B34766

STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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

June 30, 2009

Board of Directors
Ripley County Economic
Development Corp.
P.O. Box 576
Versailles, IN 47042

We have reviewed the audit report prepared by Dunbar, Cook & Shepard, PC, 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 Ripley County Economic Development Corp., 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

File # 69-634.00

Ripley County Economic Development Corp.

AUDITED FINANCIAL STATEMENTS

December 31, 2007

dunbar, DCS
cook & shepard, p.c.
Certified Public Accountants

Ronald E. Cook
Bernard J. Shepard
Michael A. Berlier
Harry A. Wright, Jr.
Michelle L. Siner
Nicholas G. Dallas
William E. Dunbar 1929-1991

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Ripley County Economic Development Corporation
Versailles, Indiana

We have audited the accompanying statements of assets, liabilities, and unrestricted net assets - modified cash basis of the Ripley County Economic Development Corporation (a not-for-profit organization) as of December 31, 2007, and the related statements of revenues, expenses, and changes in unrestricted net assets - modified cash basis 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.

The Organization prepares its financial statements on the modified cash basis of accounting. This basis 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 unrestricted net assets of the Ripley County Economic Development Corporation as of December 31, 2007, and the changes in its unrestricted net assets for the years then ended, on the basis of accounting described in the preceding paragraph.

July 30, 2008

Dunbar, Cook & Shepard, P.C.

8250 Woodfield Crossing Boulevard, Suite 300 • Indianapolis, Indiana 46240
Phone: (317) 469-0169 • Fax: (317) 469-0149 • Toll Free: (800) 887-0437
E-mail: dcs@dcs-cpa.com • Web Page: www.dcs-cpa.com

RIPLEY COUNTY ECONOMIC DEVELOPMENT CORPORATION
STATEMENTS OF ASSETS, LIABILITIES, AND UNRESTRICTED NET ASSETS
MODIFIED CASH BASIS
December 31, 2007

		2007
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents		$ 4,346
Money market		360,991
	TOTAL CURRENT ASSETS	365,337
PROPERTY AND EQUIPMENT		
Equipment		6,232
Furniture and fixtures		16,536
		22,768
Less accumulated depreciation		(19,772)
	TOTAL PROPERTY AND EQUIPMENT	2,996
	TOTAL ASSETS	$ 368,333
LIABILITIES AND UNRESTRICTED NET ASSETS		
UNRESTRICTED NET ASSETS		$ 368,333
	TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	$ 368,333

RIPLEY COUNTY ECONOMIC DEVELOPMENT CORPORATION
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN UNRESTRICTED NET ASSETS
MODIFIED CASH BASIS
For the Year Ended December 31, 2007

	2007
REVENUES	
Inter-local agreements	$ 141,846
Interest income	12,851
Miscellaneous income	93
TOTAL REVENUES	154,790
EXPENSES	
Advertising	1,099
Conference expense	554
Depreciation	1,058
Dues and membership	177
Insurance	25,326
Legal and accounting	477
Meetings and entertainment	977
Miscellaneous expense	2,035
Office expenses	3,943
Other	138
Payroll tax expense	1,260
Postage	123
Rent - building	6,900
Salaries and wages	64,262
Subscriptions	587
Supplies	142
Telephone	3,694
Training	500
Travel, mileage, and lodging	5,013
TOTAL EXPENSES	118,265
CHANGES IN UNRESTRICTED NET ASSETS	36,525
UNRESTRICTED NET ASSETS - BEGINNING	331,808
UNRESTRICTED NET ASSETS - ENDING	$ 368,333

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND PURPOSE - The Ripley County Economic Development Corporation (the "Organization") was organized to promote economic growth in the County, expand existing businesses, and to provide assistance and training to entrepreneurs. The Organization's main source of revenue is from the communities in Ripley County.

METHOD OF ACCOUNTING - The Organization's policy is to prepare its financial statements from financial accounting records which are maintained on a cash basis with modifications for the capitalization of property and equipment and recording depreciation. Under this method, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when incurred. Accordingly, these financial statements are not intended to report financial position and changes in net assets in conformity with U.S. generally accepted accounting principles.

PROPERTY AND EQUIPMENT - Property and equipment are stated at cost or, if donated, at the approximate fair market value at the date of donation. It is the policy of the Organization to capitalize the cost of equipment which exceeds $500. Improvements and betterments are capitalized, while maintenance and repairs are expensed as they are incurred, in the statement of revenues, expenses, and changes in unrestricted net assets.

Depreciation expense is computed using the straight-line method over the estimated useful lives ranging from 5 to 20 years.

Depreciation expense was $1,058.

CREDIT CONCENTRATION - During the year, the Organization held balances in excess of $100,000 in a financial institution, which were not insured by the FDIC. The amounts in excess were $266,703 for 2007.

INCOME TAXES - The Organization qualifies under the provision of Section 501(a) of the Internal Revenue Code and is exempt from federal income taxes as a not-for-profit association as described in Section 501(c)(3) of the Code.

ADVERTISING - The Organization has a policy of charging the costs of advertising to expense as incurred. Advertising expense for the year ended December 31, 2007 was $1,099.

RESTRICTED ASSETS - Net assets of the temporarily or permanently restricted classes are created only by donor-imposed restrictions on their use. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restrictions met in the same year are classified as unrestricted net assets. All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class. Unrestricted net assets are net assets that are not subject to donor restrictions.

dunbar, DCS
cook & shepard, p.c.
Certified Public Accountants

Ronald E. Cook
Bernard J. Shepard
Michael A. Berlier
Harry A. Wright, Jr.
Michelle L. Siner
Nicholas G. Dallas
William E. Dunbar 1929-1991

July 30, 2008

To the Board of Directors
Ripley County Economic Development Corporation

We have audited the financial statements of the Ripley County Economic Development Corporation for the year ended December 31, 2007, and have issued our report thereon dated August 29, 2008. 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 dated February 1, 2008, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of the Ripley County Economic Development Corporation. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Due to the size of your staff there is a potential lack of segregation of duties. This condition may allow a person to process and conceal unauthorized transactions for their own benefit. It appears that this situation is mitigated by the Board of Directors' oversight of revenue and expense transactions. As a general practice, the Board should continue to closely monitor the financial activity of the organization.

Based on our limited procedures, nothing came to our attention that would indicate an unauthorized transaction.

Significant Accounting Policies

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 Ripley County Economic Development Corporation are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2007. We noted no transactions entered into by the Organization during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

8250 Woodfield Crossing Boulevard, Suite 300 • Indianapolis, Indiana 46240
Phone: (317) 469-0169 • Fax: (317) 469-0149 • Toll Free: (800) 887-0437
E-mail: dcs@dcs-cpa.com • Web Page: www.dcs-cpa.com

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on 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.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Organization's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, whether recorded or unrecorded by the Organization, either individually or in the aggregate, indicate matters that could have a significant effect on the Organization's financial reporting process.

Disagreements with Management

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

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

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.

Difficulties Encountered in Performing the Audit

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

This information is intended solely for the use of the Audit Committee, Board of Directors and management of the Ripley County Economic Development Corporation and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Dunbar, Cook & Shepard, P.C.