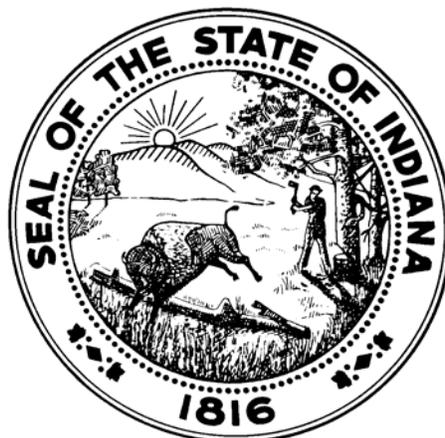


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

ANNUAL FINANCIAL REPORT
2006

WEST CENTRAL INDIANA ECONOMIC
DEVELOPMENT DISTRICT, INC.
VIGO COUNTY, INDIANA



FILED
04/18/2007

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Mervin J. Nolot	01-01-06 to 12-31-07
Bookkeeper	Dana Jill M. McLain	01-01-06 to 12-31-07
Chairman of the Board	Michael Costello	01-01-06 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE WEST CENTRAL INDIANA ECONOMIC
DEVELOPMENT DISTRICT, INC., VIGO COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, major fund, and the aggregate remaining fund information of the West Central Indiana Economic Development District, Inc., (District), as of and for the year ended December 31, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of 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 opinions.

As discussed in Note I, the District prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective cash balances of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of December 31, 2006, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated June 26, 2006, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the District taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

The District has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Combining Schedule of Cash Basis Assets and Fund Balances and Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances – Other Governmental Funds; and Combining Schedule of Additions, Deductions, and Changes in Cash Balances – Agency Funds are presented for additional analysis and are not a required part of the basic financial statements. The Combining Schedule of Cash Basis Assets and Fund Balances and Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances – Other Governmental Funds; and Combining Schedule of Additions, Deductions, and Changes in Cash Balances – Agency Funds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

STATE BOARD OF ACCOUNTS

March 8, 2007



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE WEST CENTRAL INDIANA ECONOMIC
DEVELOPMENT DISTRICT, INC., VIGO COUNTY, INDIANA

We have audited the financial statements of the West Central Indiana Economic Development District, Inc., (District), as of and for the year ended December 31, 2006, and have issued our report thereon dated March 8, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the District's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

March 8, 2007

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
STATEMENT OF CASH ACTIVITIES AND NET ASSETS - CASH BASIS
For The Year Ended December 31, 2006

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipt and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Primary Government
				Total
Primary government:				
Governmental activities:				
General government	\$ 12,431	\$ -	\$ -	\$ (12,431)
Public safety	5,031	-	-	(5,031)
Health and welfare	4,605,843	49,291	3,458,620	(1,097,932)
Culture and recreation	1,773	-	-	(1,773)
Urban redevelopment and housing	165,777	-	93,121	(72,656)
Transportation	237,013	-	187,794	(49,219)
Intergovernmental transfers	242,458	-	-	(242,458)
 Total government	\$ 5,270,326	\$ 49,291	\$ 3,739,535	(1,481,500)
 General receipts:				
Intergovernmental transfers in				242,458
Other				1,197,467
 Change in net assets				(41,575)
 Net assets - beginning				272,944
 Net assets - ending				\$ 231,369
 <u>Assets</u>				
Cash and cash equivalents				\$ 214,719
Restricted assets:				
Cash and cash equivalents				16,650
 Total assets				\$ 231,369
 <u>Net Assets</u>				
Restricted for:				
General government				\$ 6,822
Health and welfare				12,847
Culture and recreation				426
Unrestricted				211,274
 Total net assets				\$ 231,369

The notes to the financial statements are an integral part of this statement.

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES AND
CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2006

	General	Match	C.H.O.I.C.E 2005-2006	C.H.O.I.C.E 2006-2007	Title III 2006-2007	Title III 2005-2006	SSBG 2005-2006	Other Governmental Funds	Totals
Receipts:									
Intergovernmental	\$ -	\$ -	\$ 1,097,107	\$ 592,870	\$ 347,266	\$ 509,137	\$ 339,960	\$ 853,195	\$ 3,739,535
Charges for services	-	-	-	-	-	-	35,603	13,688	49,291
Other	55,954	13,847	-	-	318,736	332,410	147,316	329,204	1,197,467
Total receipts	55,954	13,847	1,097,107	592,870	666,002	841,547	522,879	1,196,087	4,986,293
Disbursements:									
General government	-	-	-	-	-	-	-	12,431	12,431
Public safety	-	-	-	-	-	-	-	5,031	5,031
Health and welfare	31,527	3,263	980,739	678,667	715,397	927,599	551,062	717,589	4,605,843
Culture and recreation	-	-	-	-	-	-	-	1,773	1,773
Urban redevelopment and housing	-	-	-	-	-	-	-	165,777	165,777
Transportation	-	-	-	-	-	-	-	237,013	237,013
Total disbursements	31,527	3,263	980,739	678,667	715,397	927,599	551,062	1,139,614	5,027,868
Excess (deficiency) of revenue over (under) disbursements	24,427	10,584	116,368	(85,797)	(49,395)	(86,052)	(28,183)	56,473	(41,575)
Other financing sources (uses)									
Transfers in	2,627	16,876	10,473	-	-	50,844	83,742	77,896	242,458
Transfers out	(93,741)	(67,691)	(57,501)	-	(2,079)	(1,223)	(9,280)	(10,943)	(242,458)
Total other financing sources (uses)	(91,114)	(50,815)	(47,028)	-	(2,079)	49,621	74,462	66,953	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(66,687)	(40,231)	69,340	(85,797)	(51,474)	(36,431)	46,279	123,426	(41,575)
Cash basis fund balance - beginning	246,969	380,406	(69,340)	-	-	36,431	(46,279)	(275,243)	272,944
Cash basis fund balance - ending	\$ 180,282	\$ 340,175	\$ -	\$ (85,797)	\$ (51,474)	\$ -	\$ -	\$ (151,817)	\$ 231,369
Cash Basis Assets - December 31									
Cash and cash equivalents	\$ 180,282	\$ 340,175	\$ -	\$ (85,797)	\$ (51,474)	\$ -	\$ -	\$ (168,467)	\$ 214,719
Restricted assets:									
Cash and cash equivalents	-	-	-	-	-	-	-	16,650	16,650
Total cash basis assets - December 31	\$ 180,282	\$ 340,175	\$ -	\$ (85,797)	\$ (51,474)	\$ -	\$ -	\$ (151,817)	\$ 231,369
Cash Basis Fund Balance - December 31									
Restricted for:									
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,822	\$ 6,822
Health and welfare	-	-	-	-	-	-	-	12,847	12,847
Culture and recreation	-	-	-	-	-	-	-	426	426
Unrestricted	180,282	340,175	-	(85,797)	(51,474)	-	-	(171,912)	211,274
Total cash basis fund balance - December 31	\$ 180,282	\$ 340,175	\$ -	\$ (85,797)	\$ (51,474)	\$ -	\$ -	\$ (151,817)	\$ 231,369

The notes to the financial statements are an integral part of this statement.

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 FIDUCIARY FUNDS
 For The Year Ended December 31, 2006

	<u>Agency Funds</u>
Additions:	
Agency fund additions	\$ <u> -</u>
Deductions:	
Agency fund deductions	<u> -</u>
Excess (deficiency) of total additions over total deductions	<u> -</u>
Cash and investment fund balance - beginning	<u> 8,000</u>
Cash and investment fund balance - ending	<u><u> 8,000</u></u>

The notes to the financial statements are an integral part of this statement.

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The District was established under the laws of the State of Indiana. The District operates under an appointed governing board.

The District's financial reporting entity is composed of the following:

Primary Government

In determining the financial reporting entity, the District complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Cash Activities and Net Assets – Cash Basis display information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the District has not established any enterprise funds.

The District reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The match fund accounts for surplus financial resources expended to supplement services.

The C.H.O.I.C.E. funds account for financial resources expended for homebound services for the disabled and elderly.

The Title III funds account for financial resources expended pursuant to the Older Americans Act.

The SSBG fund accounts for financial resources expended for homebound services for elderly and disabled adults.

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)

Additionally, the District reports the following fund types:

Agency funds account for assets held by the District as an agent for payroll and C.H.O.I.C.E. private hire.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The District does not have any proprietary funds.

D. Assets and Cash Fund Balances

1. Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

2. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)

- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the District's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided and (2) operating grants and contributions. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The District does not have any proprietary funds.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Cash Activities and Net Assets – Cash Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Cash Activities and Net Assets – Cash Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

II. Stewardship, Compliance and Accountability

Cash Balance Deficits

At December 31, 2006, the following funds reported deficits in cash:

Fund	2006
C.H.O.I.C.E 2006-2207	\$ 85,797
Title III 2006-2007	51,474
IRDC Redevelopment Commission	1,650
Older Hoosier 2006-2007	5,790
Title V 2006-2007	10,021
SSBG 2006-2007	63,530
HIV Care Coordination	10,833
Ride Solutions 2005	9,121
Rural Transportation	2,542
Federal Highway 2006-2007	21,712
F.T.A. 2006-2007	1,661
CDBG Grant Administration	24,462
E.D.A. 2006-2007	33,078
Pre-Disaster Mitigation	5,031
Vigo County Projects	903
Parke County Projects	524

Cash deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts and reimbursable grants for which funds have not been received.

III. Detailed Notes on All Funds

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds;

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)

and has a principal office or branch that qualifies to receive public funds of the political subdivision. At December 31, 2006, the bank balance held at First Financial Bank in the amount of \$362,905 was insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

IV. Other Information

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk. Funds are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2006, were as follows:

Transfer From	Transfer To	2006
General Fund	Title III 2005-2006 Fund	\$ 34,071
General Fund	SSBG 2205-2006	59,670
Match Fund	Title III 2005-2006 Fund	13,596
Match Fund	C.H.O.I.C.E. 2005-2006	10,473
Match Fund	SSBG 2205-2006	24,072
Match Fund	Other governmental funds	19,550
Title III 2006-2007 Fund	Title III 2005-2006 Fund	2,079
Title III 2005-2006 Fund	Other governmental funds	845
SSBG 2005-2006	Match Fund	378
C.H.O.I.C.E. 2005-2006	Other governmental funds	57,501
C.H.O.I.C.E. 2005-2006	Match Fund	9,280
Other governmental funds	Match Fund	7,218
Other governmental funds	General Fund	2,627
Other governmental funds	Title III 2005-2006 Fund	1,098
Total		<u>\$ 242,458</u>

The District typically uses transfers to fund ongoing operating subsidies and to transfer the portion of state-shared revenues from the General Fund to the debt service fund for current-year debt service requirements.

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Pension Plan

Defined Contribution Pension Plan

Defined Contribution 401(K) Profit Sharing Plan

Plan Description

The District has a defined contribution pension plan administered by the District. The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by written agreement between the District and Principal Life Insurance Company.

Funding Policy and Annual Pension Cost

Plan members are not required to contribute to the plan and may contribute up to 100% of the annual covered salary. The District is required to contribute at an actuarially determined rate. The current rate is 8% of annual covered payroll. Employer and employee contributions to the plan were \$87,930 and \$59,015, respectively.

D. Contingent Liability - IFSSA Assessments

The Indiana Family and Social Services Administration (IFSSA) performed a review to monitor compliance of contractual services administered by the District for the contract period July 1, 2004 to June 30, 2005. A report was issued on August 22, 2006, requesting that the District pay \$234,376.63 in disallowed costs. The District has appealed the disallowed costs under level I of the IFSSA Audit Appeal Procedures.

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND
 CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2006

	IRDC Redevelopment Commission	Older Hoosier 2005-2006	Older Hoosier 2006-2007	C.H.O.I.C.E 2003-2004	Title V 2005-2006	Title V 2006-2007	SSBG 2006-2007
Receipts:							
Intergovernmental	\$ 8,457	\$ 85,392	\$ 28,953	\$ -	\$ 36,349	\$ 20,787	\$ 222,728
Charges for services	-	-	-	-	-	-	13,688
Other	-	-	-	-	37	5,001	131,332
Total receipts	8,457	85,392	28,953	-	36,386	25,788	367,748
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health and welfare	4,484	-	34,743	505	37,590	35,809	431,278
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Total disbursements	4,484	-	34,743	505	37,590	35,809	431,278
Excess (deficiency) of revenue over (under) disbursements	3,973	85,392	(5,790)	(505)	(1,204)	(10,021)	(63,530)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(13)	-	-
Total other financing sources (uses)	-	-	-	-	(13)	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	3,973	85,392	(5,790)	(505)	(1,217)	(10,021)	(63,530)
Cash basis fund balance - beginning	(5,623)	(85,392)	-	505	1,217	-	-
Cash basis fund balance - ending	<u>\$ (1,650)</u>	<u>\$ -</u>	<u>\$ (5,790)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,021)</u>	<u>\$ (63,530)</u>
Cash Basis Assets - December 31							
Cash and cash equivalents	\$ (1,650)	\$ -	\$ (5,790)	\$ -	\$ -	\$ (10,021)	\$ (63,530)
Restricted assets:							
Cash and cash equivalents	-	-	-	-	-	-	-
Total cash basis assets - December 31	<u>\$ (1,650)</u>	<u>\$ -</u>	<u>\$ (5,790)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,021)</u>	<u>\$ (63,530)</u>
Cash Basis Fund Balance - December 31							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Unrestricted	(1,650)	-	(5,790)	-	-	(10,021)	(63,530)
Total cash basis fund balance - December 31	<u>\$ (1,650)</u>	<u>\$ -</u>	<u>\$ (5,790)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,021)</u>	<u>\$ (63,530)</u>

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND
 CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2006
 (Continued)

	HIV Care Coordination	Medicaid	Senior Games	Ride Solutions 2005	Rural Transportation	Medicare Grant	Drug Grant 2006
Receipts:							
Intergovernmental	\$ 73,810	\$ 84,404	\$ -	\$ -	\$ -	\$ 10,000	\$ 1,400
Charges for services	-	-	-	-	-	-	-
Other	6,034	377	773	11,367	45,669	3,889	-
Total receipts	79,844	84,781	773	11,367	45,669	13,889	1,400
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health and welfare	71,031	74,744	-	15,896	-	10,109	1,400
Culture and recreation	-	-	1,773	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Transportation	-	-	-	-	45,033	-	-
Total disbursements	71,031	74,744	1,773	15,896	45,033	10,109	1,400
Excess (deficiency) of revenue over (under) disbursements	8,813	10,037	(1,000)	(4,529)	636	3,780	-
Other financing sources (uses)							
Transfers in	-	10,904	-	1,058	-	-	-
Transfers out	-	-	-	(4,773)	(5,099)	-	-
Total other financing sources (uses)	-	10,904	-	(3,715)	(5,099)	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	8,813	20,941	(1,000)	(8,244)	(4,463)	3,780	-
Cash basis fund balance - beginning	(19,646)	(11,640)	1,426	(877)	1,921	5,622	-
Cash basis fund balance - ending	<u>\$ (10,833)</u>	<u>\$ 9,301</u>	<u>\$ 426</u>	<u>\$ (9,121)</u>	<u>\$ (2,542)</u>	<u>\$ 9,402</u>	<u>\$ -</u>
Cash Basis Assets - December 31							
Cash and cash equivalents	\$ (10,833)	\$ 9,301	\$ -	\$ (9,121)	\$ (2,542)	\$ -	\$ -
Restricted assets:							
Cash and cash equivalents	-	-	426	-	-	9,402	-
Total cash basis assets - December 31	<u>\$ (10,833)</u>	<u>\$ 9,301</u>	<u>\$ 426</u>	<u>\$ (9,121)</u>	<u>\$ (2,542)</u>	<u>\$ 9,402</u>	<u>\$ -</u>
Cash Basis Fund Balance - December 31							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Health and welfare	-	-	-	-	-	9,402	-
Culture and recreation	-	-	426	-	-	-	-
Unrestricted	(10,833)	9,301	-	(9,121)	(2,542)	-	-
Total cash basis fund balance - December 31	<u>\$ (10,833)</u>	<u>\$ 9,301</u>	<u>\$ 426</u>	<u>\$ (9,121)</u>	<u>\$ (2,542)</u>	<u>\$ 9,402</u>	<u>\$ -</u>

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND
 CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2006
 (Continued)

	Federal Highway 2005-2006	Federal Highway 2006-2007	F.T.A. 2005-2006	F.T.A. 2006-2007	CDBG Grant Administration	E.D.A. 2005-2006	E.D.A. 2006-2007
Receipts:							
Intergovernmental	\$ 114,987	\$ 30,998	\$ 32,286	\$ 9,523	\$ -	\$ 67,307	\$ 25,814
Charges for services	-	-	-	-	-	-	-
Other	17,545	12,313	-	9,780	-	-	49,087
Total receipts	132,532	43,311	32,286	19,303	-	67,307	74,901
Disbursements:							
General government	-	-	-	-	379	-	-
Public safety	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	57,798	107,979
Transportation	87,199	65,023	18,794	20,964	-	-	-
Total disbursements	87,199	65,023	18,794	20,964	379	57,798	107,979
Excess (deficiency) of revenue over (under) disbursements	45,333	(21,712)	13,492	(1,661)	(379)	9,509	(33,078)
Other financing sources (uses)							
Transfers in	308	-	-	-	5,836	59,362	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	308	-	-	-	5,836	59,362	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	45,641	(21,712)	13,492	(1,661)	5,457	68,871	(33,078)
Cash basis fund balance - beginning	(45,641)	-	(13,492)	-	(29,919)	(68,871)	-
Cash basis fund balance - ending	\$ -	\$ (21,712)	\$ -	\$ (1,661)	\$ (24,462)	\$ -	\$ (33,078)
Cash Basis Assets - December 31							
Cash and cash equivalents	\$ -	\$ (21,712)	\$ -	\$ (1,661)	\$ (24,462)	\$ -	\$ (33,078)
Restricted assets:							
Cash and cash equivalents	-	-	-	-	-	-	-
Total cash basis assets - December 31	\$ -	\$ (21,712)	\$ -	\$ (1,661)	\$ (24,462)	\$ -	\$ (33,078)
Cash Basis Fund Balance - December 31							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Unrestricted	-	(21,712)	-	(1,661)	(24,462)	-	(33,078)
Total cash basis fund balance - December 31	\$ -	\$ (21,712)	\$ -	\$ (1,661)	\$ (24,462)	\$ -	\$ (33,078)

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND
 CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2006
 (Continued)

	Pre-Disaster Mitigation	Sullivan County Projects	Vigo County Projects	Parke County Projects	Clay County Projects	Putnam County Projects	Totals
Receipts:							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 853,195
Charges for services	-	-	-	-	-	-	13,688
Other	-	12,000	-	-	21,000	3,000	329,204
Total receipts	-	12,000	-	-	21,000	3,000	1,196,087
Disbursements:							
General government	-	7,089	-	524	4,439	-	12,431
Public safety	5,031	-	-	-	-	-	5,031
Health and welfare	-	-	-	-	-	-	717,589
Culture and recreation	-	-	-	-	-	-	1,773
Urban redevelopment and housing	-	-	-	-	-	-	165,777
Transportation	-	-	-	-	-	-	237,013
Total disbursements	5,031	7,089	-	524	4,439	-	1,139,614
Excess (deficiency) of revenue over (under) disbursements	(5,031)	4,911	-	(524)	16,561	3,000	56,473
Other financing sources (uses)							
Transfers in	-	428	-	-	-	-	77,896
Transfers out	-	(1,058)	-	-	-	-	(10,943)
Total other financing sources (uses)	-	(630)	-	-	-	-	66,953
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(5,031)	4,281	-	(524)	16,561	3,000	123,426
Cash basis fund balance - beginning	-	(836)	(903)	-	(6,916)	3,822	(275,243)
Cash basis fund balance - ending	<u>\$ (5,031)</u>	<u>\$ 3,445</u>	<u>\$ (903)</u>	<u>\$ (524)</u>	<u>\$ 9,645</u>	<u>\$ 6,822</u>	<u>\$ (151,817)</u>
Cash Basis Assets - December 31							
Cash and cash equivalents	\$ (5,031)	\$ 3,445	\$ (903)	\$ (524)	\$ 9,645	\$ -	\$ (168,467)
Restricted assets:							
Cash and cash equivalents	-	-	-	-	-	6,822	16,650
Total cash basis assets - December 31	<u>\$ (5,031)</u>	<u>\$ 3,445</u>	<u>\$ (903)</u>	<u>\$ (524)</u>	<u>\$ 9,645</u>	<u>\$ 6,822</u>	<u>\$ (151,817)</u>
Cash Basis Fund Balance - December 31							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,822	\$ 6,822
Health and welfare	-	3,445	-	-	-	-	12,847
Culture and recreation	-	-	-	-	-	-	426
Unrestricted	(5,031)	-	(903)	(524)	9,645	-	(171,912)
Total cash basis fund balance - December 31	<u>\$ (5,031)</u>	<u>\$ 3,445</u>	<u>\$ (903)</u>	<u>\$ (524)</u>	<u>\$ 9,645</u>	<u>\$ 6,822</u>	<u>\$ (151,817)</u>

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2006

	Payroll	Private Hire	Total
Additions:			
Agency fund additions	\$ -	\$ -	\$ -
Deductions:			
Agency fund deductions	-	-	-
Excess (deficiency) of total additions over (under) total deductions	-	-	-
Cash and cash equivalents - beginning	3,000	5,000	8,000
Cash and cash equivalents - ending	\$ 3,000	\$ 5,000	\$ 8,000

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
AUDIT RESULT AND COMMENT

OVERDRAWN CASH BALANCES

The cash balances of several funds were overdrawn at December 31, 2006. In most instances, the funds were reimbursable grant funds which had amounts due.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE WEST CENTRAL INDIANA ECONOMIC
DEVELOPMENT DISTRICT, INC., VIGO COUNTY, INDIANA

Compliance

We have audited the compliance of the West Central Indiana Economic Development District, Inc., (District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2006. The District's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the District's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

March 8, 2007

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2006

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. Department of Agriculture</u>			
Pass-Through Indiana Family and Social Services Administration Nutrition Program for the Elderly	10.570	2004-2007	\$ 72,074
<u>U.S. Department of Commerce</u>			
Direct Grant Economic Development - Support for Planning Organizations	11.302	2004-2007	58,869
<u>U.S. Department of Housing and Urban Development</u>			
Pass-Through Indiana Housing Finance Authority Home Investment Partnerships Program	14.239	2004-2007	42,422
<u>U.S. Department of Labor</u>			
Pass-Through Indiana Family and Social Services Administration Senior Community Service Employment Program	17.235	2004-2007	60,253
<u>U.S. Department of Transportation</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction	20.205	2004-2007	124,617
Transit Planning and Research	20.514	2004-2007	32,959
Total for federal grantor agency			157,576
<u>U.S. Department of Health and Human Services</u>			
Pass-Through Indiana Family and Social Services Administration Special Programs for the Aging - Title VII, Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals	93.042	2004-2007	10,329
Special Programs for the Aging - Title III, Part D - Disease Preventative and Health Promotion Services	93.043	2004-2007	18,598
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	2004-2007	326,025
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	2004-2007	423,125
National Family Caregiver Support	93.052	2004-2007	65,275
Temporary Assistance for Needy Families	93.558	2004-2007	30,265
Social Services Block Grant	93.667	2004-2007	440,166
Medicare - Prescription Drug Coverage	93.770	2004-2007	10,000
Medical Assistance Program	93.778	2004-2007	133,608
Total for federal grantor agency			1,457,391
<u>U.S. Department of Homeland Security</u>			
Pass-Through Indiana Department of Homeland Security Pre-Disaster Mitigation (PDM) Competitive Grants	97.017	2004-2007	5,031
Total federal awards expended			\$ 1,853,616

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the West Central Indiana Economic Development District (District) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

II. Subrecipients

Of the federal expenditures presented in the schedule, the District provided federal awards to subrecipients as follows for the year ended December 31, 2006:

Program Title	Federal CFDA Number	2006
Special Programs for the Aging - Title III, Part B – Grants for Supportive Services and Senior Centers	93.044	\$ <u>77,404</u>

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
93.044	Special Programs for the Aging - Title III, Part B – Grants For Supportive Services and Senior Centers
93.667	Social Services Block Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
EXIT CONFERENCE

The contents of this report were discussed on March 8, 2007, with Mervin J. Nolot, Executive Director; and Dana Jill M. McLain, Bookkeeper. The officials concurred with our audit finding.