

INDIANA ASSOCIATION FOR COMMUNITY  
ECONOMIC DEVELOPMENT, INC.

FINANCIAL REPORT

December 31, 2010

## CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS:	
Statements of Financial Position	4 - 5
Statements of Activities	6 - 7
Statements of Functional Expenses	8 - 11
Statements of Cash Flows	12
Notes to Financial Statements	13 - 19

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Indiana Association for Community  
Economic Development, Inc.  
Indianapolis, Indiana

We have audited the accompanying statements of financial position for the Indiana Association for Community Economic Development, Inc., as of December 31, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Association'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 or not 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 above present fairly, in all material respects, the financial position of the Indiana Association for Community Economic Development, Inc., as of December 31, 2010 and 2009, and the changes in its net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*RJPile, LLC*

Indianapolis, Indiana  
August 16, 2011

**INDIANA ASSOCIATION FOR COMMUNITY  
ECONOMIC DEVELOPMENT, INC.**

**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b><u>ASSETS</u></b>		
<b><u>CURRENT ASSETS</u></b>		
Cash and cash equivalents	\$ 108,294	\$ 150,320
Cash designated - subsequent year's operations	<u>175,000</u>	<u>125,000</u>
Total operating cash	283,294	275,320
Grants receivable	92,697	71,461
Accounts receivable	12,105	6,808
Prepaid expense	<u>4,108</u>	<u>2,429</u>
	392,204	356,018
Assets held as fiscal agent:		
Cash and receivables - Statewide Conference	38,758	38,259
Cash advance IHEDA - Statewide Conference	20,000	20,000
Cash and receivables - State Affordable Housing Trust	11,474	11,783
Cash and receivables - Homeward Bound Walks	<u>14,298</u>	<u>277</u>
<b>TOTAL CURRENT ASSETS</b>	<u>476,734</u>	<u>426,337</u>
<b><u>PROPERTY AND EQUIPMENT</u></b>		
Office equipment (net of accumulated depreciation - 2010: \$65,317; 2009: \$68,304)	<u>10,235</u>	<u>9,922</u>
<b><u>OTHER ASSETS</u></b>		
CapMap diagnostic tool (net of accumulated amortization - 2010: \$1,538)	<u>18,462</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>\$ 505,431</u>	<u>\$ 436,259</u>

See Notes to Financial Statements.

2010

2009

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$	7,796	\$	7,119
Accounts payable IHADA - Statewide Conference		20,000		20,000
Accrued expenses		11,140		4,699
Deferred revenue - member dues		44,450		41,750
Homeward Bound walks payable		14,298		277

**TOTAL CURRENT LIABILITIES** 97,684 73,845

**NET ASSETS**

Unrestricted - undesignated		120,161		53,204
Unrestricted - designated for operations		175,000		125,000
Total unrestricted net assets		<u>295,161</u>		<u>178,204</u>

Temporarily restricted - grants and contributions		62,354		134,168
Temporarily restricted - Statewide Conference		38,758		38,259
Temporarily restricted - State Affordable Housing Trust		11,474		11,783
Total temporarily restricted net assets		<u>112,586</u>		<u>184,210</u>

**TOTAL NET ASSETS** 407,747 362,414

**TOTAL LIABILITIES AND NET ASSETS** \$ 505,431 \$ 436,259

**INDIANA ASSOCIATION FOR COMMUNITY  
ECONOMIC DEVELOPMENT, INC.**

**STATEMENTS OF ACTIVITIES**  
Years ended December 31, 2010 and 2009

	2010		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b><u>SUPPORT AND REVENUE</u></b>			
Grants	\$ 592,318	\$ 71,000	\$ 663,318
Contributions	28,760	-	28,760
Sponsorships	16,600	-	16,600
Member dues	83,500	-	83,500
Registrations	14,100	-	14,100
Fees	93,278	-	93,278
Interest income	781	-	781
	829,337	71,000	900,337
<b>SUPPORT AND REVENUE BEFORE RELEASE FROM RESTRICTIONS</b>			
<b><u>RELEASE FROM RESTRICTIONS</u></b>			
Release from restriction	142,814	(142,814)	-
	972,151	(71,814)	900,337
<b>TOTAL SUPPORT AND REVENUE</b>			
<b><u>EXPENSES</u></b>			
Operating expenses:			
Technical assistance and training	408,976	-	408,976
Fee for service	85,338	-	85,338
Policy and membership	171,396	-	171,396
Administration and organizational development	177,680	-	177,680
Fundraising	11,804	-	11,804
	855,194	-	855,194
<b>TOTAL EXPENSES</b>			
<b>CHANGE IN NET ASSETS BEFORE FISCAL AGENT ACTIVITIES</b>			
	116,957	(71,814)	45,143
<b><u>FISCAL AGENT ACTIVITIES</u></b>			
Statewide Conference income	-	131,223	131,223
Statewide Conference expenses	(130,724)	-	(130,724)
State Affordable Housing Trust Fund income	-	-	-
State Affordable Housing Trust Fund expenses	(309)	-	(309)
Homeward Bound Walks collections	-	97,247	97,247
Homeward Bound Walks disbursements	(97,247)	-	(97,247)
Release from restriction	228,280	(228,280)	-
	116,957	(71,624)	45,333
<b>TOTAL CHANGE IN NET ASSETS</b>			
<b><u>NET ASSETS</u></b>			
Beginning of year	178,204	184,210	362,414
End of year	\$ 295,161	\$ 112,586	\$ 407,747

See Notes to Financial Statements.

**2009**

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 496,523	\$ 171,166	\$ 667,689
14,295	-	14,295
41,956	-	41,956
59,260	-	59,260
16,656	-	16,656
106,886	-	106,886
384	-	384
<hr/>	<hr/>	<hr/>
735,960	171,166	907,126
155,576	(155,576)	-
<hr/>	<hr/>	<hr/>
891,536	15,590	907,126
453,928	-	453,928
58,203	-	58,203
205,537	-	205,537
164,898	-	164,898
15,792	-	15,792
<hr/>	<hr/>	<hr/>
898,358	-	898,358
(6,822)	15,590	8,768
-	164,325	164,325
(147,345)	-	(147,345)
-	-	-
-	-	-
	77,921	77,921
(77,921)		(77,921)
225,266	(225,266)	-
<hr/>	<hr/>	<hr/>
(6,822)	32,570	25,748
185,026	151,640	336,666
<hr/>	<hr/>	<hr/>
\$ 178,204	\$ 184,210	\$ 362,414

**INDIANA ASSOCIATION FOR COMMUNITY  
ECONOMIC DEVELOPMENT, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

Year ended December 31, 2010

	<b>Technical Assistance and <u>Training</u></b>	<b>Fee for <u>Service</u></b>	<b>Policy and <u>Membership</u></b>	<b>Administration &amp; Organizational <u>Development</u></b>
Bank charges	\$ -	\$ -	\$ 458	\$ 2,340
Board development	-	-	-	4,000
Business insurance	52	-	-	3,545
Depreciation expense	793	614	959	1,014
Amortization expense	1,538	-	-	-
Dues/subscriptions	1,033	200	953	1,761
Equipment lease rental	3,511	1,540	2,405	1,020
Facility rental	2,512	250	-	-
Food & refreshments	16,372	490	2,542	635
Janitorial	25	-	-	2,707
Miscellaneous expenses	-	-	52	2,484
Office supplies	716	-	94	3,245
Pass through grant making	30,500	-	25,000	-
Payroll taxes and benefits	12,789	10,463	15,690	19,696
Postage	117	499	384	1,352
Printing/copying	3,638	624	3,265	1,249
Professional fees	257,589	14,277	29,811	31,975
Rent	6,900	3,814	5,957	4,479
Salaries and wages	61,864	50,463	75,850	76,524
Scholarships/Sponsorships	1,560	-	-	-
Staff development	-	-	-	10,100
Telephone/internet	1,916	1,188	3,030	1,880
Travel	5,258	916	4,946	3,653
Utilities	293	-	-	4,021
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL</b>	<b>\$ 408,976</b>	<b>\$ 85,338</b>	<b>\$ 171,396</b>	<b>\$ 177,680</b>
<b>2009 TOTAL</b>	<b>\$ 453,928</b>	<b>\$ 58,203</b>	<b>\$ 205,537</b>	<b>\$ 164,898</b>

See Notes to Financial Statements



<u>Fundraising</u>	<u>2010</u> <u>Total</u>	<u>2009</u> <u>Total</u>
\$ -	\$ 2,798	\$ 2,130
-	4,000	-
-	3,597	5,149
76	3,456	4,170
-	1,538	-
-	3,947	5,365
190	8,666	5,806
-	2,762	3,229
-	20,039	16,356
-	2,732	2,986
-	2,536	782
-	4,055	6,374
-	55,500	-
1,255	59,893	66,925
-	2,352	4,002
2,806	11,582	32,912
1,402	335,054	369,346
471	21,621	21,461
5,450	270,151	311,173
-	1,560	3,275
-	10,100	2,743
147	8,161	7,204
7	14,780	22,173
-	4,314	4,797
<u>\$ 11,804</u>	<u>\$ 855,194</u>	
<u>\$ 15,792</u>		<u>\$ 898,358</u>

**INDIANA ASSOCIATION FOR COMMUNITY  
ECONOMIC DEVELOPMENT, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

Year ended December 31, 2009

	<b>Technical Assistance and <u>Training</u></b>	<b>Fee for <u>Service</u></b>	<b>Policy and <u>Membership</u></b>	<b>Administration &amp; Organizational <u>Development</u></b>
Bank charges	\$ -	\$ -	\$ 79	\$ 2,051
Board development	-	-	-	-
Business insurance	-	35	434	4,680
Depreciation expense	1,202	550	1,208	1,058
Dues/subscriptions	1,100	442	400	3,423
Equipment lease rental	2,341	767	1,682	805
Facility rental	3,104	-	125	-
Food & refreshments	12,729	52	2,218	1,357
Janitorial	-	-	-	2,986
Miscellaneous expenses	-	-	775	7
Office supplies	1,386	68	449	4,446
Payroll taxes and benefits	17,180	8,069	17,541	22,120
Postage	119	885	1,066	1,518
Printing/copying	24,336	2,166	3,247	495
Professional fees	264,370	94	66,394	36,988
Rent	13,399	2,835	6,215	(1,768)
Salaries and wages	98,230	39,026	93,216	72,872
Scholarships/Sponsorships	3,275	-	-	-
Staff development	-	-	50	2,693
Telephone/internet	4,470	721	3,904	(2,089)
Travel	6,687	2,493	6,474	6,519
Utilities	-	-	60	4,737
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL</b>	<b>\$ 453,928</b>	<b>\$ 58,203</b>	<b>\$ 205,537</b>	<b>\$ 164,898</b>
<b>2008 TOTAL</b>	<b>\$ 416,377</b>	<b>\$ 56,382</b>	<b>\$ 148,334</b>	<b>\$ 77,324</b>

See Notes to Financial Statements

<u>Fundraising</u>	<u>2009</u> <u>Total</u>	<u>2008</u> <u>Total</u>
\$ -	\$ 2,130	\$ 1,654
-	-	1,733
-	5,149	2,965
152	4,170	9,133
-	5,365	7,604
211	5,806	9,616
-	3,229	15,626
-	16,356	15,267
-	2,986	2,476
-	782	439
25	6,374	5,254
2,015	66,925	42,408
414	4,002	2,099
2,668	32,912	10,863
1,500	369,346	363,798
780	21,461	21,599
7,829	311,173	195,607
-	3,275	
-	2,743	110
198	7,204	8,457
-	22,173	8,504
-	4,797	4,124
<u>\$ 15,792</u>	<u>\$ 898,358</u>	
<u>\$ 30,919</u>		<u>\$ 729,336</u>

**INDIANA ASSOCIATION FOR COMMUNITY  
ECONOMIC DEVELOPMENT, INC.**

**STATEMENTS OF CASH FLOWS**

Years ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Cash received from members and grantors	\$ 1,089,982	\$ 1,201,512
Cash paid to suppliers and organizations	(1,059,019)	(1,152,977)
Interest income	781	384
Net cash provided by (used in) operating activities	<u>31,744</u>	<u>48,919</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of property and equipment	(3,770)	(8,242)
Purchase of other assets	(20,000)	-
Net cash provided by (used in) investing activities	<u>(23,770)</u>	<u>(8,242)</u>
Increase (decrease) in cash and cash equivalents	7,974	40,677
<b><u>CASH AND CASH EQUIVALENTS</u></b>		
Beginning of year	<u>275,320</u>	<u>234,643</u>
End of year	<u>\$ 283,294</u>	<u>\$ 275,320</u>
<b><u>RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u></b>		
Changes in net assets	\$ 45,333	\$ 25,748
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation and amortization	4,994	4,170
Changes in certain assets and liabilities:		
Cash - Statewide Conference	(499)	(16,980)
Cash - State Affordable Housing Trust	309	-
Cash - Homeward Bound Walks	(14,021)	(277)
Grants and accounts receivable	(26,533)	28,031
Prepaid expense	(1,679)	1,685
Accounts payable and accrued liabilities	21,140	(35,208)
Deferred revenue	2,700	41,750
Net cash flows provided by (used in) operating activities	<u>\$ 31,744</u>	<u>\$ 48,919</u>

See Notes to Financial Statements.

INDIANA ASSOCIATION FOR COMMUNITY  
ECONOMIC DEVELOPMENT, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES

Nature of Organization

Indiana Association for Community Economic Development, Inc. (IACED) is a nonprofit organization committed to community economic development in rural, small city, and urban areas. IACED provides information and training to membership organizations seeking greater economic development, within their geographical areas of influence. IACED provides a wide range of direct technical assistance, advocates public policy related to affordable housing and community development, and supplies training and resources to its members.

Significant accounting policies followed by the Association are listed below:

A. Accrual Basis

The financial statements have been prepared on the accrual basis of accounting.

B. Basis of Accounting

These financial statements have been prepared to focus on the entity as a whole and to present transactions according to the existence or absence of donor-imposed restrictions. This has been done by classification of transactions and balances into three categories 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.

Ordinary income derived from investment, receivables, and other income-producing assets, is accounted for as unrestricted net assets. Income derived from investments is accounted for as temporarily restricted or, if unrestricted, as revenues in unrestricted net assets. Gains and losses on investments are classified as an increase or decrease, in unrestricted net assets, unless restricted by donor-imposed stipulations. If restricted, such gains or losses are reported as increases or decreases in temporarily- or permanently- restricted net assets.

Grants received from governmental agencies are considered exchange transactions and/or unrestricted resources for the Association.

C. Cash and Cash Equivalents

Cash and cash equivalents consist of checking and savings accounts. The demand deposit accounts are insured by the Federal Deposit Insurance Corporation up to the maximum amount prescribed by law per institution. The balances may exceed the insured limit at various times.

The Association considers all highly-liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**INDIANA ASSOCIATION FOR COMMUNITY  
ECONOMIC DEVELOPMENT, INC.**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2010

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES** - continued

**D. Property and Equipment**

The Association capitalizes expenditures for purchased property and equipment at cost. Donated property and equipment is reflected as a contribution in the financial statements at its estimated fair market value. It is the Association's policy to consider a donor restriction of or for long-lived assets satisfied when the asset is purchased and put into service.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of the equipment range from three to five years. The Association's capitalization policy is \$500 with a life of three or more years.

**E. Support and Revenue**

All contributions of cash and other assets are considered to be available for unrestricted use unless the donor specifically restricts the use.

A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Restricted contributions and grants are presented as temporarily restricted revenue. Upon expiration of a donor-imposed restriction, the contributions or grants are reclassified to unrestricted net assets.

Support funded by government grants is recognized as the Association performs contracted services under grant agreements. Government grant revenue is recognized as earned when eligible expenses are incurred. Government grant expenditures are subject to audit and acceptance by the granting agency. Adjustments would be required for any disallowed expenditures.

Funding is primarily provided through government agencies, foundation grants, contributions and membership dues. The Association also receives fees for member services such as strategic planning and consulting fees from tax credit projects.

**F. Functional Allocation of Expenses**

The costs of providing programs and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain indirect costs have been allocated among programs and other activities based on percentages of staff time spent.

**G. Reclassifications**

Certain amounts from the prior year have been reclassified to conform with the current year presentation.

INDIANA ASSOCIATION FOR COMMUNITY  
ECONOMIC DEVELOPMENT, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES - continued

H. Concentration of Financial Risk

IACED receives funding under multiple year grants from the U.S. Department of Housing and Urban Development (HUD) and from other funding sources. Under the grants' terms, additional periodic audits are possible by the grantor agency. Failure to comply with grant requirements may result in suspension of further HUD and other grant funding and possible reimbursement for disallowed expenditures. Management believes that disallowed costs, if any, will not be material. As of December 31, 2010, management was not aware of any potential disallowance of claims asserted by grantor agencies; therefore, no estimate of contingent reimbursement to the grantor was made.

IACED receives a significant portion of its total revenue from two funding sources. The percentage of total revenue received from those sources is as follows:

<u>Funding Sources</u>	<u>2010</u> <u>% of Revenue</u>	<u>2009</u> <u>% of Revenue</u>
IN Housing & Community Dev. Authority	37	36
Lilly Endowment	25	19
Chase Fund	0	12

I. Use of Estimates

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

J. Tax Status

IACED is exempt from the income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Association files the required federal and state information returns. Whenever tax returns are filed, the filing organization must evaluate the merits of its tax positions and determine if they will be ultimately sustained. Those tax positions for the Association include maintaining their tax-exempt status and the taxability of any unrelated business income. The Association believes these positions are sustainable. With few exceptions, IACED is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2008.

K. Evaluation of Subsequent Events

The Association's management has evaluated subsequent events through August 16, 2011 which is the date the financial statements were available to be issued.

**INDIANA ASSOCIATION FOR COMMUNITY  
ECONOMIC DEVELOPMENT, INC.**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2010

**NOTE 2 NET ASSETS**

The grants from Lilly Endowment are for general operating support and are classified as unrestricted but designated for operations. IACED is the fiscal agent for the Statewide Conference and State Affordable Housing Trust Campaign. These funds are for programs shared with other exempt organizations and are segregated from other unrestricted funds.

Net assets consist of:

	<u>2010</u>	<u>2009</u>
Unrestricted:		
Undesignated	\$ 120,161	\$ 53,204
Designated for operations	<u>175,000</u>	<u>125,000</u>
Total unrestricted	<u>\$ 295,161</u>	<u>\$ 178,204</u>
Temporarily restricted:		
Grants and contributions:		
LISC- Unsong Indy	\$ -	\$ -
LISC- Public Policy & TA	-	1,797
LISC- Capital Access	-	1,166
INHP- Deputy Director grant	-	-
5/3 Bank Foundation-Asset Building Initiative	-	-
Lilly End. 2009 Support Grant	-	16,762
Lilly End. 2010 Support Grant	15,855	-
Old National Bank Foundation	6,350	9,300
Chase Fund 2009 Comp Comm Dev	<u>40,149</u>	<u>105,143</u>
	62,354	134,168
Fiscal Agent:		
Statewide Conference	38,758	38,259
State Affordable Housing Trust Campaign	<u>11,474</u>	<u>11,783</u>
Total temporarily restricted	<u>\$ 112,586</u>	<u>\$ 184,210</u>



**INDIANA ASSOCIATION FOR COMMUNITY  
ECONOMIC DEVELOPMENT, INC.**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2010

**NOTE 2 NET ASSETS** - continued

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes during the years ended December 31, 2010 and 2009 as follows:

	<u>2010</u>	<u>2009</u>
Grants:		
LISC- Unsong Indy	\$ -	\$ 71,272
LISC- Public Policy & TA	2,963	8,171
LISC- Design Center	21,000	-
5/3 Bank Foundation-Asset Building Initiative	-	7,338
INHP- Deputy Director grant	-	30,000
Lilly End. 2009 Support Grant	16,762	33,238
Lilly End. 2010 Support Grant	34,145	-
Old National Bank Foundation	2,950	700
Chase Fund 2009 Comp Comm Dev	64,994	4,857
	<u>\$ 142,814</u>	<u>\$ 155,576</u>
Fiscal Agent:		
Statewide Conference	\$ 130,724	\$ 147,345
State Affordable Housing Trust Campaign	309	-
Homeward Bound walks	97,247	77,921
	<u>\$ 228,280</u>	<u>\$ 225,266</u>

**NOTE 3 COMMITMENTS**

Effective August 1, 2006, IACED entered into a five-year agreement to lease office space. There is an option to renew the lease at the end of the five-year term for an additional five years. Monthly lease payments are \$1,500. In addition to the monthly rent, the lease requires a payment of \$300 per month throughout the lease term for operating expenses, regardless of the actual amount of operating expenses incurred. The Association also leases a minimal amount of office equipment. Total rent expense was \$21,600 in both 2010 and 2009, respectively. Future minimum rent and lease payments are as follows:

2011	\$ 12,600
2012	-
2013	-
Thereafter	-
Total	<u>\$ 12,600</u>

**INDIANA ASSOCIATION FOR COMMUNITY  
ECONOMIC DEVELOPMENT, INC.**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2010

**NOTE 4 RELATED PARTIES**

IACED purchased services from a board member's organization in 2010 and 2009. These services related to providing technical assistance and training to member organizations. All purchased services had written contracts and were approved by the Board of Directors. IACED incurred expenses for services from the related party of \$9,419 and \$36,787 in 2010 and 2009, respectively.

At December 31, 2010 and 2009, IACED had no payables to related parties.

In 2004, IACED and House Investments formed the Indiana Redevelopment Corporation, an Indiana nonprofit corporation, for the sole purpose of promoting economic development in Indiana through the New Markets Tax Credit Program. IACED and House Investments each appoint 50% of the entity's board members, neither having majority control. IACED entered a consulting agreement with Indiana Redevelopment Corporation (IRC). IACED receives an annual consulting fee equal to 38% of the quarterly net income of IRC, as defined by the agreement. IACED earned fees of \$0 in 2010 and 2009.

In 2009, IACED and City Real Estate Advisors, Inc. formed Indiana Development Capital, LLC, an Indiana limited liability company, for the sole purpose of promoting economic development in Indiana through the New Markets Tax Credit Program. In 2009, IACED and City Real Estate Advisors, Inc. (CREA) each made a capital contribution of \$100 and had 50% ownership. On June 1, 2010, CREA transferred its 50% ownership interest to Indiana Housing and Community Development Authority.

**NOTE 5 ANNUAL STATEWIDE CONFERENCE**

IACED serves as the reporting entity and administrator for the Statewide Conference on Affordable Housing and Community Economic Development, which is co-hosted by IACED and the Indiana Housing and Community Development Authority. These funds are segregated separately in the accounting system, and the funds are deposited in a separate bank account. Revenues collected for the conference can only be used to pay conference expenses or other financial obligations of the conference. If another party takes on the fiscal agent responsibility and facilitates the annual Statewide Conference, the cash balance would be transferred to the other party.

	<u>2010</u>	<u>2009</u>
Cash and Receivables - beginning of year	\$ 38,259	\$ 21,279
Income	131,223	164,325
Expense	<u>(130,724)</u>	<u>(147,345)</u>
Cash and Receivables - end of year	<u>\$ 38,758</u>	<u>\$ 38,259</u>
Net Assets:		
Temporarily restricted - Statewide Conference	<u>\$ 38,758</u>	<u>\$ 38,259</u>

**INDIANA ASSOCIATION FOR COMMUNITY  
ECONOMIC DEVELOPMENT, INC.**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2010

**NOTE 6 STATE AFFORDABLE HOUSING TRUST FUND CAMPAIGN**

IACED serves as the reporting entity and administrator for the State Affordable Housing Trust Fund Campaign. The Campaign's purpose is to educate affordable housing practitioners, policy makers, volunteers and the public about the impact and use of the State Affordable Housing Trust Fund in an effort to develop a steady revenue stream for the Fund. The Campaign is funded by supporters, including other not-for-profit organizations who are interested in affordable housing issues. These funds are segregated in the accounting system and the funds are deposited in a separate bank account. Revenues collected for the Campaign can only be used to pay Campaign expenses and Campaign financial obligations. The Campaign will continue until all cash collected is depleted. If another party takes on the fiscal agent responsibility, the cash balance would be transferred to the other party.

	<u>2010</u>	<u>2009</u>
Cash and Receivables - beginning of year	\$ 11,783	\$ 11,783
Income	-	-
Expense	(309)	-
Cash and Receivables - end of year	<u>\$ 11,474</u>	<u>\$ 11,783</u>
Net Assets:		
Temporarily restricted - State Affordable Housing Trust	<u>\$ 11,474</u>	<u>\$ 11,783</u>

**NOTE 7 HOMEWARD BOUND WALKS**

Homeward Bound benefiting agencies are representative of not-for-profit agencies that provide services to the homeless, near homeless population, and/or provide affordable housing opportunities. These funds are segregated in the accounting system and the funds are deposited in a separate bank account. Revenues collected for the Homeward Bound Walks can only be disbursed to Homeward Bound Walk benefiting agencies. If another party takes on the fiscal agent responsibility, the cash balance would be transferred to the other party. IACED incurred and absorbed \$3,941 and \$22,468 in expense related to operating the program in 2010 and 2009, respectively.

	<u>2010</u>	<u>2009</u>
Cash and Receivables - beginning of year	\$ -	\$ -
Collections	97,247	77,921
Disbursements	(97,247)	(77,921)
Cash and Receivables - end of year	<u>\$ -</u>	<u>\$ -</u>
Net Assets:		
Temporarily restricted - State Affordable Housing Trust	<u>\$ -</u>	<u>\$ -</u>