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June 5, 2009

Board of Directors
Family Services of Elkhart County, Inc.
d/b/a Individuals & Families in Transition
101 E. Hively Ave.
Elkhart, IN 46517

We have reviewed the audit report prepared by Jurgonski & Fredlake, CPAs, Independent Public Accountants, for the period January 1, 2008 to December 31, 2008. 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 Family Services of Elkhart County, Inc. d/b/a Individuals & Families in Transition, as of December 31, 2008, 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.

STATE BOARD OF ACCOUNTS

**FAMILY SERVICES OF ELKHART COUNTY, INC.
d/b/a INDIVIDUALS & FAMILIES IN TRANSITION**

FINANCIAL REPORT

December 31, 2008 AND 2007

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Family Services of Elkhart County, Inc.
d/b/a Individuals & Families in Transition
Elkhart, Indiana

We have audited the accompanying statement of financial position of Family Services of Elkhart County, Inc. d/b/a Individuals & Families in Transition (a not for profit organization) (the Organization) 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 Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2007 financial statements and, in our report dated January 24, 2008, we expressed an unqualified opinion on those financial statements.

We conducted our audit 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 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 Family Services of Elkhart County, Inc. d/b/a Individuals & Families in Transition as of December 31, 2008, 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 of America.

Jurgonski & Fredlake CPAs

South Bend, Indiana
February 20, 2009

**FAMILY SERVICES OF ELKHART COUNTY, INC.
d/b/a INDIVIDUALS & FAMILIES IN TRANSITION**

STATEMENTS OF FINANCIAL POSITION
December 31, 2008 and 2007

ASSETS

	<u>2008</u>	<u>2007</u>
Current assets		
Cash	\$ 45,289	\$ 105,119
Accounts receivable	1,750	2,065
Grants receivable	50,128	60,178
Prepaid expenses	<u>16,549</u>	<u>8,847</u>
Total current assets	<u>113,716</u>	<u>176,209</u>
Property and equipment		
Land	44,575	26,875
Building and improvements	1,160,811	958,347
Equipment	<u>179,421</u>	<u>168,666</u>
Total property and equipment	1,384,807	1,153,888
Less accumulated depreciation	<u>(584,897)</u>	<u>(541,422)</u>
Property and equipment, net	<u>799,910</u>	<u>612,466</u>
Other assets		
Franchise fee	36,623	36,623
Investments	13,452	20,264
Beneficial interest in assets held by the Community Foundation	<u>14,346</u>	<u>21,576</u>
Total other assets	<u>64,421</u>	<u>78,463</u>
Total assets	<u>\$ 978,047</u>	<u>\$ 867,138</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 2,670	\$ 1,650
Current maturities of long term debt	30,000	30,000
Accrued expenses	<u>43,635</u>	<u>31,969</u>
Total current liabilities	<u>76,305</u>	<u>63,619</u>
Long term liabilities		
Long term debt	<u>300,000</u>	<u>330,000</u>
Total long term liabilities	<u>300,000</u>	<u>330,000</u>
Total liabilities	<u>376,305</u>	<u>393,619</u>
Net Assets		
Unrestricted	554,192	413,819
Temporarily restricted	21,204	26,124
Permanently restricted	<u>26,346</u>	<u>33,576</u>
Total net assets	<u>601,742</u>	<u>473,519</u>
Total liabilities and net assets	<u>\$ 978,047</u>	<u>\$ 867,138</u>

See Notes to Financial Statements.

FAMILY SERVICES OF ELKHART COUNTY, INC.
d/b/a INDIVIDUALS & FAMILIES IN TRANSITION

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2008 and 2007

	2008			2007				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE								
Program fees	\$ 131,027	\$	\$	\$ 131,027	\$ 108,859	\$	\$	\$ 108,859
Grants	554,689			554,689	603,383			603,383
United Way	146,530			146,530	146,530			146,530
Contributions	78,094	2,922		81,016	97,175	27,907		125,082
Non cash contributions	216,109			216,109				
Special events	8,355			8,355	16,081			16,081
Interest	71			71	700			700
Investment income	830			830	1,546			1,546
In kind contributions	50,503			50,503	5,246			5,246
Other income	435			435	77,483			77,483
Gain on sale of assets		(7,642)		(7,642)	97,867	464		97,867
Gain (loss) in investment fair market value								464
Change in beneficial interest of assets held on the Community Foundation			(7,230)	(7,230)				
Net asset released from restrictions:								
Satisfaction of purpose restrictions	200	(200)			31,795	(31,795)		
Total support and revenue	1,186,843	(4,920)	(7,230)	1,174,693	1,186,665	(3,424)		1,183,241
EXPENSES								
Program services								
Counseling/ Life Skills	99,366			99,366	206,887			206,887
Shelter	356,568			356,568	358,517			358,517
Family Empowerment	155,831			155,831	137,775			137,775
Transitional Housing	68,894			68,894				
Helping Hand	84,911			84,911	77,376			77,376
Teen Court	53,339			53,339	87,448			87,448
Total program service expenses	818,909			818,909	868,003			868,003
Management and general Fundraising	219,878			219,878	232,063			232,063
	7,683			7,683	3,917			3,917
Total expenses	1,046,470			1,046,470	1,103,983			1,103,983
Change in net assets	140,373	(4,920)	(7,230)	128,223	82,682	(3,424)		79,258
Net assets, beginning of year	413,819	26,124	33,576	473,519	331,137	29,548	33,576	394,261
Net assets, at end of year	\$ 554,192	\$ 21,204	\$ 26,346	\$ 601,742	\$ 413,819	\$ 26,124	\$ 33,576	\$ 473,519

See Notes to Financial Statements.

FAMILY SERVICES OF ELKHART COUNTY, INC.
d/b/a INDIVIDUALS & FAMILIES IN TRANSITION

STATEMENT OF FUNCTIONAL EXPENSES
 For the Year Ended December 31, 2008
 (with Comparative Totals for 2007)

	Counseling/ Life Skills	Shelter	Family Empowerment	Transitional Housing	Helping Hand	Teen Court	Management and General	2008 Total	2007 Total
Salaries and related expenses									
Salaries	\$ 36,878	\$ 152,210	\$ 97,547	\$ 21,595	\$ 57,012	\$ 32,919	\$ 93,017	\$ 491,178	597,387
Payroll taxes	3,028	14,827	8,641	1,791	4,888	2,618	7,831	43,222	49,134
Employee insurance	4,875	12,418	7,470		7,465	5,563	7,443	45,234	55,899
Retirement plan	281	2,085	2,379	450	1,418	809	2,793	10,215	32,010
Other employee benefits		799	55				1,162	2,016	2,588
Total salaries and related expenses	<u>45,062</u>	<u>182,139</u>	<u>116,092</u>	<u>23,836</u>	<u>70,581</u>	<u>41,909</u>	<u>112,248</u>	<u>591,865</u>	<u>737,018</u>
Program costs									
Insurance	1,940	10,898	2,617	1,854	2,489	1,610	5,461	26,969	27,364
Professional fees	33,773	27,753	1,580	856	2,287	2,527	41,710	110,486	61,330
Supplies and client expenses	8,613	16,966	19,831	4,128	2,575	1,459	9,167	62,839	59,425
Utilities	2,195	16,410	4,067	7,803	1,369	938	5,303	38,085	31,724
Rent	51	1,041	51		51	51	51	1,296	1,215
Local transportation	40	4,015	2,424		1,550	207	982	9,218	7,675
Conference and conventions	445	401	1,317	12	350	1,158	7,613	11,296	8,241
Membership dues	1,403	3,491	1,459	58	1,309	911	181	8,812	11,964
Recruitment			248					248	294
Printing and publications		286						3,506	1,088
Contributed materials		49,684	670					50,504	5,246
Total program costs	<u>48,460</u>	<u>130,845</u>	<u>34,264</u>	<u>14,711</u>	<u>11,980</u>	<u>9,011</u>	<u>73,688</u>	<u>322,959</u>	<u>215,566</u>
Office expenses									
Interest		4,285						23,287	41,989
Facility repairs and maintenance	1,709	8,955	1,640	27,587	696	662	19,002	43,817	23,634
Postage and shipping	1,112	1,451	812		445	222	467	4,509	5,382
Books and resources		137						305	534
Total office expenses	<u>2,821</u>	<u>14,828</u>	<u>2,452</u>	<u>27,587</u>	<u>1,141</u>	<u>884</u>	<u>22,205</u>	<u>71,918</u>	<u>71,539</u>
Other									
Miscellaneous		120						8,558	8,246
Bad debt expense									20,194
Total other expenses		<u>120</u>				<u>326</u>	<u>8,112</u>	<u>8,558</u>	<u>28,440</u>
Total expenses before depreciation	<u>96,343</u>	<u>327,932</u>	<u>152,808</u>	<u>66,134</u>	<u>83,702</u>	<u>52,130</u>	<u>216,251</u>	<u>995,300</u>	<u>1,052,563</u>
Depreciation	<u>3,023</u>	<u>28,636</u>	<u>3,023</u>	<u>2,760</u>	<u>1,209</u>	<u>1,209</u>	<u>3,627</u>	<u>43,487</u>	<u>47,503</u>
Total expenses	<u>\$ 99,366</u>	<u>\$ 356,568</u>	<u>\$ 155,831</u>	<u>\$ 68,894</u>	<u>\$ 84,911</u>	<u>\$ 53,339</u>	<u>\$ 219,878</u>	<u>\$ 1,038,787</u>	<u>\$ 1,100,066</u>

See Notes to Financial Statements.

FAMILY SERVICES OF ELKHART COUNTY, INC.
d/b/a INDIVIDUALS & FAMILIES IN TRANSITION

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2008 and 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 128,223	\$ 79,258
Adjustments to reconcile change in net assets to cash used in operating activities		
Depreciation	43,487	47,503
Non cash contribution	(216,109)	
Gain on sale of fixed assets		(97,867)
Realized gain on investments	(830)	(1,546)
(Gain) loss in investment fair market value	7,642	(464)
Decrease in beneficial interest in assets held by the Community Foundation	7,230	
Non cash adjustment to an accrual of a liability		(76,028)
Change in assets (increase) decrease:		
Accounts receivable	315	30,911
Grants receivable	10,050	(1,301)
Prepaid expenses	(7,702)	(92)
Change in liabilities increase (decrease):		
Accounts payable and accrued expenses	12,678	(1,585)
Total adjustments	(143,239)	(100,469)
Net cash used in operating activities	(15,016)	(21,211)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of fixed assets	(14,814)	(2,893)
Proceeds from sale of fixed assets		138,000
Net cash provided by (used in) investing activities	(14,814)	135,107
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net decrease in line of credit		(20,000)
Principal payments of long term debt	(30,000)	(35,000)
Net cash used in financing activities	(30,000)	(55,000)
Net increase (decrease) in cash	(59,830)	58,896
Cash at beginning of year	105,119	46,223
Cash at end of year	\$ 45,289	\$ 105,119
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest:	\$ 24,574	\$ 42,736

See Notes to Financial Statements.

**FAMILY SERVICES OF ELKHART COUNTY, INC.
d/b/a INDIVIDUALS & FAMILIES IN TRANSITION**

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Nature of Activities:

Family Services of Elkhart County, Inc. d/b/a Individuals & Families in Transition (the Organization) is a not for profit Organization principally involved in providing programs for families and individuals in Elkhart County Indiana, including Counseling/Life Skills, youth programs, transitional housing and shelter for abused women. Funding is provided from fees for services and community, governmental and private support.

Significant Accounting Policies

Basis of Accounting - The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Revenue Recognition - Revenue from program services is recorded as revenue in the period earned.

Basis of Presentation - Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not for Profit Organizations. Under SFAS No. 117, 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.

Recently Issued Accounting Pronouncements - Effective January 1, 2008, the Organization adopted Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards No. 157 "Fair Value Measurements" (SFAS 157). In February 2008, the FASB issued Staff Position No. 157-2, "Effective Date of FASB Statement No. 157", which provides a one year deferral of the effective date of SFAS 157 for nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed in the financial statements at fair value at least annually. Therefore, the Organization has adopted the provisions of SFAS 157 with respect to its financial assets and liabilities only and the adoption did not materially impact the financial statements. Management believes the adoption of SFAS 157 for nonfinancial assets and liabilities also will not have a material impact on the financial statements.

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 program and supporting service expense.

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

Accounts Receivable - Accounts receivable are recorded at the amount the Organization expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off all uncollectible balances at year end. The Organization uses the allowance method to determine uncollectible accounts receivable. The allowance is based on prior years' and management experience. No allowance for doubtful accounts has been recorded.

**FAMILY SERVICES OF ELKHART COUNTY, INC.
d/b/a INDIVIDUALS & FAMILIES IN TRANSITION**

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies (continued)

Grants Receivable - The Organization receives some grants for reimbursement of expenses incurred. A receivable for the reimbursement of allowable program expenditures due from grantors has been recorded at December 31, 2008 and 2007. No allowance for uncollectible grants has been recorded.

Contributions - Contributions received are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. 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 as net assets released from restrictions. The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Property and Equipment - Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Purchased property and equipment are stated at cost. Maintenance and repairs are charged to expense as incurred while major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the statement of activities. Depreciation is computed on the straight line method over the estimated useful lives of the assets.

Beneficial Interest in Assets Held by the Community Foundation - The Organization records periodic distributions of income and realizes changes in the market value of its beneficial interest as increases in net assets in the statements of activities.

Contributed Services - A number of unpaid volunteers have made significant contributions of their time to the Organization. During the years ended December 31, 2008 and 2007, the value of contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the requirements for recognition under SFAS No. 116.

Note 2. Income Tax Status

The Organization operates as a not for profit corporation under Internal Revenue code Section 501(c)(3) and a similar section of the Indiana tax law, which provides exemption from federal and state income taxes.

**FAMILY SERVICES OF ELKHART COUNTY, INC.
d/b/a INDIVIDUALS & FAMILIES IN TRANSITION**

NOTES TO FINANCIAL STATEMENTS

Note 3. Support from Major Funding Sources/Concentrations of Credit Risk

The Organization receives a substantial amount of its support from federal, state and local agencies. A significant reduction in the level of support, if this were to occur, may have a significant effect on the Organization's programs and activities. The Organization places its cash with a high quality financial institution. The Organization does not limit the amount of credit exposure and has cash balances in excess of the federal depository insurance limits.

Note 4. Comparative Amounts

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2007 from which the summarized information was derived.

Note 5. Investments

Statement of Financial Accounting Standards No. 157 (SFAS 157) defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SFAS 157 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standards describe three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Organization utilizes the market approach to measure fair value for its financial assets and liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

Assets and liabilities measured at fair value on a recurring basis are summarized below:

<u>Fair Value Measurements at December 31, 2008</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	<u>\$ 13,452</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 13,452</u>
Amounts included in:				
Beneficial interest in assets held by the Community Foundation	<u>\$ 13,619</u>	<u>\$ 727</u>	<u>\$ _____</u>	<u>\$ 14,346</u>

Unrealized gains or losses on investments are recorded in the Statement of Activities.

**FAMILY SERVICES OF ELKHART COUNTY, INC.
d/b/a INDIVIDUALS & FAMILIES IN TRANSITION**

NOTES TO FINANCIAL STATEMENTS

Note 6. Elkhart County Community Foundation

As of December 31, 2008, the Organization invested \$15,300 in a designated separate fund (the Women's Shelter of Family Services Fund – the "Fund") of the Community Foundation of Elkhart County (the "Community Foundation") and the Organization has specified itself as the beneficiary of periodic distributions of investment earnings. The Organization adopted the provisions of Statement of Financial Accounting Standards ("SFAS" No. 136, "Transfers of Assets to a Not for Profit Organization or Charitable Trust That Raises or Holds Contributions for Others." Although the Organization has granted the Community Foundation variance power pursuant to the fund agreement between the Organization and the Community Foundation, under the provisions of SFAS No. 136, the Organization is now permitted to record an asset reflecting the market value of its beneficial interest as both donor and beneficiary of its invested principal and undistributed earnings of the Fund held by the Community Foundation. With respect to contributions received by the Community Foundation on behalf of the Organization from other donors, as prescribed by SFAS No. 136, this portion of the Fund (fair value approximating \$54,625 at December 31, 2008) has not been reflected as part of the Organization's beneficial interest as the donor grants the Community Foundation variance power, which precludes recognition of expected cash flows by the beneficiary.

At December 31, 2008, the fair value of the investments held by the Community Foundation for which the Organization is both donor and beneficiary is reflected in the statement of financial position as "Beneficial interest in assets held by the Community Foundation."

The Organization receives periodic distributions of investment earnings from the Fund which are made in accordance with the distribution policy of the Community Foundation. During the years ended December 31, 2008 and 2007, the Organization received distributions of \$2,288 and \$4,025, respectively, from the Community Foundation.

Note 7. Line of Credit

The Organization has a bank line of credit available of \$125,000, of which none was utilized at December 31, 2008. The line is secured by accounts receivable and equipment. The line bears interest at prime plus 2% or 5.25% at December 31, 2008. Interest is due monthly on the previous month's activity.

Note 8. Long Term Debt

Long term debt consists of the following at December 31, 2008:

	<u>Due within One year</u>	<u>Due after one year</u>
Note payable to bank, dated March 9, 2005, payable in monthly installments of \$2,500 plus interest at 1.5% above prime, or 4.75% at December 31, 2008. The note is secured by the real estate. A balloon payment is due February 2010.	<u>\$30,000</u>	<u>\$300,000</u>

Scheduled maturities of long term debt in each of the next two years are as follows:

2009	\$ 30,000
2010	<u>300,000</u>
	<u>\$ 330,000</u>

**FAMILY SERVICES OF ELKHART COUNTY, INC.
d/b/a INDIVIDUALS & FAMILIES IN TRANSITION**

NOTES TO FINANCIAL STATEMENTS

Note 8. Long Term Debt (continued)

The fair value of long term debt approximates the carrying value due to relevant market information. The note includes various affirmative and negative covenants. The Organization was in compliance of all covenants as of December 31, 2008.

Note 9. Restrictions on Assets

Temporarily restricted net assets at December 31, 2008 represent the following:

Women's Shelter	\$ 15,972
Transitional Housing	1,000
Family Empowerment	<u>4,232</u>
	<u>\$ 21,204</u>

Permanently restricted net assets at December 31, 2008 represent the following:

Community Foundation - Women's Shelter of Family Services Fund, the income from which is available for current operations.	\$ 14,346
Investments - endowment	<u>12,000</u>
	<u>\$ 26,346</u>

Note 10. Advertising

The Organization expenses the cost of advertising the first time the advertising takes place. Advertising expense was \$3,506 and \$1,088 for the years ended December 31, 2008 and 2007, respectively.

Note 11. Contributions in Kind

The Organization received contributions of the following: clothing, food and household items valued at \$50,503 and \$5,246 for the years ended December 31, 2008 and 2007, respectively. Fair market value was utilized in determining the contributions received.

Note 12. Fundraising

The Organization received support from fundraising events totaling \$8,355 and \$16,081 and incurred fundraising expenses totaling \$7,683 and \$3,917 for the years ended December 31, 2008 and 2007, respectively.

Note 13. Retirement Plan

The Organization participates in a Simplified Employee Plan (the Plan) through Mutual of America. The contribution rate is determined by the Board of Directors. In 2007, employees were eligible to participate in the Plan the year after they have earned \$500 in compensation and the contribution rate was 6%. On December 11, 2007, the Organization amended the Plan to change eligibility and the contribution rate. For 2008, an employee is eligible after three years of service and the contribution rate is 3%. Retirement plan expense for 2008 and 2007 was \$10,215 and \$32,010, respectively.