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November 10, 2011

Board of Directors  
Huntington County United Economic  
Development Corporation  
8 W. Market St.  
Huntington, IN 46750

We have reviewed the audit report prepared by David Culp & Co., LLP, Independent Public Accountants, for the period January 1, 2007 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 Huntington County United Economic Development Corporation as of December 31, 2008, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

HUNTINGTON COUNTY UNITED ECONOMIC DEVELOPMENT CORPORATION

AUDIT REPORT

DECEMBER 31, 2008 AND 2007

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To the Board of Directors  
Huntington County United Economic  
Development Corporation  
Huntington, Indiana

Independent Auditor's Report

We have audited the accompanying statements of assets, liabilities and net assets - modified cash basis of Huntington County United Economic Development Corporation (a nonprofit organization) as of December 31, 2008 and 2007, and the related statements of support, revenues, expenses and change in net assets - modified cash basis and functional expenses - modified cash basis 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.

As described in Note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Huntington County United Economic Development Corporation as of December 31, 2008 and 2007, and the changes in its net assets for the years then ended in conformity with the basis of accounting described in Note 1.

David Culp & Co. LLP  
Certified Public Accountants

Huntington, Indiana  
September 9, 2009

HUNTINGTON COUNTY UNITED ECONOMIC DEVELOPMENT CORPORATION  
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS -  
MODIFIED CASH BASIS  
DECEMBER 31, 2008 AND 2007

ASSETS

	<u>2008</u>	<u>2007</u>
<u>Current Assets:</u>		
Cash and cash equivalents - Note 1	\$254,873	\$266,358
Certificate of deposit	<u>35,439</u>	<u>33,941</u>
Total current assets	<u>290,312</u>	<u>300,299</u>
 <u>Fixed Assets - Note 1:</u>		
Furniture and equipment	20,980	15,222
Leasehold improvements	<u>8,567</u>	<u>-</u>
	29,547	15,222
<u>Less:</u> Accumulated depreciation	<u>7,524</u>	<u>13,447</u>
Total fixed assets	<u>22,023</u>	<u>1,775</u>
Total assets	<u>\$312,335</u>	<u>\$302,074</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities:</u>		
Payroll liabilities	<u>\$ 2,267</u>	<u>\$ 1,577</u>
Total current liabilities	<u>2,267</u>	<u>1,577</u>
 <u>Net Assets:</u>		
Unrestricted	248,734	190,059
Temporarily restricted	<u>61,334</u>	<u>110,438</u>
Total net assets	<u>310,068</u>	<u>300,497</u>
Total liabilities and net assets	<u>\$312,335</u>	<u>\$302,074</u>

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

HUNTINGTON COUNTY UNITED ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF SUPPORT, REVENUES, EXPENSES AND

CHANGE IN NET ASSETS - MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Support, revenues and gains -</u>			
Note 2 -			
Contributions -			
Huntington County	\$ 119,250	\$ -	\$119,250
City of Huntington	53,620	-	53,620
Towns	6,400	-	6,400
Corporations	15,450	8,255	23,705
Grants	-	37,500	37,500
Dues income	900	-	900
Rent income	1,850	-	1,850
Interest income	4,297	-	4,297
Other income	1,794	-	1,794
(Loss) on fixed asset disposal	(322)	-	(322)
	<u>203,239</u>	<u>45,755</u>	<u>248,994</u>
<u>Net assets released from</u>			
<u>  restrictions -</u>			
Satisfaction of program			
requirements	<u>94,859</u>	<u>(94,859)</u>	<u>-</u>
Total support, revenues			
and gains	<u>298,098</u>	<u>(49,104)</u>	<u>248,994</u>
<u>Expenses -</u>			
Program	226,299	-	226,299
Management and general	<u>13,124</u>	<u>-</u>	<u>13,124</u>
Total expenses	<u>239,423</u>	<u>-</u>	<u>239,423</u>
<u>Change in net assets</u>	58,675	(49,104)	9,571
<u>Net Assets:</u>			
Beginning of year	<u>190,059</u>	<u>110,438</u>	<u>300,497</u>
End of year	<u>\$ 248,734</u>	<u>\$ 61,334</u>	<u>\$310,068</u>
	=====	=====	=====

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

HUNTINGTON COUNTY UNITED ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF SUPPORT, REVENUES, EXPENSES AND

CHANGE IN NET ASSETS - MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Support, revenues and gains -</u>			
Note 2 -			
Contributions -			
Huntington County	\$ 79,500	\$ -	\$ 79,500
City of Huntington	29,500	9,370	38,870
Towns	6,400	-	6,400
Corporations	14,850	-	14,850
Grants	-	157,333	157,333
Dues income	920	-	920
Rent income	5,760	-	5,760
Interest income	4,708	-	4,708
Other income	11,357	-	11,357
	<hr/>	<hr/>	<hr/>
	152,995	166,703	319,698
<u>Net assets released from</u>			
<u>restrictions -</u>			
Satisfaction of program			
requirements	114,592	(114,592)	-
	<hr/>	<hr/>	<hr/>
Total support, revenues	267,587	52,111	319,698
and gains	<hr/>	<hr/>	<hr/>
<u>Expenses -</u>			
Program	289,445	-	289,445
Management and general	13,467	-	13,467
	<hr/>	<hr/>	<hr/>
Total expenses	302,912	-	302,912
	<hr/>	<hr/>	<hr/>
<u>Change in net assets</u>	(35,325)	52,111	16,786
<u>Net Assets:</u>			
Beginning of year	225,384	58,327	283,711
	<hr/>	<hr/>	<hr/>
End of year	\$ 190,059	\$ 110,438	\$300,497
	=====	=====	=====

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

HUNTINGTON COUNTY UNITED ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Program</u>	<u>Management And General</u>	<u>Total</u>
Salaries	\$ 79,493	\$ 2,368	\$ 81,861
Payroll taxes	5,510	612	6,122
Employee benefits - Note 3	<u>1,005</u>	<u>112</u>	<u>1,117</u>
Total salaries and related expenses	86,008	3,092	89,100
Advertising and promotion - Note 1	13,316	1,480	14,796
Telephone	4,770	530	5,300
Repairs and maintenance	470	52	522
Depreciation - Note 1	-	3,827	3,827
Supplies	3,793	422	4,215
Travel and entertainment	428	1,291	1,719
Utilities	2,327	258	2,585
Insurance	2,387	265	2,652
Legal and professional	6,433	715	7,148
Grants	92,724	-	92,724
Postage	716	79	795
Equipment rental - Note 4	1,145	127	1,272
Dues and subscriptions	1,424	158	1,582
Education and training	180	20	200
Donations	225	-	225
Office expense	2,800	-	2,800
Rent - Note 4	6,615	735	7,350
Miscellaneous expense	538	60	598
Bank charges	<u>-</u>	<u>13</u>	<u>13</u>
Total functional expenses	<u>\$226,299</u>	<u>\$ 13,124</u>	<u>\$239,423</u>

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

HUNTINGTON COUNTY UNITED ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Program</u>	<u>Manage- ment And General</u>	<u>Total</u>
Salaries	\$ 74,669	\$ 1,567	\$ 76,236
Payroll taxes	4,994	555	5,549
Employee benefits - Note 3	<u>12,050</u>	<u>1,339</u>	<u>13,389</u>
 Total salaries and related expenses	 91,713	 3,461	 95,174
 Advertising and promotion - Note 1	 36,575	 4,063	 40,638
Telephone	2,340	260	2,600
Repairs and maintenance	1,116	124	1,240
Depreciation - Note 1	-	1,029	1,029
Supplies	2,724	303	3,027
Travel and entertainment	1,379	1,260	2,639
Utilities	1,996	222	2,218
Insurance	2,348	261	2,609
Legal and professional	11,470	1,275	12,745
Grants	126,242	-	126,242
Postage	732	81	813
Equipment rental - Note 4	1,244	138	1,382
Dues and subscriptions	851	94	945
Education and training	270	30	300
Donations	275	-	275
Office expense	986	-	986
Rent - Note 4	5,940	660	6,600
Miscellaneous expense	1,244	138	1,382
Bank charges	<u>-</u>	<u>68</u>	<u>68</u>
 Total functional expenses	 <u>\$289,445</u>	 <u>\$ 13,467</u>	 <u>\$302,912</u>

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

NOTES TO COMPARATIVE FINANCIAL STATEMENTS

DECEMBER 31, 2008 AND 2007

Note 1: Organization and summary of significant accounting policies -

Organization - Huntington County United Economic Development Corporation (the Organization) is a non-profit corporation organized for the purpose of providing resources and assistance to both the public and private sectors of the Huntington County community and to focus collectively on economic development efforts within the County. The Organization derives its revenues from contributions by both the City of Huntington and Huntington County, along with dues from area businesses and towns within Huntington County.

Basis of accounting - The Organization's policy is to prepare its financial statements on the modified cash basis of accounting. Accordingly, certain revenues and the related assets are recognized when received rather than when promised or earned, and certain expenses are recognized when paid rather than when the obligation is incurred. The modifications to the cash basis of accounting are the capitalization of furniture and equipment and recording of depreciation and recording of payroll liabilities. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles. Interest earned on certificates of deposit is considered received when credited by the banks.

Financial statement presentation - The financial statements have been prepared in accordance with *Statement of Financial Accounting Standards* (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. SFAS No. 117 requires, among other things, that the financial statements report the changes in, and totals of each net asset class based on the existence of donor restrictions, as applicable. Net assets are classified as unrestricted or temporarily restricted and are detailed as follows:

Unrestricted - Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Donor-imposed restrictions are reported as unrestricted net assets if the restrictions expire in the reporting period in which the revenue is recognized.

HUNTINGTON COUNTY UNITED ECONOMIC DEVELOPMENT CORPORATION

NOTES TO COMPARATIVE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2008 AND 2007

Note 1: Organization and summary of significant accounting policies  
(Continued) -

Basis of accounting (Continued) -

Temporarily restricted - Net assets are subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. When a donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Assets, Liabilities and Net Assets - Modified Cash Basis as "net assets released from restrictions".

Cash and cash equivalents - The Organization considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Furniture and equipment - Furniture and equipment are stated at cost. Donated property is recorded at its estimated fair value at the date of receipt. Depreciation is computed using accelerated methods based on the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Furniture and equipment	5- 7
Leasehold improvements	15

Depreciation expense totaled \$3,827 and \$1,029 for the years ended December 31, 2008 and 2007, respectively.

The carrying value of long-lived and intangible assets is reviewed annually to determine if facts and circumstances suggest that the assets may be impaired or that the useful life may need to be changed. The Organization considers internal and external factors relating to each asset in making this determination. If these factors and the projected undiscounted cash flows of the business over the remaining useful life indicate that the asset will not be recoverable, the carrying value will be adjusted to the estimated fair value.

Federal income taxes - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and qualifies for the 50% charitable contributions deduction limitation. The Organization has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

HUNTINGTON COUNTY UNITED ECONOMIC DEVELOPMENT CORPORATION

NOTES TO COMPARATIVE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2008 AND 2007

Note 1: Organization and summary of significant accounting policies  
(Continued) -

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue, expenses and changes in net assets during the reporting period. Actual results could differ from those estimated.

Advertising - Advertising costs are charged to operations as incurred. Total advertising costs expensed during the years ended December 31, 2008 and 2007 was \$14,796 and \$40,638, respectively.

Note 2: Concentrations - The Organization receives a significant amount of its funding from local governments. A substantial reduction in the level of this support, if it were to occur, may have an effect on the Organization's programs and activities.

Note 3: Employee benefits - The Organization contributes to the personal retirement plan of the Executive Director. Contributions to the Plan are based on a board approved amount, plus applicable taxes. Contributions made by the Organization totaled \$1,117 and \$9,478 for the years ended December 31, 2008 and 2007, respectively.

Note 4: Operating leases - The Organization leases equipment under an operating lease expiring May 24, 2010. Total rental expense for equipment during the years ended December 31, 2008 and 2007 was \$1,272 and \$1,383, respectively.

The Organization leases office space under an operating lease that expired July 3, 2009. Total rent expense for office space during the years ended December 31, 2008 and 2007 was \$7,350 and \$6,600, respectively.

Minimum future rental payments under a non-cancellable lease having initial or remaining terms in excess of one year as of December 31, 2008 for each of the next five years and in the aggregate are:

2009	\$1,272
2010	<u>530</u>
Total	<u>\$1,802</u> =====