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June 17, 2009

Board of Directors  
Jackson County Industrial  
Development Corporation  
301 N. Chestnut St.  
Seymour, IN 47274

We have reviewed the audit report prepared by Mark Dennis & Company, CPA, Inc., 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 Jackson County Industrial 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

JACKSON CO. INDUSTRIAL DEVELOPMENT CORP.

AUDITED FINANCIAL STATEMENTS

AND

SUPPLEMENTAL INFORMATION

December 31, 2007 and 2006

WITH INDEPENDENT AUDITORS' REPORT

JACKSON COUNTY INDUSTRIAL DEVELOPMENT CORPORATION

AUDITED FINANCIAL STATEMENTS

AND

SUPPLEMENTAL INFORMATION

December 31, 2007 and 2006

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Jackson County Industrial Development Corporation  
Seymour, Indiana

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying balance sheets of Jackson County Industrial Development Corporation, 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 statements referred to above present fairly, in all material respects, the financial position of Jackson County Industrial Development Corporation as of December 31, 2007 and 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying information in the Supplement Schedules of Member Support on pages 7 and 8 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements; and, in our opinion, the information is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

*Mark Dennis & Company, CPA, Inc.*  
Mark Dennis & Company, CPA, Inc.  
November 25, 2008

**JACKSON COUNTY INDUSTRIAL DEVELOPMENT CORPORATION**  
**BALANCE SHEETS**  
December 31, 2007 and 2006

	12/31/2007	12/31/2006
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 2)	82,394	6,593
Certificates of deposit	83,639	140,410
Restricted cash	93,300	61,800
Total Current Assets	259,333	208,803
<b>Equipment</b>		
Furniture and equipment	43,752	42,188
Less accumulated depreciation	(39,662)	(37,624)
Net furniture and equipment	4,090	4,564
<b>Vehicle</b>		
Vehicle	17,200	17,200
Less accumulated depreciation	(12,613)	(9,173)
Net vehicle	4,587	8,027
Total net equipment	8,677	12,591
<b>Other assets</b>		
Loan receivable from USDA grant (Note 3)	19,401	24,276
Total Assets	\$ 287,411	\$ 245,670
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Payroll taxes payable	4,532	4,314
Total Current Liabilities	4,532	4,314
<b>Net Assets</b>		
Unrestricted	189,579	179,556
Temporarily restricted (Note 4)	93,300	61,800
Total Net Assets	282,879	241,356
Total Liabilities and Net Assets	\$ 287,411	\$ 245,670

JACKSON COUNTY INDUSTRIAL DEVELOPMENT CORPORATION  
STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007			2006		
	Unrestricted	Received with Restriction	Total	Unrestricted	Received with Restriction	Total
<b>Support and revenue:</b>						
General contributions	\$ 237,269	\$ 54,300	\$ 291,569	\$ 187,904	\$ 44,800	\$ 232,704
Workforce contributions	22,000	14,000	36,000	22,000	17,000	39,000
Interest	8,082	-	8,082	6,870	-	6,870
USDA grant proceeds received	-	25,000	25,000	25,000	-	25,000
USDA loan program interest income	1,365	-	1,365	408	-	408
Golf Outing	-	-	-	1,470	-	1,470
Other Income(Churchill)	2,000	-	2,000	2,000	-	2,000
IDWD grant income (Note 5)	383,488	-	383,488	-	-	-
Other Grant Income	1,000	-	1,000	21,500	-	21,500
Net Assets released from restrictions	61,800	(61,800)	-	65,050	(65,050)	-
<b>Total support and revenue</b>	<b>717,004</b>	<b>31,500</b>	<b>748,504</b>	<b>332,202</b>	<b>(3,250)</b>	<b>328,952</b>
<b>Expenses (Note 6)</b>						
Salaries	174,670	-	174,670	168,824	-	168,824
Payroll taxes	13,305	-	13,305	12,767	-	12,767
Contract labor	81	-	81	45	-	45
Travel	28,521	-	28,521	33,113	-	33,113
Telephone	4,582	-	4,582	4,435	-	4,435
Printing and publications	8,936	-	8,936	21,116	-	21,116
Postage	2,607	-	2,607	1,951	-	1,951
Office	5,136	-	5,136	4,734	-	4,734
Insurance	4,436	-	4,436	4,455	-	4,455
Life, health & disability insurance	16,328	-	16,328	16,498	-	16,498
Depreciation	5,477	-	5,477	8,905	-	8,905
Advertising and marketing	22,572	-	22,572	16,754	-	16,754
Education and conferences	8,463	-	8,463	5,813	-	5,813
Public relations and promotion	8,324	-	8,324	7,923	-	7,923
Professional fees	487	-	487	329	-	329
Accounting fees	1,900	-	1,900	4,632	-	4,632
Vehicle	943	-	943	428	-	428
Membership dues	4,965	-	4,965	3,120	-	3,120
Retirement fund (Note 7)	10,867	-	10,867	10,362	-	10,362
Reception	1,214	-	1,214	1,665	-	1,665
Strategic plan	14,972	-	14,972	-	-	-
Sponsorships	2,853	-	2,853	3,500	-	3,500
Internet	1,368	-	1,368	1,546	-	1,546
Churchill	4,191	-	4,191	3,744	-	3,744
Golf outing	385	-	385	1,940	-	1,940
Board meeting	996	-	996	824	-	824
Training Acceleration Grant expense	358,400	-	358,400	10,000	-	10,000
Miscellaneous	2	-	2	169	-	169
<b>Total Expenses</b>	<b>706,981</b>	<b>-</b>	<b>706,981</b>	<b>349,593</b>	<b>-</b>	<b>349,593</b>
<b>Change in net assets</b>	<b>10,023</b>	<b>31,500</b>	<b>41,523</b>	<b>(17,391)</b>	<b>(3,250)</b>	<b>(20,641)</b>
<b>Net assets, beginning of year</b>	<b>179,556</b>	<b>61,800</b>	<b>241,356</b>	<b>196,947</b>	<b>65,050</b>	<b>261,997</b>
<b>Net assets, end of year</b>	<b>\$ 189,579</b>	<b>\$ 93,300</b>	<b>\$ 282,879</b>	<b>\$ 179,556</b>	<b>\$ 61,800</b>	<b>\$ 241,356</b>

JACKSON COUNTY INDUSTRIAL DEVELOPMENT CORPORATION  
 STATEMENTS OF CASH FLOWS  
 YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ 41,523	\$ (20,641)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,477	8,905
Changes in operating assets and liabilities:		
Increase in prepaid expenses	-	1,195
Increase (decrease) in payroll taxes withheld	218	153
Net cash provided by (used in) operating activities	47,218	(10,388)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
(Increase) decrease in certificates of deposit	56,771	4,968
(Increase) decrease in restricted cash	(31,500)	3,250
(Increase) decrease in loans receivable from USDA grant	4,875	(15,473)
Purchases of equipment and vehicles	(1,563)	(1,239)
Net cash provided by (used in) investing activities	28,583	(8,494)
Net increase (decrease) in cash and cash equivalents	75,801	(18,882)
Cash and cash equivalents, beginning of year	6,593	25,475
Cash and cash equivalents, end of year	\$ 82,394	\$ 6,593

JACKSON COUNTY INDUSTRIAL DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2007 and 2006

Note 1 - NATURE OF OPERATIONS

The Jackson County Industrial Development Corporation ("The Organization") is a not-for-profit industrial and business development organization funded jointly by the public and private sectors. Its mission is to promote economic development in Jackson County, most notably in the area of expansion of existing businesses and the attraction of new businesses. The organization has established a Partnership within itself to create education and communication between the workforce and industry. A significant portion of all support is received from various individuals and businesses in Jackson County and surrounding areas. Grant funds are requested when necessary to fund specific projects in Jackson County related to economic development.

Note 2 – SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's estimates. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Temporarily Restricted Contributions – Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions are recognized at their fair value at the date the contribution was received.

Equipment – Equipment is recorded at cost, or fair market value if donated, and is depreciated over the estimated useful lives which range from five to seven years, using the straight-line method of depreciation. Maintenance, repairs and minor improvements are expensed as incurred. The Organization has not adopted a formal capitalization policy.

Income Taxes – No provision is shown for federal and state income taxes because the Corporation has been granted exemption from taxation under Section 501(c)(3) of the Internal Revenue Code.

Statement of Cash Flows – The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude temporarily restricted cash and cash equivalents.

Advertising – Advertising costs are expensed as incurred.

Note 3 – LOANS RECEIVABLE FROM USDA GRANT

The United States Department of Agriculture Organization granted the Organization \$70,000 for purposes of making loans to local businesses for economic development. As loan proceeds are received from the borrowers, the funds (including interest) are available for the Organization's exempt purposes. As of December 31, 2007 and 2006, unpaid loan balances were \$19,401 and \$24,276, respectively. The USDA has issued \$60,000 in total funds under this grant as of December 31, 2007. The Organization was holding \$25,000 to fund a new loan in 2008. An additional \$10,000 is still available to be received and loaned by the Organization.

JACKSON COUNTY INDUSTRIAL DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2007 and 2006

Note 4 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for use after the end of the year were \$90,050 and \$61,800, as of December 31, 2007 and 2006, respectively.

Net assets released from donor restrictions by satisfying the time restrictions specified by donors totaled \$61,800 and \$65,050 during 2007 and 2006, respectively.

Note 5 – INDIANA DEPARTMENT OF WORKFORCE DEVELOPMENT GRANTS

The Organization received two Training Acceleration Grants from the Indiana Department of Workforce Development on behalf of Ivy Tech Community College (“Ivy Tech”) to offer a Management Supervisory Institute Certification Program at the Jackson County Education Center. The total receipts under the grants were \$383,488 during 2007. The funds were passed thru to Ivy Tech in 2007 in the amount of \$358,400. The remaining funds were retained by the Organization for administration of the grants.

Note 6 – OPERATING LEASE

The Organization leases office space under a cancelable operating lease with a non-related party. Instead of paying the lessor, there is, in effect, an in-kind contribution from the lessor. Management has elected to forego recording the in-kind contribution and the offsetting expense because the costs to obtain fair market value exceeds the benefits derived.

Note 7 – RETIREMENT PLAN

The Organization has a pension plan covering all full-time employees who have been employed three of the last five years. Employer contributions to the plan are discretionary and approved annually by the Board of Directors. For the years ended December 31, 2007 and 2006, contributions of \$10,867 and \$10,362 respectively, were approved.

Note 8 – CONCENTRATIONS

The Organization maintains bank accounts and certificates of deposits at several financial institutions that periodically exceeded the FDIC limit during the year. As of December 31, 2007, funds in excess of the FDIC limit totaled approximately \$51,097. There were no uninsured deposits as of December 31, 2006.

SUPPLEMENTAL INFORMATION

JACKSON COUNTY INDUSTRIAL DEVELOPMENT CORPORATION  
 SUPPLEMENTAL SCHEDULE OF SUPPORT  
 YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007 Contributions		2006 Contributions		Total
	Paid in 2007	Paid in 2006	Paid in 2006	Paid in 2005	
General Contributions					
A & R Rental, Inc.	\$ -	1,000	\$ -	1,000	1,000
Aisin Drivetrain	-	500	-	500	500
Aisin USA Mfg Co., Inc.	3,000	-	3,000	-	3,000
Bateman Builders	-	1,500	1,500	-	1,500
Bloomfield State Bank	500	-	-	-	500
Blue and Co.	-	750	-	750	750
Brownstown Chamber of Commerce	1,000	-	1,000	-	1,000
Brownstown Economic Development	750	-	750	-	750
Brownstown Town Board	2,200	-	2,200	-	2,200
Cinergy/Metronet	500	-	-	-	500
Cornerstone Environmental	-	1,000	-	-	1,000
City of Seymour	60,000	-	60,000	-	60,000
Comcast	-	-	250	-	250
Community First Bank	-	-	500	-	500
Community Foundation of Jackson Co.	7,319	-	6,704	-	6,704
Correll Architects	250	-	500	-	500
Grothersville Town Board	1,750	-	-	1,500	1,500
Duke Energy	6,500	-	6,500	-	6,500
Dunlap Construction	1,000	-	1,000	-	1,000
Employment Plus	-	500	-	-	500
Force Construction	1,000	-	-	-	1,000
Goecker Construction	1,000	-	1,000	-	1,000
Greater Seymour Chamber of Commerce	2,500	-	5,000	-	5,000
Home Federal Bank	-	6,000	-	6,000	6,000
Independent Land Surveying, Inc.	750	-	750	-	750
Indiana American Water Co.	5,500	-	5,500	-	5,500
Irwin Union Bank	6,000	-	6,000	-	6,000
Jackson County Bank	6,000	-	6,000	-	6,000
Jackson County REMC	5,500	-	5,500	-	5,500
Jackson County Visitor Bureau	55,000	-	55,000	-	55,000
Jackson County Water Utility	-	500	-	500	500
King's Trucking & Excavation, Inc.	-	1,000	-	1,000	1,000
Kobelco Metal Powder	-	500	-	500	500
Louisville & Indiana Railroad	-	6,000	-	5,500	5,500
Mark Dennis & Company, CPA, Inc.	500	-	500	-	500
Midwest Natural Gas	-	500	-	500	500
Miller Real Estate	-	200	-	-	200
Monroe County Bank	750	-	-	1,000	1,000
National City Bank	5,500	-	5,500	-	5,500
Ranger Enterprises, Inc.	-	2,000	-	2,000	2,000
Regal Industries	750	-	-	-	750
Rust Construction	250	-	-	-	250

See accountant's report.

**JACKSON COUNTY INDUSTRIAL DEVELOPMENT CORPORATION**  
**SUPPLEMENTAL SCHEDULE OF SUPPORT**  
**YEARS ENDED DECEMBER 31, 2007 AND 2006**

	2007 Contributions			2006 Contributions		
	Paid in 2007	Paid in 2006	Total	Paid in 2006	Paid in 2005	Total
Schneck Medical Center	-	20,000	20,000	-	20,000	20,000
Schwarz Pharma	-	1,000	1,000	-	1,000	1,000
Seymour Aviation Authority	-	1,100	1,100	-	1,100	1,100
Seymour Industrial Corporation	50,000	-	50,000	-	-	-
Seymour Tubing	2,000	-	2,000	2,000	-	2,000
Seymour Warehouse	200	-	200	-	200	200
Shelby Materials	-	750	750	-	750	750
Sieco, Inc.	-	-	-	500	-	500
SIHO	5,500	-	5,500	5,500	-	5,500
Spray Sand and Gravel, Inc.	-	-	-	-	-	-
The Peoples Bank	2,000	-	2,000	2,000	250	2,250
Vectren	1,250	-	1,250	1,250	-	1,250
Wayman and Associates	750	-	750	-	500	500
Whittymore, LLC	-	-	-	2,000	-	2,000
<b>Total general contributions</b>	<b>237,469</b>	<b>44,800</b>	<b>282,269</b>	<b>187,904</b>	<b>44,550</b>	<b>232,454</b>
<b>Workforce Contributions</b>						
Aisin Drivetrain	-	2,500	2,500	-	2,500	2,500
Aisin USA	4,000	-	4,000	4,000	-	4,000
Cerro Wire and Cable	1,000	-	1,000	-	1,000	1,000
City of Seymour	5,000	-	5,000	5,000	-	5,000
Columbus Container	500	-	500	-	500	500
Cummins Industrial Center	-	-	-	2,500	-	2,500
Dickson's	2,500	-	2,500	2,500	-	2,500
Excel Manufacturing	-	1,000	1,000	-	1,000	1,000
Excel Tool	-	500	500	-	500	500
JLM Pharmatech, Inc.	-	-	-	-	1,000	1,000
King Industrial Corp.	1,000	-	1,000	-	1,000	1,000
Kobelco	-	-	-	-	1,000	1,000
RR Donnelley & Sons	-	2,500	2,500	-	2,500	2,500
Schwarz Pharma	-	2,500	2,500	-	2,500	2,500
Seymour Tubing	-	4,000	4,000	-	4,000	4,000
Valeo Sylvania	4,000	-	4,000	4,000	-	4,000
Wal-Mart	4,000	-	4,000	4,000	-	4,000
<b>Total workforce contributions</b>	<b>22,000</b>	<b>17,000</b>	<b>39,000</b>	<b>22,000</b>	<b>20,500</b>	<b>42,500</b>
<b>Total Contributions</b>	<b>\$ 259,469</b>	<b>\$ 61,800</b>	<b>\$ 321,269</b>	<b>\$ 209,904</b>	<b>\$ 65,050</b>	<b>\$ 274,954</b>

JACKSON COUNTY INDUSTRIAL DEVELOPMENT CORPORATION  
 SUPPLEMENTAL SCHEDULE OF SUPPORT  
 YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007 Contributions		2006 Contributions	
	Paid in 2007	Paid in 2006	Paid in 2006	Total
<b>Grant Income</b>				
IDWD grant income (Note 5)	383,488	-	-	383,488
City of Seymour (EDC)	-	-	-	-
Duke	1,000	-	8,500	8,500
Vectren	-	-	2,000	2,000
Duke (ESIP wetlands)	-	-	1,000	1,000
	-	-	10,000	10,000
<b>Total Grant Income</b>	<b>384,488</b>	<b>-</b>	<b>21,500</b>	<b>21,500</b>
<b>Total Contributions and Grants</b>	<b>\$ 643,957</b>	<b>\$ 61,800</b>	<b>\$ 231,404</b>	<b>\$ 296,454</b>