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STATE OF INDIANA

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October 13, 2011

Board of Directors
Lawrenceburg Community
Center, Inc.
423 Walnut St.
Lawrenceburg, IN 47025

We have reviewed the audit report prepared by Clark, Schaefer, Hackett & Co., Independent Public Accountants, for the period March 12, 2007 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 Lawrenceburg Community Center, Inc., as of December 31, 2008 and 2007, and the results of its operations for the periods 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

LAWRENCEBURG COMMUNITY CENTER, INC.

Financial Statements

December 31, 2008 and 2007

(with Independent Auditors' Report)

CLARK SCHAEFER HACKETT
STRENGTH IN NUMBERS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Lawrenceburg Community Center, Inc.:

We have audited the accompanying statements of financial position of the Lawrenceburg Community Center, Inc. (a not-for-profit organization) as of December 31, 2008 and 2007 and the related statements of activities, functional expenses and cash flows for the year ended December 31, 2008 and the period from inception (March 12, 2007) to December 31, 2007. These financial statements are the responsibility of the Center'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 in the first paragraph present fairly, in all material respects, the financial position of the Lawrenceburg Community Center, Inc. as of December 31, 2008 and 2007 and the changes in its net assets and its cash flows for the year ended December 31, 2008 and the initial period ended December 31, 2007 in conformity with accounting principles generally accepted in the United States of America.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
July 15, 2009

Lawrenceburg Community Center, Inc.
Statements of Financial Position
December 31, 2008 and 2007

		2008	2007
Assets:			
Cash	$	23,148	6,844
Contributed rent receivable		423,078	-
Property and equipment, net		124,369	123,813
Total assets		570,595	130,657
Liabilities and net assets:			
Liabilities:			
Accounts payable		7,094	1,026
Accrued expenses		8,949	-
Total liabilities		16,043	1,026
Net assets:			
Unrestricted		122,228	123,631
Temporarily restricted		432,324	6,000
Total net assets		554,552	129,631
Total liabilities and net assets	$	570,595	130,657

See accompanying notes to the financial statements.

Lawrenceburg Community Center, Inc.

Statements of Activities

Year ended December 31, 2008 and period from inception (March 12, 2007) to December 31, 2007

		2008			2007		
		Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues:							
Contributions	$	238,046	432,324	670,370	465,133	6,000	471,133
Program fees		33,937	-	33,937	5,554	-	5,554
Donated rent		471,078	-	471,078	28,000	-	28,000
Vending income		25,452	-	25,452	8,987	-	8,987
Investment income		7,250	-	7,250	-	-	-
Miscellaneous income		4,445	-	4,445	198	-	198
Net assets released from restrictions		6,000	(6,000)	-	-	-	-
		786,208	426,324	1,212,532	507,872	6,000	513,872
Expenses:							
Program		666,503	-	666,503	208,203	-	208,203
General and administrative		121,108	-	121,108	176,038	-	176,038
		787,611	-	787,611	384,241	-	384,241
Change in net assets		(1,403)	426,324	424,921	123,631	6,000	129,631
Balance at beginning of period		123,631	6,000	129,631	-	-	-
Balance at end of period	$	122,228	432,324	554,552	123,631	6,000	129,631

See accompanying notes to the financial statements.

Lawrenceburg Community Center, Inc.

Statements of Functional Expenses

Year ended December 31, 2008 and period from inception (March 12, 2007) to December 31, 2007

		2008			2007		
		Program	General and Administrative	Total	Program	General and Administrative	Total
Salaries and wages	$	239,301	39,112	278,413	21,719	86,876	108,595
Employee benefits		28,258	4,618	32,876	1,936	7,742	9,678
Payroll taxes		16,851	2,754	19,605	1,635	6,539	8,174
Insurance		7,471	1,868	9,339	-	350	350
Program expenses		186,264	-	186,264	115,520	-	115,520
Advertising		29,081	7,270	36,351	100	25	125
Equipment rental		27,359	6,840	34,199	870	218	1,088
Donated rent expense		38,400	9,600	48,000	22,400	5,600	28,000
Depreciation		25,163	6,291	31,454	11,893	2,973	14,866
Office expenses		3,436	13,743	17,179	2,421	61,581	64,002
Seminars and education		-	839	839	-	240	240
Professional fees		3,412	13,650	17,062	-	750	750
Repairs		5,813	1,453	7,266	-	-	-
Cleaning supplies		6,521	1,630	8,151	7,680	1,920	9,600
Utilities		20,954	5,239	26,193	4,897	1,224	6,121
Vending		15,627	-	15,627	16,256	-	16,256
Other		12,592	6,201	18,793	876	-	876
	$	666,503	121,108	787,611	208,203	176,038	384,241

See accompanying notes to the financial statements.

Lawrenceburg Community Center, Inc.

Statements of Cash Flows

Year ended December 31, 2008 and period from inception (March 12, 2007) to December 31, 2007

		2008	2007
Change in net assets	$	424,921	129,631
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation		31,454	14,866
Donated property and equipment		-	(129,679)
Effects of change in operating assets and liabilities:			
Contributed rent receivable		(423,078)	-
Accounts payable		6,068	1,026
Accrued expenses		8,949	-
Net cash provided by operating activities		48,314	15,844
Cash flow from investing activities:			
Purchase of property and equipment		(32,010)	(9,000)
Net increase in cash		16,304	6,844
Cash - beginning of period		6,844	-
Cash - end of period	$	23,148	6,844

See accompanying notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following accounting principles and practices of the Center are set forth to facilitate the understanding of data presented in the financial statements.

Nature of operations
Lawrenceburg Community Center, Inc. (the "Center") is a not-for-profit organization, which provides quality active and passive recreational, educational and social opportunities to members of all ages of the community of Dearborn County, Indiana and surrounding areas. The Center was incorporated on March 12, 2007 and commenced operations in June 2007.

Use of estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, gains, support, expenses and losses during the reporting period. Actual results could differ from those estimates.

Financial statement presentation
The Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets which have no donor-imposed restrictions; temporarily restricted net assets which have donor imposed restrictions that will expire in the future; and permanently restricted net assets which have donor-imposed restrictions which do not expire. The Center had no permanently restricted net assets as of December 31, 2008 and 2007.

Income taxes
The Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Financial Accounting Standards Board ("FASB") has issued Interpretation No. 48 ("FIN 48"), which clarifies generally acceptable accounting principles for recognition, measurement, presentation and disclosure relating to uncertain tax positions. FIN 48 applies to business enterprises, not-for-profit entities, and pass-through entities, such as S corporations and limited liability companies. As permitted by FIN 48 (as amended), the Center has elected to defer the application of FIN 48 until issuance of its December 31, 2009 financial statements. For financial statements covering periods prior to calendar 2009, the Center evaluates uncertain tax positions in accordance with existing generally accepted accounting principles and makes such accruals and disclosures as might be required thereunder.

Contributions
Contributions of cash and other assets without donor stipulations concerning the use of such assets are reported as revenues of the unrestricted net asset class. Contributions of cash or other assets to be used in accordance with donor stipulations are reported as revenues of the temporary or permanently restricted net asset class. Contributions received with restrictions whose restrictions are met in the same period are reported as unrestricted revenue.

The Center reports gifts of property and equipment as unrestricted support unless donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. The restrictions on contributed long-lived assets expire over the useful life of the donated assets. In the absence of explicit donor stipulations about how long those long-lived assets must be maintained, the Center reports expirations of donor restrictions when the donated long-lived assets are placed in service.

Advertising expenses
Advertising costs are expensed in the period in which they are incurred.

Property and equipment
Property and equipment is stated at cost for purchased items and fair value for contributed items as of the date of the gift. Depreciation is provided on the straight-line method based upon the estimated useful lives of the assets.

Functional allocation of expenses
Salaries and related expenses are charged to program services based on an estimate of time spent by personnel on the related programs. Direct expenses are charged to the program based on costs incurred when specifically identifiable with a program. All other expenses are allocated to programs based on estimates made by management.

Reclassification
Certain items in the prior year financial statements have been reclassified to conform to current year presentation.

2. PROPERTY AND EQUIPMENT:

Property and equipment is summarized as follows at December 31:

	2008	2007
Equipment	$ 129,624	128,584
Furniture and fixtures	41,065	10,095
	170,689	138,679
Less accumulated depreciation	46,320	14,866
	$ 124,369	123,813

3. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets are available for the following purposes at December 31:

	2008	2007
Contributed rent for future periods	$ 423,078	-
Equipment purchases	9,246	6,000
	$ 432,324	6,000

Net assets of $6,000 were released from donor restrictions and became available for use during the year ended December 31, 2008.

4. CONCENTRATION OF RISK – REVENUE:

Approximately 85% and 97% of the Center's total revenue for the years ended December 31, 2008 and the inception period ending December 31, 2007 was contributed by the City of Lawrenceburg. During 2007, the majority of the Center's expenses were paid by the City of Lawrenceburg. Also during 2007, the Center received donated furniture and equipment from the City of Lawrenceburg, which have been capitalized in accordance with the Center's capitalization policy. Total contribution revenue from the City of Lawrenceburg during 2008 and 2007 was $560,000 and $456,033, respectively.

The Center is economically dependent on these contributions from the City of Lawrenceburg.

5. OPERATING LEASE:

During 2008, the Center entered into a ten-year agreement to lease a building from the City of Lawrenceburg for an annual lease payment of $1. The Center has recorded a receivable at the net present value for the estimated fair value of the contributed rent determined at the inception of the lease. The annual fair value of the contributed rent has been estimated at $48,000. The net present value of the receivable, calculated utilizing a rate of 2.25%, has been recorded in the statements of financial position. Each year, the Center will record rent expense for the estimated gross fair value of the contributed rent. The receivable will be reduced by the annual net present value. The difference between the gross fair value and the net present value will be reflected as a contribution in the statement of activities. The net present value of the contributed rent receivable at December 31, 2008 is $423,078. For the year ended December 31, 2008, the Center recorded rent expense of $48,000.

The following is a summary of these amounts at December 31, 2008:

Gross fair value of contributed rent	$ 472,000
Less interest portion	48,922
Net present value of contributed rent	$ 423,078

During 2007, the Center rented the same building from the City of Lawrenceburg on a month-to-month basis for $1. The Center recorded contributed rent from the City of Lawrenceburg of $28,000 during 2007.

At Clark Schaefer Hackett, we are the sum of our individuals. Each team member's training and experience are well-suited for each client's purpose and goals. We are committed to providing insightful and customized service — from efficient compliance to sophisticated consulting -- to help each client prosper today and plan for future success.