

Jennings County United Way, Inc.
North Vernon, Indiana
Financial Statements
December 31, 2009 and 2008
(See Independent Auditor's Report)

Jennings County United Way, Inc.
North Vernon, Indiana
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jennings County United Way, Inc.
North Vernon, Indiana

We have audited the accompanying Statements of Financial Position of Jennings County United Way, Inc., a not-for-profit organization, as of December 31, 2009 and 2008 and the related Statements of Activities and Changes in Net Assets, Functional Expenses and Cash Flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jennings County United Way, Inc. as of December 31, 2009 and 2008, and the changes in its net assets, functional expenses and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.


Teipen, Selanders, Poynter & Ayres, P.C.
Certified Public Accountants

May 28, 2010

Jennings County United Way, Inc.
North Vernon, Indiana
Statements of Financial Position
As of December 31, 2009 and 2008
(See Independent Auditor's Report)

	2009	2008
Assets		
Cash and Cash Equivalents - Note 1	\$ 76,881	\$ 35,074
Short-Term Investments - Certificates of Deposit - Notes 1 and 3	24,067	23,240
Pledges Receivable - 2009 Campaign, Net of Allowance for Uncollectible Pledges of \$13,209 - Note 1	63,593	-
Pledges Receivable - 2008 Campaign, Net of Allowance for Uncollectible Pledges of \$22,283 and \$20,135 - Note 1	20,129	103,901
Pledges Receivable - 2007 Campaign, Net of Allowance for Uncollectible Pledges of \$28,293 - Note 1	-	30,690
Other Receivables	58	-
Prepaid Expenses	5,340	1,969
Property and Equipment - Net of Accumulated Depreciation of \$31,613 and \$31,281 - Notes 1 and 2	881	1,214
Beneficial Interest in Jennings County Community Foundation - Note 4	<u>18,606</u>	<u>16,614</u>
Total Assets	\$ <u>209,555</u>	\$ <u>212,702</u>
Liabilities and Net Assets		
Liabilities		
Accounts Payable	\$ 5,671	\$ 99
Designations Payable - 2009 Campaign	18,114	-
Designations Payable - 2008 Campaign	2,876	19,855
Designations Payable - 2007 Campaign	<u>303</u>	<u>2,478</u>
Total Liabilities	<u>26,964</u>	<u>22,432</u>
Net Assets - Notes 1, 5 and 11		
Unrestricted	13,187	26,768
Temporarily Restricted	150,798	146,888
Permanently Restricted	<u>18,606</u>	<u>16,614</u>
Total Net Assets	<u>182,591</u>	<u>190,270</u>
Total Liabilities and Net Assets	\$ <u>209,555</u>	\$ <u>212,702</u>

Jennings County United Way, Inc.
North Vernon, Indiana
Statements of Activities and Changes in Net Assets
For the Year Ended December 31, 2009
(See Independent Auditor's Report)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue - Note 1				
Gross Campaign Results	\$ 87,545	\$ 104,308	\$ -	\$ 191,853
Donor Designations	(4,476)	(18,114)	-	(22,590)
Provision for Uncollectible Pledges	(1,635)	(13,209)	-	(14,844)
Net Campaign Results	<u>81,434</u>	<u>72,985</u>	<u>-</u>	<u>154,419</u>
Special Events	13,991	10,980	-	24,971
Designations from Other United Ways	12,658	454	-	13,112
Service Fees	-	(360)	-	(360)
In-Kind	310	612	-	922
Fundraising Fees	5,668	-	-	5,668
Program Service	4,210	-	-	4,210
4Community2 Grants - Note 13	-	56,500	-	56,500
Autistic and Behavioral Connections	300	-	-	300
Interest - Note 3	1,385	-	-	1,385
Increase in Beneficial Interest in Jennings County Community Foundation Fund	-	-	1,992	1,992
Net Assets Released from Restriction	<u>137,261</u>	<u>(137,261)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>257,217</u>	<u>3,910</u>	<u>1,992</u>	<u>263,119</u>
Program and Support Services				
Program Services				
Gross Funds Distributed	124,073	-	-	124,073
Other Program Services	<u>90,597</u>	<u>-</u>	<u>-</u>	<u>90,597</u>
Total Program Services	<u>214,670</u>	<u>-</u>	<u>-</u>	<u>214,670</u>
Support Services				
Management and General	28,410	-	-	28,410
Fundraising	25,278	-	-	25,278
Unallocated Payments to Affiliated Organization - UWA Dues	<u>2,440</u>	<u>-</u>	<u>-</u>	<u>2,440</u>
Total Support Services	<u>56,128</u>	<u>-</u>	<u>-</u>	<u>56,128</u>
Total Expenses	<u>270,798</u>	<u>-</u>	<u>-</u>	<u>270,798</u>
Change in Net Assets	(13,581)	3,910	1,992	(7,679)
Net Assets - Beginning of Year	<u>26,768</u>	<u>146,888</u>	<u>16,614</u>	<u>190,270</u>
Net Assets - End of Year	<u>\$ 13,187</u>	<u>\$ 150,798</u>	<u>\$ 18,606</u>	<u>\$ 182,591</u>

Jennings County United Way, Inc.
North Vernon, Indiana
Statements of Activities and Changes in Net Assets
For the Year Ended December 31, 2008
(See Independent Auditor's Report)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue - Note 1				
Gross Campaign Results	\$ 122,286	\$ 134,677	\$ -	\$ 256,963
Donor Designations	(692)	(19,855)	-	(20,547)
Provision for Uncollectible Pledges	<u>(17,170)</u>	<u>(20,135)</u>	-	<u>(37,305)</u>
Net Campaign Results	104,424	94,687	-	199,111
Special Events	12,261	-	-	12,261
Designations from Other United Ways	28,039	10,597	-	38,636
Fundraising Fees	3,759	-	-	3,759
Sponsorship	14,365	-	-	14,365
Program Service	10,018	-	-	10,018
4Community2 Grant - Note 13	-	10,000	-	10,000
Indiana Natural Disaster Grant - Note 8	-	100,000	-	100,000
Autistic and Behavioral Connections	2,086	-	-	2,086
Other	161	-	-	161
Interest - Note 3	2,466	-	-	2,466
Decline in Beneficial Interest in Jennings County Community Foundation Fund	-	-	(4,386)	(4,386)
Net Assets Released from Restriction	<u>146,597</u>	<u>(146,597)</u>	-	<u>-</u>
Total Support and Revenue	<u>324,176</u>	<u>68,687</u>	<u>(4,386)</u>	<u>388,477</u>
Program and Support Services				
Program Services				
Gross Funds Distributed	162,438	-	-	162,438
Other Program Services	<u>161,604</u>	-	-	<u>161,604</u>
Total Program Services	<u>324,042</u>	<u>-</u>	<u>-</u>	<u>324,042</u>
Support Services				
Management and General	25,014	-	-	25,014
Fundraising	37,913	-	-	37,913
Unallocated Payments to Affiliated Organization - UWA Dues	<u>2,588</u>	-	-	<u>2,588</u>
Total Support Services	<u>65,515</u>	<u>-</u>	<u>-</u>	<u>65,515</u>
Total Expenses	<u>389,557</u>	<u>-</u>	<u>-</u>	<u>389,557</u>
Change in Net Assets	(65,381)	68,687	(4,386)	(1,080)
Net Assets - Beginning of Year - Note 11	<u>92,149</u>	<u>78,201</u>	<u>21,000</u>	<u>191,350</u>
Net Assets - End of Year	<u>\$ 26,768</u>	<u>\$ 146,888</u>	<u>\$ 16,614</u>	<u>\$ 190,270</u>

Jennings County United Way, Inc.
North Vernon, Indiana
Statement of Functional Expenses
For the Year Ended December 31, 2009
(See Independent Auditor's Report)

	Program Services	Management and General	Fund- Raising	UWA Dues	Total
Gross Distributions	\$ 104,414	\$ -	\$ -	\$ -	\$ 104,414
Donor Designations	(16,151)	-	-	-	(16,151)
Special Grants and Allocations	35,810	-	-	-	35,810
Net Funds Distributed	<u>124,073</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,073</u>
Salaries and Wages - Professional	37,725	9,281	9,308	-	56,314
Payroll Taxes and Benefits	3,841	1,082	998	-	5,921
Total Personnel	<u>41,566</u>	<u>10,363</u>	<u>10,306</u>	<u>-</u>	<u>62,235</u>
Accounting and Pledge Processing Services	-	10,740	-	-	10,740
Professional Fees	2,000	4,500	-	-	6,500
Contract Service Fees	-	-	9,523	-	9,523
Campaign Events and Supplies	-	-	2,554	-	2,554
Marketing and Advertising	259	209	448	-	916
Postage	337	90	599	-	1,026
Office Supplies	2,400	106	103	-	2,609
Office Rent - Note 6	2,751	735	714	-	4,200
Telephone and Utilities	1,448	387	376	-	2,211
Insurance	641	766	166	-	1,573
Conferences, Training and Meetings	2,168	108	139	-	2,415
Travel	459	49	48	-	556
Grants					
Indiana Disaster Relief	3,217	-	-	-	3,217
4Community2	8,627	-	-	-	8,627
Special Event, Day of Caring	1,406	-	22	-	1,428
Youth Leadership	8,000	-	-	-	8,000
Charity Tracker	3,551	-	-	-	3,551
Dollars for Scholars	7,590	-	-	-	7,590
Local and State Affiliation Dues	722	192	187	-	1,101
Depreciation - Note 1	218	58	57	-	333
Miscellaneous	3,237	107	36	-	3,380
Subtotal	<u>90,597</u>	<u>28,410</u>	<u>25,278</u>	<u>-</u>	<u>144,285</u>
United Way of America - Dues	-	-	-	2,440	2,440
Totals	<u>\$ 214,670</u>	<u>\$ 28,410</u>	<u>\$ 25,278</u>	<u>\$ 2,440</u>	<u>\$ 270,798</u>

Jennings County United Way, Inc.
North Vernon, Indiana
Statement of Functional Expenses
For the Year Ended December 31, 2008
(See Independent Auditor's Report)

	Program Services	Management and General	Fund- Raising	UWA Dues	Total
Gross Distributions	\$ 163,500	\$ -	\$ -	\$ -	\$ 163,500
Donor Designations	(14,994)	-	-	-	(14,994)
Special Grants and Allocations	13,932	-	-	-	13,932
Net Funds Distributed	<u>162,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,438</u>
Salaries and Wages - Professional	53,955	6,809	9,156	-	69,920
Payroll Taxes and Benefits	5,691	725	975	-	7,391
Total Personnel	<u>59,646</u>	<u>7,534</u>	<u>10,131</u>	<u>-</u>	<u>77,311</u>
Accounting and Pledge Processing Services	-	10,740	-	-	10,740
Professional Fees	-	5,300	-	-	5,300
Contract Service Fees	-	-	16,551	-	16,551
Campaign Events and Supplies	-	-	9,249	-	9,249
Marketing and Advertising	606	80	112	-	798
Postage	708	95	130	-	933
Office Supplies	908	99	138	-	1,145
Office Rent - Note 6	3,192	420	588	-	4,200
Telephone and Utilities	1,998	257	360	-	2,615
Repairs and Maintenance	106	14	20	-	140
Insurance	798	105	147	-	1,050
Conferences, Training and Meetings	1,286	117	164	-	1,567
Grants					
Indiana Disaster Relief	68,396	-	-	-	68,396
Special Event, Day of Caring	1,397	-	-	-	1,397
Youth Leadership	6,427	-	-	-	6,427
Dollars for Scholars	8,000	-	-	-	8,000
Autistic and Behavioral Connections	696	-	-	-	696
Presenter Fees	4,600	-	-	-	4,600
Local and State Affiliation Dues	948	125	175	-	1,248
Depreciation - Note 1	581	77	108	-	766
Miscellaneous	1,311	51	40	-	1,402
Subtotal	<u>161,604</u>	<u>25,014</u>	<u>37,913</u>	<u>-</u>	<u>224,531</u>
United Way of America - Dues	-	-	-	2,588	2,588
Totals	<u>\$ 324,042</u>	<u>\$ 25,014</u>	<u>\$ 37,913</u>	<u>\$ 2,588</u>	<u>\$ 389,557</u>

Jennings County United Way, Inc.
North Vernon, Indiana
Statements of Cash Flows
For the Years Ended December 31, 2009 and 2008
(See Independent Auditor's Report)

	2009	2008
Cash Flows from Operating Activities		
Change in Net Assets	\$ (7,679)	\$ (1,080)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation Expense	333	767
(Increase) Decrease in Beneficial Asset Held by Foundation	(1,992)	4,386
Interest Income Added to Short-Term Investments - Certificates of Deposit	(828)	(1,005)
(Increase) Decrease in Pledges Receivable - Net	50,869	(28,380)
(Increase) Decrease in Other Receivables	(57)	-
(Increase) Decrease in Prepaid Expenses	(3,371)	(1,283)
Increase (Decrease) in Accounts Payable	5,572	(483)
Increase (Decrease) in Designations Payable - Net	(1,040)	1,826
	<u>41,807</u>	<u>(25,252)</u>
Net Cash Provided by (Used in) Operating Activities		
Cash Flows From Investing Activities		
Redemption of Short-Term Investments - Certificates of Deposit	-	6,041
Purchase of Short-Term Investments - Certificates of Deposit	-	(6,041)
	<u>-</u>	<u>-</u>
Net Cash Provided by (Used in) Investing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	41,807	(25,252)
Cash and Cash Equivalents - Beginning of Year	<u>35,074</u>	<u>60,326</u>
Cash and Cash Equivalents - End of Year	<u>\$ 76,881</u>	<u>\$ 35,074</u>

Jennings County United Way, Inc.
North Vernon, Indiana
Notes to Financial Statements
December 31, 2009 and 2008
(See Independent Auditor's Report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES - Jennings County United Way, Inc. (the Organization), was formed in 1963 as a voluntary not-for-profit organization benefiting the Jennings County, Indiana community. The mission of the Organization is to provide vision and leadership in the community's pursuit of a rich and full quality of life for all people in Jennings County. The Organization is governed by a volunteer board of directors and solicits donations from the public in Jennings County and grants monies to various not-for-profit agencies.

BASIS OF PRESENTATION - The Organization records income and expense using the accrual method of accounting and accordingly reflects all significant receivables, payables and other liabilities. Financial statement presentation follows Financial Accounting Standards Board (FASB) ASC 958-225-45-5, *Financial Statements of Not-for-Profit Organizations*. Under (FASB) ASC 958-225-45-5, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted Net Assets: Unrestricted net assets include expendable resources over which the Organization's Board of Directors has discretionary control and are used to carry out the Organization's operations in accordance with its by-laws.

Temporarily Restricted Net Assets: Temporarily restricted net assets include resources expendable only for those purposes specified by the donor or grantor. The restrictions are satisfied either by the passage of time or by actions of the Organization.

Permanently Restricted Net Assets: Permanently restricted net assets include resources subject to donor imposed stipulations that are maintained permanently by the Organization.

CASH AND CASH EQUIVALENTS - For the purposes of the Statement of Cash Flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

CREDIT RISK AND FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC) - During the year, the Organization may maintain cash and certificate of deposit balances in excess of the \$250,000 limit insured by the FDIC. At December 31, 2009 and 2008, cash and certificates of deposit did not exceed the FDIC insured limit.

PROPERTY AND EQUIPMENT - Property and equipment are stated at cost or, if donated, at the approximate fair market value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Maintenance and repairs are expensed as they are incurred. Depreciation expense is computed using the straight-line method over the estimated useful lives of the respective asset as follows:

Office Equipment	5 Years	
	2009	2008
Depreciation Expense	\$ <u>333</u>	\$ <u>767</u>

(Continued)

Jennings County United Way, Inc.
North Vernon, Indiana
Notes to Financial Statements
December 31, 2009 and 2008
(See Independent Auditor's Report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

SUPPORT, REVENUE AND PLEDGES - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Pledges for contributions are recorded as a receivable when the pledge is received and allowances are provided for pledges estimated to be uncollectible. Amounts received that are restricted for future periods or donor restricted for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classifications.

When a donor stipulated time restriction ends or a purpose restriction is accomplished, then the restricted net assets are reclassified to unrestricted net assets and are reported in the Statement of Activities as net assets released from restriction.

The majority of pledges receivable are received from a broad base of Jennings County contributors as a result of the annual United Way Campaign.

The allowance for uncollectible pledges is maintained at a level which, in management's judgment, is adequate to absorb potential bad debts inherent with pledges receivable. The amount of the allowance is based on management's evaluation of the collectability of the pledges receivable, trends in historical bad debt experience and economic conditions, applied to gross campaign, including donor designations. The allowance is increased by a provision for uncollectible pledges, which is charged to expense and reduced by charge-offs, net of recoveries. Because of uncertainties inherent in the estimation process, management's estimate of bad debts and the related allowance may change in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

SHORT-TERM INVESTMENTS - Short-term investments consist of certificates of deposit and are recorded at cost which approximates fair value. The fair value of the short-term investments falls in the Level 1 hierarchy described in FASB ASC 820-10, Fair Value Measurements.

The Organization's short-term investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to the changes in the values of investments, it is at least reasonably possible that changes in risks in the near term would materially affect the amount reported in the Statements of Financial Position and the Statements of Activities.

COMPENSATED ABSENCES - Employees of the Organization are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service, and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

COST DEDUCTION - The Organization is committed to compliance with United Way of America's cost deduction requirements for recovering actual costs associated with processing and transferring designated funds.

FUNCTIONAL ALLOCATION OF EXPENSES - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services based upon the distribution of staff time.

(Continued)

Jennings County United Way, Inc.
North Vernon, Indiana
Notes to Financial Statements
December 31, 2009 and 2008
(See Independent Auditor's Report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

IN-KIND CONTRIBUTIONS - During the years ended December 31, 2009 and 2008, the Organization has recorded the value of contributions meeting the requirements for recognition in the financial statements totaling \$922 and zero, respectively. In-kind contributions are as follows:

	2009	2008
Space Rental - St. Mary's	\$ 310	\$ -
Subscription - Charity Tracker	<u>612</u>	<u>-</u>
Total In-Kind Contributions	<u>\$ 922</u>	<u>\$ -</u>

CONTRIBUTED SERVICES - During the years ended December 31, 2009 and 2008, a substantial number of volunteers have contributed significant amounts of their time to the Organization and its fundraising campaigns. These services do not meet the requirements for recognition in the financial statements in accordance with FASB ASC 958-605-50-1, *Accounting for Contributions Received and Contributions Made* and are not included in the financial statements.

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

INCOME TAXES - The Organization is a not-for-profit, charitable organization as defined by Internal Revenue Code Section 501(c)(3) and is not subject to federal or Indiana income taxes.

RECLASSIFICATIONS - Certain account combinations from the prior year financial statements have been reclassified in the financial statements and notes to the financial statements to conform to the current year format.

NOTE 2 - PROPERTY AND EQUIPMENT

The Organization's property and equipment consists of the following:

	2009	2008
Furniture and Equipment	\$ 32,494	\$ 32,494
Less: Accumulated Depreciation	<u>(31,613)</u>	<u>(31,280)</u>
Total Property and Equipment - Net	<u>\$ 881</u>	<u>\$ 1,214</u>

Jennings County United Way, Inc.
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NOTE 3 - INVESTMENTS

The Organization's investments are as follows:

	2009 Cost	2009 Fair Value
Certificates of Deposit	\$ <u>24,067</u>	\$ <u>24,067</u>
	2008 Cost	2008 Fair Value
Certificates of Deposit	\$ <u>23,240</u>	\$ <u>23,240</u>
Investment return is summarized below:		
	2009	2008
Interest from Investments and Idle Cash	\$ <u>1,385</u>	\$ <u>2,466</u>

NOTE 4 - BENEFICIAL INTEREST IN ASSETS HELD BY THE JENNINGS COUNTY COMMUNITY FOUNDATION

Since 2002, the Organization has made multiple transfers to the Jennings County Community Foundation (Foundation) into the Jennings County United Way, Inc. Agency Endowment Fund under a designated endowment agreement. Under this agreement, the Organization is specified as the beneficiary of the net earnings (net of expense) of the fund; however, the Foundation has retained variance authority of those funds. The beneficial interest reported as an asset represents the present value of the estimated future cash flows to be received discounted at 3.5% per annum. Any change in the value of the beneficial interest in the fund is reported as an increase or decrease in permanently restricted net assets. The beneficial interest in assets held by the Endowment is summarized as follows:

	2009	2008
Total Beneficial Interest in Jennings County Community Foundation	\$ <u>18,606</u>	\$ <u>16,614</u>

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2009 and 2008 are available for the following purposes:

	2009	2008
Time Restriction	\$ 73,078	\$ 105,284
4Community2	-	10,000
4Community2 Implementation	41,292	-
Charity Tracker	8,041	-
Indiana Natural Disaster Grant	<u>28,387</u>	<u>31,604</u>
Total	\$ <u>150,798</u>	\$ <u>146,888</u>

Jennings County United Way, Inc.
North Vernon, Indiana
Notes to Financial Statements
December 31, 2009 and 2008
(See Independent Auditor's Report)

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS (Continued)

During the years ended December 31, 2009 and 2008, temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	2009	2008
Time Restriction	\$ 105,285	\$ 78,202
4Community2	20,000	-
4Community2 Implementation	5,208	-
Charity Tracker	3,551	-
Indiana Natural Disaster Grant	<u>3,217</u>	<u>68,395</u>
Total	<u>\$ 137,261</u>	<u>\$ 146,597</u>

NOTE 6 - OPERATING LEASE

The Organization leases office space in North Vernon, Indiana from the Jennings County Coordinating Council under a one year operating lease agreement which expired December 31, 2009. Rent expense was \$4,200 for the years ended December 31, 2009 and 2008.

NOTE 7 - PENSION PLAN

The Organization has established a simple individual retirement account plan for all full-time employees. Eligible employees may defer a portion of their annual compensation up to the maximum allowable by law. The Organization matches up to 3% of employee contributions to the plan. The Organization's contributions were \$1,613 and \$2,042 for the years ended December 31, 2009 and 2008, respectively.

NOTE 8 - INDIANA NATURAL DISASTER GRANT

The Organization was awarded a \$100,000 grant from Indiana Association of United Ways in July, 2008 to provide flexible funding for purposes of assessing and evaluating the funding needs in Jennings County, Indiana as a result of the 2008 floods, tornados and storms affecting the area. The funding may be used for immediate needs and for identifying and valuing the future needs for additional funding as a result of the disasters.

NOTE 9 - TEMPORARILY RESTRICTED NET ASSET CASH BALANCES

At December 31, 2009 and 2008 the cash and cash equivalent balance on the Statements of Financial Position include temporarily restricted net assets totaling \$74,611 and \$33,382 respectively.

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NOTE 10 - CONCENTRATION OF CAMPAIGN PLEDGES

During the years ended December 31, 2009 and 2008, campaign pledges were received from corporations which exceeded ten percent of the Organization's total gross campaign donations for the year as follows:

		2009	
Jennings County School Corporation	\$	22,577	21.64%
Erler Industries, Inc.		<u>12,586</u>	<u>12.07%</u>
Total Concentration of Campaign Pledges	\$	<u><u>35,163</u></u>	<u><u>33.71%</u></u>
		2008	
Lowe's Distribution Center	\$	59,110	43.89%
Jennings County School Corporation		<u>21,716</u>	<u>16.12%</u>
Total Concentration of Campaign Pledges	\$	<u><u>80,826</u></u>	<u><u>60.01%</u></u>

NOTE 11 - PRIOR PERIOD RESTATEMENT OF BEGINNING BALANCE OF NET ASSETS

The beginning balance of unrestricted and temporarily restricted net assets has been restated as of January 1, 2008 to correct the temporary restricted computation of time restriction campaign. The corrected calculation is in accordance with United Way procedures. The adjustment totaled \$32,910 and is summarized below:

		Prior Audit Total Net Assets as of <u>December 31, 2007</u>		Net Assets Change		Net Assets Restated as of <u>January 1, 2008</u>
Net Assets						
Unrestricted	\$	<u>125,059</u>	\$	<u>(32,910)</u>	\$	<u>92,149</u>
Temporarily Restricted	\$	<u>45,291</u>	\$	<u>32,910</u>	\$	<u>78,201</u>

NOTE 12 - RELATED PARTIES

The Organization provides financial support to affiliated organizations. It is possible throughout the year for an individual or individuals to serve on the Board of Directors of the Jennings County United Way, Inc. and to serve on the Board of Directors of an affiliated organization which receives financial support from the Jennings County United Way, Inc.

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NOTE 13 - 4COMMUNITY2 GRANTS

The Organization accepted a 4Community2 Implementation Grant from Indiana Association of United Ways (IaUW) on March 31, 2009 for \$46,500. The grant is funded when the Organization achieves matching donor campaign pledges or direct cash gifts in support of Jennings County directed programs and files the necessary documents with IaUW. During the year ended December 31, 2009, the entire grant was received.

The Organization accepted a 4Community2 Planning grant from IaUW in 2008 totaling \$20,000. During each of the years ended December 31, 2009 and 2008, the Organization received \$10,000, respectively.

NOTE 14 - SUBSEQUENT EVENTS

Management of the Organization has evaluated subsequent events through the report date of May 28, 2010.