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June 30, 2009

Board of Directors
Scott County Economic
Development Corporation
90 N. Main St., Ste. C
Scottsburg, IN 47170

We have reviewed the audit report prepared by Blue & Co., 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 Scott 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.

We call your attention to the findings in the report. Note 6 on page 7 makes mention of going concern considerations. The management letter contains one comment.

STATE BOARD OF ACCOUNTS

SCOTT COUNTY ECONOMIC DEVELOPMENT CORPORATION

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REPORT OF INDEPENDENT AUDITORS

Board of Directors
Scott County Economic Development Corporation
Scottsburg, Indiana

We have audited the accompanying statements of financial position of Scott County Economic Development Corporation (the "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 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 the Organization 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.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of expenses on page 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 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.

Blue & Co., LLC

October 7, 2008

SCOTT COUNTY ECONOMIC DEVELOPMENT CORPORATION

STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2007 AND 2006

ASSETS

	<u>2007</u>	<u>2006</u>
Cash	\$ 50	\$ 50
Accounts receivable	250	-0-
Equipment, net	189	342
Restricted cash	341,913	35,522
Restricted certificates of deposit	<u>-0-</u>	<u>104,282</u>
	<u>\$ 342,402</u>	<u>\$ 140,196</u>

LIABILITIES AND NET ASSETS

Liabilities		
Interfund payables	\$ 45,427	\$ 11,737
Accrued expenses	6,440	250
Deferred revenue	<u>311,782</u>	<u>139,804</u>
Total liabilities	363,649	151,791
Unrestricted net assets (deficit)	<u>(21,247)</u>	<u>(11,595)</u>
	<u>\$ 342,402</u>	<u>\$ 140,196</u>

See accompanying notes to financial statements.

SCOTT COUNTY ECONOMIC DEVELOPMENT CORPORATION

STATEMENTS OF ACTIVITIES YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Support and revenues		
Grant income:		
State government	\$ 1,347	\$ 1,000
Other government	<u>118,000</u>	<u>136,000</u>
	119,347	137,000
Contributions	18,250	18,375
Interest income	4,046	4,697
Miscellaneous income	<u>736</u>	<u>2,727</u>
	<u>23,032</u>	<u>25,799</u>
Total support and revenues	142,379	162,799
Expenses		
Economic development	116,632	131,994
Management and general	<u>35,399</u>	<u>36,496</u>
Total expenses	<u>152,031</u>	<u>168,490</u>
Change in net assets	(9,652)	(5,691)
Net assets (deficit), beginning of year	<u>(11,595)</u>	<u>(5,904)</u>
Net assets (deficit), end of year	<u>\$ (21,247)</u>	<u>\$ (11,595)</u>

See accompanying notes to financial statements.

SCOTT COUNTY ECONOMIC DEVELOPMENT CORPORATION

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities		
Change in net assets	\$ (9,652)	\$ (5,691)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	153	1,026
Changes in assets and liabilities:		
Accounts receivable	(250)	455
Net change in restricted cash	(306,391)	191,833
Net change in restricted certificates of deposit	104,282	(104,282)
Interfund payables	33,690	4,210
Accrued expenses	6,190	-0-
Deferred revenue	<u>171,978</u>	<u>(87,551)</u>
Net cash flows from operating activities	-0-	-0-
Cash, beginning of year	<u>50</u>	<u>50</u>
Cash, end of year	<u>\$ 50</u>	<u>\$ 50</u>

See accompanying notes to financial statements.

SCOTT COUNTY ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2007 AND 2006

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Scott County Economic Development Corporation (the "Organization") is a not-for-profit corporation which is governed by a Board of Directors. The Organization aids Scott County, Indiana, by attracting new industry to the area and by encouraging the development and retention of industries in the community.

Management's Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported support, revenues and expenses. Actual results could vary from the estimates that were used.

Basis of Presentation

Net assets, support, revenues, expenses, investment return, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. The net assets of the Organization are classified and reported as unrestricted net assets as they are not subject to donor-imposed restrictions.

Equipment

Items capitalized as part of equipment are valued at cost. Maintenance and repairs are expensed as incurred. The Organization uses the straight line method of computing depreciation at rates adequate to depreciate the cost of the applicable assets over their useful lives ranging from 3 to 7 years.

Restricted Cash and Certificates of Deposit

Restricted cash and certificates of deposits include monies received from the City of Scottsburg for the management of the activities related to the Certified Technology Park and the Future Rural Technology Project.

Interfund Payables

Interfund payables relate to monies the Organization has utilized for operations which are related to the Certified Technology Park and the Future Rural Technology Project it oversees.

SCOTT COUNTY ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2007 AND 2006

Support and Revenue Recognition

Contributions are recognized as support in the period the contribution is made. Contributions received with donor imposed restrictions are reported as restricted support and increase temporarily or permanently restricted net assets.

All other revenue is recorded when earned.

Expense Allocation

The costs of providing the Organization's various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain expenses have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization is exempt from federal and state income taxation as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code.

Reclassifications

Certain prior year amounts have been reclassified herein to conform to the current method of presentation.

2. EQUIPMENT

A summary of equipment at December 31, 2007 and 2006, is as follows:

	<u>2007</u>	<u>2006</u>
Equipment	\$ 16,749	\$ 16,749
Less accumulated depreciation	<u>16,560</u>	<u>16,407</u>
	<u>\$ 189</u>	<u>\$ 342</u>

3. DEFERRED REVENUE

In 2006, the Organization received \$277,011 from the City of Scottsburg to manage and market the Certified Technology Park. An additional \$235,000 was received from the City of Scottsburg in 2007. During 2007 and 2006, the Organization expended \$165,708 and \$87,551 of the funds for this purpose, respectively.

SCOTT COUNTY ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2007 AND 2006

Deferred revenue at December 31, 2007 and 2006 of \$209,096 and \$139,804, respectively, represents that portion of revenue relating to the Certified Technology Park attributable to services required to be provided by the Organization that have not yet been performed.

In 2007, the Organization received \$100,000 from the City of Scottsburg and \$97,500 from the State of Indiana to manage and market the Future Rural Technology Project. During 2007, the Organization expended \$94,814 of the funds for this purpose. Deferred revenue at December 31, 2007 of \$102,686 represents that portion of revenue relating to the Future Rural Technology Project attributable to services required to be provided by the Organization that have not yet been performed.

4. RETIREMENT SAVINGS PLAN

The Organization has a 403(b) deferred savings plan available to all employees. The Corporation's contributions to the plan amounted to \$5,414 and \$5,157 for the years ended December 31, 2007 and 2006, respectively.

5. OPERATING LEASE

The Organization leases office space on a month-to-month basis from the City of Scottsburg. Rent expense under this lease was \$3,600 for the years ended December 31, 2007 and 2006, respectively.

6. MANAGEMENT'S PLANS REGARDING CONTINUED OPERATIONS

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Organization as a going concern. However, the Organization has sustained recurring operating losses and has an accumulated deficit at December 31, 2007. Future operations of the Organization are intended to continue.

Future plans to ensure the continued operations of the Organization include seeking grant money from both local governments within Scott County as well as other sources.

The Organization's continued existence is dependent on its ability to achieve profitable operations and positive cash flows.

SUPPLEMENTARY INFORMATION

SCOTT COUNTY ECONOMIC DEVELOPMENT CORPORATION

SCHEDULES OF EXPENSES YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Staff salaries and wages	\$ 80,207	\$ 103,100
Payroll taxes	9,313	8,260
Pension and profit sharing	5,414	5,157
Rent	3,600	3,600
Marketing	12,569	7,643
Travel	954	2,218
Business meals and entertainment	5,902	4,029
Depreciation	153	1,026
Repairs and maintenance	1,362	1,672
Office supplies and postage	1,661	2,851
Telephone	4,898	4,982
Dues and subscriptions	2,270	2,436
Professional services	4,925	4,985
Conferences and meetings	2,460	1,246
Insurance	12,424	10,748
Storage rental	256	252
Newcomer brochure expense	-0-	90
Program expenses - other	3,271	3,910
Miscellaneous	392	285
	<u>\$ 152,031</u>	<u>\$ 168,490</u>



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October 7, 2008

Board of Directors
Scott County Economic Development Corporation
Scottsburg, Indiana

Dear Members of the Board:

We have audited the financial statements of Scott County Economic Development Corporation (the "Organization") for the year ended December 31, 2007, and have issued our report thereon dated as of the date of this letter.

Professional standards require that we provide you with the following information related to our audit.

OUR RESPONSIBILITY UNDER U.S. GENERALLY ACCEPTED AUDITING STANDARDS

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control of the Organization. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based upon management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were: the depreciation of property and equipment and the functional allocation of expenses. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing and completing our audit.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

The following material misstatements detected as a result of audit procedures were corrected by management:

- An adjustment to properly reclassify the Technology Park Project and Future Rural Technology Project against deferred revenue. This adjustment decreased the change in net assets by \$171,978.

In addition, there were other misstatements detected as a result of audit procedures and corrected by management which were immaterial, either individually or in the aggregate, to the financial statements taken as a whole.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of the audit.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated as of the date of this letter.

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

INTERNAL CONTROL MATTERS

In planning and performing our audit of the financial statements of the Organization as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies to be significant deficiencies in internal control:

Identification of material misstatements from US GAAP during the audit

During the audit, we noted certain adjustments which we proposed to the Organization for posting which the Organization reviewed and agreed were necessary to post in order for the financial statements to be in accordance with US GAAP. The need to post certain adjustments as a result of the audit process is a reflection of the nature of the

Organization. The Organization basically operates on a cash basis during the year with accrual-basis adjustments only being determined and posted through the audit process. In addition, certain specific adjustments related to the non-profit arena are also only posted through the audit process including net asset designations and certain other changes as applicable. While the need to make these adjustments is technically a significant deficiency in internal controls related to financial reporting, the Organization has chosen this approach as it has judged the cost to exceed the benefit of maintaining its records on the accrual basis and including these specific adjustments on a monthly basis. The use of the cash method on a monthly basis throughout the year gives the Board information to manage the operations of the Organization in a sufficient manner in its estimation. This matter will be noted annually in accordance with professional standards.

CURRENT ISSUES AFFECTING NOT-FOR-PROFIT ORGANIZATIONS

This section of the letter is not required by professional standards. However, we want to inform you about issues of importance to the not-for-profit community in order to assist you in continuing to plan proactively for the future of the Organization. The purpose of this section of this letter is to inform you as to the status of certain emerging developments which will affect not-for-profit organizations.

IRS Releases Good Governance Practices Guidelines for Not-For-Profits

In early 2007, the Internal Revenue Service ("IRS") issued a set of guidelines designed to help ensure that members of a 501(c)(3) organization's governing board are familiar with and understand their roles and responsibilities and actively promote good governance practices within the organization. While compliance with these guidelines is not required for tax exempt status, the IRS indicates that adoption of some of the guidelines as best practices will aid an organization's success in pursuing exempt status and earning public support.

The guidelines address nine specific issues. The following is a brief summary of each recommendation:

Mission Statements: Adopt a clearly articulated statement that shows why the organization exists, what it hopes to accomplish, and what activities it will undertake, where, and for whom.

Codes of Ethics: Adopt and regularly evaluate a code of ethics and whistleblower policies that communicate a strong culture of legal compliance and ethical integrity.

Due Diligence: Ensure that policies are in place to help directors meet their duty of care, and ensure that directors are fully informed about the organization's activities, goals, and financial status.

Duty of Loyalty: Adopt and regularly evaluate a conflict of interest policy, which requires directors and staff to act solely in the interests of the organization. Directors and staff should be required to disclose annually in writing any known financial interest that the individual, or a member of the individual's family, has in any business entity that transacts business with the organization.

Transparency: Maintain full and accurate disclosure of the organization's mission, activities, and financial performance, and make this information available to the public on the organization's website and/or by request.

Fundraising Policies: Adopt and monitor policies to ensure that solicitation complies with the law and that materials are accurate, truthful, and candid.

Financial Audits: The governing board should approve annual budgets and regularly review current financial statements, as well as having an annual audit conducted by an independent auditor.

Compensation Practices: Compensation for services performed should be reasonable. Charities may pay reasonable compensation for services provided by officers and staff. In determining reasonable compensation, a charity may wish to rely on the rebuttable presumption test of IRC Section 4958 and Treasury Regulation Section 53.4958-6.

Document Retention Practices: Adopt a written policy establishing standards for the integrity, retention, and destruction of paper and electronic files. The policy should cover backup procedures, archiving of documents, and regular check-ups of the reliability of the system.

Principles for Effective Practice – Draft Recommendations from the Panel on the Nonprofit Sector

The Panel on the Nonprofit Sector is an independent effort by charities and foundations to ensure that the nonprofit community remains a vibrant and healthy part of American society. Formed by the Independent Sector in October 2004 at the encouragement of the U.S. Senate Finance Committee, the Panel in 2005 and 2006 provided recommendations for Congress and the not-for-profit sector to improve the oversight and governance of charitable organizations.

In early 2007, the Panel's Advisory Committee on Self-Regulation developed initial draft principles for effective practice after examining over 50 systems of self-regulation and accreditation that monitor charitable organizations. After receiving public comments on that initial draft, it produced a second set of draft principles. The Advisory Committee now invites public comment on its second draft of 29 principles and the staff drafts of two additional principles, which are arranged in the following five categories:

- Facilitating Legal Compliance and Public Disclosure - responsibilities and practices, such as implementing conflict of interest and whistleblower policies, that will assist charitable organizations in complying with their legal obligations.

- Effective Governance - policies and procedures a board of directors should implement to fulfill its oversight and governance responsibilities effectively.
- Strong Financial Oversight - policies and procedures an organization should follow to ensure wise stewardship of charitable resources.
- Responsible Fundraising - policies and procedures organizations that solicit funds from the public should follow to build donor support and confidence.
- Staff Drafts of Additional Principles – principles regarding risk management practices and adoption of a code of ethics.

We are sharing this information with you to illustrate the consistency of focus between the IRS guidelines and those of the Panel on the Nonprofit Sector. Effective not-for-profit governance, accountability and compliance are receiving unprecedented focus at the present time.

IRS Releases the Redesigned Form 990

On December 20, 2007, the IRS released the 2008 Form 990, *Return of Organization Exempt from Income Tax*, the informational form filed by public charities and other tax-exempt organizations. Organizations will begin using the new Form 990 for tax years beginning in 2008 (returns filed in 2009).

The 2008 Form 990 is based on the Form 990 Discussion Draft that was released to the public for comment on June 14, 2007. The IRS received approximately 700 emails and letters totaling approximately 3,000 pages of written comments during the draft's 90-day comment period. The new form incorporates many recommendations made in the public comments.

The current Form 990 consists of a nine-page core accompanied by Schedules A and B, in addition to thirty-six possible attachments. The 2008 Form 990 consists of an eleven-page core form that must be completed by each Form 990 filer. In addition, the form's sixteen schedules are designed to require reporting of information only from those organizations that conduct particular activities.

The form moves key information to the front page, creating a revealing snapshot of the Organization and its finances. Page one disclosures include a description of the organization's mission or most significant activities, and a two-year summary of revenues and expenses.

Areas of added emphasis include questions related to governance, management, and financial reporting. Examples of some new questions that will have to be answered on the 2008 Form 990 include:

- Does the Organization have a written conflict of interest policy? If so, are officers, directors or trustees, and key employees required to disclose annually interests that

could give rise to conflicts? Does the organization regularly and consistently monitor and enforce compliance with the policy? If yes, describe how this is done.

- For the CEO, Executive Director, other officers or key employees, did the process for determining compensation include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?
- Does the Organization have a written whistleblower policy?
- Does the Organization have a written document retention and destruction policy?
- Was a copy of the Form 990 provided to the Organization's governing body before it was filed?
- Were the Organization's financial statements compiled, reviewed, or audited by an independent accountant? If so, does the Organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
- The Organization must identify how it makes its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection.
- The Organization must describe whether (and if so, how) it makes its governing documents, conflict of interest policy, and financial statements available to the public.

The IRS expects to release draft instructions for the new form early in 2008.

The IRS also announced a graduated transition period for smaller organizations. These organizations will be allowed to file the Form 990-EZ instead of the Form 990. For the 2008 tax year (returns filed in 2009), organizations with gross receipts over \$1.0 million or total assets over \$2.5 million will be required to file the Form 990. For the 2009 tax year (returns filed in 2010), organizations with gross receipts over \$500,000 or total assets over \$1.25 million will be required to file the Form 990. The filing thresholds will be set permanently at \$200,000 gross receipts and \$500,000 total assets beginning with the 2010 tax year. Also, starting with the 2010 tax year, the IRS will increase the filing threshold for organizations required to file Form 990-N (the e-postcard) from \$25,000 to \$50,000.

The IRS also announced a phase-in of the form's new hospital and tax exempt bond schedules. Certain identifying information will be required for the 2008 tax year, with completion of the entire schedules required for the 2009 tax year. In response to the nonprofit sector's safety and security concerns regarding disclosure of certain foreign workers and volunteers, the IRS revised the form to permit reporting of foreign activities

by region, rather than by country, until other safeguards may be implemented to protect the privacy interests of such persons.

IRS Issues Regulations on New E-Postcard Filing Requirement for Small Exempt Organizations

The IRS issued temporary regulations November 14, 2007 for the implementation of a new "e-postcard" filing requirement for small tax-exempt organizations. The Pension Protection Act of 2006 ("PPA") included a provision requiring that small tax-exempt organizations (generally organizations with annual gross income that is not normally in excess of \$25,000) file an annual notice with the IRS. Prior to the enactment of the PPA, many such smaller exempt organizations were not required to file a Form 990 or any other document annually with the IRS. The new regulations, effective November 15, 2007 and applicable to tax years starting January 1, 2007 or later, describe the information that needs to be included in the new electronic postcard filing (called Form 990-N):

- The legal name of the organization;
- Any number under which the organization operates or does business;
- The organization's mailing address and Internet Web site address (if any);
- Taxpayer identification number;
- Name and address of a principal officer; and
- Evidence of the continuing basis for the organization being exempt from filing a Form 990 or Form 990-EZ.

Note that the PPA provides that the failure to file the Form 990-N (or the Form 990 or Form 990-EZ if one is required) for three straight years will result in automatic revocation of tax-exempt status.

The new regulations also set forth limited exceptions to the e-postcard filing requirements, provide that the notice will be due on or before the 15th day of the fifth calendar month following the close of a tax year, and address other matters.

The IRS has developed an electronic filing system for the new Form 990-N on its website.

This communication is intended solely for the information and use of management, the Board of Directors and its relevant committees (including as applicable the Audit and Finance Committee), and others within the Organization, and is not intended to be and should not be used by anyone other than these specified parties.

To the Board of Directors
Scott County Economic Development Corporation
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We appreciate this opportunity to be of service and extend our thanks to everyone at the Organization for their cooperation and assistance. We would be pleased to discuss any of the above matters with you at your convenience.

Very truly yours,

Blue & Co., LLC