



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B34419

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

May 27, 2009

Board of Directors
Logansport-Cass County Economic
Development Foundation, Inc.
311 S. 5th St.
Logansport, IN 46947

We have reviewed the audit report prepared by Zehner, Maloy & Associates, CPA's, LLC, 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 Logansport-Cass County Economic Development Foundation, Inc., 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

**LOGANSPOUT-CASS COUNTY ECONOMIC
DEVELOPMENT FOUNDATION, INC.**

FINANCIAL STATEMENTS

December 31, 2007 and 2006

LOGANSPORT-CASS COUNTY ECONOMIC
DEVELOPMENT FOUNDATION, INC.

CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES	3
STATEMENTS OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6
ADDITIONAL INFORMATION	
INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION	10
SCHEDULE OF EXPENSES - ACTUAL VS BUDGET - 2006	11
SCHEDULE OF PASS THROUGH ACTIVITIES	12

ZEHNER, MALOY & ASSOCIATES

• Certified Public Accountants, L.L.C. •

*Member American Institute of Certified Public Accountants
Member Indiana Certified Public Accountants*

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Logansport-Cass County Economic Development Foundation, Inc.

We have audited the accompanying statements of financial position of Logansport-Cass County Economic Development Foundation, Inc. (a nonprofit organization) as of December 31, 2007 and 2006 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 Logansport-Cass County Economic Development Foundation, Inc. as of December 31, 2007 and 2006, 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.

Zehner, Maloy & Associates, CPAs, L.L.C.

Logansport, Indiana
August 28, 2008

LOGANSPORT-CASS COUNTY ECONOMIC
DEVELOPMENT FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION
As of December 31,

	<u>2007</u>	<u>2006</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 56,435	\$ 123,585
Certificates of Deposit	232,509	51,535
	<hr/>	<hr/>
Total Current Assets	288,944	175,120
PROPERTY, PLANT AND EQUIPMENT		
Building	120,000	120,000
Building Improvements	73,072	61,818
Furniture and Equipment	56,808	52,280
	<hr/>	<hr/>
	249,880	234,098
Less: Accumulated Depreciation	(45,494)	(28,707)
	<hr/>	<hr/>
	204,386	205,391
	<hr/>	<hr/>
	\$ 493,330	\$ 380,511
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Amounts Withheld from Employees	\$ 2,634	\$ 3,074
Accrued Wages	3,965	3,412
Accrued Taxes	615	818
Amounts Held for Others	-	5,013
	<hr/>	<hr/>
Total Current Liabilities	7,214	12,317
NET ASSETS		
Unrestricted - Undesignated	486,116	368,194
	<hr/>	<hr/>
	\$ 493,330	\$ 380,511
	<hr/>	<hr/>

See Notes to Financial Statements.

LOGANSPORT-CASS COUNTY ECONOMIC
DEVELOPMENT FOUNDATION, INC.

STATEMENTS OF ACTIVITIES
For the Years Ended December 31,

	<u>2007</u>	<u>%</u>	<u>2006</u>	<u>%</u>
Support and Revenue				
Contributions - CEDIT	\$ 240,000	62.92	\$ 137,800	37.03
Interest	7,359	1.93	4,919	1.32
Other Income	14,650	3.84	9,721	2.61
Other Income - Grants	-	-	19,000	5.11
Membership Fees	51,355	13.46	39,555	10.63
Building Donation	-	-	120,000	32.25
Gain (Loss) on Furniture & Fixtures Disposals	-	-	131	0.04
Business Attraction and Marketing	24,000	6.29	11,000	2.96
Reimbursement for Shovel Ready	9,048	2.37	-	-
Succeed Awards	5,000	1.31	-	-
HH North South Corridor	30,000	7.87	30,000	8.06
Total Support and Revenue	<u>381,412</u>	<u>100.00</u>	<u>372,126</u>	<u>100.00</u>
Expenses				
Salaries	103,706	39.36	88,866	34.32
Payroll Taxes	8,250	3.13	7,064	2.73
Insurance	1,918	0.72	2,136	0.82
Depreciation	16,786	6.37	10,489	4.05
Internet Expense	897	0.34	350	0.14
Rent	-	-	6,300	2.43
Utilities	2,605	0.99	2,284	0.88
Postage	1,003	0.38	1,239	0.48
Telephone	2,420	0.92	3,053	1.18
Dues and Subscriptions	2,512	0.95	3,326	1.28
Supplies	2,389	0.91	3,042	1.17
403(b) Contributions	7,134	2.71	5,239	2.02
Seminars	3,823	1.45	1,768	0.68
Travel	3,952	1.50	3,544	1.37
Building Maintenance	828	0.31	2,500	0.97
Equipment Maintenance	3,486	1.32	930	0.36
Insurance - Director's Life	426	0.16	310	0.12
Insurance - Other	2,400	0.91	1,400	0.54
Insurance-Disability	1,711	0.65	1,682	0.65
Contract Labor	-	-	3,504	1.35
Consulting Expense	2,275	0.86	1,388	0.54
Miscellaneous	40	0.02	266	0.10
Property Taxes	2,884	1.09	-	-
Other Expenses	-	-	8,240	3.18
Janitorial	1,042	0.40	306	0.12
Meals and Entertainment	4,188	1.59	4,734	1.83
Legal and Accounting	4,818	1.83	2,711	1.05
Marketing	40,085	15.21	19,864	7.67
Shovel Ready Expense	9,048	3.43	-	-

See Notes to Financial Statements.

LOGANSPORT-CASS COUNTY ECONOMIC
DEVELOPMENT FOUNDATION, INC.

STATEMENTS OF ACTIVITIES
For the Years Ended December 31,

HH North South Corridor	10,800	4.10	45,700	17.65
Business Attract. and Marketing	<u>22,064</u>	<u>8.37</u>	<u>26,726</u>	<u>10.32</u>
Total Expenses	<u>263,490</u>	<u>99.98</u>	<u>258,961</u>	<u>100.00</u>
INCREASE IN NET ASSETS	117,922		113,165	
NET ASSETS AT BEGINNING OF YEAR	<u>368,194</u>		<u>255,029</u>	
NET ASSETS AT END OF YEAR	<u>\$ 486,116</u>		<u>\$ 368,194</u>	

See Notes to Financial Statements.

LOGANSPORT-CASS COUNTY ECONOMIC
DEVELOPMENT FOUNDATION, INC.

STATEMENTS OF CASH FLOWS
For the Years Ended December 31,

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	\$ 117,922	\$ 113,165
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	16,786	10,489
(Gain) Loss from Sale of Furniture and Fixtures	-	(130)
Interest Income on Certificate of Deposit	1,429	(1,537)
Building Donation	-	(120,000)
(Increase) Decrease in Current Assets:		
Reimbursement Receivable	-	8,501
Prepaid Expenses	-	700
Increase (Decrease) in Current Liabilities:		
Other Current Liabilities	<u>(5,105)</u>	<u>4,977</u>
Net Cash Provided by Operating Activities	<u>131,032</u>	<u>16,165</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Certificate of Deposit	(182,400)	(50,000)
Building Improvements	(11,253)	(61,818)
Purchases of Furniture and Equipment	(4,529)	(7,746)
Proceeds from Sale of Furniture and Fixtures	-	3,000
Net Cash (Used) by Investing Activities	<u>(198,182)</u>	<u>(116,564)</u>
NET INCREASE (DECREASE) IN CASH	(67,150)	(100,399)
CASH AT BEGINNING OF YEAR	<u>123,585</u>	<u>223,984</u>
CASH AT END OF YEAR	<u>\$ 56,435</u>	<u>\$ 123,585</u>

See Notes to Financial Statements.

LOGANSFORT-CASS COUNTY ECONOMIC
DEVELOPMENT FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2007 and 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies of Logansport-Cass County Economic Development Foundation, Inc. consistently applied in the preparation of the accompanying financial statements follows:

1) Nature of Organization - The Logansport-Cass County Economic Development Foundation, Inc. (the Foundation) is organized to reduce unemployment and underemployment by assisting and enabling the retention, attraction, and expansion of business and industry in the Logansport/Cass County area. The organization serves the Logansport trade area which includes the City of Logansport, Indiana and those portions of Cass County, Indiana, which are economically tied to the City of Logansport.

2) Cash and Cash Equivalents - For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

3) Property, Plant and Equipment - Property, plant and equipment owned by the Foundation is carried at cost, less accumulated depreciation.

Depreciation is computed using the straight line and declining balance methods over the estimated useful lives of the assets which range from 5 to 39 years.

Expenditures for maintenance, repairs, and certain elements of renewals are charged to operations as incurred. Additions and betterments are capitalized.

4) Income Tax Status - The Foundation is a not-for-profit organization exempt from federal and state taxation under Internal Revenue Code Section 501 (c) (3) and incorporated under the Indiana General Not-for-Profit Act.

5) Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

6) Net Assets - Net assets of the Foundation consist of unrestricted-undesignated funds available for general activities - these net assets are available for general obligations of the Foundation.

LOGANSPOUR-CASS COUNTY ECONOMIC
DEVELOPMENT FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2007 and 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7) Contributions - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contributions of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give are recognized as revenues or gains in the period received as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Foundation has not received any promises to give.

NOTE B - RETIREMENT PLAN

The Foundation has established a 403(b) plan. Employees who have worked one year are eligible to participate in the plan. Total expense under this plan was \$7,134 and \$5,239 in 2007 and 2006, respectively.

NOTE C - LEASE

The Foundation, prior to September 2006, conducted its operations in leased facilities. The Foundation had a sublease with the Chamber of Commerce for 50% of the rental lease expense incurred with an option of renewal each year. Total rental expense for 2007 was \$0.00 and for 2006 was \$6,300. During 2006, a building was donated to the Foundation and the Foundation moved into the new building in September 2006.

NOTE D - CONTRIBUTIONS

The following is a schedule of contributions/grants the Foundation received:

	<u>2007</u>	<u>2006</u>
Logansport/Cass County CEDIT	\$240,000	\$137,800
Other private contributions/memberships	134,053	109,276

LOGANSPOORT-CASS COUNTY ECONOMIC
DEVELOPMENT FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2007 and 2006

NOTE E - CREDIT AGREEMENT

The Foundation has entered into a contract with the City of Logansport and Cass County to provide economic development, community development, marketing, and administrative services on a 3-year basis. A new contract was approved in 2006 for the years 2007, 2008, and 2009. Estimated revenue under this contract is \$240,000 in 2007, \$171,032 in 2008 and \$174,101 in 2009.

NOTE F - CONCENTRATION OF CREDIT RISK

The Foundation maintains several bank accounts at local banks. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Deposits at any one institution did not exceed the FDIC limits at December 31, 2006. At December 31, 2007 this limit was exceeded by \$64,446 at First Farmers Bank and Trust.

ADDITIONAL INFORMATION

ZEHNER, MALOY & ASSOCIATES

◆ Certified Public Accountants, L.L.C. ◆

*Member American Institute of Certified Public Accountants
Member Indiana Certified Public Accountants*

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

To the Board of Directors of
Logansport-Cass County Economic Development Foundation, Inc.

Our report on our audits of the basic financial statements of Logansport-Cass County Economic Development Foundation, Inc. (a nonprofit organization) for 2007 and 2006 appears on page 1. Our audits were conducted in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of expenses, actual vs. budget, and the schedule of pass through activities are presented for the purpose of additional analysis and are 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.

Zehner, Maloy & Associates, CPAs, LLC

Logansport, Indiana
August 28, 2008

LOGANSPORT-CASS COUNTY ECONOMIC
DEVELOPMENT FOUNDATION, INC.

SCHEDULE OF EXPENSES - ACTUAL VS BUDGET
For the Year Ended December 31, 2007

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Variance</u>	<u>%</u>
Expenses				
Salaries	\$ 103,706	\$ 102,000	\$ 1,706	1.7
Payroll Taxes	8,250	7,803	447	5.7
Insurance and Fees	1,918	1,400	518	37.0
Depreciation	16,786	2,000	14,786	739.3
HH North South Corridor	10,800	30,000	(19,200)	(64.0)
Business Attract. and Marketing	22,064	24,000	(1,936)	(8.1)
Internet Expense	897	-	897	-
Utilities	2,605	2,500	105	4.2
Postage	1,003	1,500	(497)	(33.1)
Telephone	2,420	2,500	(80)	(3.2)
Dues and Subscriptions	2,512	3,000	(488)	(16.3)
Supplies	2,389	2,000	389	19.4
403(b) Contributions	7,134	7,140	(6)	(0.1)
Seminars	3,823	4,000	(177)	(4.4)
Travel	3,952	4,000	(48)	(1.2)
Building Maintenance	828	5,000	(4,172)	(83.4)
Equipment Maintenance	3,486	1,500	1,986	132.4
Insurance - Director's Life	426	500	(74)	(14.8)
Insurance - Other	2,400	5,000	(2,600)	(52.0)
Insurance-Disability	1,711	2,060	(349)	(16.9)
Consulting Expense	2,275	2,500	(225)	(9.0)
Miscellaneous	40	1,000	(960)	(96.0)
Property Taxes	2,884	-	2,884	-
Janitorial	1,042	800	242	30.3
Meals and Entertainment	4,188	5,000	(812)	(16.2)
Legal and Accounting	4,818	3,500	1,318	37.7
Marketing	40,085	40,000	85	0.2
Shovel Ready Expense	9,048	-	9,048	-
Total Expenses	<u>\$ 263,490</u>	<u>\$ 260,703</u>	<u>\$ 2,787</u>	<u>1.1</u>

LOGANSPOURT-CASS COUNTY ECONOMIC
DEVELOPMENT FOUNDATION, INC.

SCHEDULE OF PASS THROUGH ACTIVITIES
For the Years Ended December 31,

	<u>2007</u>	<u>2006</u>
Pass Through Revenue		
Business Attraction and Marketing	\$ 24,000	\$ 11,000
HH North South Corridor	30,000	30,000
Reimbursement for Shovel Ready	9,048	-
Total Pass Through Revenue	<u>63,048</u>	<u>41,000</u>
Pass Through Expenditures		
Business Attract. and Marketing	\$ 22,064	\$ 26,726
HH North South Corridor	10,800	45,700
Shovel Ready Expense	9,048	-
Total Pass Through Expenditures	<u>41,912</u>	<u>72,426</u>
 PASS THROUGH SURPLUS/(OVERAGE)	 <u>\$ 21,136</u>	 <u>\$ (31,426)</u>

See Notes to Financial Statements.