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302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

May 22, 2018

Board of Directors
Information and Referral Network, Inc.
d/b/a Connect2Help 211
3901 N. Meridian Street
Indianapolis, IN 46208

We have reviewed the report prepared by Information and Referral Network, Inc. d/b/a Connect2Help 211 and opined upon by Greenwalt CPAs, Inc., Independent Public Accountants, for the period July 1, 2015 to June 30, 2016. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Information and Referral Network, Inc. d/b/a Connect2Help 211 as of June 30, 2016 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Greenwalt CPAs, Inc. prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

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

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

INFORMATION AND REFERRAL NETWORK, INC.
D/B/A CONNECT2HELP 211
FINANCIAL STATEMENTS
Together with Independent Auditors' Report
JUNE 30, 2016 AND 2015

GREENWALT^{CPAs}

We Deliver Peace of Mind



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Information and Referral Network Inc.
d/b/a Connect2Help 211:

We have audited the accompanying financial statements of Information and Referral Network d/b/a Connect2Help 211 ("Connect2Help"), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Connect2Help as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

December 1, 2016

Greenwalt CPAs, Inc.

INFORMATION AND REFERRAL NETWORK, INC. D/B/A CONNECT2HELP 211
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2016 AND 2015

<u>ASSETS</u>		<u>2016</u>	<u>2015</u>
CURRENT ASSETS			
Cash for operations		\$ 185,432	\$ 105,614
Cash for reserve		198,900	199,441
<i>Total cash</i>		<u>384,332</u>	<u>305,055</u>
Certificate of deposit for reserve		101,100	100,559
Accounts and grants receivable		406,066	157,663
Prepayments		<u>16,204</u>	<u>31,044</u>
<i>Total current assets</i>		907,702	594,321
LONG TERM GRANTS RECEIVABLE		80,000	-
PROPERTY AND EQUIPMENT, NET		<u>19,365</u>	<u>23,449</u>
<i>Total assets</i>		<u>\$ 1,007,067</u>	<u>\$ 617,770</u>
 <u>LIABILITIES AND NET ASSETS</u> 			
CURRENT LIABILITIES			
Accounts payable		\$ 18,677	\$ 6,773
Accrued payroll and related benefits		<u>69,709</u>	<u>57,799</u>
<i>Total current liabilities</i>		<u>88,386</u>	<u>64,572</u>
COMMITMENTS (NOTE 4)			
NET ASSETS			
Undesignated		457,469	219,761
Board designated		<u>300,000</u>	<u>300,000</u>
<i>Total unrestricted net assets</i>		757,469	519,761
Temporarily restricted		148,245	20,670
Permanently restricted		<u>12,967</u>	<u>12,767</u>
<i>Total net assets</i>		<u>918,681</u>	<u>553,198</u>
<i>Total liabilities and net assets</i>		<u>\$ 1,007,067</u>	<u>\$ 617,770</u>

INFORMATION AND REFERRAL NETWORK, INC. D/B/A CONNECT2HELP 211
 STATEMENTS OF ACTIVITIES
 FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>2016 TOTAL</u>	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>2015 TOTAL</u>
REVENUE								
Contributions/sponsorships	\$ 59,440	\$ 1,050	\$ 200	\$ 60,690	\$ 16,453	\$ 20,670	\$ 7,167	\$ 44,290
Grants	197,640	137,195	-	334,835	312,205	-	-	312,205
Contracted service fees	1,403,672	-	-	1,403,672	1,158,444	-	-	1,158,444
United Way of Central Indiana	611,748	-	-	611,748	644,683	-	-	644,683
Interest	987	-	-	987	900	-	-	900
<i>Total revenue</i>	<u>2,273,487</u>	<u>138,245</u>	<u>200</u>	<u>2,411,932</u>	<u>2,132,685</u>	<u>20,670</u>	<u>7,167</u>	<u>2,160,522</u>
NET ASSETS RELEASED FROM RESTRICTION								
	<u>10,670</u>	<u>(10,670)</u>	<u>-</u>	<u>-</u>	<u>4,500</u>	<u>(4,500)</u>	<u>-</u>	<u>-</u>
EXPENSES								
Program services	1,784,382	-	-	1,784,382	1,929,382	-	-	1,929,382
Management and general	211,606	-	-	211,606	247,786	-	-	247,786
Fundraising	50,461	-	-	50,461	26,603	-	-	26,603
<i>Total expenses</i>	<u>2,046,449</u>	<u>-</u>	<u>-</u>	<u>2,046,449</u>	<u>2,203,771</u>	<u>-</u>	<u>-</u>	<u>2,203,771</u>
CHANGE IN NET ASSETS	237,708	127,575	200	365,483	(66,586)	16,170	7,167	(43,249)
NET ASSETS, BEGINNING OF YEAR	<u>519,761</u>	<u>20,670</u>	<u>12,767</u>	<u>553,198</u>	<u>586,347</u>	<u>4,500</u>	<u>5,600</u>	<u>596,447</u>
NET ASSETS, END OF YEAR	<u>\$ 757,469</u>	<u>\$ 148,245</u>	<u>\$ 12,967</u>	<u>\$ 918,681</u>	<u>\$ 519,761</u>	<u>\$ 20,670</u>	<u>\$ 12,767</u>	<u>\$ 553,198</u>

See accompanying notes to financial statements.

INFORMATION AND REFERRAL NETWORK, INC. D/B/A CONNECT2HELP 211
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2016

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Salaries and wages	\$ 1,302,948	\$ 176,614	\$ 7,002	\$ 1,486,564
Payroll taxes	105,499	13,122	598	119,219
Employee benefits	127,154	11,245	-	138,399
<i>Total payroll-related costs</i>	1,535,601	200,981	7,600	1,744,182
Building rent/utilities	60,040	2,085	-	62,125
Conferences/meetings	2,146	2	-	2,148
Depreciation	15,726	999	-	16,725
Equipment rental/maintenance	5,790	149	-	5,939
Insurance	9,512	394	-	9,906
Other expenses	12,153	730	111	12,994
Postage/shipping	2,164	18	18	2,200
Printing/publications	3,712	-	83	3,795
Professional fees	87,845	2,950	42,649	133,444
Supplies	10,960	817	-	11,777
Telephone	24,869	821	-	25,690
Travel/transportation	13,864	1,660	-	15,524
<i>Total functional expenses</i>	<u>\$ 1,784,382</u>	<u>\$ 211,606</u>	<u>\$ 50,461</u>	<u>\$ 2,046,449</u>

See accompanying notes to financial statements.

INFORMATION AND REFERRAL NETWORK, INC. D/B/A CONNECT2HELP 211
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2015

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Salaries and wages	\$ 1,465,369	\$ 191,546	\$ -	\$ 1,656,915
Payroll taxes	125,214	11,140	-	136,354
Employee benefits	115,921	13,275	-	129,196
<i>Total payroll-related costs</i>	1,706,504	215,961	-	1,922,465
Building rent/utilities	54,670	7,455	-	62,125
Conferences/meetings	2,290	3,053	-	5,343
Depreciation	16,364	2,231	-	18,595
Equipment rental/maintenance	21,063	2,707	-	23,770
Insurance	8,900	1,213	-	10,113
Other expenses	9,609	870	683	11,162
Postage/shipping	3,208	51	78	3,337
Printing/publications	2,280	18	-	2,298
Professional fees	66,628	6,390	25,842	98,860
Supplies	7,448	1,236	-	8,684
Telephone	21,727	2,808	-	24,535
Travel/transportation	8,691	3,793	-	12,484
<i>Total functional expenses</i>	<u>\$ 1,929,382</u>	<u>\$ 247,786</u>	<u>\$ 26,603</u>	<u>\$ 2,203,771</u>

INFORMATION AND REFERRAL NETWORK, INC. D/B/A CONNECT2HELP 211
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

INCREASE (DECREASE) IN CASH

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from donors and grantors	\$ 927,273	\$ 1,001,178
Cash received from contracted service fees	1,155,269	1,059,998
Cash paid to vendors and employees	(1,991,070)	(2,284,339)
Interest income received	987	900
	<u>92,459</u>	<u>(222,263)</u>
<i>Net cash provided by (used in) operating activities</i>		
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(12,641)	(16,956)
Increase in certificate of deposit	(541)	(383)
	<u>(13,182)</u>	<u>(17,339)</u>
<i>Net cash used in investing activities</i>		
INCREASE (DECREASE) IN CASH	79,277	(239,602)
CASH, BEGINNING OF YEAR	<u>305,055</u>	<u>544,657</u>
CASH, END OF YEAR	<u>\$ 384,332</u>	<u>\$ 305,055</u>

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

	<u>2016</u>	<u>2015</u>
CHANGE IN NET ASSETS	\$ 365,483	\$ (43,249)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Depreciation	16,725	18,595
<i>(Increase) decrease in operating assets:</i>		
Accounts and grants receivable	(328,403)	(42,196)
Prepayments	14,840	(13,797)
<i>Increase (decrease) in operating liabilities:</i>		
Accounts payable	11,904	(5,763)
Accrued payroll and related benefits	11,910	(79,603)
Deferred revenue	-	(56,250)
<i>Total adjustments</i>	<u>(273,024)</u>	<u>(179,014)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 92,459</u>	<u>\$ (222,263)</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF ORGANIZATION

The programs of Information and Referral Network, Inc. d/b/a Connect2Help211 (Connect2Help) began in 1924, when the Council of Social Agencies published the first Directory of Community Resources. Now known as Rainbow Book™, it is an extensive catalog of human services in central Indiana. In 1946, a telephone service called "The Information and Referral Service" was added and eventually became known as HELPLINE. These programs continued to be a part of the United Way Community Service Council until 1987, when a group of community leaders formed a Board of Directors and incorporated Information and Referral Network, Inc. (IRN) as an independent not-for-profit agency. In 2004, IRN began serving the people of central Indiana through the 2-1-1 dialing code. On September 1, 2006, IRN officially started using the "doing business as (dba)" of Connect2Help. Today, Connect2Help provides information and referral services 24 hours a day, seven days a week, 365 days a year for over a quarter of a million people living in 24 Indiana counties each year through the 2-1-1 dialing code, 926-HELP, two national suicide intervention hotlines, two child abuse hotlines and as the Domestic Violence Navigation Hub. In addition, Connect2Help maintains a database of public, private, and nonprofit services available to meet the needs of its callers. As a result of this work, Connect2Help is able to report critical information regarding community needs, gaps in required services, and barriers experienced by those who need assistance. The main sources of revenue for Connect2Help are grants, contracted service fees and support from the United Way of Central Indiana.

BASIS OF ACCOUNTING AND USE OF ESTIMATES

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 in the United States of America (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.

CASH

For purposes of the statement of cash flows, Connect2Help considers all highly liquid debt instruments with an original maturity date of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2016 and 2015. At June 30, 2016 and 2015 Connect2Help maintained cash in excess of Federal Deposit Insurance Corporation limits.

ACCOUNTS RECEIVABLE

Accounts receivable are stated at amounts billed under contracts. Accounts more than 90 days past due are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer. There was no allowance for accounts receivable at June 30, 2016 and 2015.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

CONTRIBUTIONS AND GRANTS 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 promised. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Due to this treatment, it is not uncommon that restricted revenues and expenses against those revenues may be recorded in different years. This will cause a positive impact on the change in net assets in the year revenue is recorded and a negative impact on the change in net assets in the year that expenses are recorded.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Donated property and equipment is recorded at fair value. Connect2Help'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.

	<u>2016</u>	<u>2015</u>
Furniture and fixtures	\$ 46,366	\$ 46,366
Computer equipment	187,194	178,754
Leasehold improvements	<u>199,958</u>	<u>199,958</u>
	433,518	425,078
Accumulated depreciation	(418,353)	(401,629)
Construction in process	<u>4,200</u>	<u>-</u>
Property and equipment, net	<u>\$ 19,365</u>	<u>\$ 23,449</u>

TAX STATUS

Connect2Help is exempt from federal and state income taxes on its related activities under Internal Revenue Service Code Section 501(c)(3). All tax periods prior to 2012 are no longer subject to examination.

EXPENSE ALLOCATION

Expenses have been classified as program services, management and general, and fundraising 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 require Connect2Help to report information regarding its assets, liabilities, and net assets and its revenue, expenses, and other changes in net assets according to class.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Connect2Help utilizes the following classes of net assets:

Unrestricted

Unrestricted net assets include revenue and expenses from the regular operations of Connect2Help, which are at the discretion of management and the Board of Directors. Board designated net assets were \$300,000 at June 30, 2016 and 2015. The Connect2Help Board of Directors has determined that maintaining a cash reserve that allows approximately three to four months of operations in the case of disaster or other emergency that interrupts revenue streams is a prudent action. Use of this cash must be approved by the Board.

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 June 30, 2016, Connect2Help had \$148,245 of net assets temporarily restricted for moving funds, non-English and senior services, and capital improvements. At June 30, 2015, Connect2Help had \$20,670 of net assets temporarily restricted for moving funds and non-English services.

Permanently Restricted

The permanently restricted net asset class includes assets for which the donor has stipulated that the contribution be maintained in perpetuity. Donor imposed restrictions limiting the use of the assets or its economic benefit neither expire with the passage of time nor can be removed by satisfying a specific purpose. Permanently restricted net assets at June 30, 2016 and 2015 were \$12,967 and \$12,767, respectively. (See Note 2).

SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through December 1, 2016, which is the date the financial statements were available to be issued. See Note 4.

2. ENDOWMENT FUNDS

Connect2Help's endowment consists of donor permanently restricted contributions that were made to support future operations. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

2. ENDOWMENT FUNDS, CONTINUED

INTERPRETATION OF RELEVANT LAW

The Board of Directors of Connect2Help has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the purchasing power of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Connect2Help classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment. In accordance with SPMIFA, Connect2Help considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization.

Changes in Endowment Net Assets for the years ended June 30:

	<u>2016</u>	<u>2015</u>
Endowment net assets, beginning of year	\$ 12,767	\$ 5,600
Donations	<u>200</u>	<u>7,167</u>
Endowment net assets, end of year	<u>\$ 12,967</u>	<u>\$ 12,767</u>

3. REVENUE CONCENTRATION

A significant portion of Connect2Help's total revenue is derived from two sources in fiscal year 2016 and three sources in fiscal year 2015.

	<u>2016</u>	<u>2015</u>
Source A	33.2%	-
Source B	25.4%	29.6%
Source C	9.9%	12.0%
Source D	4.3%	14.3%

4. COMMITMENTS AND SUBSEQUENT EVENTS

Connect2Help leases a copier and office space under operating leases that require monthly payments of \$5,177 and \$245 per month, respectively. The copier lease expires in February 2018, and the office lease expired in May 2013 and continues on a month-to-month basis thereafter. Lease expense for the years ended June 30, 2016 and 2015 was \$65,640 and \$65,719, respectively. Subsequent to June 30, 2016, Connect2Help entered into a lease for office space which expires in fiscal year 2027.

Future minimum lease commitments for all leases are as follows for the years ending June 30:

2017	\$	22,587
2018		80,949
2019		79,344
2020		79,344
2021		79,344
Thereafter		456,228
	\$	<u>797,796</u>

5. RETIREMENT PLAN

Connect2Help has a 403(b) pension plan covering all employees from the first day of employment. Participants include all employees who choose to make voluntary elective deferral contributions. Employees working at least 1000 hours during the year who have been employed for at least one year and remain employed on the last day of the year are eligible to receive employer match contributions of their elective deferral contributions up to 6% of their annual salaries. During fiscal year 2015, Connect2Help implemented cost savings strategies, one of which included suspending the employer match in the 403(b) pension plan. During fiscal year 2016, Connect2Help reinstated the employer match. Connect2Help incurred matching and plan costs of \$45,926 and \$2,564 to the 403(b) plan for the years ended June 30, 2016 and 2015, respectively.