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STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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January 27, 2010

Board of Directors
Greater LaPorte Economic
Development Corporation
801 Michigan Ave.
LaPorte, IN 46350

We have reviewed the audit report prepared by Parkison & Hinton, Inc., PC, Independent Public Accountants, for the period January 1, 2008 to December 31, 2008. 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 Greater LaPorte Economic Development Corporation, as of December 31, 2008, 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. The management letter contains two comments.

STATE BOARD OF ACCOUNTS

GREATER LAPORTE ECONOMIC
DEVELOPMENT CORPORATION

AUDIT REPORT

DECEMBER 31, 2008

Parkison & Hinton, Inc., P.C.
Certified Public Accountants

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Parkison & Hinton
805 Maple Ave. • La Porte, Indiana
Certified Public Accountants

Parkison & Hinton, Inc., P.C.
Post Office Box 638, LaPorte, Indiana 46352-0638 (219) 362-8547

May 18, 2009

Independent Auditor's Report

To the Board of Directors
Greater LaPorte Economic
Development Corporation
801 Michigan Avenue
LaPorte, Indiana 46350

We have audited the accompanying statement of financial position of the Greater LaPorte Economic Development Corporation as of December 31, 2008 and 2007 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 our audit provides 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 Greater LaPorte Economic Development Corporation as of December 31, 2008 and 2007, and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Parkison & Hinton

Parkison & Hinton, Inc., P.C.

GREATER LAPORTE ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008 AND 2007

	2008	2007
ASSETS		
Current Assets		
Cash (Note 2)	$ 190,955	$ 172,208
Equipment, at cost, less accumulated depreciation of $814 in 2008 and $107 in 2007 (Note 3)	1,222	2,036
Total Assets	$ 192,177	$ 174,244
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 586	$ 0
Credit card payable	647	2,665
Accrued payroll	1,180	701
Accrued retirement	82	49
Payroll taxes payable	1,970	2,348
Custodial Fund (Note 4)	4,683	3,311
Total Current Liabilities	9,148	9,074
Net Assets:		
Unrestricted	183,029	165,170
Total Liabilities and Net Assets	$ 192,177	$ 174,244

The accompanying notes are an integral part of these financial statements.

GREATER LAPORTE ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
Unrestricted Net Assets		
Support		
CEDIT contributions	$ 112,500	$ 112,500
Pledge contributions	50,000	50,000
Interest income	4,261	5,072
Total Support	166,761	167,572
Expenses		
Personnel	110,544	110,774
General and administrative	38,358	37,699
Total Expenses	148,902	148,473
Increase in Unrestricted Net Assets	17,859	19,099
Net Assets - January 1,	165,170	146,071
Net Assets - December 31,	$ 183,029	$ 165,170

The accompanying notes are an integral part of these financial statements.

GREATER LAPORTE ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
Cash flows from operating activities		
Cash received from contributions	$ 162,500	$ 162,500
Cash paid to suppliers and employees	(148,014)	(141,060)
Interest received	4,261	5,072
Net cash provided by operating activities	18,747	26,512
Cash flows from investing activities		
Payments for property and equipment	0	(2,143)
Net increase in cash	18,747	24,369
Cash at beginning of year	172,208	147,839
Cash at end of year	$ 190,955	$ 172,208

The accompanying notes are an integral part of these financial statements.

Note 1: Summary of Significant Accounting Policies

The financial statements of the Greater LaPorte Economic Development Corporation are prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statement to the reader.

Nature of Activities

The Greater LaPorte Economic Development Corporation is a not-for-profit organization with the purpose of recruiting new business and industry to the LaPorte area and to combat community deterioration by promoting stability, growth and development of business and industry. The Organization is supported primarily through CEDIT contributions (County Economic Development Income Taxes). Approximately 67% of the organization's support for the years ended December 31, 2008 and 2007, came from CEDIT contributions.

Donated Assets

Assets donated to the Organization of significant value are placed on the books at their fair market value as determined by the donor at the time of gift and substantiated by a letter of thank you by the Organization. If they are received with donor stipulations that limit the use of the donated assets, they are reported as restricted support. When the donor restriction expires or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets.

Estimates

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

Property and Equipment

Property and equipment are capitalized at cost. It is the Organization's policy to capitalize expenditures for these items in excess of $500. Lesser amounts are expensed. Property and equipment are being depreciated over estimated useful lives of five years using an accelerated cost recovery method. Expenditures for major renewals and betterments which extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. The cost and related accumulated depreciation and capital costs of properties sold or otherwise disposed of are removed from the accounts and any gain or loss is credited or charged to income.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of the donor 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. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are classified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Income Taxes

The Corporation is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense totaled $7,795 for 2008 and $12,784 for 2007.

Note 2: Cash

Cash at December 31, 2008 and 2007 consisted of the following unrestricted accounts:

	2008	2007
Petty cash	$ 100	$ 100
Cash - checking account	46,460	31,974
Cash - money market	24,395	39,752
Cash - CD	120,000	100,382
	$ 190,955	$ 172,208

The Organization classifies investments with a maturity of three months or less, at the time of acquisition, to be cash equivalents. The organization had no such investments at December 31, 2008 or 2007.

Note 3: Property and Equipment

Major classification of property and equipment are summarized below:

	2008	2007
Cost:		
Office Equipment	$ 2,143	$ 2,143
Accumulated depreciation	(921)	(107)
	$ 1,222	$ 2,036

Depreciation expense totaled $814 in 2008 and $107 in 2007.

Note 4: Custodial Funds

The Corporation had custodial funds at the end of 2008. The summary of fund activity follows:

Custodial Fund	Balance 1/1/08	Receipts	Disbursements	Balance 12/31/08
Downtown Action Committee	$ 1,599	$ 310	$ (967)	$ 942
ED Investment Fund-LP Co Biz	1,712	155,215	(153,186)	3,741

Note 5: Employee Benefit Plan

The Organization offers a retirement contribution in the amount of 7% of each covered employee's salary to be deposited in a retirement account of the employee's choosing - IRA, SEP, 403(b). A 7% contribution was made for both 2008 and 2007 and totaled $6,047 and $6,115 respectively.

Note 6: Reconciliation of Net Income to Net Cash Provided by Operating Activities

	2008	2007
Excess revenue and support over expenses	$ 17,859	$ 19,099
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	814	107
Changes in assets and liabilities		
Increase in accounts receivable - Custodial Funds	0	1,980
Increase in accounts payable and accrued expenses	74	5,326
Net cash provided by operating activities	$ 18,747	$ 26,512

GREATER LAPORTE ECONOMIC DEVELOPMENT CORPORATION
SUPPORTING SCHEDULE TO THE STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
Personnel Expenses		
Salaries	$ 86,379	$ 86,734
Auto allowance	6,000	6,000
Payroll taxes	6,507	6,553
Group insurance	5,611	5,372
Employee retirement	6,047	6,115
Total Personnel Expenses	$ 110,544	$ 110,774
General and Administrative Expenses		
Advertising and business promotion	$ 7,795	$ 12,784
Dues and subscription	1,966	1,491
Travel and entertainment	4,551	2,575
Miscellaneous	199	64
Office expense	2,350	2,377
Printing	3,400	3,695
Website	2,400	2,400
Repairs	176	0
Communications	2,444	2,601
Depreciation - office equipment	814	107
Prospect development	3,707	1,956
Professional services	3,950	1,750
Postage	283	432
Mileage reimbursement	83	384
Development and training	1,572	2,447
Insurance	2,668	2,636
Total General and Administrative Expenses	$ 38,358	$ 37,699

The accompanying notes are an integral part of these financial statements.

Parkison & Hinton
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Post Office Box 638, LaPorte, Indiana 46352-0638 (219) 362-8547

May 19, 2009

To the Board of Directors
Greater La Porte Economic Development Corporation
La Porte, Indiana 46350

In planning and performing our audit of the financial statements of Greater La Porte Economic Development Corporation for the year ended December 31, 2008, we considered its internal control structure and practices in order to determine our audit procedures for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements and not to provide assurance on the internal control. However, we noted certain matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the Organization's ability to initiate, record, process, and report financial data consistent with the assertions of the board of directors in the financial statements.

We believe that additional internal controls should be implemented in order for the Organization to have more transparency and better safekeeping over cash.

1. The executive director should review the monthly bank reconciliations for all bank accounts on a monthly basis and verify his approval by signing the bank reconciliation.
2. We also recommend that the executive director stuff the envelopes with the check for payment and place in the mail. This would help to safeguard against the potential for other employees to alter the payment(s).

This report is intended solely for the information and use of the Board of Directors of Greater La Porte Economic Development, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Parkison & Hinton

Parkison & Hinton, Inc., P.C.