



STATE OF INDIANA
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April 26, 2018

Board of Directors
Noble County Economic Development Corporation
110 S. Orange Street
Albion, IN 46701

We have reviewed the report prepared by Noble County Economic Development Corporation and opined upon by Baden, Gage & Schroeder, LLC, Independent Public Accountants, for the period January 1, 2015 to December 31, 2015. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Noble County Economic Development Corporation as of December 31, 2015 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Baden, Gage & Schroeder, LLC prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

Financial Statements

**Noble County Economic
Development Corporation**

December 31, 2015 and 2014

**NOBLE COUNTY ECONOMIC DEVELOPMENT
CORPORATION**



Financial Statements
December 31, 2015 and 2014

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Certified Public Accountants • Business Consultants

Independent Auditors' Report

Board of Directors
Noble County Economic Development Corporation
Albion, Indiana

We have audited the accompanying financial statements of Noble County Economic Development Corporation, which comprise the statements of assets, liabilities and net assets - cash basis as of December 31, 2015 and 2014, and the related statements of revenues, expenses and changes in net assets - cash basis and functional expenses - cash basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets - cash basis of Noble County Economic Development Corporation as of December 31, 2015 and 2014, and its revenues, expenses, and changes in net assets - cash basis for the years then ended, in accordance with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Baden, Gage & Schroeder, LLC

BADEN, GAGE & SCHROEDER, LLC

Kendallville, Indiana
May 25, 2016

**NOBLE COUNTY ECONOMIC DEVELOPMENT
CORPORATION**

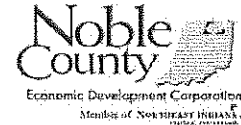


**Statements of Assets, Liabilities and Net Assets - Cash Basis
December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
ASSETS		
Cash and cash equivalents	\$ 284,201	\$ 331,921
Certificates of deposit	1,210,933	1,009,433
Deposits	100	100
Property and equipment, net of accumulated depreciation	27,571	20,152
Other assets	<u>250</u>	<u>330</u>
TOTAL ASSETS	<u>\$ 1,523,055</u>	<u>\$ 1,361,936</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Payroll tax withholdings	\$ 3,937	\$ 3,369
NET ASSETS		
Unrestricted	441,425	435,192
Temporarily restricted	<u>1,077,693</u>	<u>923,375</u>
Total Net Assets	<u>1,519,118</u>	<u>1,358,567</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,523,055</u>	<u>\$ 1,361,936</u>

See Notes to Financial Statements.

**NOBLE COUNTY ECONOMIC DEVELOPMENT
CORPORATION**

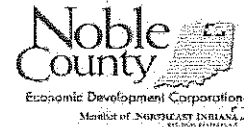


**Statement of Revenues, Expenses and Changes in Net Assets - Cash Basis
Year Ended December 31, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Government contributions	\$ 149,307	\$ 212,318	\$ 361,625
Public contributions	70,838	-	70,838
In-kind contributions	21,720	-	21,720
Interest income	2,006	-	2,006
Net assets released from restrictions	<u>58,000</u>	<u>(58,000)</u>	<u>-</u>
Total Revenue and Support	301,871	154,318	456,189
EXPENSES			
Program expenses	245,863	-	245,863
General and administrative	<u>49,775</u>	<u>-</u>	<u>49,775</u>
Total Expenses	<u>295,638</u>	<u>-</u>	<u>295,638</u>
CHANGE IN NET ASSETS	6,233	154,318	160,551
NET ASSETS, BEGINNING OF YEAR	<u>435,192</u>	<u>923,375</u>	<u>1,358,567</u>
NET ASSETS, END OF YEAR	<u>\$ 441,425</u>	<u>\$ 1,077,693</u>	<u>\$ 1,519,118</u>

See Notes to Financial Statements.

**NOBLE COUNTY ECONOMIC DEVELOPMENT
CORPORATION**

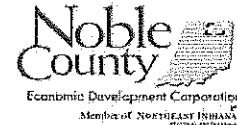


**Statement of Revenues, Expenses and Changes in Net Assets - Cash Basis
Year Ended December 31, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Government contributions	\$ 152,000	\$ 200,000	\$ 352,000
Public contributions	84,418	-	84,418
In-kind contributions	21,779	-	21,779
Interest income	1,712	-	1,712
Net assets released from restrictions	<u>13,817</u>	<u>(13,817)</u>	<u>-</u>
Total Revenue and Support	273,726	186,183	459,909
EXPENSES			
Program expenses	183,942	-	183,942
General and administrative	<u>51,184</u>	<u>-</u>	<u>51,184</u>
Total Expenses	<u>235,126</u>	<u>-</u>	<u>235,126</u>
CHANGE IN NET ASSETS	38,600	186,183	224,783
NET ASSETS, BEGINNING OF YEAR	<u>396,592</u>	<u>737,192</u>	<u>1,133,784</u>
NET ASSETS, END OF YEAR	<u>\$ 435,192</u>	<u>\$ 923,375</u>	<u>\$ 1,358,567</u>

See Notes to Financial Statements.

**NOBLE COUNTY ECONOMIC DEVELOPMENT
CORPORATION**

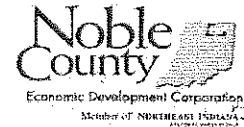


**Statement of Functional Expenses - Cash Basis
Year Ended December 31, 2015**

	<u>Program Expenses</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
Salaries and wages	\$ 93,704	\$ 24,932	\$ 118,636
Payroll taxes and benefits	22,435	4,984	27,419
Advertising (\$600 in-kind)	35,170	-	35,170
Automobile expense and mileage	5,448	1,362	6,810
Conferences and training	-	2,271	2,271
Depreciation	3,938	1,047	4,985
Dues and subscriptions	-	765	765
Insurance	941	250	1,191
Meals and entertainment	664	-	664
Postage and shipping	111	28	139
Professional fees	-	7,007	7,007
Project expense	58,000	-	58,000
Rent expense (in-kind)	16,685	4,435	21,120
Repairs and maintenance	407	108	515
Supplies	2,725	724	3,449
Telephone	1,935	515	2,450
Trash removal	218	58	276
Utilities	2,989	795	3,784
Miscellaneous	493	494	987
TOTAL FUNCTIONAL EXPENSES	\$ 245,863	\$ 49,775	\$ 295,638

See Notes to Financial Statements.

**NOBLE COUNTY ECONOMIC DEVELOPMENT
CORPORATION**

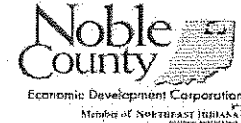


**Statement of Functional Expenses - Cash Basis
Year Ended December 31, 2014**

	<u>Program Expenses</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
Salaries and wages	\$ 89,643	\$ 23,249	\$ 112,892
Payroll taxes and benefits	15,506	4,022	19,528
Advertising (\$659 in-kind)	32,048	-	32,048
Automobile expense and mileage	4,165	1,041	5,206
Conferences and training	-	7,018	7,018
Depreciation	3,180	825	4,005
Dues and subscriptions	-	670	670
Insurance	946	246	1,192
Meals and entertainment	283	71	354
Postage and shipping	82	20	102
Professional fees	-	7,564	7,564
Project expense	13,000	-	13,000
Rent expense (in-kind)	16,769	4,351	21,120
Repairs and maintenance	159	41	200
Supplies	2,101	545	2,646
Telephone	1,975	512	2,487
Trash removal	219	57	276
Utilities	3,116	809	3,925
Miscellaneous	750	143	893
TOTAL FUNCTIONAL EXPENSES	\$ <u>183,942</u>	\$ <u>51,184</u>	\$ <u>235,126</u>

See Notes to Financial Statements.

NOBLE COUNTY ECONOMIC DEVELOPMENT CORPORATION



Notes to Financial Statements December 31, 2015 and 2014

Note 1. Summary of Significant Accounting Policies

Nature of Business:

Noble County Economic Development Corporation (the Corporation) is a not-for-profit organization formed to aid communities in Noble County in attracting new industry and assist existing industry in expansion - all for the purpose of creating jobs for the citizens of Noble County. The corporation was formed to address a decrease in the availability of jobs in the area by creating new jobs and fostering cooperation among communities in the county to reach that goal. Significant revenue is provided by a local government grant of \$200,000 per year restricted for use on current projects.

Method of Accounting:

The Corporation prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis, receipts are recognized when collected rather than when earned, and expenditures are recognized when paid rather than when incurred.

Contributions are generally available for unrestricted use in the year received unless specifically restricted by the donor. Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 revenues, expenses and changes in net assets - cash basis as net assets released from restrictions. However, donor restricted support whose restrictions are met in the same reporting period in which the support is received is reported as unrestricted support.

Functional Allocation of Expenses:

The costs of providing the Corporation's various programs and supporting services have been summarized on a functional basis in the statement of revenues, expenses and changes in net assets - cash basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash equivalents:

The Corporation considers all short-term certificates of deposit with an original maturity of three months or less to be cash equivalents.

NOBLE COUNTY ECONOMIC DEVELOPMENT CORPORATION



Notes to Financial Statements (Continued) **December 31, 2015 and 2014**

Note 1. Summary of Significant Accounting Policies (Continued)

Certificates of Deposit

Certificates of deposit bear interest ranging from 0.01% through 0.75% at December 31, 2015, and have maturities ranging from 6 months to 24 months.

Property and Equipment:

Property and equipment is stated at cost if purchased and at fair value if contributed, and expenditures for improvements, if material, are generally capitalized. Normal repairs and maintenance are expensed. The cost of assets retired, or otherwise disposed of, and the related accumulated depreciation are eliminated from the accounts and the resulting gain or loss is reflected in the statement of revenues, expenses and changes in net assets - cash basis.

Depreciation is computed on the straight-line method over the estimated useful lives of the individual assets or over the life of the lease for leasehold improvements. Depreciation on property and equipment amounted to \$4,985 in 2015 and \$4,005 in 2014.

Advertising Costs:

Advertising costs are charged to operations when paid and are included in total expenses. The amount charged for advertising expense was \$35,170 and \$32,048 in 2015 and 2014, respectively, of which \$19,424 in each year is for membership in the Northeast Indiana Regional Partnership. The Partnership is an eleven-county team that promotes the participating counties regionally, nationally and globally.

Income Taxes:

The Organization is exempt from income taxes under the provisions of Section 501(c)(6) of the Internal Revenue Code.

The accounting standard which provides guidance on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, Noble County Economic Development Corporation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of Noble County Economic Development Corporation and various positions related to the potential sources of unrelated business taxable income. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the years ended December 31, 2015 and 2014.

NOBLE COUNTY ECONOMIC DEVELOPMENT CORPORATION



Notes to Financial Statements (Continued)
December 31, 2015 and 2014

Note 1. Summary of Significant Accounting Policies (Continued)

Concentration of Credit Risk:

The Corporation maintains cash balances in multiple financial institutions. The FDIC insures the balances up to \$250,000 at each institution. Account balances may exceed the insured limit from time to time.

Subsequent Events:

Management of the Corporation has evaluated events and transactions for possible recognition or disclosure through May 25, 2016, the date the financial statements were available to be issued.

Note 2. Beneficial Interest in Assets Held by Noble County Community Foundation, Inc.

The Noble County Community Foundation has \$21,043 as of December 31, 2015 (\$16,741 in 2014) invested for the benefit of the Corporation; however, the Foundation's board of directors has variance power. Variance power means the Foundation's board has the power to change a restriction or condition on the distribution of funds for a specified charitable purpose or organization if the restriction or condition becomes unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community. Therefore, these assets are not recorded on the statements of assets, liabilities and net assets - cash basis.

Note 3. Property and Equipment

A summary of property and equipment along with the related accumulated depreciation is presented below:

	<u>Estimated Useful Life</u>	<u>2015</u>	<u>2014</u>
Leasehold improvements	6.6 - 8.5 years	\$ 20,610	\$ 17,475
Office equipment	5 - 7 years	<u>22,077</u>	<u>12,808</u>
		42,687	30,283
Less: Accumulated depreciation		<u>15,116</u>	<u>10,131</u>
		<u>\$ 27,571</u>	<u>\$ 20,152</u>

NOBLE COUNTY ECONOMIC DEVELOPMENT CORPORATION



Notes to Financial Statements (Continued)
December 31, 2015 and 2014

Note 4. Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2015 and 2014, consisted of:

	<u>2015</u>	<u>2014</u>
Specified projects (purpose restriction)	\$ 1,065,375	\$ 923,375
Wage/benefit survey (purpose restriction)	490	-
Annual meeting (purpose restriction)	60	-
Golf outing (purpose restriction)	1,268	-
Worker training (purpose restriction)	<u>10,500</u>	<u>-</u>
	<u>\$ 1,077,693</u>	<u>\$ 923,375</u>

Net assets were released by satisfying donor's restrictions as follows:

	<u>2015</u>	<u>2014</u>
Specified projects	\$ 58,000	\$ 13,000
Education event	<u>-</u>	<u>817</u>
	<u>\$ 58,000</u>	<u>\$ 13,817</u>

Note 5. Commitments

The Corporation has committed to provide funding for projects in the future as follows, as of December 31, 2015:

2016	\$ 33,000
2017	<u>33,000</u>
	<u>\$ 66,000</u>

Note 6. Building Lease

The Corporation receives the use of office space for its main facilities through an in-kind contribution from the Town of Albion. The lease agreement ends on June 30, 2022. The donor values the contribution for use of the building at \$1,760 per month. The Corporation pays the cost of all utilities, repairs and maintenance for the building.