

**NORTHEAST INDIANA REGIONAL
MARKETING PARTNERSHIP, INC.
FORT WAYNE, INDIANA**

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**



Contents

	Page
Independent Auditors' Report	1
Consolidated Financial Statements:	
Consolidated Statements of Financial Position	2
Consolidated Statements of Activities	3
Consolidated Statements of Cash Flows	4
Notes to Consolidated Financial Statements	5
Additional Information:	
Independent Auditors' Report on Consolidating Information	11
Consolidated Schedules of Functional Expenses	12
Consolidating Statements of Financial Position	13
Consolidating Statements of Activities	14

Independent Auditors' Report

To the Board of Directors
Northeast Indiana Regional Marketing Partnership, Inc.

We have audited the accompanying consolidated statements of financial position of Northeast Indiana Regional Marketing Partnership, Inc. (a nonprofit organization) as of December 31, 2011 and 2010, and the related consolidated statements of activities 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 consolidated 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 that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Northeast Indiana Regional Marketing Partnership, Inc. as of December 31, 2011 and 2010 and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Hamil, Lehman & England, P.C.
Fort Wayne, Indiana
January 30, 2012

Northeast Indiana Regional Marketing Partnership, Inc.
Consolidated Statements of Financial Position
December 31, 2011 and 2010

ASSETS

	<u>2011</u>	<u>2010</u>
Current assets:		
Cash	\$ 1,764,745	\$ 1,223,967
Accounts receivable	95,100	93,756
Pledges receivable, net of unamortized discount	402,403	2,500
Certificates of deposit	653,180	667,501
Prepaid expenses	<u>32,952</u>	<u>13,658</u>
Total current assets	<u>2,948,380</u>	<u>2,001,382</u>
Property and equipment, net	<u>129,128</u>	<u>140,189</u>
Other assets:		
Certificates of deposit	10,098	10,000
Security deposit	<u>13,206</u>	<u>-</u>
Total other assets	<u>23,304</u>	<u>10,000</u>
Total assets	<u><u>\$ 3,100,812</u></u>	<u><u>\$ 2,151,571</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 84,140	\$ 140,635
Accrued expenses	9,941	8,019
Deferred rent income	<u>7,825</u>	<u>-</u>
Total current liabilities	<u>101,906</u>	<u>148,654</u>
Other liabilities:		
Sublease deposit	<u>7,825</u>	<u>-</u>
Total liabilities	<u>109,731</u>	<u>148,654</u>
Net assets:		
Unrestricted	1,260,923	1,407,580
Temporarily restricted	<u>1,730,158</u>	<u>595,337</u>
Total net assets	<u>2,991,081</u>	<u>2,002,917</u>
Total liabilities and net assets	<u><u>\$ 3,100,812</u></u>	<u><u>\$ 2,151,571</u></u>

See accompanying notes.

Northeast Indiana Regional Marketing Partnership, Inc.
Consolidated Statements of Activities
For the Years Ended December 31, 2011 and 2010

	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue:						
Fee for service	\$ 308,503	\$ -	\$ 308,503	\$ 308,503	\$ -	\$ 308,503
Grant income	501,501	637,182	1,138,683	444,158	245,100	689,258
Private sector revenue	1,140,350	-	1,140,350	1,018,500	-	1,018,500
Talent initiative grant income	130,216	923,356	1,053,572	495,259	350,237	845,496
In-kind income	7,500	-	7,500	-	-	-
Gain on disposal of assets	8,339	-	8,339	8,760	-	8,760
Interest income	8,325	-	8,325	9,596	-	9,596
Other income	15,077	-	15,077	137,400	-	137,400
	2,119,811	1,560,538	3,680,349	2,422,176	595,337	3,017,513
Net assets released from restrictions	425,717	(425,717)	-	272,588	(272,588)	-
Total revenue	<u>2,545,528</u>	<u>1,134,821</u>	<u>3,680,349</u>	<u>2,694,764</u>	<u>322,749</u>	<u>3,017,513</u>
Expenses:						
Program	2,081,405	-	2,081,405	2,231,709	-	2,231,709
Management and general	324,551	-	324,551	311,711	-	311,711
Fund-raising	286,229	-	286,229	308,514	-	308,514
Total expenses	<u>2,692,185</u>	<u>-</u>	<u>2,692,185</u>	<u>2,851,934</u>	<u>-</u>	<u>2,851,934</u>
Change in net assets	(146,657)	1,134,821	988,164	(157,170)	322,749	165,579
Net assets – beginning of year	<u>1,407,580</u>	<u>595,337</u>	<u>2,002,917</u>	<u>1,564,750</u>	<u>272,588</u>	<u>1,837,338</u>
Net assets – end of year	<u>\$ 1,260,923</u>	<u>\$ 1,730,158</u>	<u>\$ 2,991,081</u>	<u>\$ 1,407,580</u>	<u>\$ 595,337</u>	<u>\$ 2,002,917</u>

**Northeast Indiana Regional Marketing Partnership, Inc.
Notes to Consolidated Financial Statements, continued**

3. Pledges Receivable

Unconditional promises to give at December 31, 2011 and 2010 consist of the following:

	<u>2011</u>	<u>2010</u>
Receivable in less than one year	\$ 135,000	\$ 2,500
Receivable in one to five years	<u>280,000</u>	<u>-</u>
Total unconditional promises to give	415,000	2,500
Less: Unamortized discount	<u>(12,597)</u>	<u>-</u>
Net unconditional promises to give	<u>\$ 402,403</u>	<u>\$ 2,500</u>

Unconditional promises to give in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 2.57% at December 31, 2011.

4. Property and Equipment

Property and equipment costs and related accumulated depreciation as of December 31, 2011 and 2010 is as follows:

	<u>2011</u>		
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Equipment	\$ 33,337	\$ 25,542	\$ 7,795
Furniture and fixtures	139,446	56,939	82,507
Website	<u>99,115</u>	<u>60,289</u>	<u>38,826</u>
	<u>\$ 271,898</u>	<u>\$ 142,770</u>	<u>\$ 129,128</u>
	<u>2010</u>		
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Equipment	\$ 31,786	\$ 20,657	\$ 11,129
Furniture and fixtures	170,127	58,752	111,375
Website	<u>72,205</u>	<u>54,520</u>	<u>17,685</u>
	<u>\$ 274,118</u>	<u>\$ 133,929</u>	<u>\$ 140,189</u>

Depreciation expense for the years ended December 31, 2011 and 2010 was \$28,056 and \$34,940, respectively.

**Northeast Indiana Regional Marketing Partnership, Inc.
Notes to Consolidated Financial Statements, continued**

5. Certificates of Deposit

The Organization held certificates of deposit at December 31, 2011 and 2010 as follows:

	<u>2011</u>	<u>2010</u>
Unrestricted:		
Certificates of deposit, current assets	\$ 653,180	\$ 667,501
Certificates of deposit, other assets	<u>10,098</u>	<u>10,000</u>
Total	<u>\$ 663,278</u>	<u>\$ 677,501</u>

The certificates bear interest ranging from .20 % to .70% at December 31, 2011 (.30% to 1.18% at December 31, 2010) and have maturities ranging from six months to thirteen months. Some of the certificates of deposit have penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended December 31, 2011 and 2010:

	<u>2011</u>		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Temporarily			
Interest income	\$ <u>5,777</u>	\$ <u>-</u>	\$ <u>5,777</u>
	<u>\$ 5,777</u>	<u>\$ -</u>	<u>\$ 5,777</u>
	<u>2010</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest income	\$ <u>5,460</u>	\$ <u>-</u>	\$ <u>5,460</u>
	<u>\$ 5,460</u>	<u>\$ -</u>	<u>\$ 5,460</u>

6. Restrictions on Net Assets

Temporarily restricted net assets are available for the following purposes as of December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Talent Initiative	\$ 923,356	\$ 350,237
Business Cluster/Vision 2020 Action Initiative	550,673	245,100
Future periods: Operations	<u>256,129</u>	<u>-</u>
	<u>\$ 1,730,158</u>	<u>\$ 595,337</u>

**Northeast Indiana Regional Marketing Partnership, Inc.
Notes to Consolidated Financial Statements, continued**

7. Operating Leases (Lessee)

The Organization leases office space under a noncancelable operating lease which calls for monthly payments of \$13,206. The lease is due to expire in May 2016. The monthly rent payment includes janitorial services and all utilities provided by the lessor.

The Organization also leases office furniture under a noncancelable operating lease which calls for monthly payments of \$1,148. The lease is due to expire in May 2016. The monthly rent payment includes janitorial services and all utilities provided by the lessor.

The Organization leases office equipment under noncancelable operating leases which expire from 2013 through 2015.

Following is a summary of rental expense under all operating leases:

	<u>2011</u>	<u>2010</u>
Minimum rentals	\$ 215,530	\$ 61,035
Less: Sublease rentals	<u>(93,798)</u>	<u>-</u>
Total rent expense	<u>\$ 121,732</u>	<u>\$ 61,035</u>

The following is a schedule of future minimum rental payments required under the above noncancelable operating leases:

December	Year Ending <u>December 31:</u>	
2012		\$ 177,917
2013		177,692
2014		177,317
2015		174,361
2016		<u>71,771</u>
Total		<u>\$ 779,058</u>

Total minimum lease payments have not been reduced by non-cancelable sublease payments to be received in the future totaling \$414,714.

8. Retirement Plan Expense

The Organization has a defined contribution salary deferral plan covering substantially all employees. Under the plan, eligible employees are able to make salary deferrals, which are matched by the Organization at a discretionary rate. The matching contribution for the years ended December 31, 2011 and 2010 was \$20,282 and \$17,132, respectively.

9. Subsequent Events

The date to which events occurring after the date of the most recent statement of financial position have been evaluated for possible adjustment to the financial statements or disclosure is January 30, 2012, which is the date on which the financial statements were available to be issued.

**Independent Auditors' Report
on Consolidating Information**

To the Board of Directors
Northeast Indiana Regional Marketing Partnership, Inc.

Our report on our audit of the consolidated financial statements of Northeast Indiana Regional Marketing Partnership, Inc. for 2011 and 2010 appears on page 1. That audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information on pages 12 through 15 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual organizations. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

A handwritten signature in black ink that reads "Hamil, Lehman & England, P.C." The signature is written in a cursive, flowing style.

Hamil, Lehman & England, P.C.
Fort Wayne, Indiana
January 30, 2012

Northeast Indiana Regional Marketing Partnership, Inc.
Consolidated Schedules of Functional Expenses
For the Years Ended December 31, 2011 and 2010

	2011				2010			
	Program	Management and General	Fund-raising	Total	Program	Management and General	Fund-raising	Total
Administration and office operations	\$ 115,557	\$ 74,293	\$ 72,630	\$ 262,480	\$ 72,194	\$ 58,884	\$ 42,181	\$ 173,259
Business development	244,419	-	-	244,419	157,235	-	-	157,235
Capacity building	176,244	-	-	176,244	489,446	-	-	489,446
Grants	63,913	-	-	63,913	84,489	-	-	84,489
Indiana Economic Development Corporation partnership	23,341	-	-	23,341	18,895	-	-	18,895
Marketing	133,634	-	-	133,634	100,573	-	-	100,573
Personnel	766,537	206,003	50,911	1,023,451	671,314	197,763	44,215	913,292
Professional services	-	44,255	-	44,255	-	55,064	-	55,064
Regional communications	26,384	-	162,688	189,072	6,821	-	222,118	228,939
Talent Initiative	514,805	-	-	514,805	618,277	-	-	618,277
Website	16,571	-	-	16,571	12,465	-	-	12,465
Total expenses	\$ 2,081,405	\$ 324,551	\$ 286,229	\$ 2,692,185	\$ 2,231,709	\$ 311,711	\$ 308,514	\$ 2,851,934

Northeast Indiana Regional Marketing Partnership, Inc.
 Consolidating Statements of Financial Position
 December 31, 2011 and 2010

ASSETS	2011		2010	
	<u>Partnership</u>	<u>NIF</u>	<u>Partnership</u>	<u>NIF</u>
Current assets:				
Cash	\$ 240,357	\$ 1,524,388	\$ 308,760	\$ 915,207
Accounts receivable, trade	95,100	-	93,612	144
Inter-organizational receivable	107,404	-	79,572	-
Pledges receivable, net of unamortized discount	-	402,403	-	2,500
Certificates of deposit	523,440	129,740	538,985	128,516
Prepaid expenses	32,952	-	13,658	-
Total current assets	<u>999,253</u>	<u>2,056,531</u>	<u>1,034,587</u>	<u>1,046,367</u>
Property and equipment, net	<u>99,653</u>	<u>29,475</u>	<u>93,686</u>	<u>46,503</u>
Other assets:				
Certificates of deposit	-	10,098	-	10,000
Security deposit	13,206	-	-	-
Total other assets	<u>13,206</u>	<u>10,098</u>	<u>-</u>	<u>10,000</u>
Total assets	<u>\$ 1,112,112</u>	<u>\$ 2,096,104</u>	<u>\$ 1,128,273</u>	<u>\$ 1,102,870</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 21,146	\$ 62,994	\$ 28,594	\$ 112,041
Inter-organizational payable	-	107,404	-	79,572
Accrued expenses	9,941	-	8,019	-
Deferred rent income	7,825	-	-	-
Total current liabilities	<u>38,912</u>	<u>170,398</u>	<u>36,613</u>	<u>191,613</u>
Other liabilities:				
Sublease deposit	7,825	-	-	-
Total liabilities	<u>46,737</u>	<u>170,398</u>	<u>-</u>	<u>-</u>
Net assets:				
Unrestricted	1,065,375	195,548	1,091,660	315,920
Temporarily restricted	-	1,730,158	-	595,337
Total net assets	<u>1,065,375</u>	<u>1,925,706</u>	<u>1,091,660</u>	<u>911,257</u>
Total liabilities and net assets	<u>\$ 1,112,112</u>	<u>\$ 2,096,104</u>	<u>\$ 1,128,273</u>	<u>\$ 1,102,870</u>

Northeast Indiana Regional Marketing Partnership, Inc.
Consolidating Statements of Activities
For the Years Ended December 31, 2011 and 2010

	2011		2010	
	Partnership	NIF	Partnership	NIF
Revenue:				
Contributions	\$ -	\$ -	\$ -	\$ -
Fee for service	308,503	-	308,503	-
Grant income	-	1,138,683	-	689,258
Private sector revenue	1,140,350	-	1,018,500	-
Talent initiative grant income	-	1,053,572	-	845,496
In-kind income	7,500	-	8,760	-
Gain on disposal of assets	2,620	5,719	-	-
Interest income	4,881	3,444	6,417	3,179
Other income	5,678	9,399	30,000	107,400
	<u>1,469,532</u>	<u>2,210,817</u>	<u>1,372,180</u>	<u>1,645,333</u>
Total revenue				
Operating expenses:				
Administration and office operations:				
Automobile	5,388	2,010	3,511	-
Bad debt	65,400	-	35,070	-
Depreciation	20,218	7,839	29,599	2,137
Dues and subscriptions	1,888	147	1,554	100
Hiring and recruiting	1,157	53	7,057	317
Insurance	2,492	-	1,514	-
Internet	1,055	198	-	-
IT support and maintenance	7,720	593	1,686	1,070
Loss on disposal of assets	-	-	1,614	-
Miscellaneous	7,657	7,402	9,566	12,364
Office supplies	5,009	1,347	3,599	1,407
Postage and shipping	737	142	712	210
Rent and lease	59,476	32,312	24,903	18,131
Telephone	10,535	2,889	7,685	3,422
Training	16,436	2,380	5,508	520
Business development:				
Dues and subscriptions	36,661	-	39,680	-
Entertainment	15,724	-	10,672	-
Lead generation	57,227	19,635	28,209	16,842
Miscellaneous	6,593	-	3,422	-
Registration	12,102	-	6,614	-
Site selector strategies	31,632	-	15,395	-
Sponsorships	1,000	-	190	-
Travel	63,845	-	36,211	-
Capacity building:				
Capacity building	-	-	-	224,113
Industry research	-	103,955	-	23,592
LEDO meetings and activities	1,250	15,527	1,549	33,855
Miscellaneous	2,356	188	909	-
Regional economic development forum	-	1,143	-	6,729
Regional vision	-	51,825	-	198,699
Grants:				
Other programs	-	41,913	17,052	7,174
Outside organizations	-	22,000	-	60,263

Northeast Indiana Regional Marketing Partnership, Inc. and Subsidiary
Consolidating Statements of Activities, continued
For the Years Ended December 31, 2011 and 2010

	2011		2010	
	Partnership	NIF	Partnership	NIF
Indiana Economic Development Corporation partnership:				
Miscellaneous	\$ 74	\$ -	\$ 330	\$ -
Outside sales	23,267	-	18,565	-
Marketing:				
Development materials	34,235	71,989	25,536	43,799
Marketing activities	18,092	-	6,002	-
Plan deployment	9,318	-	25,236	-
Personnel:				
Salaries, wages and benefits	703,414	270,617	590,103	231,391
Payroll administration	1,207	-	1,461	-
Taxes – payroll	30,147	18,066	80,869	9,468
Professional services:				
Accounting	6,715	3,677	5,614	3,753
Consulting	28,256	-	31,809	-
Legal	2,747	2,860	4,826	9,063
Regional communications:				
Investor relations	162,688	-	222,118	-
Miscellaneous	14,694	856	6,421	402
Regional opportunities	10,834	-	-	-
Talent Initiative:				
Consultants	-	8,435	-	17,950
Depreciation	-	-	-	3,204
IT support and maintenance	-	1,318	-	1,307
Marketing	-	112,243	-	103,811
Miscellaneous	-	529	-	11,782
Office expenses	-	553	-	1,055
Postage	-	45	-	80
Project management	-	117,977	-	280,254
Rent	-	18,034	-	15,908
Personnel expenses	-	242,605	-	174,002
Seminars	-	6,701	-	3,972
Telephone	-	3,607	-	3,411
Travel	-	2,758	-	1,541
Website:				
Development	25	-	-	-
Project management	16,546	-	12,465	-
Total operating expenses	<u>1,495,817</u>	<u>1,196,368</u>	<u>1,324,836</u>	<u>1,527,098</u>
Change in net assets	(26,285)	1,014,449	47,344	118,235
Net assets – beginning of year	<u>1,091,660</u>	<u>911,257</u>	<u>1,044,316</u>	<u>793,022</u>
Net assets – end of year	<u>\$ 1,065,375</u>	<u>\$ 1,925,706</u>	<u>\$ 1,091,660</u>	<u>\$ 911,257</u>