



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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October 14, 2011

Board of Directors
Montgomery County Economic
Development, Inc.
309 North Green St.
Crawfordsville, IN 47933

We have reviewed the audit report prepared by Edward Opperman, CPA, Independent Public Accountant, for the period January 1, 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 Montgomery County Economic Development, 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

MONTGOMERY COUNTY ECONOMIC DEVELOPMENT, INC

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

DECEMBER 31, 2008 and 2007

CERTIFIED PUBLIC ACCOUNTANT & BUSINESS CONSULTANT

1901 Kossuth Street | Lafayette, IN 47905 | 765-588-4335



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MONTGOMERY COUNTY ECONOMIC DEVELOPMENT, INC.

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Independent Auditors' Report

The Board of Directors
Montgomery County Economic Development, INC.
Crawfordsville, Indiana

We have audited the accompanying statement of financial position of Montgomery County Economic Development, Inc. as of December 31, 2008 and 2007 and the related statements of activities, functional expenses, 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 my 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 that 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 Montgomery County Economic Development, Inc. as of December 31, 2008 and 2007, 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.

Lafayette, Indiana
December 2, 2009

MONTGOMERY COUNTY ECONOMIC DEVELOPMENT, INC.
STATEMENT OF FINANCIAL POSITION
As of DECEMBER 31, 2008 and 2007

	2008	2007
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 202,188	\$ 173,561
PROPERTY, PLANT AND EQUIPMENT		
Furniture and equipment	14,952	14,157
Accumulated Depreciation	(13,660)	(13,234)
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,292	923
TOTAL ASSETS	\$ 203,480	\$ 174,484
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 2,502	\$ 1,079
Accrued Expenses		
Payroll	2,713	2,744
Taxes Other Than Income	1,591	1,688
TOTAL CURRENT LIABILITIES	6,806	5,511
NET ASSETS		
Unrestricted Net Assets	196,674	168,973
TOTAL LIABILITIES AND ASSETS	\$ 203,480	\$ 174,484

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

MONTGOMERY COUNTY ECONOMIC DEVELOPMENT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008 and 2007

	2008	2007
REVENUE AND SUPPORT		
Contributions	\$ 25,634	\$ 35,500
Grants	135,000	135,000
Interest Income	2,083	4,425
Miscellaneous	4	99
In-Kind Contributions	-	20,263
Total Revenue and Support	162,721	195,287
Net assets released from restrictions	-	-
Total Revenue and Support	162,721	195,287
EXPENSES		
Advertising	10,726	25,789
Depreciation Expense	426	430
Dues and Subscriptions	1,148	736
Insurance	5,440	5,594
Interest Expense	2	4
Equipment Lease	1,073	1,879
Grants	-	-
Miscellaneous	419	641
Occupany	3,107	3,824
Office	12,390	10,717
Payroll Expense	78,911	75,602
Professional Fees	6,010	5,730
Programs	4,812	8,691
Travel and Entertainment	10,556	4,389
Total Expenses	135,020	144,026
Increase (decrease) in Net Assets	27,701	51,261
Net Assets - beginning of year	168,973	117,712
Net Assets - end of year	\$ 196,674	\$ 168,973

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

MONTGOMERY COUNTY ECONOMIC DEVELOPMENT, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008 and 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) in Net Assets	\$ 27,701	\$ 51,261
Adjustments to reconcile (Decrease) in net assets to net cash provided by (used in) operations:		
Depreciation	426	430
Increase (decrease) in operating liabilities:		
Accounts payable	1,423	(11,327)
Net Cash Provided by (Used in) Operating Activities	29,550	40,364
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(795)	(540)
Net Cash Provided by (Used in) Investing Activities	(795)	(540)
Net increase (decrease) in cash	28,755	39,824
Cash - beginning of year	170,243	130,419
Cash - end of year	\$ 198,998	\$ 170,243
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING ACTIVITIES		
In-Kind Contributions	\$ -	\$ 20,263

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

MONTGOMERY COUNTY ECONOMIC DEVELOPMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008 and 2007

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Organization's significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

- a. Nature of Operations—Montgomery County Economic Development, Inc. (the Organization) was formed in 1999 as a not-for-profit organization in the state of Indiana. The Organization is formed to serve as an active leader in advancement of the economic health of Montgomery County, Indiana. To serve as the focal point for business and industry growth, job retention, economic development education and work force development, resulting in a greater quality of life for the Montgomery County community.
- b. Cash Equivalents—For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments with maturities of three months or less when purchased to be cash equivalents. There were no cash equivalents as of June 30, 2008
- c. Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- d. Concentrations of Credit Risk—The Organization places its cash in accounts with a local financial institution. At times, such accounts may be in excess of FDIC insured limits. The Organization did not have amounts in excess of insured limits for both years.
- e. Accounts Receivable—Accounts Receivable consists of membership dues and other amounts owed to the Organization. The Organization considers accounts receivable to be fully collectible. Uncollectible accounts receivable are charged directly against operations when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by accounting principles generally accepted in the United States of America.
- f. Property, Plant, Equipment and Depreciation—Property and equipment directly owned by the Organization are carried at cost, less accumulated depreciation using accelerated methods of depreciation. Depreciation expense amounted to \$426 and \$430 for the years ended December 31, 2008 and 2007. When property or equipment are sold or otherwise disposed, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss on the disposition is recorded in operations. Expenditures for maintenance and repairs are expensed when incurred. Expenditures that result in the enhancement of the value of the properties involved are treated as additions to plant and equipment.
- g. Deferred Revenue—Payments received for planned events that have not occurred are considered prepayments and will be recognized as revenue when earned in a subsequent period.

MONTGOMERY COUNTY ECONOMIC DEVELOPMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008 and 2007

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont)

- h. Contributions—The Organization accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.
- i. Income Taxes—The Organization qualifies as a tax-exempt organization under Section 501(c)(6) of the U.S. Internal Revenue Code and, therefore, pays no federal or state income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509 (a)(1) of the code.
- j. Advertising—The Organization's advertising costs are expensed as incurred. The Organization receives in-kind contributions to promote its mission. During 2008 and 2007, advertising costs totaled \$10,726 and \$25,789, included in-kind contributions of \$17,263 in 2007.
- k. Net Assets—Financial statement presentation follows the requirements of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the net assets of the Organization are reported in each of the following three classes:
 - i. *Unrestricted Net Assets*—Net assets that are not subject to donor-imposed stipulations.
 - ii. *Temporarily Restricted Net Assets*—Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time.
 - iii. *Permanently Restricted Net Assets*—Net assets subject to donor-imposed stipulations that the assets be maintained permanently by the Organization. Generally the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

All donor-restricted contributions are recorded as increases in temporarily or permanently restricted net assets, depending on the restriction. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restrictions on gifts of fixed assets or contributions restricted for the purchase of fixed assets expire when the asset is placed in service, unless otherwise stipulated by the donor. This method of accounting is also followed when the restrictions on contributions are met in the same period that the contributions were received.

MONTGOMERY COUNTY ECONOMIC DEVELOPMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008 and 2007

NOTE 2: DONATED MATERIALS AND SERVICES

The Organization records various types of in-kind support including property and equipment, professional services, and materials. Property and equipment donated are capitalized on the basis explained in Note 1F. Contributed professional services are recognized if the services either create or enhance long-lived assets, or require specialized skills and would typically need to be purchased if not provided by the donation.

The Organization received the following donated in-kind support for the year ended December 31, 2008 and 2007:

	2008	2007
Advertising	\$ -	\$ 17,263
Travel for Training and Education	-	1,000
Printing	-	2,000
	\$ -	\$ 20,263

The Organization also receives significant donations of time from volunteers that do not meet the two recognized criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the financial statements.

NOTE 3: GRANTS

The Organization received the following grants for the years ended December 31 2008 and 2007:

SOURCE	PURPOSE	2008	2007
City of Crawfordsville, Indiana	Operating Grant	\$ 60,000	\$ 50,000
Montgomery County, Indiana	Operating Grant	75,000	85,000
State of Indiana	Construction Project	4,018	-
Metro Indianapolis Board of Realtors	Financial Analysis Reports	11,000	-
		\$ 150,018	\$ 135,000

For the year ended December 31, 2008 the Organization acted as a pass-through agency for the State of Indiana and the Metro Indianapolis Board of Realtors. A grant of \$4,018 from the State of Indiana was awarded to the Organization to reimburse expense related to a construction project. A grant of \$11,000 from the Metro Indianapolis Board of Realtor was awarded to the Organization to fund a financial analysis project for the community.