

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

ANNUAL FINANCIAL REPORT

2008

WEST CENTRAL INDIANA ECONOMIC
DEVELOPMENT DISTRICT, INC.

VIGO COUNTY, INDIANA



FILED
07/20/2009

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis	7
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds	8
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds	9
Notes to Financial Statements	10-14
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds	15-18
Combining Schedule of Additions, Deductions, and Changes in Cash Balances – Agency Funds	19
Audit Result and Comment:	
Overdrawn Cash Balances	20
Supplemental Audit of Federal Awards:	
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	22-23
Schedule of Expenditures of Federal Awards	24
Notes to Schedule of Expenditures of Federal Awards	25
Schedule of Findings and Questioned Costs	26
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings	27
Exit Conference	28

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Mervin J. Nolot	01-01-08 to 12-31-09
Bookkeeper	Dana Jill M. McLain	01-01-08 to 12-31-09
Chairman of the Board	Michael Costello	01-01-08 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

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, each 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, 2008, 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 and investment 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 and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of December 31, 2008, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated May 12, 2009, 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, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. 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.

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 Schedules, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, 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

May 12, 2009



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS 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, 2008, and have issued our report thereon dated May 12, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

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 grant agreements, 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 or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the District's management, District Board 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

May 12, 2009

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipt and Changes in Net Assets Primary Government</u>
			<u>Totals</u>
Primary government:			
Governmental activities:			
General government	\$ 42,725	\$ -	\$ (42,725)
Public safety	45,116	52,805	7,689
Health and welfare	4,239,453	3,859,351	(380,102)
Urban redevelopment and housing	133,615	67,467	(66,148)
Transportation	<u>412,570</u>	<u>175,849</u>	<u>(236,721)</u>
Total primary government	<u>\$ 4,873,479</u>	<u>\$ 4,155,472</u>	<u>(718,007)</u>
General receipts:			
Other			<u>927,793</u>
Change in net assets			209,786
Net assets - beginning			<u>254,526</u>
Net assets - ending			<u>\$ 464,312</u>
<u>Assets</u>			
Cash and cash equivalents			<u>\$ 464,312</u>
<u>Net Assets</u>			
Unrestricted			<u>\$ 464,312</u>

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

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES-CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2008

	General	Match	Medicaid Waiver	C.H.O.I.C.E 2008-2009	Title III 2008-2009	Title III 2007-2008	C.H.O.I.C.E 2007-2008	Governmental Funds	Totals
Receipts:									
Intergovernmental	\$ -	\$ -	\$ 270,937	\$ 504,446	\$ 423,765	\$ 825,728	\$ 923,574	\$ 1,207,022	\$ 4,155,472
Other	76,712	5,171	-	-	125,977	239,588	-	480,345	927,793
Total receipts	76,712	5,171	270,937	504,446	549,742	1,065,316	923,574	1,687,367	5,083,265
Disbursements:									
General government	-	-	-	-	-	-	-	42,725	42,725
Public safety	-	-	-	-	-	-	-	45,116	45,116
Health and welfare	13,758	285	156,917	646,462	705,077	959,829	801,690	955,435	4,239,453
Urban redevelopment and housing	-	-	-	-	-	-	-	133,615	133,615
Transportation	-	-	-	-	-	-	-	412,570	412,570
Total disbursements	13,758	285	156,917	646,462	705,077	959,829	801,690	1,589,461	4,873,479
Excess (deficiency) of receipts over disbursements	62,954	4,886	114,020	(142,016)	(155,335)	105,487	121,884	97,906	209,786
Cash basis fund balance - beginning	193,985	324,117	42,193	-	-	(105,487)	(121,884)	(78,398)	254,526
Cash basis fund balance - ending	<u>\$ 256,939</u>	<u>\$ 329,003</u>	<u>\$ 156,213</u>	<u>\$ (142,016)</u>	<u>\$ (155,335)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,508</u>	<u>\$ 464,312</u>
<u>Cash Basis Assets - December 31</u>									
Cash and cash equivalents	<u>\$ 256,939</u>	<u>\$ 329,003</u>	<u>\$ 156,213</u>	<u>\$ (142,016)</u>	<u>\$ (155,335)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,508</u>	<u>\$ 464,312</u>
<u>Cash Basis Fund Balance - December 31</u>									
Unrestricted	<u>\$ 256,939</u>	<u>\$ 329,003</u>	<u>\$ 156,213</u>	<u>\$ (142,016)</u>	<u>\$ (155,335)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,508</u>	<u>\$ 464,312</u>

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, 2008

	<u>Agency Funds</u>
Cash and investment fund balance - beginning	\$ 8,000
Cash and investment fund balance - ending	<u>\$ 8,000</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: West Central Indiana Economic Development District, Inc.

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 Activities and Net Assets – Cash and Investment Basis displays 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. The District had no business-type activities during the year.

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, fund equity, receipts, and disbursements. 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 medicaid waiver fund accounts for funds received as reimbursement pursuant to the medicaid program for home delivered meals, case management and adult day services.

The c.h.o.i.c.e funds account for financial resources expended for homebound services for the disabled and elderly.

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

The title III funds account for financial resources expended pursuant to the older americans act.

Additionally, the District reports the following fund type:

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 and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment 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 and investment 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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 and Investment Balances

1. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

2. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

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

3. 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.
- 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

Amounts reported as program receipts include operating grants and contributions. Internally dedicated resources are reported as general receipts rather than as program receipts.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment 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.

Government-Wide Financial Statements

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

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

1. Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment 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 government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

Cash and Investment Balance Deficits

At December 31, 2008, the following funds reported deficits in cash:

Fund	2008
C.H.O.I.C.E 2008-2009	\$ 142,016
Title III 2008-2009	155,335
Older Hoosier 2008-2009	12,228
A.D.R.C.	5,535
P.A.S.R.R.	15,400
SSBG 2008-2009	7,846
I.N.D.O.T Planning	16,704
Rural Transportation	13,462
Rural Transportation Planning	9,282
N.S.I.P 2007-2008	18,741
CDBG Grant Administration	6,012
E.D.A.	35,445
Pre-Disaster Mitigation	11,471
Putnam County Projects	324

Cash and investment 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

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government'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 and has a principal office or branch that qualifies to receive public funds of the political subdivision. The District does not have a deposit policy for custodial credit risk. At December 31, 2008, the District had deposit balances in the amount of \$575,632. Of this amount, none was exposed to custodial credit risk.

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

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. 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 \$91,971 and \$56,139, respectively.

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
 CASH AND INVESTMENT BASIS - OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008

	Drug Grant 2007	Older Hoosier 2008-2009	Older Hoosier 2007-2008	A.D.R.C.	P.A.S.R.R.	SSBG 2008-2009	SSBG 2007-2008
Receipts:							
Intergovernmental	\$ 1,600	\$ 24,456	\$ 43,524	\$ -	\$ 51,784	\$ 142,614	\$ 427,641
Other	-	-	-	11,173	-	113,877	45,800
Total receipts	1,600	24,456	43,524	11,173	51,784	256,491	473,441
Disbursements:							
General government	-	-	-	16,708	-	-	-
Public safety	-	-	-	-	-	-	-
Health and welfare	1,600	36,684	37,556	-	67,184	264,337	459,719
Urban redevelopment and housing	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Total disbursements	1,600	36,684	37,556	16,708	67,184	264,337	459,719
Excess (deficiency) of receipts over disbursements	-	(12,228)	5,968	(5,535)	(15,400)	(7,846)	13,722
Cash basis fund balance - beginning	-	-	(5,968)	-	-	-	(13,722)
Cash basis fund balance - ending	<u>\$ -</u>	<u>\$ (12,228)</u>	<u>\$ -</u>	<u>\$ (5,535)</u>	<u>\$ (15,400)</u>	<u>\$ (7,846)</u>	<u>\$ -</u>
Cash Basis Assets - December 31							
Cash and cash equivalents	<u>\$ -</u>	<u>\$ (12,228)</u>	<u>\$ -</u>	<u>\$ (5,535)</u>	<u>\$ (15,400)</u>	<u>\$ (7,846)</u>	<u>\$ -</u>
Cash Basis Fund Balance - December 31							
Unrestricted	<u>\$ -</u>	<u>\$ (12,228)</u>	<u>\$ -</u>	<u>\$ (5,535)</u>	<u>\$ (15,400)</u>	<u>\$ (7,846)</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
 CASH AND INVESTMENT BASIS - OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	H.O.P.W.A	I.N.D.O.T Planning	Veteran's A.D.S.	Rural Transportation	Rural Transportation Planning	Medicare Grant	N.S.I.P 2007-2008
Receipts:							
Intergovernmental	\$ 24,720	\$ 46,313	\$ 22,632	\$ 82,700	\$ 12,075	2,125	\$ 27,967
Other	934	45,888	-	49,313	-	-	-
Total receipts	25,654	92,201	22,632	132,013	12,075	2,125	27,967
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health and welfare	20,224	-	14,228	-	-	-	46,708
Urban redevelopment and housing	-	-	-	-	-	-	-
Transportation	-	108,905	-	118,802	21,357	-	-
Total disbursements	20,224	108,905	14,228	118,802	21,357	-	46,708
Excess (deficiency) of receipts over disbursements	5,430	(16,704)	8,404	13,211	(9,282)	2,125	(18,741)
Cash basis fund balance - beginning	(5,430)	-	(430)	(26,673)	-	8,186	-
Cash basis fund balance - ending	<u>\$ -</u>	<u>\$ (16,704)</u>	<u>\$ 7,974</u>	<u>\$ (13,462)</u>	<u>\$ (9,282)</u>	<u>\$ 10,311</u>	<u>\$ (18,741)</u>
Cash Basis Assets - December 31							
Cash and cash equivalents	<u>\$ -</u>	<u>\$ (16,704)</u>	<u>\$ 7,974</u>	<u>\$ (13,462)</u>	<u>\$ (9,282)</u>	<u>\$ 10,311</u>	<u>\$ (18,741)</u>
Cash Basis Fund Balance - December 31							
Unrestricted	<u>\$ -</u>	<u>\$ (16,704)</u>	<u>\$ 7,974</u>	<u>\$ (13,462)</u>	<u>\$ (9,282)</u>	<u>\$ 10,311</u>	<u>\$ (18,741)</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
 CASH AND INVESTMENT BASIS - OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Federal Highway 2007-2008	F.T.A 2007-2008	CDBG Grant Administration	E.D.A.	Pre-Disaster Mitigation	Sullivan County Projects	Vigo County Projects
Receipts:							
Intergovernmental	\$ 147,741	\$ 28,108	\$ -	\$ 67,467	\$ 52,805	\$ -	\$ -
Other	19,775	-	2,083	45,751	-	34,667	15,007
Total receipts	167,516	28,108	2,083	113,218	52,805	34,667	15,007
Disbursements:							
General government	-	-	-	-	-	10,008	2,381
Public safety	-	-	-	-	45,116	-	-
Health and welfare	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	133,615	-	-	-
Transportation	133,965	29,541	-	-	-	-	-
Total disbursements	133,965	29,541	-	133,615	45,116	10,008	2,381
Excess (deficiency) of receipts over disbursements	33,551	(1,433)	2,083	(20,397)	7,689	24,659	12,626
Cash basis fund balance - beginning	(33,551)	1,433	(8,095)	(15,048)	(19,160)	16,763	633
Cash basis fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,012)</u>	<u>\$ (35,445)</u>	<u>\$ (11,471)</u>	<u>\$ 41,422</u>	<u>\$ 13,259</u>
<u>Cash Basis Assets - December 31</u>							
Cash and cash equivalents	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,012)</u>	<u>\$ (35,445)</u>	<u>\$ (11,471)</u>	<u>\$ 41,422</u>	<u>\$ 13,259</u>
<u>Cash Basis Fund Balance - December 31</u>							
Unrestricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,012)</u>	<u>\$ (35,445)</u>	<u>\$ (11,471)</u>	<u>\$ 41,422</u>	<u>\$ 13,259</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
 CASH AND INVESTMENT BASIS - OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Parke County Projects	Clay County Projects	Putnam County Projects	Adult Day Service	Emergency Food and Shelter	McMillan	Totals
Receipts:							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 750	\$ -	\$ 1,207,022
Other	15,000	25,000	-	37,815	-	18,262	480,345
Total receipts	15,000	25,000	-	37,815	750	18,262	1,687,367
Disbursements:							
General government	1,960	10,731	937	-	-	-	42,725
Public safety	-	-	-	-	-	-	45,116
Health and welfare	-	-	-	6,445	750	-	955,435
Urban redevelopment and housing	-	-	-	-	-	-	133,615
Transportation	-	-	-	-	-	-	412,570
Total disbursements	1,960	10,731	937	6,445	750	-	1,589,461
Excess (deficiency) of receipts over disbursements	13,040	14,269	(937)	31,370	-	18,262	97,906
Cash basis fund balance - beginning	17,557	4,494	613	-	-	-	(78,398)
Cash basis fund balance - ending	<u>\$ 30,597</u>	<u>\$ 18,763</u>	<u>\$ (324)</u>	<u>\$ 31,370</u>	<u>\$ -</u>	<u>\$ 18,262</u>	<u>\$ 19,508</u>
Cash Basis Assets - December 31							
Cash and cash equivalents	<u>\$ 30,597</u>	<u>\$ 18,763</u>	<u>\$ (324)</u>	<u>\$ 31,370</u>	<u>\$ -</u>	<u>\$ 18,262</u>	<u>\$ 19,508</u>
Cash Basis Fund Balance - December 31							
Unrestricted	<u>\$ 30,597</u>	<u>\$ 18,763</u>	<u>\$ (324)</u>	<u>\$ 31,370</u>	<u>\$ -</u>	<u>\$ 18,262</u>	<u>\$ 19,508</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, 2008

	Payroll	Private Hire	Totals
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 materially overdrawn at December 31, 2008. 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
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

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, 2008. 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 of America; 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, 2008.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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)

A control deficiency in a District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

This report is intended solely for the information and use of the District's management, District Board 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

May 12, 2009

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2008

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 Programs for the Elderly	10.570	2006-2009	\$ 83,129
<u>U.S. DEPARTMENT OF COMMERCE</u>			
Direct Grant Economic Development-Support for Planning Organizations	11.302	2006-2009	1,627
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction	20.205	2006-2009	218,799
Public Transportation for Rural and Small Urban Areas	20.509	2006-2009	70,200
Transit Planning and Research	20.514	2006-2009	11,417
Total for federal grantor agency			300,416
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Family and Social Services Administration Special Programs for the Aging-Title III, Part A-Long- Term Care Care Ombudsman Services for Older Individuals	93.042	2006-2009	9,791
Special Programs for the Aging-Title III, Part F-Disease Prevention and Health Promotion Services	93.043	2006-2009	24,254
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	2006-2009	378,938
Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	2006-2009	456,210
Nation Family Caregiver Support Program	93.052	2006-2009	127,064
Temporary Assistance for Needy Families	93.558	2006-2009	3,166
Social Services Block Grant	93.667	2006-2009	371,194
Medical Assistance Program	93.778	2006-2009	115,600
Health Care Financing Research, Demonstrations and Evaluations	93.779	2006-2009	16,708
Total for federal grantor agency			1,502,925
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Pre-Disaster Mitigation (PDM) Competitive Grants	97.017	2006-2009	45,116
Emergency Food and Shelter National Board Program	97.024	2006-2009	750
Total for federal grantor agency			45,866
Total federal awards expended			\$ 1,933,963

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 District (Economic development) 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, 2007:

Program Title	Federal CFDA Number	2008
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	\$ <u>82,463</u>

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

No matters are reportable.

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	Title III-Social Services
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.
EXIT CONFERENCE

The contents of this report were discussed on May 27, 2009, with Mervin J. Nolot, Executive Director; and Dana Jill M. McLain, Bookkeeper. The officials concurred with our audit finding.