

**NORTHEAST INDIANA REGIONAL
MARKETING PARTNERSHIP, INC.
AND NORTHEAST INDIANA
FOUNDATION, INC.**

FINANCIAL STATEMENTS

For the Year Ended December 31, 2006

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Northeast Indiana Regional Marketing Partnership, Inc.
and Northeast Indiana Foundation, Inc.
Fort Wayne, Indiana

We have audited the accompanying consolidated statement of financial position of Northeast Indiana Regional Marketing Partnership, Inc. and Northeast Indiana Foundation, Inc. (nonprofit organizations) as of December 31, 2006, and the related consolidated statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Northeast Indiana Regional Marketing Partnership, Inc. and Northeast Indiana Foundation, Inc. and as of December 31, 2006, and the results of their consolidated change in net assets and their consolidated cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The consolidating information contained on pages 9 and 10 is presented only for supplementary analysis purposes and is not a required part of the basic combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Dulin, Ward & DeWald, Inc.

Fort Wayne, Indiana
December 11, 2007

**NORTHEAST INDIANA REGIONAL MARKETING PARTNERSHIP, INC.
AND NORTHEAST INDIANA FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2006**

ASSETS

Cash and cash equivalents	\$ 1,399,137
Accounts receivable	6,850
Pledges receivable	30,000
Prepaid expense	6,180
Fixed assets - net	<u>132,821</u>
Total Assets	<u><u>\$ 1,574,988</u></u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 33,774
Accrued expenses	29,762
Deferred revenue	10,000
Note payable	<u>3,695</u>
Total Liabilities	77,231
Net assets:	
Unrestricted	<u>1,497,757</u>
Total Liabilities and Net Assets	<u><u>\$ 1,574,988</u></u>

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

**NORTHEAST INDIANA REGIONAL MARKETING PARTNERSHIP, INC.
AND NORTHEAST INDIANA FOUNDATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended December 31, 2006**

CHANGE IN UNRESTRICTED NET ASSETS

Support and Revenues:

Contributions	\$ 667,000
Program service revenue	1,385,401
In-kind contribution	6,575
Other income	10,421
Investment income	<u>15,456</u>

Total Support and Revenues 2,084,853

Expenses:

Program	235,695
Management and general	<u>349,600</u>

Total Expenses 585,295

CHANGE IN NET ASSETS 1,499,558

NET ASSETS - January 1, 2006 (1,801)

NET ASSETS - December 31, 2006 \$ 1,497,757

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

**NORTHEAST INDIANA REGIONAL MARKETING PARTNERSHIP, INC. AND NORTHEAST
INDIANA FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Northeast Indiana Regional Marketing Partnership, Inc. (Partnership) was organized to promote the common interest and improve the business and economic conditions of Adams, Allen, DeKalb, Grant, Huntington, LaGrange, Noble, Steuben, Wabash, Wells and Whitley counties – a grouping of interdependent components which compromise a single market in Northeast Indiana. The Northeast Indiana Foundation, Inc.'s (Foundation) function is to provide support for the Partnership.

The Partnership and Foundation have similar members on their board of directors. The consolidated financial statements include accounts of Northeast Indiana Regional Marketing Partnership, Inc. and Northeast Indiana Foundation, Inc. All significant balances and transactions between the Partnership and the Foundation have been eliminated in these financial statements.

The Partnership, a nonprofit organization is exempt from income tax under Section 501(c)(6) of the Internal Revenue Code. The Foundation, a nonprofit organization, is exempt from the income tax under Section 501(c)(3) of the Internal Revenue Code and qualifies for the 50% charitable contributions deduction limitation. They have been classified as organizations that are not private foundations under Section 509(a) of the Internal Revenue Code.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Cash and Cash Equivalents

For purpose of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Allowance for Doubtful Accounts

The Organization provides allowances for doubtful receivables, if necessary, which are based on management's estimate of losses that will be incurred in the collection of all receivables.

Fixed Assets

Fixed assets are stated at cost or, in the case of contributed assets, at fair market value at the date of receipt. The cost of fixed assets is depreciated over the estimated useful lives of the related assets. Depreciation is computed on the straight-line method. It is not the Organization's policy to imply time restrictions expiring over the useful life of donated assets. In the absence of donor-imposed restrictions on the use of these assets, gifts of long-lived assets are reported as unrestricted support.

Deferred Revenue

The Partnership records program service revenue received in the current year for future years as deferred revenue.

Contributions

All contributions are considered to be available for the general programs of the Organizations unless specifically restricted by the donor. The Organizations reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions are recorded in the temporarily restricted class for restrictions expiring during the fiscal year, and then reclassified to the unrestricted class.

In addition to receiving cash contributions, the Organization receives in-kind contributions from various donors. It is the policy of the Organization to record the estimated fair value of certain in-kind donations as an expense or asset in its financial statements, and similarly increase donations by a like amount.

2. PLEDGES RECEIVABLE

All pledges receivable are due within one year.

3. FIXED ASSETS

Fixed assets consist of the following:

Equipment	\$ 9,793
Furniture and fixtures	110,256
Website	17,000
Vehicle	<u>9,965</u>
	147,014
Less accumulated depreciation	<u>14,193</u>
	<u>\$ 132,821</u>

4. NOTE PAYABLE

The note payable in the amount of \$3,695 at December 31, 2006 is payable to Star Financial Bank in monthly payments of \$231, including interest at 5.24%. The note is due on May 25, 2008 and is secured by a vehicle.

Maturities as of December 31, 2006:

2007	\$ 2,635
2008	\$ 1,060

5. IN-KIND CONTRIBUTIONS

The Partnership recognized contributions of revenue for certain services and supplies received at their fair value of the services and supplies, which include the following items:

Management and general:	
Campaign expense – facility rental	\$ 4,500
Campaign expense – food	<u>2,075</u>
Total in-kind services and supplies	<u>\$ 6,575</u>

6. ADVERTISING

Advertising costs are charged to operations as incurred and totaled \$39,612.

7. OPERATING LEASE

The Organization leases its office space under an operating lease expiring in July 2011. Total rental expense for the year was \$10,790.

The Organization also leases office equipment and a vehicle under various operating leases expiring in 2009 and 2010. Total rental expense for the year was \$280.

Minimum future rental payments under noncancelable operating leases as of December 31, 2006 for each of the next five years and in the aggregate are:

2007	\$	35,283
2008		35,831
2009		35,281
2010		29,294
2011		<u>15,106</u>
Total lease commitments	\$	<u>150,795</u>

8. STATEMENT OF CASH FLOWS SUPPLEMENTAL DISCLOSURE

Cash used in operating activities for interest was \$222.

Noncash investing and financing activities include furniture valued at \$33,763 in lieu of program service revenue.

9. CREDIT RISK

The Organizations maintain cash accounts at local banks. Each Organization's balance is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At December 31, 2006, amounts in excess of the insured amount totaled \$1,230,271.

**NORTHEAST INDIANA REGIONAL MARKETING PARTNERSHIP, INC.
AND NORTHEAST INDIANA FOUNDATION, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2006**

	Partnership	Foundation	Total
ASSETS			
Cash and cash equivalents	\$ 765,017	\$ 634,120	\$ 1,399,137
Accounts receivable	6,850	-	6,850
Pledges receivable - net	-	30,000	30,000
Prepaid expense	6,180	-	6,180
Fixed assets - net	<u>132,821</u>	<u>-</u>	<u>132,821</u>
Total Assets	<u>\$ 910,868</u>	<u>\$ 664,120</u>	<u>\$ 1,574,988</u>
LIABILITIES AND NET ASSETS			
Accounts payable	\$ 33,774	\$ -	\$ 33,774
Accrued expenses	29,762	-	29,762
Deferred revenue	10,000	-	10,000
Note payable	<u>3,695</u>	<u>-</u>	<u>3,695</u>
Total Liabilities	<u>77,231</u>	<u>-</u>	<u>77,231</u>
Net assets:			
Unrestricted	<u>833,637</u>	<u>664,120</u>	<u>1,497,757</u>
Total Liabilities and Net Assets	<u>\$ 910,868</u>	<u>\$ 664,120</u>	<u>\$ 1,574,988</u>

See accountants' report.

**NORTHEAST INDIANA REGIONAL MARKETING PARTNERSHIP, INC.
AND NORTHEAST INDIANA FOUNDATION, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended December 31, 2006**

	Partnership	Foundation	Total
CHANGE IN UNRESTRICTED NET ASSETS			
Support and Revenues:			
Contributions	\$ -	\$ 667,000	\$ 667,000
Program service revenue	1,385,401	-	1,385,401
In-kind contributions	6,575	-	6,575
Other income	10,421	-	10,421
Investment income	10,674	4,782	15,456
	<u>1,413,071</u>	<u>671,782</u>	<u>2,084,853</u>
Total Support and Revenues			
Expenses:			
Program	235,695	-	235,695
Management and general	341,938	7,662	349,600
	<u>577,633</u>	<u>7,662</u>	<u>585,295</u>
Total Expenses			
CHANGE IN NET ASSETS	835,438	664,120	1,499,558
NET ASSETS -			
January 1, 2006	<u>(1,801)</u>	<u>-</u>	<u>(1,801)</u>
NET ASSETS -			
December 31, 2006	<u>\$ 833,637</u>	<u>\$ 664,120</u>	<u>\$ 1,497,757</u>

See accountants' report.