



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

**FINANCIAL REPORT**

**December 31, 2011**



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## 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, 2011 and 2010, 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, 2011 and 2010, 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  
July 23, 2012

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

**STATEMENTS OF FINANCIAL POSITION**

December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<b><u>ASSETS</u></b>		
<b><u>CURRENT ASSETS</u></b>		
Cash and cash equivalents	\$ 125,573	\$ 108,294
Cash designated - subsequent year's operations	<u>175,000</u>	<u>175,000</u>
Total operating cash	<u>300,573</u>	<u>283,294</u>
Grants receivable	78,767	92,697
Accounts receivable	7,940	12,105
Prepaid expense	<u>-</u>	<u>4,108</u>
	<u>86,707</u>	<u>108,910</u>
Assets held as fiscal agent:		
Cash and receivables - Homeward Bound Walks	35,074	14,298
Cash and receivables - State Affordable Housing Trust	11,165	11,474
Cash and receivables - Statewide Conference	7,009	38,758
Cash advance IHEDA - Statewide Conference	<u>20,000</u>	<u>20,000</u>
	<u>73,248</u>	<u>84,530</u>
<b>TOTAL CURRENT ASSETS</b>	<u>460,528</u>	<u>476,734</u>
<b><u>PROPERTY AND EQUIPMENT</u></b>		
Office equipment (net of accumulated depreciation - 2011: \$67,966; 2010: \$65,317)	<u>7,622</u>	<u>10,235</u>
<b><u>OTHER ASSETS</u></b>		
CapMap diagnostic tool (net of accumulated amortization - 2011: \$7,692; 2010: \$1,538)	<u>12,308</u>	<u>18,462</u>
<b>TOTAL ASSETS</b>	<u>\$ 480,458</u>	<u>\$ 505,431</u>

See Notes to Financial Statements.

	<u>2011</u>	<u>2010</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable	\$ 36,187	\$ 7,796
Accounts payable IHEDA - Statewide Conference	20,000	20,000
Accrued expenses	11,684	11,140
Deferred revenue - member dues	9,150	44,450
Homeward Bound Walks payable	<u>35,074</u>	<u>14,298</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>112,095</u>	<u>97,684</u>
<b><u>NET ASSETS</u></b>		
Unrestricted - undesignated	160,163	120,161
Unrestricted - designated for operations	<u>175,000</u>	<u>175,000</u>
Total unrestricted net assets	<u>335,163</u>	<u>295,161</u>
Temporarily restricted - grants and contributions	15,026	62,354
Temporarily restricted - Statewide Conference	7,009	38,758
Temporarily restricted - State Affordable Housing Trust	<u>11,165</u>	<u>11,474</u>
Total temporarily restricted net assets	<u>33,200</u>	<u>112,586</u>
<b>TOTAL NET ASSETS</b>	<u>368,363</u>	<u>407,747</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 480,458</u>	<u>\$ 505,431</u>

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

**STATEMENTS OF ACTIVITIES**

Years ended December 31, 2011 and 2010

	2011		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b><u>SUPPORT AND REVENUE</u></b>			
Grants	\$ 590,973	\$ 15,000	\$ 605,973
Contributions	9,500	-	9,500
Sponsorships	26,400	-	26,400
Member dues	77,175	-	77,175
Registrations	13,380	-	13,380
Fees	65,087	-	65,087
Interest income	750	-	750
	<b>SUPPORT AND REVENUE BEFORE RELEASE FROM RESTRICTIONS</b>	783,265	15,000
	783,265	15,000	798,265
Release from restrictions	62,328	(62,328)	-
	<b>TOTAL SUPPORT AND REVENUE</b>	<b>845,593</b>	<b>798,265</b>
<b><u>EXPENSES</u></b>			
Operating expenses:			
Technical assistance and training	460,428	-	460,428
Fee for service	43,821	-	43,821
Policy and membership	189,616	-	189,616
Administration and organizational development	107,715	-	107,715
Fundraising	8,836	-	8,836
	<b>TOTAL EXPENSES</b>	810,416	-
	810,416	-	810,416
	<b>CHANGE IN NET ASSETS BEFORE FISCAL AGENT ACTIVITIES</b>	35,177	(47,328)
	35,177	(47,328)	(12,151)
<b><u>FISCAL AGENT ACTIVITIES</u></b>			
Statewide Conference income	-	182,966	182,966
Statewide Conference expenses	(214,715)	-	(214,715)
State Affordable Housing Trust Fund income	-	-	-
State Affordable Housing Trust Fund expenses	(309)	-	(309)
Homeward Bound Walks collections	-	124,417	124,417
Homeward Bound Walks disbursements	(124,417)	-	(124,417)
Land Bank income	272,009	-	272,009
Land Bank expenses	(267,184)	-	(267,184)
Release from restrictions	339,441	(339,441)	-
	<b>TOTAL CHANGE IN NET ASSETS</b>	40,002	(79,386)
	40,002	(79,386)	(39,384)
<b><u>NET ASSETS</u></b>			
Beginning of year	\$ 295,161	\$ 112,586	\$ 407,747
End of year	\$ 335,163	\$ 33,200	\$ 368,363

See Notes to Financial Statements.

**2010**

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 592,318	\$ 71,000	\$ 663,318
28,760	-	28,760
16,600	-	16,600
83,500	-	83,500
14,100	-	14,100
93,278	-	93,278
781	-	781
<hr/>	<hr/>	<hr/>
829,337	71,000	900,337
142,814	(142,814)	-
<hr/>	<hr/>	<hr/>
972,151	(71,814)	900,337
<hr/>	<hr/>	<hr/>
408,976	-	408,976
85,338	-	85,338
171,396	-	171,396
177,680	-	177,680
11,804	-	11,804
<hr/>	<hr/>	<hr/>
855,194	-	855,194
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116,957	(71,814)	45,143
-	131,223	131,223
(130,724)	-	(130,724)
-	-	-
(309)	-	(309)
-	97,247	97,247
(97,247)	-	(97,247)
-	-	-
-	-	-
228,280	(228,280)	-
<hr/>	<hr/>	<hr/>
116,957	(71,624)	45,333
<hr/>	<hr/>	<hr/>
\$ 178,204	\$ 184,210	\$ 362,414
<hr/>	<hr/>	<hr/>
\$ 295,161	\$ 112,586	\$ 407,747
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**INDIANA ASSOCIATION FOR COMMUNITY  
ECONOMIC DEVELOPMENT, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

Year ended December 31, 2011

	<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	\$ -	\$ -	\$ -	\$ 2,793
Board development	-	-	-	2,000
Business insurance	-	-	-	4,167
Depreciation expense	1,195	354	1,155	340
Amortization expense	6,154	-	-	-
Dues/subscriptions	28	-	1,100	2,081
Equipment lease rental	2,274	672	2,198	1,358
Facility rental	4,575	-	-	40
Food & refreshments	12,518	1,245	1,207	450
Janitorial	-	-	-	2,700
Loss on disposal of fixed assets	-	-	-	601
Miscellaneous expenses	-	300	1,184	-
Office supplies	2,327	13	508	2,921
Pass through grant making	12,500	-	-	-
Payroll taxes and benefits	19,246	5,937	19,398	13,943
Postage	22	9	854	1,446
Printing/copying	1,823	177	2,690	60
Professional fees	276,662	365	46,795	30,936
Rent	8,354	2,473	8,076	2,379
Salaries and wages	102,525	30,341	94,550	29,195
Scholarships/Sponsorships	-	-	-	-
Staff development	-	-	35	1,379
Telephone/internet	3,260	1,056	3,425	1,015
Travel	6,829	879	6,441	3,119
Utilities	136	-	-	4,792
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL</b>	<b>\$ 460,428</b>	<b>\$ 43,821</b>	<b>\$ 189,616</b>	<b>\$ 107,715</b>
<b>2010 TOTAL</b>	<b>\$ 408,976</b>	<b>\$ 85,338</b>	<b>\$ 171,396</b>	<b>\$ 177,680</b>

See Notes to Financial Statements



<u>Fundraising</u>	<u>2011</u> <u>Total</u>	<u>2010</u> <u>Total</u>
\$ -	\$ 2,793	\$ 2,798
-	2,000	4,000
-	4,167	3,597
46	3,090	3,456
-	6,154	1,538
-	3,209	3,947
87	6,589	8,666
-	4,615	2,762
-	15,420	20,039
-	2,700	2,732
-	601	-
-	1,484	2,536
-	5,769	4,055
-	12,500	55,500
775	59,299	59,893
526	2,857	2,352
2,003	6,753	11,582
1,038	355,796	335,054
318	21,600	21,621
3,907	260,518	270,151
-	-	1,560
-	1,414	10,100
136	8,892	8,161
-	17,268	14,780
-	4,928	4,314
<u>\$ 8,836</u>	<u>\$ 810,416</u>	
<u>\$ 11,804</u>		<u>\$ 855,194</u>

**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 CASH FLOWS**

Years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Cash received from members and grantors	\$ 1,370,985	\$ 1,089,982
Cash paid to suppliers and organizations	(1,353,377)	(1,059,019)
Interest income	750	781
Net cash provided by (used in) operating activities	<u>18,358</u>	<u>31,744</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Proceeds from sale of fixed assets	350	-
Purchase of property and equipment	(1,429)	(3,770)
Purchase of other assets	-	(20,000)
Net cash provided by (used in) investing activities	<u>(1,079)</u>	<u>(23,770)</u>
Increase (decrease) in cash and cash equivalents	17,279	7,974
<b><u>CASH AND CASH EQUIVALENTS</u></b>		
Beginning of year	<u>283,294</u>	<u>275,320</u>
End of year	<u>\$ 300,573</u>	<u>\$ 283,294</u>
<b><u>RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u></b>		
Changes in net assets	\$ (39,384)	\$ 45,333
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation and amortization	9,244	4,994
Loss on disposal of fixed assets	601	-
Changes in certain assets and liabilities:		
Cash - Statewide Conference	31,749	(499)
Cash - State Affordable Housing Trust	309	309
Cash - Homeward Bound Walks	(20,776)	(14,021)
Grants and accounts receivable	18,095	(26,533)
Prepaid expense	4,108	(1,679)
Accounts payable and accrued liabilities	49,712	21,140
Deferred revenue	(35,300)	2,700
Net cash flows provided by (used in) operating activities	<u>\$ 18,358</u>	<u>\$ 31,744</u>

See Notes to Financial Statements.

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

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2011

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

Nature of Organization

The Indiana Association for Community Economic Development (IACED) supports a network of organizations that builds vital communities and resilient families. IACED advocates for public policies and assist the network in developing comprehensive solutions that engage local leadership to generate private and public investment. IACED member organizations strengthen communities and improve lives in rural, small city and urban areas throughout the state. Members provide housing opportunity. They meet basic needs. They connect Hoosiers to jobs. They create vital places. They do all of this and more.

There is strength in numbers and IACED works to harness the strengths of Indiana's diverse community economic development members for the common good. Two of the most important ways IACED helps members build capacity to serve their constituents are capacity building through individualized technical assistance and training for professional development. IACED provides this training and technical assistance through a variety of funding resources including grants from federal and state government and fee-for-service relationships. Since its inception, IACED has considered high quality training and technical assistance to be an essential component of an organization's ability to carry out its mission and programs. Improving the knowledge and skills of agency staff to deliver services improves efficiency and builds content expertise. IACED's policy education and advocacy work connects members to state and national policymaking. IACED monitors and supports legislation and administrative policies important to the community economic development industry, and IACED has been a major partner in the passage of numerous pieces of state legislation.

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.

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

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2011

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

B. Basis of Accounting - continued

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.

D. Accounts Receivable

The Organization's policy for determining when receivables are past due is on a case-by-case basis. Amounts are considered uncollectible at the time management believes that satisfactory payment arrangements cannot be made. For the years ended December 31, 2011 and 2010, an allowance for uncollectible accounts is not deemed necessary.

E. Grants Receivable

Grants receivable includes reimbursements and unconditional promises to give, and is reported at net realizable value. All amounts are expected to be collected within one year, and none are considered uncollectible as of the years ended December 31, 2011 and 2010.

F. 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.

G. 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.

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

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2011

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

G. Support and Revenue - continued

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.

H. 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.

I. Reclassifications

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

J. 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, 2011, 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 non-fiscal agent support and revenue from two sources. The percentage of non-fiscal agent support and revenue received from those sources is as follows:

<b><u>Funding Sources</u></b>	<b><u>2011</u></b> <b><u>% of Revenue</u></b>	<b><u>2010</u></b> <b><u>% of Revenue</u></b>
IN Housing & Community Dev. Authority	38	37
Lilly Endowment	21	25

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

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2011

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

K. 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.

L. 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.

M. Evaluation of Subsequent Events

The Association's management has evaluated subsequent events through July 23, 2012, which is the date the financial statements were available to be issued.

**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>2011</u>	<u>2010</u>
Unrestricted:		
Undesignated	\$ 160,163	\$ 120,161
Designated for operations	<u>175,000</u>	<u>175,000</u>
Total unrestricted	<u>\$ 335,163</u>	<u>\$ 295,161</u>



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

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2011

**NOTE 2 NET ASSETS** - continued

	<b><u>2011</u></b>	<b><u>2010</u></b>
Temporarily restricted:		
Grants and contributions:		
INHP-NCST Public Policy Grant	\$ 5,000	\$ -
Lilly End. 2010 Support Grant	-	15,855
Old National Bank Foundation	-	6,350
Chase Fund 2009 Comp Comm Dev	<u>10,026</u>	<u>40,149</u>
	15,026	62,354
Fiscal Agent:		
Statewide Conference	7,009	38,758
State Affordable Housing Trust Campaign	<u>11,165</u>	<u>11,474</u>
Total temporarily restricted	<u>\$ 33,200</u>	<u>\$ 112,586</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes during the years ended December 31, 2011 and 2010 as follows:

	<b><u>2011</u></b>	<b><u>2010</u></b>
Grants:		
LISC- Public Policy & TA	\$ -	\$ 2,963
LISC- Design Center	-	21,000
INHP-NCST Public Policy Grant	10,000	-
Lilly End. 2009 Support Grant	-	16,762
Lilly End. 2010 Support Grant	15,855	34,145
Old National Bank Foundation	6,350	2,950
Chase Fund 2009 Comp Comm Dev	<u>30,123</u>	<u>64,994</u>
	<u>\$ 62,328</u>	<u>\$ 142,814</u>
Fiscal Agent:		
Statewide Conference	\$ 214,715	\$ 130,724
State Affordable Housing Trust Campaign	309	309
Homeward Bound Walks	<u>124,417</u>	<u>97,247</u>
	<u>\$ 339,441</u>	<u>\$ 228,280</u>

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

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2011

**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. The lease expired in August 2011 has been extended to September 30, 2012. 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 2011 and 2010, respectively. Future minimum rent and lease payments are as follows:

2012	\$	16,200
Thereafter		<u>-</u>
Total	\$	<u>16,200</u>

**NOTE 4 RELATED PARTIES**

IACED purchased services from a board member's organization in 2010. 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 \$0 and \$9,419 in 2011 and 2010, respectively.

At December 31, 2011 and 2010, 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 2011 and 2010.

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.

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ECONOMIC DEVELOPMENT, INC.**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2011

**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>2011</u>	<u>2010</u>
Cash and Receivables - beginning of year	\$ 38,758	\$ 38,259
Income	182,966	131,223
Expense	<u>(214,715)</u>	<u>(130,724)</u>
Cash and Receivables - end of year	<u>\$ 7,009</u>	<u>\$ 38,758</u>
Net Assets:		
Temporarily restricted - Statewide Conference	<u>\$ 7,009</u>	<u>\$ 38,758</u>

**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>2011</u>	<u>2010</u>
Cash and Receivables - beginning of year	\$ 11,474	\$ 11,783
Income	-	-
Expense	<u>(309)</u>	<u>(309)</u>
Cash and Receivables - end of year	<u>\$ 11,165</u>	<u>\$ 11,474</u>
Net Assets:		
Temporarily restricted - State Affordable Housing Trust	<u>\$ 11,165</u>	<u>\$ 11,474</u>

**INDIANA ASSOCIATION FOR COMMUNITY  
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**NOTES TO FINANCIAL STATEMENTS**

December 31, 2011

**NOTE 7 HOMEWARD BOUND WALKS**

Homeward Bound Walks 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 Walks benefiting agencies. If another party takes on the fiscal agent responsibility, the cash balance would be transferred to the other party.

	<b><u>2011</u></b>		<b><u>2010</u></b>	
Cash and Receivables - beginning of year	\$	-	\$	-
Collections		124,417		97,247
Disbursements		<u>(124,417)</u>		<u>(97,247)</u>
Cash and Receivables - end of year	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>
 Net Assets:				
Temporarily restricted - Homeward Bound Walks	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>