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January 31, 2014

Board of Directors
Adams County Economic Development Corporation
313 W. Jefferson St.
Decatur, IN 46733

We have reviewed the audit report prepared by Rebecca S. Cochran, CPA, Independent Public Accountant, for the period July 1, 2008 to June 30, 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 Adams County Economic Development Corporation, as of June 30, 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

Rebecca S. Cochran

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Indiana C.P.A. Society



ADAMS COUNTY ECONOMIC DEVELOPMENT CORPORATION
Decatur, Indiana

FINANCIAL STATEMENTS

for the year ended
June 30, 2009

**ADAMS COUNTY ECONOMIC DEVELOPMENT CORPORATION
DECATUR, INDIANA**

June 30, 2009

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Adams County Economic Development Corporation
Decatur, Indiana

We have audited the accompanying statement of financial position-modified cash basis of the Adams County Economic Development Corporation, Decatur, Indiana, as of June 30, 2009, and the related statement of activities-modified cash basis, functional expenses-modified cash basis and cash flows-modified cash basis for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion 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. 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 opinion.

As described in note 2, 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 the Adams County Economic Development Corporation as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

REBECCA S. COCHRAN, C.P.A.

Decatur, Indiana
December 30, 2011

ADAMS COUNTY ECONOMIC DEVELOPMENT CORPORATION
A NOT-FOR-PROFIT CORPORATION
STATEMENT OF FINANCIAL POSITION
MODIFIED CASH BASIS
AS AT JUNE 30, 2009

ASSETS

Cash and cash equivalents	\$	594,826.72
Loans receivable		580,156.97
Prepaid rent		1,680.00
Property, furniture, and equipment, net of depreciation		<u>1,031.16</u>
TOTAL ASSETS	\$	<u><u>1,177,694.85</u></u>

LIABILITIES

Withheld payroll taxes	\$	1,200.88
Job fair payable		453.41
Accrued payroll taxes		<u>575.64</u>
TOTAL LIABILITIES		<u>2,229.93</u>

NET ASSETS

Unrestricted		1,173,816.40
Temporarily restricted		1,648.52
Permanently restricted		<u>0.00</u>
TOTAL NET ASSETS		<u>1,175,464.92</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>1,177,694.85</u></u>

See accompanying notes to financial statements.

ADAMS COUNTY ECONOMIC DEVELOPMENT CORPORATION
A NOT-FOR-PROFIT CORPORATION
STATEMENT OF ACTIVITIES
MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
REVENUES			
Investment income	\$ 5,175.20	\$ 0.00	\$ 5,175.20
CEDIT income	150,426.60	0.00	150,426.60
Local contributions	4,000.00	0.00	4,000.00
Loan interest income	29,199.76	0.00	29,199.76
Decatur Casting site income	0.00	0.00	0.00
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	188,801.56	0.00	188,801.56
Net assets released from restrictions			
Restrictions satisfied by payments	0.00	(47.47)	(47.47)
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES AFTER PAYMENTS	188,801.56	(47.47)	188,754.09
EXPENSES			
Program Services	96,203.15	0.00	96,203.15
Management and General	34,934.75	0.00	34,934.75
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	131,137.90	0.00	131,137.90
INCREASE (DECREASE) IN NET ASSETS	57,663.66	(47.47)	57,616.19
NET ASSETS AT BEGINNING OF YEAR	<hr/>	<hr/>	<hr/>
NET ASSETS AT END OF YEAR	\$ <u>1,173,816.40</u>	\$ <u>1,648.52</u>	\$ <u>1,175,464.92</u>

See accompanying notes to financial statements.

**ADAMS COUNTY ECONOMIC DEVELOPMENT CORPATION
A NOT-FOR-PROFIT CORPORATION
STATEMENT OF ACTIVITIES
MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>PROGRAM</u> <u>SERVICES</u>	<u>MANAGEMENT</u> <u>AND GENERAL</u>	<u>TOTAL</u>
EXPENSES			
Contractual services	\$ 1,862.50	\$ 4,316.11	\$ 6,178.61
Depreciation	0.00	412.41	412.41
Dues & subscriptions	550.56	347.00	897.56
Industrial development fund	0.00	0.00	0.00
Insurance	0.00	1,458.45	1,458.45
Lodging & Meals	730.23	0.00	730.23
Marketing/printing	0.00	3,619.58	3,619.58
Marketing/travel	56.38	0.00	56.38
Mileage	1,811.82	0.00	1,811.82
Miscellaneous	10.00	0.00	10.00
Office rent	0.00	3,360.00	3,360.00
Office supplies	0.00	2,281.55	2,281.55
Payroll expenses-salaries	58,349.20	14,886.67	73,235.87
Payroll taxes and benefits	14,968.26	3,818.86	18,787.12
Postage & delivery	0.00	329.12	329.12
Regional marketing	13,887.00	0.00	13,887.00
Repairs & maintenance	0.00	105.00	105.00
Revolving loan fund expenses	3,977.20	0.00	3,977.20
	<u>96,203.15</u>	<u>34,934.75</u>	<u>131,137.90</u>
TOTAL EXPENSES \$	<u>\$ 96,203.15</u>	<u>\$ 34,934.75</u>	<u>\$ 131,137.90</u>

See accompanying notes to financial statements.

ADAMS COUNTY ECONOMIC DEVELOPMENT CORPORATION
A NOT-FOR-PROFIT CORPORATION
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 57,616.19
Depreciation	412.41
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
(Increase) decrease in operating assets	
Prepaid rent	(1,680.00)
Increase (decrease) in operating liabilities	
Payroll liabilities	(43.29)
Berco building deposit	0.00
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	56,305.31
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment	0.00
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in loans receivable	104,079.42
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	160,384.73
BEGINNING CASH AND CASH EQUIVALENTS	434,441.99
ENDING CASH AND CASH EQUIVALENTS \$	594,826.72

See accompanying notes to financial statements.

ADAMS COUNTY ECONOMIC DEVELOPMENT CORPORATION,
DECATUR, INDIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. Nature of Activities: Adams County Economic Development Corporation is an organization started in March 1988 to provide low interest loans for new or expanding businesses in the community. The originally funding for this organization came from government entities and the General Electric Company. It was set up to help the economy of Adams County to rebound from the closure of the General Electric plant in Decatur, Indiana. The office is located in the Adams County Service Complex at 313 W. Jefferson Street, Suite 337, Decatur, Indiana.
2. Accounting Method: The accompanying financial statements have been prepared from the books, records, and reports of the Adams County Economic Development Corporation. We have prepared these statements and reports on the modified cash basis. We have not accrued for the statement of financial condition nor included in the statement of cash receipts and expenditures any expenses incurred prior to June 30, 2009 but unpaid as at that date. Conversely, we have included in the current statement of cash receipts and expenditures those expenses accrued June 30, 2008, but not paid until after that date.
3. Property and Equipment: Property and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

Office equipment	5-10 years
Furniture and fixtures	5-10 years

The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized if over \$100.

The Adams County Economic Development Corporation reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable in accordance with Statement of Financial Accounting Standards FASB No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. Recoverability of assets held and used is measured by a comparison of the carrying amount of an asset to undiscounted expected cash flows. Future events could cause the Company to conclude that impairment indicators exist and that long-lived assets may be impaired.

The Adams County Economic Development Corporation owns the fixed assets acquired while they are used in the program for which it was purchased or in other future authorized programs. However, its disposition, as well as the ownership of any proceeds there from, is subject to the appropriate state and federal guidelines of the program that originally purchased the fixed asset.

ADAMS COUNTY ECONOMIC DEVELOPMENT CORPORATION,
DECATUR, INDIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

4. Donated Materials and Services: Donated materials or equipment, when received, are reflected as contributions in the accompanying statements at their estimated fair market values at the date of receipt.
5. 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.
6. Advertising: Advertising expenses are all expensed as incurred. There is no direct-response type advertising that would need to be capitalized and amortized.
7. Income Taxes: Adams County Economic Development Corporation is a private not-for-profit corporation, incorporated under the Indiana General Not-for-Profit Corporation Act and Section 501(c)(4) of the Internal Revenue Code.
8. Financial Statement Presentation: The Adams County Economic Development Corporation has adopted the Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements for 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 Company has no permanently restricted net assets as reflected on their statement of financial position. In addition, the Organization is required to present a statement of cash flows.
9. Contributions: The Adams County Economic Development Corporation also adopted SFAS No. 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS No. 116, contributions received are recorded unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. All 2008-2009 contributions were unrestricted. There were some expenditures during the fiscal year that relieved prior restricted funds as noted on the statement of activities.

ADAMS COUNTY ECONOMIC DEVELOPMENT CORPORATION,
DECATUR, INDIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

B. CASH AND CASH EQUIVALENTS: The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The checking and savings accounts were reconciled as at June 30, 2009. The various balances are as follows:

<u>Bank</u>	<u>Type of Account</u>	<u>Note</u>	<u>Interest Rate</u>	<u>Balance</u>
First Merchants	Checking	1	None	\$ 1,648.52
Bank of Geneva	Now Checking	2	.50%	292,463.18
Bank of Geneva	Money Market Savings	3	1.61%	283,986.20
Bank of Geneva	Statement Savings	4	.25%	<u>16,728.82</u>
TOTAL				\$ <u>594,826.72</u>

Notes 1 Decatur Casting account temporarily restricted to pay expenses for cleaning up closed Decatur Casting location.

2 General operating checking account.

3 Revolving loan fund savings account used to receive loan payments and make loans to businesses.

4 USDA fund savings account used to receive loan payments and make loans to businesses.

C. LOANS RECEIVABLE: The loans receivable account was originally funded by grant capital received from the following governmental and business entities in 1988 at the inception of the Adams County Economic Development Corporation.

Federal Government	\$ 435,288.40
City of Decatur	77,634.20
Adams County	77,634.20
General Electric Corporation	80,325.00
State of Indiana	12,000.00
Received subsequent to initial funds	
USDA	50,000.00
(\$25,000 in October 2004 and \$25,000 in April 2006)	

Confirmation letters were sent directly to all companies having loans with the Adams County Economic Development Corporation. There were no discrepancies indicated by the parties involved. These letters were sent out July 8, 2009, with the responses to be mailed directly to the accountant's office by July 31, 2009.

ADAMS COUNTY ECONOMIC DEVELOPMENT CORPORATION,
DECATUR, INDIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Loans receivable balance is comprised of the following:

Loan Recipient	Original Loan Amt	Closing Date	Term	Int %	Current Balance
Gilpin Ironworks, Inc.	160,000.00	11/01/05	10 yrs	5.00%	111,586.47
Revenge Designs LLC	50,000.00	06/01/06	5 yrs	10.00%	27,789.18
Engine House Quilt Shop	51,000.00	06/05/06	10 yrs	5.50%	38,516.63
Streetstrider Intl	100,000.00	12/08/06	10 yrs	5.00%	32,546.12
Swissland Cheese Co	40,000.00	06/16/09	10 yrs	4.00%	40,000.00
** Happy Jack's Fun Center, Inc.	18,600.00	Matures 05/15/16		\$20/mo	939.05
** Swiss Way Cheese, Inc.	31,442.00	Matures 03/01/15		\$150/mo	10,201.48
Hoosier Pattern, Inc.	80,922.28	02/23/07	10 yrs	5.00%	65,479.35
Piqua Repair	91,250.00	06/28/01	10 yrs	5.50%	22,475.77
GLM Transport	50,000.00	10/11/01	10 yrs	5.00%	13,987.99
Manley Meats	50,000.00	10/25/01	10 yrs	5.00%	14,458.08
Eichhorn Jewelry	40,000.00	05/18/03	10 yrs	4.50%	17,833.33
Kit-Ker, Inc.	75,000.00	12/02/03	10 yrs	4.50%	37,932.38
Randall Kistler	25,000.00	10/08/04	10 yrs	5.00%	15,071.76
Heartland Produce Auction	25,000.00	03/31/06	10 yrs	4.50%	18,260.52
Absewolute Manufacturing	9,000.00	10/04/07	7 yrs	4.50%	7,785.35
Micromatic Holding LLC	100,000.00	11/11/05	10 yrs	2.50%	67,000.54
Logan Family Properties	40,000.00	06/06/08	10 yrs	4.50%	38,292.97
Total					<u>580,156.97</u>

** Out of business-loan being paid off by responsible parties in payments shown.

D. PROPERTY, FURNITURE AND EQUIPMENT: There were no equipment purchases in this fiscal year. Detail below of the fixed asset categories.

Office equipment	\$ 14,775.55
Furniture & fixtures	970.98
Less: Accumulated depreciation	<u>(14,715.37)</u>
Total	<u>\$ 1,031.16</u>