



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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May 27, 2009

Board of Directors  
Daviess County Economic  
Development Corporation  
P.O. box 191  
Washington, IN 47501

We have reviewed the audit report prepared by Kemper CPA Group, LLP, Independent Public Accountants, for the period January 1, 2007 to December 31, 2007. 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 Daviess County Economic Development Corporation, as of December 31, 2007, 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

**DAVISS COUNTY  
ECONOMIC DEVELOPMENT CORPORATION  
FINANCIAL STATEMENTS  
DECEMBER 31, 2007**



**DAVISS COUNTY ECONOMIC DEVELOPMENT CORPORATION  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Daviness County Economic Development Corporation

We have audited the accompanying statement of assets, liabilities, and net assets – modified cash basis of the Daviness County Economic Development Corporation (a nonprofit organization) as of December 31, 2007, and the related statement of revenues, expenses and net assets – modified cash basis for the year 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 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 of the Daviness County Economic Development Corporation as of December 31, 2007, and its support, revenues, and expenses for the years then ended, on the basis of accounting described in Note 1.

*Kemper CPA Group LLP*  
Certified Public Accountants and Consultants

October 15, 2008

**DAVIESS COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis**

**December 31, 2007**

**ASSETS**

CURRENT ASSETS

Cash	\$ 185,187
Revolving loan receivable	23,186
TOTAL CURRENT ASSETS	<u>208,373</u>

TOTAL ASSETS	<u>\$ 208,373</u>
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**LIABILITIES AND NET ASSETS**

LIABILITIES

Payroll taxes payable	\$ 1,849
TOTAL LIABILITIES	<u>1,849</u>

NET ASSETS

Unrestricted	206,524
TOTAL NET ASSETS	<u>206,524</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 208,373</u>
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**DAVISS COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**Statement of Revenues, Expenses, and Net Assets - Modified Cash Basis**

**For the year ended December 31, 2007**

SUPPORT AND REVENUES

Memberships	\$ 70,000
EDIT funds	198,366
Grant income	86,535
Interest Income	4,342
Miscellaneous	22,740
TOTAL SUPPORT AND REVENUES	<u>381,983</u>

EXPENSES

Management and general	155,159
Special projects	137,376
Contract labor	40,870
TOTAL EXPENSES	<u>333,405</u>

CHANGE IN NET ASSETS

48,578

NET ASSETS, beginning of year

157,946

NET ASSETS, end of year

\$ 206,524

# DAVIESS COUNTY ECONOMIC DEVELOPMENT CORPORATION

## Notes to Financial Statements

December 31, 2007

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Daviess County Economic Development Corporation (the "Organization") is a not-for-profit corporation organized independent from the city and county government to encourage industrial growth within the county and surrounding area. The Organization was originally incorporated under the laws of the state of Indiana on May 17, 1990, as a nonprofit corporation. Originally known as Daviess County Growers Corporation, the Organization adopted the name Daviess County Economic Development Corporation on July 26, 2005.

#### Basis of Accounting

The accompanying financial statements have been prepared on the modified cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. That basis differs from generally accepted accounting principles in that revenues are recognized when received instead of over the time associated with service provided, payments to vendors are recognized when paid instead of when goods or services are received, and the revolving loan amounts due from loan recipients are recognized as collectible instead of a cash disbursement.

#### 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. As of December 31, 2007, the Organization had no temporarily or permanently restricted net assets.

#### Contributions

Contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated as restricted by the donor for a special purpose are reported as temporarily or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of support, revenues, expenses and changes in net assets as assets released from restrictions.

**DAVISS COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**Notes to Financial Statements (Continued)**

**December 31, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Use of Estimates

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

Advertising Costs

The organization expenses advertising costs as they are incurred. Advertising costs were \$1,797 in 2007.

**NOTE 2 - CONCENTRATIONS OF CREDIT RISK**

The Organization maintains cash balances in four financial institutions in Washington, Indiana. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 2007, the Organization's uninsured cash balance was \$1,199.

**NOTE 3 - PROFIT SHARING PLAN**

The Organization maintains a profit sharing plan for the benefit of its eligible employees. Contributions to the plan are made based on percentages of employees' salaries. Cash contributions to the plan totaled \$9,975 during 2007. See Note 4 for a contingency relating to the profit sharing plan.

**NOTE 4 - CONTINGENT LIABILITY**

At December 31, 2007, the Organization was liable for a 2007 contribution funding of \$21,500 and delinquent contribution fundings, interest, filing penalties, and document penalties relating to the profit sharing plan, which is estimated to be \$14,500, for a total of \$36,000.