



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B53208

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

July 16, 2019

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

We have reviewed the audit report of Noble County Economic Development Corporation which was opined upon by Dulin, Ward & DeWald, Inc., Independent Public Accountants, for the period January 1, 2017 to December 31, 2017. 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, 2017 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Dulin, Ward & DeWald, Inc. prepared the report in accordance with guidelines established by the State Board of Accounts.

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

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

**NOBLE COUNTY ECONOMIC
DEVELOPMENT CORPORATION**

FINANCIAL STATEMENTS

Year Ended December 31, 2017

TABLE OF CONTENTS

	PAGE NO.
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Assets, Liabilities and Net Assets – modified cash basis.....	3
Statement of Support, Revenue, Expenses and Change in Net Assets – modified cash basis	4
Statement of Functional Expenses – modified cash basis	5
Notes to Financial Statements	6
SUPPLEMENTAL INFORMATION	
Schedule of Government Funds Received – modified cash basis.....	10



Dulin, Ward & DeWald, Inc.
CPAs & ADVISORS

9921 Dupont Circle Drive West, Suite 300
Fort Wayne, IN 46825
260.423.2414
800.232.8913
Fax: 260.423.2419
www.dwdcpa.com

Offices Located in Ft. Wayne and Marion, Indiana

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 (a nonprofit organization), which comprise the statement of assets, liabilities and net assets – modified cash basis as of December 31, 2017, and the related statements of support, revenue, expenses and change in net assets – modified cash basis and functional expenses – modified cash basis for the year 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 modified cash basis of accounting as described in Note 1; this includes determining that the modified 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.

Auditors' Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatements 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 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 of Noble County Economic Development Corporation as of December 31, 2017, and its support, revenue and expenses and cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

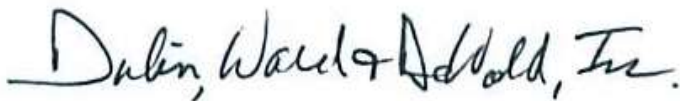
Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified 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.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of government funds received is presented for purposes of additional analysis as required by the Indiana State Board of Accounts and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Fort Wayne, Indiana
September 26, 2018

NOBLE COUNTY ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS -
MODIFIED CASH BASIS

December 31, 2017

ASSETS

Cash	\$ 489,459
Certificates of deposit	1,454,272
Property and equipment - net	<u>18,998</u>
Total Assets	<u><u>\$ 1,962,729</u></u>

LIABILITIES AND NET ASSETS

Payroll withholding and accruals	\$ 4,306
Credit card payable	<u>354</u>
Total Liabilities	4,660
Net Assets:	
Unrestricted	1,872,989
Temporarily restricted	<u>85,080</u>
Total Net Assets	<u>1,958,069</u>
Total Liabilities and Net Assets	<u><u>\$ 1,962,729</u></u>

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

NOBLE COUNTY ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF SUPPORT, REVENUE, EXPENSES AND CHANGE IN
NET ASSETS - MODIFIED CASH BASIS
Year Ended December 31, 2017

	Unrestricted	Temporarily Restricted	Total
CHANGES IN NET ASSETS			
Support and Revenue:			
Government grants	\$ 358,950	\$ 45,300	\$ 404,250
Contributions	105,830	4,550	110,380
Interest income	5,783	-	5,783
Net Assets Released From Restrictions:			
Satisfaction of purpose requirements	46,018	(46,018)	-
Total Support and Revenue	516,581	3,832	520,413
Expenses:			
Program services	221,832	-	221,832
Management and general	57,650	-	57,650
Fund raising	9,637	-	9,637
Total Expenses	289,119	-	289,119
CHANGE IN NET ASSETS	227,462	3,832	231,294
NET ASSETS - January 1, 2017	1,645,527	81,248	1,726,775
NET ASSETS - December 31, 2017	\$ 1,872,989	\$ 85,080	\$ 1,958,069

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

NOBLE COUNTY ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
Year Ended December 31, 2017

	Program Services	Management and General	Fund Raising	Total
Salaries	\$ 110,189	\$ 20,660	\$ 6,887	\$ 137,736
Payroll taxes	10,162	1,906	635	12,703
Employee benefits	17,368	3,256	1,086	21,710
Total Salaries and Related Expenses	137,719	25,822	8,608	172,149
Advertising	35,923	-	-	35,923
Conferences and training	19,559	1,072	1,029	21,660
Professional fees	-	20,637	-	20,637
Repairs and maintenance	9,260	2,315	-	11,575
Supplies	4,764	1,191	-	5,955
Travel	3,703	1,154	-	4,857
Utilities	2,460	615	-	3,075
Telephone	2,060	515	-	2,575
Dues and subscriptions	-	2,359	-	2,359
Insurance	962	240	-	1,202
Miscellaneous	501	501	-	1,002
Meals and entertainment	773	193	-	966
Postage	80	20	-	100
Total Expenses Before Depreciation	217,764	56,634	9,637	284,035
Depreciation	4,068	1,016	-	5,084
Total Expenses	<u>\$ 221,832</u>	<u>\$ 57,650</u>	<u>\$ 9,637</u>	<u>\$ 289,119</u>

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

NOBLE COUNTY ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Noble County Economic Development Corporation (the Organization) is a nonprofit 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 Organization 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.

Income Taxes

The Organization is exempt from income tax under Section 501(c)(6) of the Internal Revenue Code. The Organization has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

Estimates

The process of preparing financial statements in conformity with the modified cash basis of accounting requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Basis of Accounting

The Organization's policy is to prepare its financial statements on the modified cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when cash is disbursed rather than when the obligation is incurred. Modifications to the cash basis include recognition of fixed assets and related depreciation and payroll tax withholdings. This basis differs from generally accepted accounting principles primarily because the Organization has not recognized receivables, accounts payable and accruals and their related effects on the change in net assets in the accompanying financial statements.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

Property and Equipment

Property and equipment are stated at cost or, if donated, at fair value at the date of the gift. The Organization follows the policy of providing depreciation on the straight-line method for financial reporting purposes over the estimated useful lives of the related assets. It is not the Organization's policy to imply time restrictions expiring over the useful life of the donated assets. In the absence of donor-imposed restrictions on the use of the assets, gifts of long-lived assets are reported as unrestricted support.

Contributions

All contributions are considered to be available for the general operations of the Organization unless specifically restricted by the donor. Gifts of cash and other assets are reported as temporarily restricted or permanently restricted support if they are received with donor stipulations that limit their use. In the case of temporarily restricted support, when the 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. If a donor restriction is satisfied in the period the gift is received, this support is reported as unrestricted revenue. By definition, permanently restricted support must be maintained in perpetuity. Restrictions on these net assets do not expire and no assets are reclassified in the statement of activities.

In-kind Contributions

The Organization receives donated office space from the Town of Albion through an operating lease expiring in June 2022. The fair value of this space is not reflected in the financial statements because it does not meet the recognition criteria set forth for the modified cash basis of accounting. The estimated value of this space for 2017 is \$19,360.

Subsequent Events

Management has evaluated subsequent events through September 26, 2018, the date which the financial statements were available for issue.

2. PROPERTY AND EQUIPMENT

The components of property and equipment are as follows:

Leasehold improvements	\$ 21,266
Office equipment	<u>22,643</u>
	43,909
Accumulated depreciation	<u>(24,911)</u>
	<u>\$ 18,998</u>

3. BENEFICIAL INTEREST

The Noble County Community Foundation (Foundation) holds investment assets, with a value of \$58,336 at December 31, 2017, for the benefit of the Organization for which the Foundation has retained variance power. These assets are not recorded as assets of the Organization.

4. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted for the following purposes:

Worker training fund	\$ 73,106
Housing study	8,250
Education forum	1,553
Wage and benefit survey	1,270
Annual meeting	500
Marketing campaign	<u>401</u>
	<u>\$ 85,080</u>

Temporarily restricted net assets of \$1,252,375 at December 31, 2016 have been reclassified to unrestricted net assets to correct in error in the recording of government funds. These reclassifications have no effect on previously reported operating results.

5. ADVERTISING

Advertising costs are charged to operations as incurred and totaled \$35,923 for 2017.

6. RETIREMENT PLAN

The Organization sponsors a SIMPLE retirement plan for its employees. All full-time employees are eligible to participate. The Organization matches 3.00% of the employee’s compensation. Total expense was \$3,708 for 2017.

7. CREDIT RISK AND CONCENTRATIONS

Noble County Economic Development Corporation maintains its cash and certificates of deposit at several local banks. The cash balance is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. As of December 31, 2017, deposits in excess of the insured amount totaled \$1,051,254.

The Noble County Economic Development Corporation received 67% of its revenue from Noble County, Indiana. A significant reduction in the level of this support, if it were to occur, may have an effect on the Organization’s programs and activities.

8. COMMITMENTS

During 2017, the Organization’s board approved the following amounts to be paid in 2018 for the Regional Cities project.

Noble Trails	\$ 300,000
Kendallville Sports Complex	<u>266,126</u>
	<u>\$ 566,126</u>

NOBLE COUNTY ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF GOVERNMENT FUNDS RECEIVED - MODIFIED CASH BASIS
Year Ended December 31, 2017

	Federal Agency/ Pass-Through Agency/Program Title	Federal CFDA Number	Revenue Recognized
Noble County		n/a	\$ 348,000
Town of Avilla		n/a	24,500
City of Kendallville		n/a	14,000
City of Ligonier		n/a	9,500
Town of Albion		n/a	4,500
Town of Rome City		n/a	2,000
Town of Cromwell		n/a	<u>1,750</u>
			<u><u>\$ 404,250</u></u>

See independent auditors' report.