



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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February 15, 2010

Board of Directors
Noble County Economic
Development Corporation
110 S. Orange St.
Albion, IN 46701

We have reviewed the audit report prepared by Baden, Gage & Schroeder, LLC, 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 Indianapolis Resource Center for Independent Living, Inc., as of September 30, 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

Financial Statements

**Noble County Economic
Development Corporation**

December 31, 2008 and 2007

**NOBLE COUNTY ECONOMIC
DEVELOPMENT CORPORATION**

Financial Statements
December 31, 2008 and 2007

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Certified Public Accountants • Business Consultants

Independent Auditors' Report

Board of Directors
Noble County Economic Development Corporation
Albion, Indiana

We have audited the accompanying statements of assets, liabilities and net assets - cash basis of Noble County Economic Development Corporation as of December 31, 2008 and 2007, and the related statements of revenues, expenses, and changes in net assets - cash basis for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

As described in Note 1, the Corporation prepares its financial statements on the basis of cash receipts and disbursements. This basis 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 assets, liabilities, and net assets - cash basis of Noble County Economic Development Corporation as of December 31, 2008 and 2007, and its revenues, expenses, and changes in net assets - cash basis for the years then ended, on the basis of accounting described in Note 1.

Baden, Gage & Schroeder, LLC
BADEN, GAGE & SCHROEDER, LLC

Kendallville, Indiana
June 15, 2009

**NOBLE COUNTY ECONOMIC
DEVELOPMENT CORPORATION**

Statements of Assets, Liabilities and
Net Assets - Cash Basis
December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
ASSETS		
Cash	\$ 185,816	\$ 154,297
Deposits	100	100
Office equipment - net of accumulated depreciation	2,107	3,404
Cash and certificates of deposit restricted for long-term use	<u>353,050</u>	<u>400,000</u>
TOTAL ASSETS	<u>\$ 541,073</u>	<u>\$ 557,801</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Payroll tax withholdings	\$ 3,142	\$ 2,453
NET ASSETS		
Unrestricted	184,881	155,348
Temporarily restricted	<u>353,050</u>	<u>400,000</u>
Total Net Assets	<u>537,931</u>	<u>555,348</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 541,073</u>	<u>\$ 557,801</u>

See Notes to Financial Statements.

**NOBLE COUNTY ECONOMIC
DEVELOPMENT CORPORATION**

Statement of Revenues, Expenses and
Changes in Net Assets - Cash Basis
Year Ended December 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Government contributions	\$ 141,000	\$ 200,000	\$ 341,000
Public contributions	26,051	-	26,051
In-kind contributions	8,999	-	8,999
Interest Income	15,527	-	15,527
Net assets released from restrictions	<u>246,950</u>	<u>(246,950)</u>	<u>-</u>
Total Revenue and Support	438,527	(46,950)	391,577
EXPENSES			
Program expenses	366,520	-	366,520
General and administrative	<u>42,474</u>	<u>-</u>	<u>42,474</u>
Total Expenses	<u>408,994</u>	<u>-</u>	<u>408,994</u>
CHANGE IN NET ASSETS	29,533	(46,950)	(17,417)
NET ASSETS, BEGINNING OF YEAR	<u>155,348</u>	<u>400,000</u>	<u>555,348</u>
NET ASSETS, END OF YEAR	<u>\$ 184,881</u>	<u>\$ 353,050</u>	<u>\$ 537,931</u>

See Notes to Financial Statements.

**NOBLE COUNTY ECONOMIC
DEVELOPMENT CORPORATION**

Statement of Revenues, Expenses and
Changes in Net Assets - Cash Basis
Year Ended December 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Government contributions	\$ 161,500	\$ 200,000	\$ 361,500
Public contributions	28,750	-	28,750
In-kind contributions	8,999	-	8,999
Interest Income	<u>14,679</u>	<u>-</u>	<u>14,679</u>
Total Revenue and Support	213,928	200,000	413,928
EXPENSES			
Program expenses	111,845	-	111,845
General and administrative	<u>37,957</u>	<u>-</u>	<u>37,957</u>
Total Expenses	<u>149,802</u>	<u>-</u>	<u>149,802</u>
CHANGE IN NET ASSETS	64,126	200,000	264,126
NET ASSETS, BEGINNING OF YEAR	<u>91,222</u>	<u>200,000</u>	<u>291,222</u>
NET ASSETS, END OF YEAR	<u>\$ 155,348</u>	<u>\$ 400,000</u>	<u>\$ 555,348</u>

See Notes to Financial Statements.

**NOBLE COUNTY ECONOMIC
DEVELOPMENT CORPORATION**

Statement of Functional Expenses
Year Ended December 31, 2008

	<u>Program Expenses</u>	<u>General and Administrative</u>	<u>Total Functional Expenses</u>
Salaries and wages	\$ 59,536	\$ 20,214	\$ 79,750
Payroll taxes and benefits	10,449	2,385	12,834
Advertising (\$599 in-kind)	29,768	-	29,768
Automobile expense and mileage	4,062	1,016	5,078
Conferences and training	-	4,025	4,025
Depreciation	969	328	1,297
Dues and subscriptions	-	264	264
Insurance	598	202	800
Meals and entertainment	546	136	682
Postage and shipping	490	122	612
Professional fees	-	8,662	8,662
Project expense	246,950	-	246,950
Rent expense (in-kind)	6,275	2,125	8,400
Repairs and maintenance	422	143	565
Supplies	2,738	927	3,665
Telephone	1,999	614	2,613
Trash removal	184	62	246
Utilities	1,534	519	2,053
Miscellaneous	-	730	730
TOTAL FUNCTIONAL EXPENSES	<u>\$ 366,520</u>	<u>\$ 42,474</u>	<u>\$ 408,994</u>

See Notes to Financial Statements.

**NOBLE COUNTY ECONOMIC
DEVELOPMENT CORPORATION**

Statement of Functional Expenses
Year Ended December 31, 2007

	<u>Program Expenses</u>	<u>General and Administrative</u>	<u>Total Functional Expenses</u>
Salaries and wages	\$ 60,384	\$ 19,838	\$ 80,222
Payroll taxes and benefits	7,338	2,280	9,618
Advertising (\$599 in-kind)	24,729	-	24,729
Automobile expense and mileage	3,203	801	4,004
Conferences and training	-	908	908
Depreciation	1,350	443	1,793
Dues and subscriptions	-	264	264
Insurance	870	286	1,156
Meals and entertainment	673	168	841
Postage and shipping	263	66	329
Printing and publications	-	213	213
Professional fees	-	8,382	8,382
Rent expense (in-kind)	6,325	2,075	8,400
Repairs and maintenance	291	96	387
Supplies	2,627	862	3,489
Telephone	1,506	462	1,968
Trash removal	172	56	228
Utilities	2,114	693	2,807
Miscellaneous	<u>-</u>	<u>64</u>	<u>64</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 111,845</u>	<u>\$ 37,957</u>	<u>\$ 149,802</u>

See Notes to Financial Statements.

**NOBLE COUNTY ECONOMIC
DEVELOPMENT CORPORATION**

Notes to Financial Statements
December 31, 2008 and 2007

Note 1. Summary of Significant Accounting Policies

Nature of Business:

Noble County Economic Development Corporation (the Corporation) is a not-for-profit organization formed to aid communities in Noble County in attracting new industry, assist existing industry in expansion - all for the purpose of creating jobs for the citizens of Noble County. This corporation was formed to address a decrease in the availability of jobs in the area; create new jobs and foster cooperation among communities in the county to reach that goal. Significant revenue is provided by a local government grant of \$200,000 per year for four years restricted for use on current projects. The Corporation commenced operations on January 1, 2006.

Method of Accounting:

The Corporation prepares its financial statements on the cash basis. Under this basis, receipts are recognized when collected rather than when earned, and expenditures are recognized when paid rather than when incurred.

Contributions are generally available for unrestricted use in the year received unless specifically restricted by the donor. Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of revenues, expenses and changes in net assets - cash basis as net assets released from restrictions. However, donor restricted support whose restrictions are met in the same reporting period in which the support is received is reported as unrestricted support.

Functional Allocation of Expenses:

The costs of providing the Corporation's various programs and supporting services have been summarized on a functional basis in the statement of revenues, expenses and changes in net assets - cash basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Office Equipment:

Office equipment is stated at cost if purchased and at fair value if contributed, and expenditures for improvements, if material, are generally capitalized. Normal repairs and maintenance are expensed. The cost of assets retired, or otherwise disposed of, and the related accumulated depreciation are eliminated from the accounts and the resulting gain or loss is reflected in the statement of revenues, expenses and changes in net assets - cash basis.

**NOBLE COUNTY ECONOMIC
DEVELOPMENT CORPORATION**

Notes to Financial Statements (Continued)
December 31, 2008 and 2007

Note 1. Summary of Significant Accounting Policies (Continued)

Office Equipment (Continued):

Depreciation is computed on the straight-line method over the estimated useful lives of the individual assets. Depreciation on office equipment amounted to \$1,297 in 2008 and \$1,793 in 2007.

Advertising Costs:

Advertising costs are charged to operations when incurred and are included in total expenses. The amount charged for advertising expenses was \$29,768 and \$24,729 in 2008 and 2007, respectively, of which \$19,424 in each year is membership in the Northeast Indiana Regional Partnership. The Partnership is an eleven-county team that promotes Noble County regionally, nationally and globally.

Income Taxes:

The Organization is exempt from income taxes under the provisions of Section 501(c)(6) of the Internal Revenue Code.

Concentration of Credit Risk:

The Corporation maintains cash balances in multiple financial institutions. The FDIC insures the balances of up to \$250,000 at each institution. Account balances may exceed the limit from time to time.

Reclassifications:

Certain prior year amounts have been reclassified to conform to the current year's presentation.

Note 2. Beneficial Interest in Assets Held by Noble County Community Foundation, Inc.

The Noble County Community Foundation has \$26,548 (\$12,130 in 2007) invested for the benefit of the Corporation; however, the Foundation's board of directors has variance power. Variance power means the board has the power to change a restriction or condition on the distribution of funds for a specified charitable purpose or organization if the restriction or condition becomes unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community. Therefore, these assets are not recorded on the statement of assets, liabilities and net assets - cash basis.

**NOBLE COUNTY ECONOMIC
DEVELOPMENT CORPORATION**

Notes to Financial Statements (Continued)
December 31, 2008 and 2007

Note 3. Office Equipment

A summary of the major classes of property and equipment along with the related accumulated depreciation is presented below:

	<u>Estimated Useful Life</u>	<u>2008</u>	<u>2007</u>
Office equipment	5 - 7 years	\$ 6,187	\$ 6,187
Accumulated depreciation		<u>(4,080)</u>	<u>(2,783)</u>
		<u>\$ 2,107</u>	<u>\$ 3,404</u>

Note 4. Temporarily Restricted Net Assets

The Corporation has contributions designated for the purpose of specified projects which have completion dates beginning during the fall of 2008. These contributions have been classified as temporarily restricted net assets. During the years ended December 31, 2008 and 2007, expenditures made for these projects were \$246,950 and \$0, respectively. For the years ended December 31, 2008 and 2007, the balance of cash restricted for use by these economic development projects was \$353,050 and \$400,000, respectively.

Note 5. Building Lease

The Corporation receives the use of office space for its main facilities through an in-kind contribution. The original lease agreement was for the period July 19, 2006 to July 19, 2007. The agreement was later revised January 23, 2007 to include additional office space and extends until July 19, 2009. The agreement was then extended through July 19, 2012 and contains an option to extend the lease for an additional three years upon notice to the donor. The donor has valued the contribution for use of the building at \$700 per month. The Corporation pays the cost of all utilities and repairs and maintenance for the building.