets	1,752	1,597
(Increase) decrease in operating assets:		
Accounts and grant receivables	(15,840)	46,131
Inventory	221	(409)
Increase (decrease) in operating liabilities:		
Accounts payable	15,867	(11,976)
Accrued payroll and related expenses	5,227	3,952
Total adjustments	12,385	43,939
Net Cash Provided By (Used in) Operating Activities	$ (9,507)	$ 72,230

See accompanying notes to financial statements.

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Education		
Parental Information and Resource Centers	84.310A	$ 673,675
State Student Assistance Commission of Indiana, 21st Century Scholars GEAR UP	84.334	25,000
		$ 698,675

Notes to the Schedule of Expenditures of Federal Awards

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity of the Indiana Center for Family, School and Community Partnerships, Inc., and is presented 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, the amount presented in this schedule may differ from the amount presented in, or used in preparation of, the basic financial statements.

1. Summary of Significant Accounting Policies

Description of Program Services

Indiana Center for Family, School and Community Partnerships, Inc. (d/b/a The Indiana Partnerships Center or The Indiana Parent Information Resource Center (PIRC)) (the Center) commenced operations in 2001. The mission of the Center is to improve student achievement by creating family-school-community partnerships. From its strategic location in central Indianapolis, the Center serves all of Indiana, thus fulfilling its goal of being a state-wide information resource center. While the Center provides information, workshops, training, and leadership development for all Hoosier parents, particular attention is paid to meeting the needs of populations that may have special-needs children, that may be limited English proficient, or whose school communities are considered high poverty and/or low performing.

Basis of Accounting

The accompanying financial statements were prepared in conformity with accounting principles generally accepted in the United States, which require 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. These financial statements have been prepared on the accrual basis of accounting.

Cash

For purposes of the statement of cash flows, the Center considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2007.

Receivables and Credit Policies

Accounts and grant receivables are amounts due to the Center as reimbursements for expenses already incurred and paid for by the Center. These receivables are in the form of grant receivables or receivables from schools for services performed. Management does not believe any of the receivables are uncollectible at December 31, 2007.

Inventory

Inventory is valued at the lower of cost or market determined on a per unit basis and consists of manuals and textbooks.

Property and Equipment

Property and equipment is recorded at cost and is depreciated using the straight-line method over the estimated useful lives of the assets.

Net Assets

The Center maintains the following classifications of net assets:

<u>Unrestricted</u>

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Net Assets, Continued

Temporarily Restricted

The Center reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. 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. Temporarily restricted net assets at December 31, 2007 of $18,925 were restricted for updates to the Center's website and newsletter software.

Permanently Restricted

The permanently restricted net asset class includes assets of the Center for which the donor has stipulated that the contribution remain in perpetuity. There were no permanently restricted net assets at December 31, 2007.

Revenue and Support

Gifts of cash and other assets are recorded at their fair market value as support in the period received. Grant revenue is recognized as revenue as the related expenditures are incurred.

Expense Allocation

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

Tax Status

The Center is a not-for-profit, other than a private foundation, exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. Accordingly, no provision is made for federal or state income tax effects.

In-Kind Contributions

A number of volunteer professionals donate their time and services to the Center. In addition, the Center receives donated materials and discounts on facility rental. The value of these contributions is reflected in the financial statements as in-kind contributions. These contributions have been treated as non-cash transactions for the purpose of the statement of cash flows. The following is a list of in-kind contributions for the year ended December 31, 2007:

Program	$ 32,817
Room rental discount	1,880
Technology	6,000
Research assistant	4,500
Professional	11,795
Printing	500
	$ 57,492

1. Summary of Significant Accounting Policies, Continued

In-Kind Contributions, Continued

Members of the Board of Directors also contribute time and specialized services to the Center. In 2007, services were donated for approximately 354 hours with an estimated value of $6,375, which has not been reflected in the financial statements.

2. Commitments

The Center leases its office space under an operating lease that requires basic monthly payments of $2,777 through August 2008, $3,471 through April 2010 and $3,587 through December 2011.

As of November 2007, the lease agreement was amended to include additional office space. The new monthly payments are $2,777 through November 2007, $3,178 through August 2008, $3,972 through April 2010 and $4,105 through December 2011. Rent expense was $33,725 for 2007.

The Center also has a copier lease agreement requiring monthly payments of $395 through March 2011.

Future minimum rental payments under these operating leases are as follows for the years ending December 31:

2008	$ 46,049
2009	52,401
2010	53,465
2011	50,444
	$ 202,359

3. Related Party Transaction

During 2006, the Center paid $19,850 to rent rooms for training sessions at a facility owned by another not-for-profit organization whose Executive Director serves on the Center's Board of Directors. The discount has been reflected in the financial statements as an in-kind donation.

4. Employee Benefits

The Center provides a SIMPLE IRA program for employees who meet certain eligibility requirements. The plan permits eligible employees, through payroll deductions, to contribute a percentage of their annual compensation to the plan. Matching contributions to the plan are at the discretion of the Center's Board of Directors. Matching contributions to the plan were $8,875 in 2007.

5. FUTURE GRANT AUDITS

Under the terms of the Federal grant, periodic audits are required and certain costs may be challenged as to allowability under the terms of the grant. Such audits could lead to reimbursements to the Department of Education.

6. CONCENTRATION

The Center received 78% of its revenue in 2007 from a single federal grant.

GS&Co Greenwalt Sponsel & Co., Inc.

Business & Financial Advisors Certified Public Accountants

Independent Auditors' Report On Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with *Government Auditing Standards*

To the Board of Directors of
Indiana Center for Family, School and Community Partnerships, Inc.:

We have audited the financial statements of Indiana Center for Family, School and Community Partnerships, Inc. (the Center) as of and for the year ended December 31, 2007, and have issued our report thereon dated June 6, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States 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 the Center'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 an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Center'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 entity'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 entity's financial statements 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 a material misstatement of the financial statements will be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the second paragraph of this report and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs at 2007-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center'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 Government Auditing Standards.

We noted certain matters that we reported to management of the Center in a separate letter dated *June 6, 2008.*

The Center's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned costs. We did not audit the Center's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Directors, management, specific legislative or regulatory bodies, 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.

Greenwalt Sponsel & Co., Inc.

June 6, 2008

GS&Co Greenwalt Sponsel & Co., Inc.

Business & Financial Advisors Certified Public Accountants

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

To the Board of Directors of
Indiana Center for Family, School and Community Partnerships, Inc.:

Compliance

We have audited the compliance of Indiana Center for Family, School and Community Partnerships, Inc. (the Center) 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, 2007. The Center'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 its major federal program is the responsibility of the Center's management. Our responsibility is to express an opinion on the Center's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; 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 the Center'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 on the Center's compliance with those requirements.

In our opinion, the Center complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2007.

Internal Control over Compliance

The management of the Center is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Center'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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, specific legislative or regulatory bodies, 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.

Breenwelt Sponsel & Co., Inc.

June 6, 2008

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Indiana Center for Family, School and Community Partnerships, Inc. (the Center).

2. A material weakness relating to the audit of the financial statements is reported in the Independent Auditors' Report on Internal Control over Financial Reporting.

3. No instances of noncompliance material to the financial statements of the Center were disclosed during the audit.

4. No material weaknesses relating to the audit of the major award program were reported in the Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.

5. The auditors' report expresses an unqualified opinion on compliance with requirements applicable to each major program.

6. The program tested as a major program was the U.S. Department of Education's Parental Information and Resource Centers grant 84.310A.

7. The threshold for distinguishing between Type A and Type B programs was $300,000.

8. The Center was a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

Finding 2007-1

Condition and Criteria: Generally Accepted Accounting Principles require financial statements to be presented on an accrual basis. The Center does not have an effective process to convert cash basis financials to the accrual basis at year end.

Effect: The audit identified six adjustments to record accrual basis transactions such as receivables, payables, accrued expenses, and in-kind contributions.

Cause: The Center's accounting personnel do not prepare year end accrual adjustments. The Center had received assistance from a volunteer CPA to mitigate this risk. However, several accrual adjustments were not made.

Auditor Recommendation: Procedures should be in place that allow for a determination at year end of which accounts need to be adjusted and which transactions need to be recorded for the Center to prepare accrual basis financial statements.

Management Response:
The practice from 2003-2006 was to have the audit CPAs convert cash basis financials to accrual basis at year end. Because of the new auditing standards, the Center began working with a volunteer CPA (new board member) to

B. FINDINGS - FINANCIAL STATEMENTS AUDIT, CONTINUED

record accrual basis transactions at the end of the year. The year ending December 31, 2007 was the first year of the change. There was some miscommunication between the bookkeeper and the and the volunteer CPA that will be corrected.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None