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October 28, 2014

Board of Directors
Randolph County Community & Economic Development Foundation, Inc.
111 S. Main Street
Winchester, IN 47394

We have reviewed the audit report prepared by Whiting & Company LLC, for the period January 1, 2011 to December 31, 2011. 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 Randolph County Community & Economic Development Foundation, Inc., as of December 31, 2011, 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.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

**RANDOLPH COUNTY COMMUNITY & ECONOMIC
DEVELOPMENT FOUNDATION, INC.
WINCHESTER, INDIANA**

FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010



WHITINGER & COMPANY L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Randolph County Community &
Economic Development Foundation, Inc.
Winchester, Indiana

We have audited the accompanying statement of financial position of Randolph County Community & Economic Development Foundation, Inc. as of December 31, 2011 and 2010, and the related statements of activities and cash flows 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 U.S. generally accepted auditing standards. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Randolph County Community & Economic Development Foundation, Inc., as of December 31, 2011 and 2010, and the results of its activities and changes in net assets and cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Whitinger & Company LLC

Certified Public Accountants

November 7, 2012

FINANCIAL STATEMENTS

**RANDOLPH COUNTY COMMUNITY &
ECONOMIC DEVELOPMENT FOUNDATION, INC.**

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011 AND 2010

ASSETS	<u>2011</u>	<u>2010</u>
CURRENT ASSETS		
Cash	\$ 480,021	\$ 423,274
Current portion of receivables	<u>50,165</u>	<u>45,605</u>
	<u>\$ 530,186</u>	<u>\$ 468,879</u>
NONCURRENT ASSETS		
Other receivables	\$ 170,622	\$ 170,787
Property held for sale or development	140,321	140,321
Furniture and equipment	25,514	25,514
Less accumulated depreciation	<u>(17,646)</u>	<u>(14,765)</u>
	<u>\$ 318,811</u>	<u>\$ 321,857</u>
 Total Assets	 <u>\$ 848,997</u>	 <u>\$ 790,736</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Payroll withholdings	<u>\$ 2,899</u>	<u>\$ 3,952</u>
 Total Current Liabilities	 <u>\$ 2,899</u>	 <u>\$ 3,952</u>
NET ASSETS		
Unrestricted	\$ 531,810	\$ 483,111
Temporarily restricted	314,288	303,673
Permanently restricted	<u>-</u>	<u>-</u>
	<u>\$ 846,098</u>	<u>\$ 786,784</u>
 Total Liabilities and Net Assets	 <u>\$ 848,997</u>	 <u>\$ 790,736</u>

See accompanying Notes to Financial Statements.

**RANDOLPH COUNTY COMMUNITY &
ECONOMIC DEVELOPMENT FOUNDATION, INC.**

**STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	2011			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
SUPPORT AND REVENUE				
Grants - county	\$ 191,250			\$ 191,250
Grants - Visitors Bureau	64,679			64,679
Interest income	161	\$ 10,615		10,776
Lease income	8,755			8,755
	<u>\$ 264,845</u>	<u>\$ 10,615</u>		<u>\$ 275,460</u>
Total Support and Revenue				
	\$ 264,845	\$ 10,615		\$ 275,460
Released from restrictions	-	-		
	<u>\$ 264,845</u>	<u>\$ 10,615</u>		<u>\$ 275,460</u>
EXPENSES				
Salary and benefit expense	\$ 119,101			\$ 119,101
Payroll taxes	13,137			13,137
Visitors Bureau expense	-			-
Insurance expense	3,386			3,386
Rent and occupancy costs	13,542			13,542
Office and related expenses	5,241			5,241
Repairs and maintenance	616			616
Seminars, conferences, and meetings	-			-
Advertising and marketing	14,546			14,546
Professional fees	7,865			7,865
Travel	8,247			8,247
Dues, licenses, and subscriptions	23,100			23,100
Miscellaneous	3,213			3,213
Computer expenses	1,271			1,271
Depreciation expense	2,881			2,881
	<u>\$ 216,146</u>	<u>\$ -</u>		<u>\$ 216,146</u>
Total Expenses				
	\$ 216,146	\$ -		\$ 216,146
CHANGE IN NET ASSETS	\$ 48,699	\$ 10,615		\$ 59,314
NET ASSETS - BEGINNING OF YEAR	<u>483,111</u>	<u>303,673</u>	\$ -	<u>786,784</u>
NET ASSETS - END OF YEAR	<u>\$ 531,810</u>	<u>\$ 314,288</u>	<u>\$ -</u>	<u>\$ 846,098</u>

See accompanying Notes to Financial Statements.

2010			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 179,200	\$ 10,000		\$ 189,200
69,437			69,437
201	9,448		9,649
3,198			3,198
\$ 252,036	\$ 19,448		\$ 271,484
-	-		
\$ 252,036	\$ 19,448		\$ 271,484
\$ 119,133			\$ 119,133
9,874			9,874
11			11
3,844			3,844
13,519			13,519
5,163			5,163
3,189			3,189
85			85
14,913			14,913
5,072			5,072
9,857			9,857
14,766			14,766
2,029			2,029
6,298			6,298
2,304			2,304
\$ 210,057	\$ -		\$ 210,057
\$ 41,979	\$ 19,448		\$ 61,427
441,132	284,225	\$ -	725,357
\$ 483,111	\$ 303,673	\$ -	\$ 786,784

**RANDOLPH COUNTY COMMUNITY &
ECONOMIC DEVELOPMENT FOUNDATION, INC.**

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from grants	\$ 255,929	\$ 258,637
Cash paid to suppliers and employees	(214,318)	(191,754)
Interest income	10,776	9,649
Other income	<u>8,755</u>	<u>3,198</u>
Net Cash Provided By Operating Activities	<u>\$ 61,142</u>	<u>\$ 79,730</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and fixtures		\$ (8,075)
Grant of other receivable	\$ (55,437)	(45,000)
Repayment of other receivable	<u>51,042</u>	<u>25,533</u>
Net Cash Used In Investing Activities	<u>\$ (4,395)</u>	<u>\$ (27,542)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	\$ 56,747	\$ 52,188
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>423,274</u>	<u>371,086</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 480,021</u></u>	<u><u>\$ 423,274</u></u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	\$ 59,314	\$ 61,427
ADJUSTMENT TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation	2,881	2,304
Loss on note receivable		15,894
Increase (decrease) in payroll withholdings	<u>(1,053)</u>	<u>105</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 61,142</u></u>	<u><u>\$ 79,730</u></u>

See accompanying Notes to Financial Statements.

**RANDOLPH COUNTY COMMUNITY &
ECONOMIC DEVELOPMENT FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Operations

The Randolph County Community & Economic Development Foundation, Inc. was organized in 1986 as a non-profit corporation for the purpose of providing marketing services to attract new industry to the Randolph County area, to assist existing businesses with retention or expansion plans, and to serve as liaison with local businesses and state programs.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Under these standards, 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.

Accounting Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

Property and equipment are carried at cost, while donated equipment is recorded at its fair-market value at the date of acquisition. Expenditures for additions, improvements, and replacements are added to the property. Repairs and maintenance are charged to expense as incurred. Depreciation is provided using the straight-line method using estimated lives of the various assets ranging from five to twenty years. Depreciation expense for 2011 and 2010 is \$2,881 and \$2,304, respectively.

Cash and Cash Equivalents

For purposes of the statement of cash flows, management considers all time and demand deposit accounts and cash on hand to be cash and cash equivalents.

**RANDOLPH COUNTY COMMUNITY &
ECONOMIC DEVELOPMENT FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the funds received for the Revolving Loan Fund and the USDA Loan Fund. The balance consists of bank accounts with Old National Bank in addition to the outstanding balance of loans made to local businesses.

4. GRANTS – GOVERNMENT AGENCIES

The Organization receives funding from the Randolph County Commissioners. Income received for the years ended December 31, 2011 and 2010, was \$208,250 and \$196,200, respectively. These amounts represent 76% and 72% of total income, respectively.

5. RECEIVABLES

Under a Revolving Loan Fund, the Organization grants loans to area businesses. Loans are to be repaid in monthly installments ranging from \$60 to \$1,057 including interest of 4% to 5%. Maturity dates range from March 2010 through October 2018.

6. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 7, 2012, the date which the financial statements were available for issue.