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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

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

November 3, 2011

Board of Directors
Dubois County Area
Development Corporation
1103 Main Street
Jasper, IN 47546

We have reviewed the audit report prepared by Krueger & Associates, CPA's, LLC, Independent Public Accountants, for the period January 1, 2009 to December 31, 2009. 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 Dubois County Area Development Corporation, as of December 31, 2009, 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

**DUBOIS COUNTY AREA
DEVELOPMENT CORPORATION
(a Not-For-Profit Organization)**

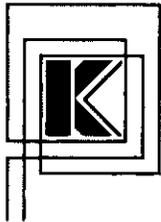
FINANCIAL STATEMENTS

December 31, 2009 and 2008

DUBOIS COUNTY AREA DEVELOPMENT CORPORATION

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Krueger & Associates, CPA's, LLC

1845 Newton Street • Jasper, Indiana 47546 • (812) 482-4454 • (812) 482-4459 Fax

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Dubois County Area Development Corporation

We have audited the accompanying statement of financial position of Dubois County Area Development Corporation (a nonprofit organization) as of December 31, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our 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 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dubois County Area Development Corporation as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of operating expenses on page 9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits 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.

Krueger & Associates, CPA's, LLC
Certified Public Accountants

August 4, 2010

DUBOIS COUNTY AREA DEVELOPMENT CORPORATION

STATEMENT OF FINANCIAL POSITION

December 31, 2009 and 2008

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 128,584	\$ 183,140
Certificates of deposit	280,660	325,852
Professional area agreement fees receivable	36,982	33,437
Notes receivable, current portion	13,570	10,524
TOTAL CURRENT ASSETS	<u>459,796</u>	<u>552,953</u>
<u>FIXED ASSETS</u>		
Equipment	42,983	20,579
Leasehold improvements	8,870	8,870
	<u>51,853</u>	<u>29,449</u>
Less: Accumulated depreciation	(19,428)	(13,299)
TOTAL FIXED ASSETS	<u>32,425</u>	<u>16,150</u>
<u>OTHER ASSETS</u>		
Notes receivable, net of current portion	<u>54,585</u>	<u>55,524</u>
TOTAL ASSETS	<u>\$ 546,806</u>	<u>\$ 624,627</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Payroll taxes payable	\$ 2,628	\$ 3,512
Employee pension withheld	161	738
TOTAL CURRENT LIABILITIES	<u>2,789</u>	<u>4,250</u>
<u>NET ASSETS (UNRESTRICTED)</u>		
	<u>544,017</u>	<u>620,377</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 546,806</u>	<u>\$ 624,627</u>

The accompanying notes are an integral part of these financial statements.

DUBOIS COUNTY AREA DEVELOPMENT CORPORATION

STATEMENT OF ACTIVITIES

For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
UNRESTRICTED NET ASSETS		
SUPPORT		
Contributions	\$ 173,350	\$ 207,425
Grants received	13,500	92,500
Interest	<u>15,196</u>	<u>18,960</u>
	<u>202,046</u>	<u>318,885</u>
EXPENSES		
Operating expenses	272,277	237,155
Depreciation	<u>6,129</u>	<u>4,359</u>
	<u>278,406</u>	<u>241,514</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	(76,360)	77,371
UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR	<u>620,377</u>	<u>543,006</u>
UNRESTRICTED NET ASSETS AT END OF YEAR	<u>\$ 544,017</u>	<u>\$ 620,377</u>

The accompanying notes are an integral part of these financial statements.

DUBOIS COUNTY AREA DEVELOPMENT CORPORATION

STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ (76,360)	\$ 77,371
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,129	4,359
(Increase) decrease in:		
Professional area agreement fee receivable	(3,545)	(2,187)
Increase (decrease) in:		
Payroll taxes payable	(884)	1,274
Employee pension withheld	<u>(577)</u>	<u>663</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 <u>(75,237)</u>	 <u>81,480</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of certificates of deposit	(10,207)	(12,811)
Redemption of certificates of deposit	55,399	-
Purchase of fixed assets	(22,404)	(2,804)
Advances on notes receivable	(12,700)	(25,000)
Notes receivable principal repayments	<u>10,593</u>	<u>7,936</u>
 NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	 <u>20,681</u>	 <u>(32,679)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	 <u>-</u>	 <u>-</u>
 INCREASE (DECREASE) IN CASH	 (54,556)	 48,801
 CASH AT BEGINNING OF YEAR	 <u>183,140</u>	 <u>134,339</u>
 CASH AT END OF YEAR	 <u>\$ 128,584</u>	 <u>\$ 183,140</u>
 SUPPLEMENTAL DISCLOSURES:		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

DUBOIS COUNTY AREA DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF THE ORGANIZATION

Dubois County Area Development Corporation was organized in 2004 to increase economic development in Dubois County, Indiana.

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

BASIS OF PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117 Financial Statements of Not-for-Profit Organizations. Under SFAS no. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization has no temporarily restricted or permanently restricted net assets.

CASH AND CASH EQUIVALENTS

The Organization considers all highly liquid investments of temporarily excess cash with a maturity of three months or less to be cash.

CERTIFICATES OF DEPOSITS

Certificates of deposit are valued at cost, which approximates fair market value.

USE OF ESTIMATES

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

DUBOIS COUNTY AREA DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2009 and 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS

Fixed assets, which consists of office and computer equipment and leasehold improvements, are stated at cost. The cost of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed. When fixed assets are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in the statement of activities.

Depreciation of fixed assets is provided utilizing the straight-line method over estimated useful lives of five to fifteen years.

CONTRIBUTIONS

Contributions are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. The Organization has not received any contributions with donor imposed restrictions.

ADVERTISING

The Organization's policy is to expense advertising costs as the costs are incurred.

NOTE 2 - UNINSURED DEPOSITS

The Organization maintains its cash balances at a financial institution in Jasper, Indiana. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. Uninsured balances at December 31, 2009 and 2008 were \$170,903 and \$264,709, respectively.

NOTE 3 - INCOME TAX STATUS

Dubois County Area Development Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509 (a) of the code.

DUBOIS COUNTY AREA DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2009 and 2008

NOTE 4 - CASH RECEIVED FROM GOVERNMENTAL UNITS

The Organization has agreements for professional area economic development services with various county governments. The agreements call for the Organization to perform professional consultant services and to perform community and economic development activities. The agreements are in effect from January 1 through December 31 of each year and require the various county governments to pay compensation to the Organization for the services rendered. The payments received by the Organization are recorded as contributions received in the accompanying financial statements.

A summary of the amounts received from the various county governments during the years ended December 31, 2009 and 2008 follows:

	<u>2009</u>	<u>2008</u>
Dubois County, Indiana	\$ 59,263	\$ 59,263
City of Jasper	49,420	49,420
City of Huntingburg	7,376	7,376
Town of Ferdinand	5,063	5,063
Town of Holland	0	1,357
Town of Birdseye	<u>334</u>	<u>334</u>
	<u>\$ 121,456</u>	<u>\$ 122,813</u>

At December 31, 2009 and 2008 there was \$36,982 and \$33,437 still owed by the various county governments for 2009 and 2008 services, respectively. This amount is reflected in the statement of financial position.

NOTE 5 - RETIREMENT PLAN

The Organization has adopted a Simple IRA retirement plan. The plan covers all full-time employees. The Organization's contribution is based on matching employees contributions up to three percent of employee's compensation. The Organization's contributions to the plan for the years ended December 31, 2009 and 2008 were \$2,890 and \$1,646, respectively.

DUBOIS COUNTY AREA DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2009 and 2008

NOTE 6 - NOTES RECEIVABLE

The Organization has established an Enterprise Loan Fund to assist local businesses in obtaining financing for various projects. In 2009 and 2008 various local businesses borrowed funds from the Organization utilizing this fund. The loans have interest rates from five and a half to six and a half percent and maturity dates of May 1, 2011 through September 1, 2016. The amounts owed by the various businesses at December 31, 2009 and 2008 were \$68,155 and \$66,048, respectively.

Principal repayments for the next five years and subsequent are as follows:

Period ended December 31:

2010	\$ 13,570
2011	12,403
2012	12,737
2013	13,544
2014	12,832
Thereafter	<u>3,069</u>
	<u>\$ 68,155</u>

The notes are secured by equipment, inventory, accounts receivable and other assets.

SUPPLEMENTARY INFORMATION

DUBOIS COUNTY AREA DEVELOPMENT CORPORATION

SCHEDULE OF OPERATING EXPENSES
For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ADMINISTRATIVE EXPENSE		
Director's salary	\$ 69,588	\$ 70,676
Office salaries	7,594	28,444
Insurance	6,198	4,765
Repairs and maintenance	1,644	2,679
Office supplies	4,385	6,482
Supplies and outside services	1,920	2,500
Dues and subscriptions	5,831	7,369
Travel expense	7,577	6,753
Meetings and seminars	2,735	6,970
Meals and entertainment	4,071	6,507
Professional fees	52,077	15,378
Telephone	2,869	3,322
Payroll and other taxes	5,413	7,583
Pension expense	2,890	1,646
	<u>174,792</u>	<u>171,074</u>
ENTREPRENEURIAL EXPENSE		
Advertising	4,098	535
Meetings and seminars	1,392	4,362
RLF portfolio	2,581	4,642
Programs	85,854	51,100
	<u>93,925</u>	<u>60,639</u>
NEW BUSINESS RECRUITMENT		
Advertising	560	2,660
Land and building development	3,000	2,782
	<u>3,560</u>	<u>5,442</u>
TOTAL OPERATING EXPENSES	\$ <u>272,277</u>	\$ <u>237,155</u>

See accountant's report.