

**INDIANA ASSOCIATION OF  
UNITED WAYS, INC.**

*Financial Statements*

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

*December 31, 2008*

**Greenwalt Sponsel & Co., Inc.**

We Deliver Peace of Mind

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# GS&CO Greenwalt Sponsel & Co., Inc.

Business & Financial Advisors

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Indiana Association of United Ways, Inc.:

We have audited the accompanying statement of financial position of Indiana Association of United Ways, Inc. (the Association), an Indiana not-for-profit corporation, as of December 31, 2008, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Association as of December 31, 2007 were audited by other auditors whose report dated May 21, 2008, expressed an unqualified opinion on those 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 Association of United Ways, Inc. as of December 31, 2008, and the changes in its net assets and cash flows for the year ended December 31, 2008, in conformity with accounting principles generally accepted in the United States.

*Greenwalt Sponsel & Co., Inc.*

May 22, 2009

**INDIANA ASSOCIATION OF UNITED WAYS, INC.**

*Statements of Financial Position*

*December 31, 2008 with Comparative Totals for December 31, 2007*

<u>ASSETS</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2008 Total</u>	<u>2007 Total</u>
<b>Current Assets</b>				
Cash and cash equivalents	\$ (357,198)	\$ 42,470,564	\$ 42,113,366	\$ 4,456,393
SECC cash (Note 2)	338,921	-	338,921	283,157
Short-term investments	2,521,777	6,117,130	8,638,907	6,702,907
Due from SECC	21,927	-	21,927	23,000
Grants and accounts receivable	48,397	90,101	138,498	248,977
Interest receivable	22,845	41,103	63,948	5,038
Prepaid expenses	20,902	-	20,902	26,898
<i>Total current assets</i>	<u>2,617,571</u>	<u>48,718,898</u>	<u>51,336,469</u>	<u>11,746,370</u>
<b>Property and Equipment</b>				
Office equipment	349,254	-	349,254	334,533
Less accumulated depreciation	<u>(307,206)</u>	<u>-</u>	<u>(307,206)</u>	<u>(282,732)</u>
<i>Property and equipment, net</i>	<u>42,048</u>	<u>-</u>	<u>42,048</u>	<u>51,801</u>
<i>Total assets</i>	<u>\$ 2,659,619</u>	<u>\$ 48,718,898</u>	<u>\$ 51,378,517</u>	<u>\$ 11,798,171</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities	\$ 89,447	\$ -	\$ 89,447	\$ 40,095
Deposits held for others	123	-	123	902
SECC funds to be distributed	338,921	-	338,921	283,157
Grants payable (Note 4)	310,553	12,708,754	13,019,307	-
Refundable advance (Note 4)	<u>-</u>	<u>27,419,917</u>	<u>27,419,917</u>	<u>-</u>
<i>Total liabilities</i>	<u>739,044</u>	<u>40,128,671</u>	<u>40,867,715</u>	<u>324,154</u>
<b>Commitments (Note 8)</b>				
<b>Net Assets</b>				
Unrestricted	1,920,575	-	1,920,575	1,623,288
Temporarily restricted	<u>-</u>	<u>8,590,227</u>	<u>8,590,227</u>	<u>9,850,729</u>
<i>Total net assets</i>	<u>1,920,575</u>	<u>8,590,227</u>	<u>10,510,802</u>	<u>11,474,017</u>
<i>Total liabilities and net assets</i>	<u>\$ 2,659,619</u>	<u>\$ 48,718,898</u>	<u>\$ 51,378,517</u>	<u>\$ 11,798,171</u>

**INDIANA ASSOCIATION OF UNITED WAYS, INC.***Statements of Activities**For the Year Ended December 31, 2008 with Comparative Totals for 2007*

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2008 Total</u>	<u>2007 Total</u>
<b>Revenue</b>				
Grants and contributions	\$ 6,071,950	\$ 1,247,400	\$ 7,319,350	\$ 10,952,196
Membership dues	166,994	-	166,994	169,949
Investment income	381,811	357,357	739,168	130,559
Customized member services	556,867	-	556,867	419,917
Management fees	96,685	-	96,685	95,600
Miscellaneous	31,463	-	31,463	7,481
	<u>7,305,770</u>	<u>1,604,757</u>	<u>8,910,527</u>	<u>11,775,702</u>
<i>Total revenue</i>				
	<u>7,305,770</u>	<u>1,604,757</u>	<u>8,910,527</u>	<u>11,775,702</u>
<b>Net Assets Released from Restriction</b>	<u>2,865,259</u>	<u>(2,865,259)</u>	<u>-</u>	<u>-</u>
<b>Expenses</b>				
Grants to members	8,038,195	-	8,038,195	524,588
Project development and organization assistance	1,588,150	-	1,588,150	1,237,220
Indiana After-School Network	99,910	-	99,910	-
Management and general	147,487	-	147,487	138,737
	<u>9,873,742</u>	<u>-</u>	<u>9,873,742</u>	<u>1,900,545</u>
<i>Total expenses</i>				
	<u>9,873,742</u>	<u>-</u>	<u>9,873,742</u>	<u>1,900,545</u>
<b>Change in Net Assets</b>	297,287	(1,260,502)	(963,215)	9,875,157
<b>Net Assets, Beginning of Year</b>	<u>1,623,288</u>	<u>9,850,729</u>	<u>11,474,017</u>	<u>1,598,860</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,920,575</u>	<u>\$ 8,590,227</u>	<u>\$ 10,510,802</u>	<u>\$ 11,474,017</u>

**INDIANA ASSOCIATION OF UNITED WAYS, INC.**

*Statements of Functional Expenses*

*For the Year Ended December 31, 2008 with Comparative Totals for 2007*

	<u>Grants to Members</u>	<u>Project Development and Organization Assistance</u>	<u>Indiana After-School Network</u>	<u>Total Program</u>	<u>Management and General</u>	<u>2008 Total</u>	<u>2007 Total</u>
Special events:							
Special event expense	\$ -	\$ 23,582	\$ -	\$ 23,582	\$ -	\$ 23,582	\$ 8,889
Special event revenue	-	(4,399)	-	(4,399)	-	(4,399)	(14,725)
<i>Total special event expense, net</i>	-	19,183	-	19,183	-	19,183	(5,836)
Salaries and wages	-	782,736	70,810	853,546	79,118	932,664	764,671
Employee benefits	-	203,046	-	203,046	17,326	220,372	196,429
Payroll taxes	-	56,433	-	56,433	5,881	62,314	56,803
Supplies	-	33,956	4,008	37,964	3,647	41,611	23,773
Telephone	-	16,949	1,195	18,144	1,286	19,430	19,578
Postage and shipping	-	15,801	22	15,823	1,391	17,214	15,620
Occupancy	-	41,506	2,025	43,531	5,682	49,213	43,522
Printing and publications	-	11,529	740	12,269	839	13,108	15,049
Information services	-	3,111	2,000	5,111	203	5,314	5,965
Travel	-	16,740	5,873	22,613	1,471	24,084	17,424
Meetings	-	17,267	2,337	19,604	1,174	20,778	28,464
Organized dues and registration fees	-	2,446	-	2,446	425	2,871	5,216
Insurance	-	7,713	-	7,713	3,462	11,175	10,491
Professional services	-	171,612	10,900	182,512	23,502	206,014	146,569
Depreciation	-	22,394	-	22,394	2,080	24,474	32,219
Grant administration (IND Fund)	-	165,728	-	165,728	-	165,728	-
Grants	8,038,195	-	-	8,038,195	-	8,038,195	524,588
<i>Total functional expenses</i>	<u>\$ 8,038,195</u>	<u>\$ 1,588,150</u>	<u>\$ 99,910</u>	<u>\$ 9,726,255</u>	<u>\$ 147,487</u>	<u>\$ 9,873,742</u>	<u>\$ 1,900,545</u>

**INDIANA ASSOCIATION OF UNITED WAYS, INC.***Statements of Cash Flows**For the Years Ended December 31, 2008 and 2007**Page 1 of 2***INCREASE IN CASH AND CASH EQUIVALENTS**

	<b><u>2008</u></b>	<b><u>2007</u></b>
<b>Cash Flows from Operating Activities</b>		
Cash received from members and grantors	\$ 8,282,911	\$ 11,397,581
Cash received for grants to others (IND Fund)	45,000,000	-
Cash paid for grants to others (IND Fund)	(4,872,108)	-
Cash paid to suppliers, organizations, and employees	(9,483,367)	(5,281,198)
Investment income	669,725	130,559
	<u>39,597,161</u>	<u>6,246,942</u>
<i>Net cash and cash equivalents provided by operating activities</i>		
	<u>39,597,161</u>	<u>6,246,942</u>
<b>Cash Flows from Investing Activities</b>		
Net (increase) decrease in short-term investments	(1,925,467)	(3,230,284)
Purchase of equipment	(14,721)	(18,998)
	<u>(1,940,188)</u>	<u>(3,249,282)</u>
<i>Net cash and cash equivalents used in investing activities</i>		
	<u>(1,940,188)</u>	<u>(3,249,282)</u>
<b>Increase in Cash and Cash Equivalents</b>	37,656,973	2,997,660
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>4,456,393</u>	<u>1,458,733</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 42,113,366</u>	<u>\$ 4,456,393</u>

**INDIANA ASSOCIATION OF UNITED WAYS, INC.***Statements of Cash Flows, Continued**For the Years Ended December 31, 2008 and 2007**Page 2 of 2***RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH AND  
CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES**

	<u>2008</u>	<u>2007</u>
<b>Change in Net Assets</b>	\$ (963,215)	\$ 9,875,157
<b>Adjustments to Reconcile Change in Net Assets to Net Cash and Cash Equivalents Provided by Operating Activities</b>		
Depreciation expense	24,474	32,219
(Gains) losses on investments	(10,533)	(34,855)
<i>(Increase) decrease in operating assets:</i>		
Grants and accounts receivable	110,479	(213,400)
Interest receivable	(58,910)	(57)
Due from SECC	1,073	750
Prepaid expenses	5,996	6,444
<i>Increase (decrease) in operating liabilities:</i>		
Accounts payable and accrued liabilities	49,352	(2,734,078)
Deposits held for others	(779)	85
Refundable advances	27,419,917	-
Grants payable	13,019,307	(685,323)
<i>Total adjustments</i>	<u>40,560,376</u>	<u>(3,628,215)</u>
<b>Net Cash and Cash Equivalents Provided by Operating Activities</b>	<u>\$ 39,597,161</u>	<u>\$ 6,246,942</u>

# INDIANA ASSOCIATION OF UNITED WAYS, INC.

*Notes to Financial Statements*

*December 31, 2008 and 2007*

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *Description of Organization*

The Indiana Association of United Ways is a membership association of United Ways in Indiana. The mission is: bringing Indiana United Ways together to help them create a successful future. It is delivered through four strategies:

- Relationship/Association – Members are actively engaged with their neighbors and peers around issues and experience contributing to higher performance.
- Learning/Training – Members involved with learning opportunities are strengthened to improve organizational functioning.
- Research & Development/Innovation – Members have improved capacity to engage organizational technology with confidence.
- Representation – Members receive substantial grant support and have strong state-level relationships.

The Association serves as the fiscal agent or grantee for significant grants and programs that further the mission of its members. In 2008 the Indiana Natural Disaster Fund (IND Fund) represented a significant statewide disaster response effort, and the Indiana After-School Network established a new educational initiative.

### *Basis of Presentation*

The accompanying financial statements were prepared on the accrual basis of accounting. The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 and Cash Equivalents*

Cash and cash equivalents consist of checking and savings accounts. Cash equivalents are stated at cost, which approximates fair value and consists of amounts on deposit in the Dreyfus Government Cash Management Fund, the National City Insured Deposit Account, and the Fifth Third Government Money Market Account.

### *Property and Equipment*

Property and equipment are stated at cost. Donated property and equipment is recorded at fair value. The Association's capitalization policy is \$1,000 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.

### *Net Assets*

The financial statements have been prepared in accordance with Statements of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. SFAS No. 117 requires that the financial statements report the changes in and total of each of the net asset classes, based upon donor restrictions. Net assets are classified as unrestricted, temporarily restricted, and permanently restricted. The Association maintains the following classifications of net assets:

# INDIANA ASSOCIATION OF UNITED WAYS, INC.

*Notes to Financial Statements*

*December 31, 2008 and 2007*

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

### Unrestricted

These include revenue and expenses from the regular operations of the Association, which are at the discretion of management and the Board of Directors. The Board has a reserve policy that sets 25% of the Association's annual operational expense budget aside for unanticipated needs or changes in the economic environment. At December 31, 2008, this Board designated reserve was \$519,022.

### Temporarily Restricted

These 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, 2008, temporarily restricted net assets were \$8,590,227. See Note 6.

### *Revenue and Expense*

Support revenue that is restricted by the donor is reported as an increase in temporarily restricted net assets. A restriction expires when the stipulated time has elapsed, or the stipulated purpose for which the resource was restricted has occurred. When a restriction expires, temporarily restricted net assets are released and reclassified to unrestricted net assets.

It is the Association's policy to consider a donor restriction of or for long-lived assets satisfied when the asset is purchased and put into service.

The Association records grant expenses as the grants are awarded to various United Way organizations throughout the state. The grant awards are released from restriction after all conditions are met, if applicable, and are then reclassified to unrestricted net assets.

### *Fair Value Measurements*

Effective January 1, 2008, the Association has adopted SFAS No. 157, *Fair Value Measurements*, which 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. SFAS 157 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).

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

# INDIANA ASSOCIATION OF UNITED WAYS, INC.

Notes to Financial Statements

December 31, 2008 and 2007

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fair values measured on a recurring basis at December 31, 2008 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments	<u>\$ 8,638,907</u>	<u>\$ 8,638,907</u>	<u>\$ -</u>	<u>\$ -</u>

### *Concentration of Credit Risk*

The Association maintains its cash balances with financial institutions. The demand deposit accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. During the fiscal year, cash deposits may exceed the insured limit.

Approximately 93% of the Association's total support and revenue was derived from one grantor in 2007, when considering temporarily restricted grants. In 2008 the same grantor comprised 81% of total support and revenue.

### *Tax Status*

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

In June 2006, the FASB issued Interpretation No. 48 ("FIN 48"), *Accounting for Uncertainty in Income Taxes*. FIN 48 provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements in accordance with SFAS No. 109, *Accounting for Income Taxes*.

On December 30, 2008, the FASB issued FASB Staff Position (FSP) FIN 48-3 which allows deferral of FIN 48 for nonpublic enterprises included within this FSP's scope to the annual financial statements for fiscal years beginning after December 15, 2008. The Association has elected to defer implementation of FIN 48 to its year ending on December 31, 2009. The Association does not expect that the adoption of FIN 48 will have a material effect on its financial position, results of operations or cash flows.

The Association individually evaluates its activities to determine that they are in compliance with its exempt purpose. For those activities that the Association determines to be unrelated business income, the Association records the resulting unrelated business income tax liability, if any.

## 2. STATE EMPLOYEES COMMUNITY CAMPAIGN

The Association has an agreement with the State of Indiana to act as fiscal agent and campaign manager for the proceeds of the State Employees Community Campaign (SECC). This agreement must be renewed annually with the State of Indiana. The Association is to distribute these funds to recipient charitable organizations based on an approved distribution system. Cash held by the Association, to be distributed on behalf of the SECC, was \$338,921 and \$283,157 at December 31, 2008 and 2007, respectively. The following is a summary of cash activity during the calendar year for the State Employees Community Campaign, relative to the campaign years 2008/2007 and 2007/2006.

**INDIANA ASSOCIATION OF UNITED WAYS, INC.***Notes to Financial Statements**December 31, 2008 and 2007*

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**2. STATE EMPLOYEES COMMUNITY CAMPAIGN, CONTINUED**

	<b><u>Campaign Year</u></b>	
	<u>2008/2007</u>	<u>2007/2006</u>
SECC cash balance		
January 1, 2008 and 2007	<u>\$ 283,157</u>	<u>\$ 287,612</u>
Cash received:		
SECC pledges	1,075,557	1,009,840
Interest income	4,201	1,109
Total cash received	<u>1,079,758</u>	<u>1,010,949</u>
Cash disbursed:		
Charitable organizations	(930,911)	(923,404)
Management fees	(93,083)	(92,000)
Total cash disbursed	<u>(1,023,994)</u>	<u>(1,015,404)</u>
SECC cash balance		
December 31, 2008 and 2007	<u>\$ 338,921</u>	<u>\$ 283,157</u>

**3. INVESTMENTS**

Statement of Financial Accounting Standards No. 124 Accounting for Certain Investments Held by Not-For-Profit Organizations, requires investments in equity securities with readily determinable fair values, and all investments in debt securities to be measured at fair value. As of December 31, 2008 investments consisted of certificates of deposits with varying maturities through October 31, 2009 and money market funds. The certificates of deposit are in \$100,000 increments with various financial institutions and are insured up to the FDIC limits per institution. As disclosed above, marketable equity and debt securities are recorded at fair value at December 31. Marketable securities are subject to market volatility. Fluctuations in fair market value are adjusted to unrealized gains (losses).

Investment income detail is as follows at December 31:

	<u>2008</u>	<u>2007</u>
Interest and dividend income	\$ 728,635	\$ 127,779
Unrealized gain	10,533	2,780
	<u>\$ 739,168</u>	<u>\$ 130,559</u>

## INDIANA ASSOCIATION OF UNITED WAYS, INC.

Notes to Financial Statements

December 31, 2008 and 2007

### 4. INDIANA NATURAL DISASTER FUND

During 2008, Lilly Endowment, Inc. donated \$45,000,000 to the Association for Indiana disaster relief and recovery efforts. According to the grant agreement, the Association has until June 2010 to disburse the funds in the form of grants. As the Association is uncertain whether it will meet the timetable provided in the grant, it has recorded the uncommitted grant balance as a "refundable advance" of \$27,419,917 in the Statement of Financial Position. The refundable advance represents decisions not yet made regarding disbursement of the funds. As decisions are made and grants are committed, they are recognized as grant revenue and grant expense in the Statement of Activities. As of December 31, 2008, the Association had committed to grants of \$12,708,754 that have been recorded as grants payable in the Statement of Financial Position.

### 5. FUNCTIONAL EXPENSES

Program and supporting service expenses are as follows:

	2008			
	Grants to Members	Project Development and Organization Assistance	Management and General	Total
IND Fund	\$ 5,904,846			
4Community2	1,661,134			
NRN	372,215			
Relationship & Association	\$ 7,938,195	\$ 129,489	\$ -	\$ 8,067,684
Learning	-	274,409	-	274,409
Representation	100,000	476,173	-	576,173
Innovation	-	708,079	-	708,079
Management & General	-	-	147,487	147,487
Indiana After-School Network	-	99,910	-	99,910
Total 2008	<u>\$ 8,038,195</u>	<u>\$ 1,688,060</u>	<u>\$ 147,487</u>	<u>\$ 9,873,742</u>
	2007			
	Grants to Members	Project Development and Organization Assistance	Management and General	Total
Relationship & Association	\$ 369,588	\$ 94,135	\$ -	\$ 463,723
Learning	-	265,130	-	265,130
Representation	155,000	273,055	-	428,055
Innovation	-	604,900	-	604,900
Management & General	-	-	138,737	138,737
Total 2007	<u>\$ 524,588</u>	<u>\$ 1,237,220</u>	<u>\$ 138,737</u>	<u>\$ 1,900,545</u>

## INDIANA ASSOCIATION OF UNITED WAYS, INC.

Notes to Financial Statements

December 31, 2008 and 2007

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### 6. TEMPORARILY RESTRICTED NET ASSETS AND NET ASSETS RELEASED

Temporarily restricted net assets consisted of the following for the year ended December 31:

	<u>2008</u>	<u>2007</u>
4Community2 and administrative support	\$ 7,464,860	\$ 9,498,209
2008-2009 Operating Support	468,000	-
Indiana After-School Network	302,826	352,520
IND Fund	354,541	-
	<u>\$ 8,590,227</u>	<u>\$ 9,850,729</u>

Temporarily restricted net assets released from restriction for the year ended December 31 was as follows:

	<u>2008</u>	<u>2007</u>
Grants awarded through 4Community2	\$ 1,661,134	\$ -
Grants awarded through NRN	372,215	369,588
Grants awarded to IN 211	-	155,000
Indiana Afterschool Network	99,910	-
Other	-	29,662
2008 and 2007 administrative allotment: Lilly Endowment grant	732,000	590,000
	<u>\$ 2,865,259</u>	<u>\$ 1,144,250</u>

### 7. RETIREMENT PLAN

The Association has a defined contribution plan covering all employees. The purpose of the Plan is to provide retirement benefits and provide employees with an incentive to make their own contribution to the retirement plan.

The employer matching contribution is equal to 50% of the first 4% of employee contributions, plus an additional contribution equal to 2% of all participants' compensation. The employer's contributions vest 100% at the completion of three years of service. Additional contributions over 4% may be made by a participant but will not be eligible for the matching employer contributions.

The Association has a second defined contribution plan covering all employees. The Association contributes 10% of employee's monthly compensation to the plan. These contributions vest 100% at the completion of five years of service. Employees do not contribute to this plan.

Employer contributions for both plans in 2008 and 2007 totaled \$142,356 and \$120,884, respectively.

Effective December 1, 2002, the Association adopted a 457(b) eligible deferred compensation plan for the President and Executive Vice President of the Association. The plan is funded through salary reduction only, and the Association does not contribute to this plan.

## INDIANA ASSOCIATION OF UNITED WAYS, INC.

*Notes to Financial Statements*

*December 31, 2008 and 2007*

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### 8. COMMITMENTS

The Association leases office space, pursuant to an operating lease agreement amended July 1, 2007 and October 1, 2008, that expires June 30, 2010. Indiana After-School Network also leases office space under a month-to-month lease that began in April 2008. Rental expenses for the year ended December 31, 2008 and 2007 were \$49,213 and \$43,522, respectively.

Future minimum lease payments at December 31, 2008 are as follows:

2009	\$	53,636
2010		27,514
	\$	<u>81,150</u>

### 9. RESTATEMENT

During 2008, Indiana Association of United Ways, Inc. determined that the Indiana After-School Network had been omitted from the financial statements for the year ended December 31, 2007. The Association determined it should have reported \$352,520 in total activity for the year ended December 31, 2007. The December 31, 2007, financial statements have been restated to account for the cumulative effect of the change on net assets for the year ended December 31, 2007.