Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
www.in.gov/sboa

February 12, 2025

Board of Directors
Indiana Economic Development Corporation
Marion County, Indiana

We have reviewed the audit report of Indiana Economic Development Corporation, which was opined upon by Katz, Sapper & Miller, LLP, Independent Public Accountants, for the period July 1, 2023 to June 30, 2024. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Indiana Economic Development Corporation as of June 30, 2024, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Single Audit Report directly follows the Financial Statements Audit Report. We call your attention to the findings included in the Single Audit Report on pages 8 and 9. Management's Corrective Action Plan can be found on pages 10 and 11.

In our opinion, Katz, Sapper & Miller, LLP prepared the audit report in accordance with guidelines established by the Indiana State Board of Accounts.

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

Tammy R. White

Tammy R. White, CPA
Deputy State Examiner

INDIANA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the State of Indiana)

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTARY INFORMATION

June 30, 2024

Katz, Sapper & Miller, LLP
Certified Public Accountants

INDIANA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the State of Indiana)

CONTENTS

Katz, Sapper & Miller, LLP
Certified Public Accountants
800 East 96th Street, Suite 500
Indianapolis, IN 46240

Independent Auditor's Report

Board of Directors
Indiana Economic Development Corporation

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Indiana Economic Development Corporation, a component unit of the State of Indiana, (the IEDC) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the IEDC's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the IEDC, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the IEDC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

T 317.580.2000 | F 317.580.2117 | W ksmcpa.com

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the IEDC's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 IEDC's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the IEDC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of IEDC's proportionate share of the net pension liability and IEDC contributions and related notes be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2024, on our consideration of the IEDC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the IEDC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the IEDC's internal control over financial reporting and compliance.

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
October 28, 2024

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

INDIANA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the State of Indiana)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2024

As management of the Indiana Economic Development Corporation (the Corporation), we offer readers of the Corporation's basic financial statements this narrative overview and analysis of the financial activities of the Corporation and the Indiana Economic Development Foundation, Inc. (the Foundation) (together, the IEDC) for the fiscal years ended June 30, 2024 and 2023. Please read it in conjunction with the Independent Auditor's Report at the beginning of this report and the financial statements, which follow this section.

This management's discussion and analysis (MD&A) is an opportunity for management to make information concerning the IEDC meaningful and understandable. In addition to describing the IEDC and its work, this MD&A briefly analyzes, discusses or presents:

- Basic financial statements
- Condensed financial information
- Overall financial position and results of operations
- Significant transactions within individual funds
- Significant capital and long-term debt activity
- Currently known facts

BACKGROUND

The IEDC was created to improve the quality of life for the citizens of Indiana by encouraging the diversification of Indiana's economy and the orderly economic development and growth of Indiana, the creation of new jobs, the retention of existing jobs, the growth and modernization of existing industry, and the promotion of Indiana. The IEDC leads the state of Indiana's economic development efforts, helping businesses launch, grow and locate in the state. The IEDC manages many initiatives, including performance-based tax credits, workforce training grants, innovation and entrepreneurship resources, public infrastructure assistance, and talent attraction and retention efforts. The IEDC's Board of Directors is composed of 14 members, consisting of the Governor and 13 individuals appointed by the Governor. At least five members of the board must belong to the same political party as the Governor, and at least three members must belong to another major political party, but none may be members of the general assembly. The IEDC is reported as a discretely presented governmental component unit of the State of Indiana (the State).

The Corporation is the State's lead economic development agency. In order to respond quickly to the needs of businesses, the Corporation operates like a business. The Corporation is organized as a public-private partnership governed by a fourteen-member board. The Corporation's Board of Directors is chaired by the Governor of Indiana and reflects the geographic and economic diversity of Indiana. The Corporation focuses its efforts on growing and retaining businesses in Indiana and attracting new business to the State. Economic development is the main objective of the Corporation, and it has incorporated most state entities with economic development responsibilities into its organizational structure. The Corporation is also responsible for the development and implementation of the State's strategic plan for economic development.

The Foundation was established under Indiana Code 5-28 to solicit and accept private sector funding, gifts, donations, bequests, devises, and contributions. The Foundation's purpose is to assist the Governor and the Corporation in reaching their economic development goals by raising funds from the general public and nonprofit foundations and organizations.

The accompanying financial statements of the IEDC conform with accounting principles generally accepted in the United States of America as applied to governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The GASB's Codification of Governmental Accounting and Financial Reporting Standards document these principles.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2024 fiscal year include the following:

- Total revenues were $1,235.3 million as compared to total expenditures of $350.6 million.

- Total net position increased by approximately $884.7 million for the 2024 fiscal year. Revenues increased approximately $584.8 million due to receiving a $250 million appropriation from the State of Indiana for READI 2.0 and an award from Lilly Endowment, Inc., of $250 million for READI program related initiatives. Expenses increased approximately $69.6 million due primarily to more funds given out to the regions for the READI 1.0 program.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements include the kinds of statements required by GASB that present different financial views of the IEDC:

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the IEDC's overall financial status.

- The remaining statements are fund financial statements that focus on individual parts of the IEDC, reporting the IEDC's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

Government-Wide Statements

The government-wide statements are designed to provide readers with a broad overview of the IEDC's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the IEDC's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the IEDC is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the IEDC that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

In the government-wide financial statements, the activities of the IEDC are shown in two categories:

- Governmental Activities: The Corporation's activities are included here.

- Business-type Activities: The IEDC maintains a proprietary fund for the Foundation, which is included here.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The IEDC, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the IEDC can be divided into two categories: governmental funds or proprietary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources and balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The IEDC maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the following funds, which are considered to be major funds: General, 21st Century Research & Technology, Indiana Promotion Fund, Capital Fund, Regional Economic Acceleration Fund and Lilly Endowment, Inc. Regional Economic Acceleration Fund. Data from the other funds are combined into a single, aggregated presentation.

The IEDC maintains a proprietary fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Foundation.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

FINANCIAL ANALYSIS OF THE IEDC AS A WHOLE

Net Position

The following is condensed from the Statement of Net Position:

	Governmental Activities (Corporation)		Business-type Activities (Foundation)	
	June 30, 2024	**June 30, 2023**	**June 30, 2024**	**June 30, 2023**
Current Assets	$1,345,338,716	$ 860,755,280	$3,632,672	$1,274,371
Capital and Noncurrent Assets	504,598,474	263,142,219	-	-
Total Assets	1,849,937,190	1,123,897,499	3,632,672	1,274,371
Deferred Outflows of Resources	3,790,925	2,516,413	-	-
Current Liabilities	56,655,260	213,623,446	312,389	285,251
Noncurrent Liabilities	6,901,096	4,778,312		
Total Liabilities	63,556,356	218,401,758	312,389	285,251
Deferred Inflows of Resources	75,548	278,300	-	-
Net Investment in Capital Assets	365,782,015	137,625,241		
Restricted	1,401,254,881	765,312,614	109,234	109,234
Unrestricted	23,059,315	4,795,999	3,211,049	879,886
Total Net Position	$1,790,096,211	$ 907,733,854	$3,320,283	$ 989,120

The total net position at June 30 was as follows:

	2024	**2023**
Assets	$1,853,569,862	$1,125,171,870
Deferred Outflows of Resources	3,790,925	2,516,413
Liabilities	63,868,745	218,687,009
Deferred Inflows of Resources	75,548	278,300
Net Position	$1,793,416,494	$ 908,722,974

The IEDC's total net position was $1,793.4 million at June 30, 2024, compared to total net position of $908.7 million at June 30, 2023.

Total assets increased $728.4 million during fiscal year 2024. The primary change in assets is due to increase in cash and land held for redevelopment and related improvements due to continued funding received from the State Budget Agency for capital related purchases, the $250 million appropriation for READI 2.0, and the $250 million award from Lilly Endowment, Inc. for READI program related initiatives. Total liabilities decreased $154.8 million. The primary change in liabilities is due to earning of unearned READI 1.0 funds by incurring eligible expenses.

Change in Net Position

The following is condensed from the Statement of Activities:

Change in Net Position
Years Ended June 30,

	Governmental Activities (Corporation)		Business-type Activities (Foundation)	
	2024	**2023**	**2024**	**2023**
Program Revenues				
Operating grants, appropriations and contributions	$1,223,038,689	$636,867,587	$3,324,507	$1,868,098
General Revenues				
Gaming taxes	1,705,044	713,522	-	-
Interest income	7,075,193	9,794,789	9,025	5,411
Sale of Property	98,807	1,253,612	-	-
Total Revenues	1,231,917,733	648,629,510	3,333,532	1,873,509
General government	349,121,605	278,389,189	-	-
Conferences, travel, meals and entertainment	-	-	1,335,602	1,795,659
Administration	-	-	80,129	753,385
Sponsorships	-	-	20,409	11,540
Other expense	-	-	-	-
Total Expenses	349,121,605	278,389,189	1,436,140	2,560,584
Transfers Between Funds	(433,771)	(4,212)	433,771	4,212
Change in Net Position	882,362,357	370,236,109	2,331,163	(682,863)
Beginning Net Position	907,733,854	537,497,745	989,120	1,671,983
Ending Net Position	$1,790,096,211	$907,733,854	$3,320,283	$ 989,120

The changes in net position for the years ended June 30 were as follows:

	2024	2023
Revenues	$1,235,251,265	$ 650,503,019
Expenses	(350,557,745)	(280,949,773)
Change in Net Position	$ 884,693,520	$ 369,553,246

Revenues increased approximately $584.8 million due to receiving a $250 million appropriation from the State of Indiana for READI 2.0 and an award from Lilly Endowment, Inc., of $250 million for READI program related initiatives. Expenses increased approximately $69.6 million due primarily to more funds given out to the regions for the READI 1.0 program.

CAPITAL ASSETS AND LAND HELD FOR REDEVELOPMENT AND DEPOSITS

By the end of fiscal year 2024, the IEDC had invested $349,745,593 in capital assets and land held for redevelopment. Current fiscal year depreciation on these assets was $65,320.

	Balance at July 1, 2023	Additions	Retirements	Balance at June 30, 2024
Depreciable capital assets:				
Furniture and equipment	$ 234,132	$241,707	$ -	$ 475,839
Computer software and hardware	197,670	-	-	197,670
Automobiles	104,373	-	-	104,373
Total depreciable capital assets	536,175	241,707	-	777,882
Less: Accumulated depreciation	(463,832)	(65,320)	-	(529,152)
Total Capital Assets, net	$ 72,343	$176,387	$ -	$ 248,730

During 2021, IEDC purchased 91 acres of land formerly known as the GM Stamping Plant site for $25.5 million, which is classified as land held for redevelopment and deposits on the statement of net position. IEDC plans to provide 45 acres of this land to Elanco Animal Health, Inc. (Elanco) to develop its new world headquarters campus at an estimated cost of $100 million. In addition, Elanco has a restricted option to purchase an additional 20 acres of this property. As part of this development the State and City of Indianapolis have agreed to provide certain grants, tax credits and tax-increment financing. IEDC incurred $10.1 million of cost related to land improvements at the site during fiscal year 2023. At June 30, 2024, total land held for redevelopment and deposits related to the location was $35,552,619.

During fiscal year 2023, IEDC purchased various tracts of land in Boone County Indiana totaling 1,629 acres for $141.6 million. The IEDC also made deposits on various other tracts of land in Boone County for $9.3 million. The land purchase and deposits are classified as land held for redevelopment and deposits in the statement of net position. IEDC sold 605.57 acres of land with a cost of $48.9 million to Ely Lilly Co. (Lilly) to develop a manufacturing plant. The sale of the land held for redevelopment resulted in a gain on sale of property of $1.3 million in fiscal year 2023.

During fiscal year 2024, IEDC purchased various tracts of land in Boone County Indiana totaling 2,724 acres for $226.9 million. The IEDC also made deposits on various other tracts of land in Boone County for $1.7 million. The land purchase and deposits are classified as land held for redevelopment and deposits in the statement of net position.

Additional information on IEDC's capital assets and land held for redevelopment and deposits can be found in Note 5 to the financial statements on page 27 of this report.

CURRENTLY KNOWN FACTS

The IEDC is a recipient of both Federal and State funding - through Federal grants and State appropriations. The IEDC received additional appropriations from the most recent biannual budget passed in April 2023 and is now in the midst of that biannual budget and the majority of that funding requires approval from the State Budget Committee prior to being available to the IEDC, however the majority of that funding has been received by the IEDC as of the date of this report.

CONTACTING IEDC'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the IEDC's finances and to demonstrate the IEDC's accountability for the funding it receives. If you have questions about this report or need additional financial information, contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN 46204.

BASIC FINANCIAL STATEMENTS

INDIANA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the State of Indiana)

STATEMENT OF NET POSITION
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total Activities
CURRENT ASSETS			
Cash	$ 207,317,437	$ 2,328,696	$ 209,646,133
Funds held by State of Indiana	1,036,604,287	-	1,036,604,287
Accounts receivable	-	1,303,976	1,303,976
Grants receivable	101,416,992	-	101,416,992
Total Current Assets	1,345,338,716	3,632,672	1,348,971,388
NONCURRENT ASSETS			
Loans receivable, net	127,324,533	-	127,324,533
Interest receivable	9,868,044	-	9,868,044
Intangible lease asset	1,623,882	-	1,623,882
Land held for redevelopment and deposits	365,533,285	-	365,533,285
Capital assets, net	248,730	-	248,730
Total Noncurrent Assets	504,598,474	-	504,598,474
TOTAL ASSETS	1,849,937,190	3,632,672	1,853,569,862
DEFERRED OUTFLOWS OF RESOURCES	3,790,925	-	3,790,925
CURRENT LIABILITIES			
Accounts payable	25,796,532	312,389	26,108,921
Accrued expenses	897,212	-	897,212
Unearned revenue	28,710,967	-	28,710,967
Accrued liability for compensated absences	852,594	-	852,594
Lease liability - current	397,955	-	397,955
Total Current Liabilities	56,655,260	312,389	56,967,649
NONCURRENT LIABILITIES			
Pension liability	5,675,169	-	5,675,169
Lease liability - noncurrent	1,225,927	-	1,225,927
Total Noncurrent Liabilities	6,901,096	-	6,901,096
Total Liabilities	63,556,356	312,389	63,868,745
DEFERRED INFLOWS OF RESOURCES	75,548	-	75,548
NET POSITION			
Net investment in capital assets	365,782,015	-	365,782,015
Restricted for economic development	1,401,254,881	109,234	1,401,364,115
Unrestricted	23,059,315	3,211,049	26,270,364
TOTAL NET POSITION	$ 1,790,096,211	$ 3,320,283	$ 1,793,416,494

See accompanying notes.

INDIANA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the State of Indiana)

STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

		Program Revenues	Net (Expense) Revenue and Changes in Net Position		
FUNCTIONS/PROGRAMS	**Expenses**	**Operating Grants, Appropriations and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
PRIMARY GOVERNMENT					
GOVERNMENTAL ACTIVITIES					
General government	$ 349,121,605	$ 1,223,038,689	$ 873,917,084	$ -	$ 873,917,084
Total Governmental Activities	349,121,605	1,223,038,689	873,917,084	-	873,917,084
BUSINESS-TYPE ACTIVITIES					
Foundation	1,436,140	3,324,507	-	$ 1,888,367	1,888,367
Total Business-Type Activities	1,436,140	3,324,507	-	1,888,367	1,888,367
TOTAL PRIMARY GOVERNMENT	$ 350,557,745	$ 1,226,363,196	873,917,084	1,888,367	875,805,451
GENERAL REVENUES					
Gaming taxes			1,705,044	-	1,705,044
Interest income			7,075,193	9,025	7,084,218
Total General Revenues			8,780,237	9,025	8,789,262
SALE OF PROPERTY			98,807		98,807
TRANSFERS			(433,771)	433,771	-
CHANGE IN NET POSITION			882,362,357	2,331,163	884,693,520
NET POSITION - BEGINNING OF YEAR			907,733,854	989,120	908,722,974
NET POSITION - END OF YEAR			$ 1,790,096,211	$ 3,320,283	$ 1,793,416,494

See accompanying notes.

INDIANA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the State of Indiana)

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

ASSETS

	General	21st Century Research & Technology	Indiana Promotion Fund	Capital Fund	Regional Economic Accel. Fund	Lilly Endowment Inc., READI Fund	Other Funds	Totals
ASSETS								
Funds held by State of Indiana	$ 925,069	$ 9,431,995	$ 121,717,984	$ 533,518,939	$ 253,863,564	$ -	$ 117,146,736	$ 1,036,604,287
Cash	-	-	-	20,212,531	32,740,898	154,364,008	-	207,317,437
Grants receivable	-	-	-	-	-	100,000,000	1,416,992	101,416,992
Interest receivable	-	7,265,617	-	-	-	-	2,602,427	9,868,044
Due from other funds	-	-	-	-	-	-	861,447	861,447
Loans receivable, net	-	86,111,021	-	-	-	-	41,213,512	127,324,533
TOTAL ASSETS	$ 925,069	$ 102,808,633	$ 121,717,984	$ 553,731,470	$ 286,604,462	$ 254,364,008	$ 163,241,114	$ 1,483,392,740
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	$ 86,327	$ 1,392,106	$ 2,781,975	$ 5,984,238	$ 12,634,117	$ -	$ 2,917,769	$ 25,796,532
Due to other funds	-	-	-	861,447	-	-	-	861,447
Accrued expenses	495,229	86,538	-	-	25,977	-	289,468	897,212
Unearned revenue	-	-	-	-	23,944,368	-	4,766,599	28,710,967
Total Liabilities	581,556	1,478,644	2,781,975	6,845,685	36,604,462	-	7,973,836	56,266,158
Total Liabilities	581,556	1,478,644	2,781,975	6,845,685	36,604,462	-	7,973,836	56,266,158
Deferred Inflows of Resources								
Unavailable revenues	-	-	-	-	-	100,000,000	-	100,000,000
Total Deferred Inflows of Resources	-	-	-	-	-	100,000,000	-	100,000,000
FUND BALANCES								
Restricted	-	93,376,638	101,361,172	546,885,785	250,000,000	154,364,008	155,267,278	1,301,254,881
Assigned	-	7,953,351	17,574,837	-	-		-	25,528,188
Unassigned	343,513		-	-	-	-	-	343,513
Total Fund Balances	343,513	101,329,989	118,936,009	546,885,785	250,000,000	154,364,008	155,267,278	1,327,126,582
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 925,069	$ 102,808,633	$ 121,717,984	$ 553,731,470	$ 286,604,462	$ 254,364,008	$ 163,241,114	$ 1,483,392,740

See accompanying notes.

INDIANA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the State of Indiana)

RECONCILIATION OF THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2024

Fund balances - total governmental funds	$ 1,327,126,582
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	365,782,015
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds	(5,675,169)
Deferred outflows of resources related to pension are not financial resources and, therefore, are not reported in the fund statements	3,790,925
Deferred inflows of resources related to pension are not available to pay for current period expenditures and, therefore, are not reported in the fund statements	(75,548)
Deferred inflows of resources related to unavailable revenues are not available to pay for current period expenditures and, therefore, are not recorded as revenues in the fund statements	100,000,000
Liability for compensated absences for employees who have not left active service by June 30, 2024 and are due pending payments are not reported in the fund statements	(852,594)
Net position of governmental activities	$ 1,790,096,211

See accompanying notes.

INDIANA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the State of Indiana)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	General	21st Century Research & Technology	Indiana Promotion Fund	Capital Fund	Regional Economic Accel. Fund	Lilly Endowment Inc., READI Fund	Other Funds	Totals
REVENUES								
Gaming taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,705,044	$ 1,705,044
Interest income	-	1,323,008	-	-	-	4,364,008	1,388,177	7,075,193
State appropriations and grants	10,190,683	32,750,000	5,850,000	455,450,000	383,766,729	150,000,000	83,799,375	1,121,806,787
Other funding	-	-	283,808	56,685	-	-	891,409	1,231,902
Total Revenues	10,190,683	34,073,008	6,133,808	455,506,685	383,766,729	154,364,008	87,784,005	1,131,818,926
EXPENDITURES								
Current:								
General government	9,241,090	27,055,838	94,578,286	31,330,755	133,766,729	-	52,769,826	348,742,524
Capital outlay:								
Capital outlay	42,546	-	100,000	227,880,387	-	-	199,161	228,222,094
Total Expenditures	9,283,636	27,055,838	94,678,286	259,211,142	133,766,729	-	52,968,987	576,964,618
Excess (Deficit) of Revenues over Expenses	907,047	7,017,170	(88,544,478)	196,295,543	250,000,000	154,364,008	34,815,018	554,854,308
OTHER FINANCING SOURCES (USES)								
Sale of property	-	-	-	98,807	-	-	-	98,807
Transfers in	-	-	10,500,000	-	-	-	666,699	11,166,699
Transfers out	(433,771)	-	-	-	-	-	(11,166,699)	(11,600,470)
Total Other Financing Sources (Uses)	(433,771)	-	10,500,000	98,807	-	-	(10,500,000)	(334,964)
NET CHANGE IN FUND BALANCES	473,276	7,017,170	(78,044,478)	196,394,350	250,000,000	154,364,008	24,315,018	554,519,344
FUND BALANCES - BEGINNING OF YEAR	(129,763)	94,312,819	196,980,487	350,491,435	-	-	130,952,260	772,607,238
FUND BALANCES - END OF YEAR	$ 343,513	$ 101,329,989	$ 118,936,009	$ 546,885,785	$ 250,000,000	$ 154,364,008	$ 155,267,278	$ 1,327,126,582

See accompanying notes.

INDIANA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the State of Indiana)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

Net changes in fund balances - total governmental funds	$ 554,519,344
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation expense is not reported in the fund statements, but is reported as a decrease in net position in the statement of activities	(65,320)
Capital outlays are reported as expenditures in the fund statements, but are reported as additions to capital assets in the statement of net position	228,222,094
Pension expense recognized in the statement of activities in excess of pension contributions recognized as expenditures in the fund statements	(195,692)
Contributions are reported as other financing sources only to the extent they are available to meet current expenditures	100,000,000
Increase in compensated absences that is not reported in the fund statements	(118,069)
Change in net position of governmental activities	$ 882,362,357

See accompanying notes.

INDIANA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the State of Indiana)

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2024

	Foundation
ASSETS	
Current Assets	
Cash	$ 2,328,696
Accounts receivable	1,303,976
TOTAL ASSETS	$ 3,632,672
LIABILITIES	
Current Liabilities	
Accounts payable	$ 312,389
Total Liabilities	312,389
NET POSITION	
Restricted	109,234
Unrestricted	3,211,049
Total Net Position	3,320,283
TOTAL LIABILITIES AND NET POSITION	$ 3,632,672

See accompanying notes.

INDIANA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the State of Indiana)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2024

	Foundation
OPERATING REVENUES	
Contributions	$ 3,324,507
Total Operating Revenues	3,324,507
OPERATING EXPENSES	
Conferences, travel, meals and entertainment	1,335,602
Administration	80,129
Sponsorships	20,409
Total Operating Expenses	1,436,140
Operating Income	1,888,367
NONOPERATING REVENUES (EXPENSES)	
Interest income	9,025
Total Nonoperating Revenues (Expenses)	9,025
Income before Transfers	1,897,392
TRANSFERS IN	433,771
CHANGE IN NET POSITION	2,331,163
NET POSITION - BEGINNING OF YEAR	989,120
NET POSITION - END OF YEAR	$ 3,320,283

See accompanying notes.

INDIANA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the State of Indiana)

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2024

	Foundation
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from donors	$ 2,423,599
Cash paid to suppliers for goods and services	(1,409,002)
Net Cash Provided by Operating Activities	1,014,597
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	433,771
Net Cash Provided by Noncapital Financing Activities	433,771
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on deposits	9,025
Net Cash Provided by Investing Activities	9,025
NET INCREASE IN CASH	1,457,393
CASH	
Beginning of Year	871,303
End of Year	$ 2,328,696
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	$ 1,888,367
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in certain assets:	
Accounts receivable	(900,908)
Changes in certain liabilities:	
Accounts payable	27,138
Net Cash Provided by Operating Activities	$ 1,014,597

See accompanying notes.

INDIANA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the State of Indiana)

NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: By Indiana Code 5-28, the Indiana General Assembly created Indiana Economic Development Corporation (the Corporation), a component unit of the State of Indiana (the State), as a separate corporation. The Corporation is the lead economic development agency for the State. The Corporation is organized as a public-private partnership governed by a fourteen-member board. The Corporation's Board of Directors is chaired by the Governor of Indiana and reflects the geographic and economic diversity of Indiana. The Corporation focuses its efforts on growing and retaining businesses in Indiana and attracting new business to the State. The Corporation is also responsible for the development and implementation of Indiana's strategic plan for economic development. The Corporation along with its blended component unit (collectively, the IEDC) is a component unit to be included in the State's Annual Comprehensive Financial Report, because it was established as a separate body, corporate and politic (not a state agency). A component unit is defined as a legally separate organization for which the elected officials of the primary government are financially accountable.

Blended Component Unit: Indiana Code 5-28 also authorized the Indiana Economic Development Foundation, Inc. (the Foundation) as a nonprofit under common control of the Corporation to solicit and accept private sector funding, gifts, donations, bequests, devises, and contributions. The Foundation's purpose is to assist the Governor and the Corporation in reaching their economic development goals by raising funds from the general public and nonprofit foundations and organizations. The Corporation is considered to be financially accountable for the Foundation and, in substance, the Foundation is part of the Corporation's operations even though the Foundation is a legally separate entity. The Foundation is therefore presented as a blended component unit of the Corporation.

Basis of Presentation: The accompanying financial statements of the IEDC conforms with accounting principles generally accepted in the United States of America as applied to governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) document these principles.

Government-Wide Financial Statements: The government-wide financial statements (i.e., the Statement of Net Position and Statement of Activities) report information on all activities of the IEDC. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Fund Financial Statements: Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The IEDC reports seven major governmental funds, and the descriptions of these funds are noted below:

General: This fund supports the administrative functions of the IEDC. It provides the funding for overhead and operating costs. IC 5-28-3 established the IEDC in February 2005 which transferred the duties and powers of the Department of Commerce, the 21st Century Research and Technology Fund board, the Steel Industry Advisory Commission, the Enterprise Zone board, the Small Business Development Corporation, the Film Commission, and the Business Modernization and Technology Corporation to the IEDC.

21st Century Research & Technology: This fund facilitates the operation of the 21st Century Research and Technology Fund. The Indiana 21st Century Research and Technology Fund was created in 1999 by the General Assembly to stimulate diversification of the State's economy by developing and commercializing advanced technologies in Indiana. The goal of the 21st Century Fund is to expand public private partnerships to foster innovation, leverage entrepreneur activities in Indiana, and create new partnerships between universities and businesses. Such partnerships will position Indiana as a welcoming entrepreneurial environment that embraces innovation and the entrepreneurial spirit.

Indiana Promotion Fund: This fund supports the IEDC's mission, allows the IEDC to operate in a business-like manner, and offers the flexibility necessary to drive economic development in Indiana. Indiana Code 5-28-5-12 specifies the basis for the Indiana Promotion Fund. The IEDC Board of Directors approved a resolution which authorizes the President and other officers of the Corporation to use the financial resources of the Indiana Promotion Fund for all proper corporate purposes and for economic development activities with the approval of the Director of the State Budget Agency.

Capital Fund: This fund was created by the 2021 Biennial budget for infrastructure and land acquisition purposes and encompasses multiple projects within the IEDC, including, but not limited to, the LEAP Lebanon district and the renovation of GM Stamping Plant land. Further funding was appropriated in the 2023 Biennial budget for continued land acquisition and performance grant needs. Under the current appropriations, all capital funds that are to be used must first be approved by State Budget Committee. Generally, capital projects in excess of $250,000 must go before State Budget Committee for approval.

Regional Economic Acceleration Fund: This fund is to help encourage neighboring communities across the state to work collaboratively to develop a bold vision for their future that, when implemented, will attract, develop and retain talent in Indiana. To achieve this vision, regions have developed data-driven, actionable and sustainable development plans that outline strategies focused on improving the quality of place, quality of life and quality of opportunity within their communities. To help regions achieve their goals, the IEDC may award up to $75 million per region to accelerate the implementation of regional development plans and the programs and projects identified that will catalyze economic and population growth. A second tranche of funding was received in the 2023 Biennial budget to expand the program after its initial success. Awards for the second tranche were made beginning in April 2024.

Lilly Endowment Inc., READI Fund: This fund was created in 2023 with the receipt of a grant from the Lilly Endowment. This grant will add to and complement READI 2.0 in support of capital projects, such as infrastructure and new construction with a focus on blight reduction and redevelopment, and arts and culture initiatives. In addition to investing in specific capital projects, the IEDC will use funds from the Lilly Endowment grant to provide technical assistance and encourage professional development opportunities for local and regional leaders in each of the focus areas. This will support Indiana and its communities in creating and implementing long-term, strategic and sustainable approaches through cultivating a talent pipeline to lead future community development initiatives and strengthening the Hoosier creative community. The goal is to foster more vibrant and livable communities across Indiana for generations to come.

The IEDC reports one proprietary fund for the Foundation operations.

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting: The government-wide financial statements and the proprietary fund financial statements use the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Government-mandated non-exchange revenues and voluntary non-exchange revenues and certain grants and entitlements are recognized in the period when all applicable eligibility requirements have been met.

Governmental funds are used to account for the government's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (that is, when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. The governmental funds recognize expenditures for these liabilities to the extent they will be matured or liquidated with expendable financial resources.

Estimates: Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United State of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could vary from those estimates.

Cash consists of amounts maintained in bank deposit accounts held in the IEDC’s name.

Funds Held by the State of Indiana are maintained and invested by the State for the IEDC.

Grants and Accounts Receivable consist of amounts billed or billable for services provided, net of an allowance for doubtful accounts, if determined to be necessary. Grants and accounts receivable are recorded at net realizable value when earned. Grant revenue is recognized when eligibility requirements are met.

Revenue recognized related to receiving payments from the State was $813,805,025 from State appropriations, augmentation, and grants and $1,705,044 from gaming taxes during fiscal year 2024.

An allowance for uncollectible accounts is determined by management based upon historical losses, specific circumstances, and general economic conditions. Periodically, management reviews grants and accounts receivable and considers the need for an allowance based on current circumstances. Management has estimated that no allowance was necessary at June 30, 2024.

Loans Receivable are carried at the principal amount outstanding, net of an allowance for doubtful accounts. Interest income is accrued on the principal balance of the loans, when deemed to be collectible. The IEDC’s source of funding for loans is from State appropriations and grants. Because there are a small number of loans outstanding, management estimates the allowance for loan loss by identifying specific troubled loans.

The determination of the adequacy of the allowance for loan loss is based on estimates that are particularly susceptible to significant changes in the economic environment and market conditions. At June 30, 2024, the allowance for loan loss was $40,765,513. Management believes that as of June 30, 2024, the allowance for loan losses is adequate based on information currently available.

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets: Capital assets are recorded at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The IEDC provides for depreciation on the straight-line method at rates designed to depreciate the cost of assets over estimated useful lives as follows:

Furniture and equipment	5-7 years
Automobiles	8 years
Computer software and hardware	3 years

Land Held for Redevelopment and Deposits: Land held for redevelopment and deposits are recorded at historical cost. Deposits represent monies paid for the right to acquire land under open purchase agreements. Land held for redevelopment, including related improvements, and deposits are not depreciating assets.

Long-lived Assets, including the IEDC's capital assets, land held for redevelopment and deposits, and intangible lease assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the carrying amount to future net undiscounted cash flows expected to be generated by the related asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount exceeds the fair market value of the assets. No adjustments to the carrying amount of long-lived assets were required in fiscal year 2024.

Deferred Outflows of Resources: The IEDC reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its statement of net position. Deferred outflows of resources reported at June 30, 2024, related to the defined benefit pension plan. Deferred outflows of resources related to the defined benefit pension plan are amortized over the expected future working lifetime of all plan members, except for the net difference between projected and actual earnings on pension plan investments, which is amortized over five years.

Deferred Inflow of Resources: The IEDC reports increases in net assets that relate to future periods as deferred inflows of resources in a separate section of its statement of net position. Deferred inflows of resources related to the defined benefit pension plan are amortized over the expected future working lifetime of all plan members, except the net difference between projected and actual earnings on pension plan investments, which is amortized over five years. The governmental funds balance sheet includes a deferred inflow of resources for unavailable revenue related to grant funds that aren’t expected to be received until a subsequent period.

Unearned Revenue: Unearned revenue consists of federal funds received in advance of eligibility requirements being met. Funds are recognized as revenue once all eligibility requirements are met.

Compensated Absences: Substantially all employees receive compensation for vacations, holidays, illness, and certain other qualifying absences. The number of days compensated for the various categories of absences are based generally on length of service. Vacation leave, which has been earned but not paid, has been accrued in the accompanying financial statements. Compensation for holiday and other qualifying absences is not accrued in the accompanying financial statements because rights to such compensation amounts either do not accumulate or vest.

Pension Plan: The employees of the Corporation participate in the Indiana Public Retirement System (INPRS). The Corporation recognizes its proportionate share of the collective net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense. See Note 7.

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position and Fund Balances: In the government-wide and proprietary fund financial statements, the components of net position are categorized as follows:

- Net investment in capital assets - resources resulting from capital acquisition, net of accumulated depreciation.
- Restricted - net position subject to externally imposed stipulations as to use.
- Unrestricted - net position which are available for use of the IEDC.

When both restricted and unrestricted resources are available for use, it is the IEDC's policy to use restricted resources first, then unrestricted resources as they are needed.

Within the fund financial statements, the fund balances are classified in the following manner:

- Non-spendable - This consists of resources that are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted - This consists of resources that can be spent only for the specific purpose stipulated by constitution, external parties (e.g. grantors, creditors or other governments), or enabling legislation.
- Committed - This consists of resources that can only be used for specific purposes pursuant to formal action of the government's highest level of decision-making authority, which is the IEDC's Board of Directors.
- Assigned - This consists of resources constrained by the government's intention to use them for specific purposes, but are neither restricted nor committed.
- Unassigned - This consists of residual fund balances that do not meet the criteria of nonspendable, restricted, committed or assigned.

The IEDC's policy is to apply expenditures to restricted resources first, then committed, then assigned, and finally to unassigned, as applicable.

Subsequent Events: The IEDC has evaluated the financial statements for subsequent events occurring through October 28, 2024, the date the financial statements were available to be issued.

NOTE 2 - DEPOSITS

As of June 30, 2024, the IEDC had $1,246,250,420 in deposit balances. These balances are classified in the statement of net position as follows:

Cash	$ 209,646,133
Funds held by State of Indiana	1,036,604,287
	$1,246,250,420

Custodial credit risk is the risk that in the event of a bank failure, the IEDC's deposits may not be returned to it. The IEDC's deposit policy for custodial credit risk requires compliance with the provisions of Indiana statutes.

NOTE 2 - DEPOSITS (CONTINUED)

The IEDC's cash deposits are insured up to $250,000 at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Any cash deposits in excess of the $250,000 FDIC limits are partially or fully collateralized by the depository institution and insured by the Indiana Public Deposits Insurance Fund (Fund) via the pledged collateral from the institutions securing deposits of public funds. The Fund is a multiple financial institution collateral pool as provided under Indiana Code, Section 5-13-12-1.

NOTE 3 - RELATED PARTIES

Indiana 21st Century Fund, LP (the 21 Fund) was formed on August 25, 2011. The 21 Fund was formed for the purpose of encouraging the formation and growth of investor groups and investments across the State, including a focus on Indiana's distressed regions and populations, in order to foster and promote the development of entrepreneurs and emerging companies within Indiana in support of Indiana's economy and its creation and retention of jobs. The 21 Fund will give the charitable and governmental purposes of its partners priority over maximizing profits and any other commercial interests which may arise as a result of its investments in awardees.

The Foundation is a limited partner that holds a 45% interest in the 21 Fund. The general partner is Elevate Advisors, LLC, which has a 10% interest, and the other limited partner is Elevate Ventures, Inc., which has a 45% interest. The Foundation is not liable for any loss of the 21 Fund as a limited partner. The Foundation's capital account is not in a deficit position at June 30, 2024, however management does not believe equity of the fund has material value at June 30, 2024. Therefore, no asset or liability is recorded in the statement of net position for this interest.

Under the State Small Business Credit Initiative (SSBCI) Program, the Department of Treasury awarded certain funds to the State for allocation and investment within its 21 Fund State venture capital program with administration by the IEDC. The contract is not considered federal funding for the purposes of the Office of Management and Budget Uniform Guidance Single Audit requirements. These funds have been allocated for investment within each of the LLCs referenced below which are all wholly-owned by the 21 Fund.

- Indiana Angel Network Fund, LLC (the IAN Fund) is a source of seed capital dedicated to discovering and nurturing emerging, high-potential, innovation-based companies within the State. The IAN Fund supports direct seed and early-stage investment in Indiana companies alongside qualified angel and other investors.

- Indiana Seed Fund Holdings, LLC (the ISFH Fund) is a source of capital for the formation and growth of angel, seed, and venture capital funds for making investments in startup and early-stage, high-potential companies in the State. The ISFH Fund is a fund of funds and supports investment in earlier-stage Indiana companies.

- Indiana High Growth Fund, LLC (the IHG Fund) is a source of capital for the building of high-growth capital pools or funds dedicated to making investments in emerging, high-potential companies within the State. The IHG Fund is a fund of funds and supports investments in growing Indiana companies.

NOTE 4 - LOANS RECEIVABLE

The IEDC has net convertible loans receivable from the 21 Fund totaling $86,111,021, including an allowance of $25,755,480, at June 30, 2024, with a maturity date of the dissolution date of the 21 Fund. At any time before the maturity date, the IEDC can convert the outstanding principal and interest of the loans into a limited partner interest in the 21 Fund. The loans accrue interest at a simple rate of 1% per year. No payments are due until the maturity date, at which time all accrued interest will be paid first, followed by any outstanding principal of the loan. Prepayments of the loans are not allowed without the IEDC's approval.

NOTE 4 - LOANS RECEIVABLE (CONTINUED)

The loans receivable have been used by the 21 Fund to issue notes to Indiana companies. The notes have stated interest rates that compound annually or do not compound. The notes are generally unsecured and usually can be converted into shares of stock of the respective companies. Generally, principal and interest payments are not allowed on the notes until the maturity date.

The IAN Fund has a loan agreement in place for available principal of $15,023,131 that is a convertible note payable to the IEDC with a maturity date of August 2, 2025. At any time before the maturity date, the IEDC can convert the outstanding principal and interest of the note into shares of the IAN Fund. The note accrues interest at a simple rate of 1% per year. At June 30, 2024, the IAN Fund had drawn the full amount on this note.

The IAN Fund entered into another loan agreement with IEDC for available principal of $23,962,347 that is a convertible note payable to the IEDC with a maturity date of September 2037. At any time before the maturity date, the IEDC can convert the outstanding principal and interest of the note into shares of the IAN Fund. The note accrues interest at a simple rate of 1% per year. At June 30, 2024, the IAN Fund had drawn $22,885,963 on this note.

The ISFH Fund has a loan agreement in place for available principal of $6,000,000 that is a convertible note payable to the IEDC with a maturity date of December 20, 2025. At any time before the maturity date, the IEDC can convert the outstanding principal and interest of the note into shares of the ISFH Fund. The note accrues interest at a simple rate of 1% per year. At June 30, 2024, the ISFH Fund had drawn the full amount on this note.

The IHG Fund has a loan agreement in place for available principal of $6,000,000 that is a convertible note payable to the IEDC with a maturity date of December 20, 2025. At any time before the maturity date, the IEDC can convert the outstanding principal and interest of the note into shares of the IHG Fund. The note accrues interest at a simple rate of 1% per year. At June 30, 2024, the IHG Fund had drawn $4,998,161.

The SSBCI-Extender Fund has a loan agreement in place for available principal of $7,316,290 that is a convertible note payable to the IEDC with a maturity date of February 7, 2033. At any time before the maturity date, the IEDC can convert the outstanding principal and interest of the note into shares of the Extender Fund. The note accrues interest at a simple rate of 1% per year. At June 30, 2024, the Extender Fund had drawn the full amount on this note.

The total allowance recorded on the IAN, ISFH, IHG and SSBCI-Extender Fund loans, which are included in the State Small Business Credit Initiative Fund, was $15,010,033 at June 30, 2024.

Additionally, for any note that becomes impaired, the IEDC may forgive a portion of the loans receivable equal to the principal of the note receivable and accrued interest up to 1% per year of the principal balance, less any proceeds received from the note receivable. An allowance for uncollectible accounts is determined by management based upon specific circumstances, knowledge of Indiana companies that hold notes and general economic conditions. At June 30, 2024, the loan allowance totaled $40,765,513 for all funds.

NOTE 5 - CAPITAL ASSETS AND LAND HELD FOR REDEVELOPMENT AND DEPOSITS

Capital assets used in governmental activities for the year ended June 30, 2024, were as follows:

	Balance at July 1, 2023	Additions	Retirements	Balance at June 30, 2024
Depreciable capital assets:				
Furniture and equipment	$ 234,132	$241,707	$ -	$ 475,839
Computer software and hardware	197,670	-	-	197,670
Automobiles	104,373	-	-	104,373
Total depreciable capital assets	536,175	241,707	-	777,882
Less: Accumulated depreciation	(463,832)	(65,320)	-	(529,152)
Total Capital Assets, net	$ 72,343	$176,387	$ -	$ 248,730

During 2021, IEDC purchased 91 acres of land formerly known as the GM Stamping Plant site for $25.5 million, which is classified as land held for redevelopment and deposits on the statement of net position. IEDC plans to provide 45 acres of this land to Elanco Animal Health, Inc. (Elanco) to develop its new world headquarters campus at an estimated cost of $100 million. In addition, Elanco has a restricted option to purchase an additional 20 acres of this property. As part of this development the State and City of Indianapolis have agreed to provide certain grants, tax credits and tax-increment financing. IEDC incurred $10.1 million of cost related to land improvements at the site during fiscal year 2023. At June 30, 2024, total land held for redevelopment and deposits related to the location was $35,552,619.

During fiscal year 2023, IEDC purchased various tracts of land in Boone County Indiana totaling 1,629 acres for $141.6 million. The IEDC also made deposits on various other tracts of land in Boone County for $9.3 million. The land purchase and deposits are classified as land held for redevelopment and deposits in the statement of net position. IEDC sold 605.57 acres of land with a cost of $48.9 million to Ely Lilly Co. (Lilly) to develop a manufacturing plant. The sale of the land held for redevelopment resulted in a gain on sale of property of $1.3 million in fiscal year 2023.

During fiscal year 2024, IEDC purchased various tracts of land in Boone County Indiana totaling 2,724 acres for $226.9 million. The IEDC also made deposits on various other tracts of land in Boone County for $1.7 million. The land purchase and deposits are classified as land held for redevelopment and deposits in the statement of net position.

NOTE 6 - INTANGIBLE LEASE ASSET AND LEASE LIABILITY

The IEDC currently leases office space pursuant to non-cancelable lease expiring in August 2027. As of July 1, 2023, the intangible asset had a balance of $2,811,836 and accumulated amortization of $1,820,938, which nets to a balance of $990,898. In 2024, IEDC began leasing an additional office space pursuant to a non-cancelable lease expiring in November 2028, which added intangible assets of $1,009,121. During 2024, there was amortization expense of $376,137, which increased accumulated amortization to $2,197,075 as of June 30, 2024. The intangible lease asset had a net balance of $1,623,882 as of June 30, 2024.

The lease liabilities were determined using an imputed discount rate of 4.00%. The lease liability had a balance of $990,898 as of July 1, 2023, and a balance of $1,623,882 as of June 30, 2024.

NOTE 6 - INTANGIBLE LEASE ASSET AND LEASE LIABILITY (CONTINUED)

At June 30, 2024, the future minimum rental payments required by the long-term noncancellable office space lease were as follows:

	Principal	Interest	Total
2025	$ 397,955	$ 57,727	$ 455,682
2026	424,548	41,325	465,873
2027	452,329	23,837	476,166
2028	250,707	8,654	259,361
2029	98,343	986	99,329
	$ 1,623,882	$ 132,529	$ 1,756,411

NOTE 7 - BENEFIT PLANS

Plan Description

The IEDC is a participating employer of the Public Employees' Hybrid plan (PERF Hybrid), and its employees are participating members. PERF Hybrid is part of the Public Employees' Retirement Fund (PERF) and consists of two components: the Public Employees' Defined Benefit Account (PERF DB), the monthly employer-funded defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account (PERF DC), a member-funded account.

PERF Hybrid is administered by the Indiana Public Retirement System (INPRS). INPRS issues a publicly available financial report, including PERF Hybrid, that may be obtained at http://www.inprs.in.gov/.

Public Employees' Defined Benefit Account

PERF DB is a cost-sharing, multiple employer defined benefit fund providing retirement, disability, and survivor benefits to full-time employees of the State not covered by another plan and those political subdivisions (counties, cities, townships, and other governmental units) that elect to participate in the retirement fund. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.3, IC 5-10.5, 35 IAC 1.2, and other Indiana pension law.

Eligibility for Pension Benefit Payment

Full Retirement Benefit: A member is entitled to a full retirement benefit at 1) at age 65 with at least 10 years of creditable service (eight years for certain elected officials), 2) at age 60 with at least 15 years of creditable service, 3) at age 55 if age and creditable service total at least 85, 4) at age 55 with 20 years of creditable service and active as an elected official in the PERF-covered position, or 5) at age 70 with 20 years of creditable service and still active in the PERF-covered position.

Early Retirement Benefit: A member is entitled to an early retirement benefit at age 50 and a minimum of 15 years of creditable service. The benefit is 44% of full benefits at age 50, increasing 5% per year up to 89% at age 59.

Disability Benefit: An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of disability.

NOTE 7 - BENEFIT PLANS (CONTINUED)

Survivor Benefit: If a member dies after June 30, 2018, a spouse or dependent beneficiary of a member with a minimum of 10 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death. If a member dies while receiving a benefit, a beneficiary receives the benefit associated with the member's selected form of payment.

Contribution Rates

Contributions are determined by the INPRS Board and are based on a percentage of covered payroll. If determined to be necessary by the actuaries of INPRS, the INPRS Board updates the percentage of covered payroll annually effective July 1. Employers currently contribute 11.2% of covered payroll. No member contributions are required. The IEDC's contributions to PERF DB were $1,325,687 for the year ended June 30, 2024.

Benefit Formula and Postretirement Benefit Adjustment

The lifetime annual benefit equals years of creditable service multiplied by the average highest five-year annual salary multiplied by 1.1% (minimum of $180 per month). Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12.4 and administered by the INPRS IEDC.

Public Employees' Defined Contribution Account

PERF DC is a multiple-employer defined contribution fund providing retirement benefits to full-time employees of the State not covered by another plan and those political subdivisions (counties, cities, townships, and other governmental units) that elect to participate in the retirement fund. Administration of the account is generally in accordance with IC 5-10.2, IC 5-10.3, 35 IAC 1.2, and other Indiana pension law.

Contribution Rates

Member contributions under PERF DC are set by statute and the Board at 3% of covered payroll. The employer may choose to make these contributions on behalf of the member. The IEDC made no contributions to PERF DC for the year ended June 30, 2024. Under certain limitations, voluntary post-tax member contributions up to 10% of compensation can be made solely by the member.

Benefit Terms

Members (or their beneficiaries) are entitled to the sum total of contributions plus earnings 30 days after separation from employment (retirement, termination, disability, or death) or upon providing proof of the member's qualification for Social Security disability benefits. Members at least 62 years of age with five qualifying years of service may take an in-service distribution from their PERF DC account. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity. PERF DC members are 100% vested in their account balance.

Significant Actuarial Assumptions

The total pension liability is determined using an actuarial valuation performed by INPRS actuaries, which involves estimates of the value of reported amounts (e.g., salaries, credited service, etc.) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations, etc.). Actuarially determined amounts are subject to review and modifications, as actual results are compared with past expectations and new estimates are developed.

NOTE 7 - BENEFIT PLANS (CONTINUED)

Key methods, assumptions, and dates of experience studies used in calculating the total pension liability in the latest actuarial valuation are included in the publicly available financial report published by INPRS. In addition, the INPRS financial report includes a target asset allocation and geometric real rates of return expected to be realized in calculating the total pension liability, as well as how those rates of return were determined.

The net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the current discount rate of 6.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.25%), or one percentage point higher (7.25%) than the current rate:

1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
$9,248,723	$5,675,169	$2,695,529

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At June 30, 2024, the IEDC reported a liability of $5,675,169 for its proportionate share of the net pension liability. The IEDC's proportionate share of the net pension liability was based on the IEDC's wages as a proportion of total wages for PERF Hybrid. The proportionate share used at June 30, 2023, measurement dates was 0.16080%.

For the year ended June 30, 2024, the IEDC recognized pension expense of $1,387,501, which includes expense from the net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions of $235,426. At June 30, 2024, the IEDC reported deferred outflows of resources and deferred inflows of resources related to PERF DB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 116,112	$ -
Net differences between projected and actual earnings on pension plan investments	1,300,764	-
Changes of assumptions	309,478	-
Changes in proportion and differences between the IEDC's contributions and proportionate share of contributions	738,884	75,548
Total that will be recognized in pension expense based on table below	2,465,238	75,548
Pension contribution subsequent to measurement date	1,325,687	
Total	$3,790,925	$75,548

NOTE 7 - BENEFIT PLANS (CONTINUED)

Deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2025	$ 877,284
2026	349,491
2027	985,743
2028	177,172
	$2,389,690

NOTE 8 - CONTINGENCIES

During normal operations, the IEDC is subject to various claims and assessments. The range of loss, if any, from these potential claims cannot be reasonably estimated. However, the management of the IEDC believes the ultimate resolution of these matters will not have a material adverse impact on the IEDC's operations or net position.

NOTE 9 - TAX ABATEMENTS

The IEDC oversees certain tax abatement programs on behalf of the State. These tax abatements allow the State to forgo tax revenues for an entity, take a specific action to help with economic development or benefits the government or citizens of the State. The State's Annual Comprehensive Financial Report will include the financial information related to these tax abatement programs. See a listing of programs below that the IEDC oversees for the State:

- Economic Development for Growing Economy (EDGE) Credit
- Hoosier Business Investment Credit
- Redevelopment Tax Credit
- Community Revitalization Enhancement District Tax Credit
- Film and Media Tax Credit
- Headquarters Relocation Tax Credit
- Research Expense Credit
- Venture Capital Investment Credit
- Data Center Sales Tax Exemption
- Patent Income Tax Exemption
- Skill Enhancement Fund (SEF) – Workforce Training Grant
- Industrial Development Grant Fund (IDGF)

Economic Development for a Growing Economy (EDGE) Credit: The Economic Development for a Growing Economy Credit is created by IC 6-3.1-13. This program was created to foster job creation in Indiana, job retention in Indiana, and to foster employment in Indiana of students who participate in a course of study that includes a cooperative arrangement between an educational institution and an employer for the training of students in high wage, high demand jobs that require an industry certification. This program provides a credit against a taxpayer's adjusted gross income tax, financial institutions tax, or insurance premiums tax liability. The credit must be claimed on the taxpayer's annual state income tax return filed with the Indiana Department of Revenue. The credit is administered by the IEDC. The amount and duration of this tax credit shall be determined by the IEDC.

NOTE 9 - TAX ABATEMENTS (CONTINUED)

The credit may be stated as a percentage of the incremental income tax withholdings attributable to the applicant's project and may include a fixed dollar limitation. In the case of a credit awarded for a project to create new jobs in Indiana, the credit amount may not exceed the incremental income tax withholdings. However, the credit amount claimed for a taxable year may exceed the taxpayer's state tax liability for the taxable year, in which the excess may, at the discretion of the IEDC, be refunded to the taxpayer. The tax credit will be recaptured if the IEDC determines the taxpayer is noncompliant with the requirements of the tax credit agreement or all of the provisions of IC 6-3.1-13. The State has made no other commitments other than to reduce the applicable taxes as part of this program. In order to receive a tax credit, the taxpayer must commit to the creation or retention of full-time, permanent jobs for Indiana residents at the project location and new capital investment in Indiana.

Hoosier Business Investment Credit: The Hoosier Business Investment Credit is created by IC 6-3.1-26. This program was created to foster job creation and create higher wages in Indiana. This program provides a credit against a taxpayer's adjusted gross income tax, financial institutions tax, or insurance premiums tax liability. The credit must be claimed on the taxpayer's annual state income tax return filed with the Indiana Department of Revenue. The credit is administered by the IEDC and may not exceed 10% of the taxpayer's qualified investment in a taxable year for qualified investment that is not a logistics investment and 25% of the qualified investment made in a taxable year if the qualified investment is a logistics investment. Qualified investment is defined as the amount of the taxpayer's expenditures in Indiana for the purchase of new telecommunications, production, manufacturing, fabrication, assembly, extraction, mining, processing, refining, finishing, distribution, transportation, or logistical distribution equipment; the purchase of new computers and related equipment; costs associated with the modernization of existing telecommunications, production, manufacturing, fabrication, assembly, extraction, mining, processing, refining, finishing, distribution, transportation, or logistical distribution facilities; onsite infrastructure improvements; the construction of new telecommunications, production, manufacturing, fabrication, assembly, extraction, mining, processing, refining, finishing, distribution, transportation, or logistical distribution facilities; costs associated with retooling existing machinery and equipment; costs associated with the construction of special purpose building and foundations for use in the computer, software, biological sciences, or telecommunications industry; costs associated with the purchase of machinery, equipment or special purpose buildings used to make motion pictures or audio productions; and a logistics investment as further described in IC 6-3.1-26-8.5 that are certified by the IEDC under this chapter as being eligible for the credit. The term does not include property that can be readily moved outside Indiana.

In order to award a tax credit under this program, the IEDC must determine the following conditions exist, the applicant's project will raise the total earnings of employees of the applicant in Indiana or substantially enhance the logistics industry by creating new jobs, preserving existing jobs that otherwise would be lost, increasing wages in Indiana, or improving the overall Indiana economy, in the case of a logistics investment being claimed by the applicant; the applicant's project is economically sound and will benefit the people of Indiana by increasing opportunities for employment and strengthening the economy of Indiana; receiving the tax credit is a major factor in the applicant's decision to go forward with the project and not receiving the tax credit will result in the applicant not raising the total earnings of the applicant's employees in Indiana, or other employees in Indiana in the case of a logistics investment being claimed by the applicant; awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data; the credit is not prohibited by the relocation of jobs from one location in Indiana to another location in Indiana; in the case of a qualified investment that is not being claimed as a logistics investment by the applicant, the average wage that will be paid by the taxpayer to its employees (excluding highly compensated employees) at the location after the credit is given will be at least equal to one hundred fifty percent (150%) of the hourly minimum wage under IC 22-2-2-4 or its equivalent. The tax credit will be recaptured if the IEDC determines the taxpayer is noncompliant with the requirements of the tax credit agreement or all of the provisions of IC 6-3.1-26. The State has made no other commitments other than to reduce the applicable taxes as part of this program. In order to receive a tax credit, the taxpayer must commit to the creation or retention of full-time, permanent jobs for Indiana residents at the project location and new capital investment in Indiana.

NOTE 9 - TAX ABATEMENTS (CONTINUED)

Redevelopment Tax Credit: The Redevelopment Tax Credit provides an incentive for investment in the redevelopment of vacant and underutilized land and buildings as well as Brownfields. This credit, established by IC 6-3.1-34, provides companies and developers an assignable income tax credit for investing in the redevelopment of communities, improving quality of place and building capacity at the local level. Any credit award over $20 million must include a requirement that a portion of the credit be repaid by the company or developer; however, if the investment is at least $100 million, the IEDC may exclude a repayment provision. The credit is equal to the amount of qualified investment made by the taxpayer during the taxable year, multiplied by a percentage determined by the IEDC not to exceed 30%.

Community Revitalization Enhancement District Tax Credit: The Community Revitalization Enhancement District (CRED) tax credit provides an incentive for investment in community revitalization enhancement districts, established by IC 36-7-13. The credit is established by IC 6-3.1-19. The credit amount is equal to the amount of qualified investment made by the taxpayer during the taxable year multiplied by 25%. The credit may be passed through. The credit is applied against the taxpayer's state or local tax liability and may be carried forward to the immediately following taxable years. At June 30, 2024 there are only three active CREDs throughout the state.

Film and Media Tax Credit: Established by IC 6-3.1-36, the Film and Media Tax Credit (FMTC) was created to allow the state of Indiana to invest in qualified media productions, including: a feature length film, including an independent or studio production, or documentary; a television episodic series, program, or feature; a music production; a digital media production that is intended for reasonable commercial exploitation; or any similar production as determined by the corporation. The FMTC offers an income tax credit up to 30% that can be applied to offset certain production expenses. Credit awards are calculated against an applicant's list of qualified expenditures, including IEDC branding in the production, and a demonstrated use of Indiana residents in the production's workforce. The amount of the credit that a taxpayer uses in a particular taxable year may not exceed the tax liability of the taxpayer, however, it may be carried forward over a period of nine taxable years following the first taxable year in which the IEDC awards the credit.

Headquarters Relocation Tax Credit: The Headquarters Relocation Tax Credit (HQRTC) provides a credit to corporations that relocate their headquarters to Indiana. The credit, established by IC 6-3.1-30, is assessed against the corporation's state tax liability. The HQRTC is not refundable but is assignable and provides a nine year carry forward period. Eligible businesses include those that are engaged in interstate or intrastate commerce, maintain a corporate headquarters at a location outside Indiana, has not previously maintained a headquarters at a location in Indiana, has worldwide revenues of at least $50 million for the taxable year immediately preceding the businesses' application, and commits to contractually relocating its corporate headquarters to Indiana.

The Small Headquarters Relocation Tax Credit (S-HQRTC) provides a refundable tax credit to small, high-growth businesses that relocates its headquarters or the number of employees that equals 80% of the company's total payroll to Indiana. Eligible businesses also include those that have either received at least $4 million in venture capital in the 6 months immediately preceding the businesses application for incentive, or closes on at least $4 million in venture capital no later than 6 months after submitting the business' application for incentives. The credit is assessed against the corporation's state tax liability. The S-HQRTC is established by IC 6-3.1-30.

The credit for these two tax credits is calculated based on the product of: a percentage determined by the IEDC not to exceed 50%, multiplied by the amount of the taxpayer' s relocation costs in the taxable year.

Research Expense Credit: The Research Expense Credit is created by IC 6-3.1-4. The program was created to incentivize research investment in Indiana. This program provides a credit against a taxpayer's adjusted gross income tax liability. The credit must be claimed on the taxpayer's annual state income tax return filed with the Indiana Department of Revenue. The program is administered by the Indiana Department of Revenue (DOR), with the exception of the aerospace technology portion which is administered by the IEDC. The credit may be calculated one of two ways, listed below, as elected by the taxpayer.

NOTE 9 - TAX ABATEMENTS (CONTINUED)

For Indiana qualified research expense incurred after December 31, 2007, the credit is equal to 15% of the Indiana qualified research expense less the taxpayer's base amount of Indiana qualified research expense, up to $1 million. For qualified research expense in excess of $1 million, the credit amount is equal to 10%. For Indiana qualified research expense incurred after December 31, 2009, the taxpayer's research expense tax credit is equal to 10% of the part of the taxpayer's Indiana qualified research expense for the taxable year that exceeds 50% of the taxpayer's average Indiana qualified research expense for the 3 taxable years preceding the taxable year for which the credit is being determined. If the taxpayer did not have Indiana qualified research expense in any one of the three taxable years preceding the taxable year for which the credit is being determined, the amount of the research expense tax credit is equal to 5% of the taxpayer's Indiana qualified research expense for the taxable year. Indiana qualified research expense is defined as qualified research expense that is incurred for research conducted in Indiana. Qualified research expense means qualified research expense as defined in Section 41(b) of the Internal Revenue Code. The tax credit will be recaptured if the DOR determines the taxpayer is noncompliant with the requirements of the tax credit agreement or all of the provisions of IC 6-3.1-4. The State has made no other commitments other than to reduce the applicable taxes as part of this program.

Venture Capital Investment Credit: The Venture Capital Investment Credit is created by IC 6-3.1-24. This credit was created to improve access to capital for fast growing Indiana companies by providing individual and corporate investors an incentive to invest in early-stage firms. This program provides a credit against a taxpayer's adjusted gross income tax, financial institutions tax, insurance premiums tax, or state gross retail and use tax liability. The credit must be claimed on the taxpayer's state income tax return or returns filed with the Indiana Department of Revenue. The credit is administered by the IEDC and is equal to 20% of the taxpayer's qualified investment capital provided to the qualified Indiana business or $1.0 million, whichever is less. Starting on January 1, 2022, the credit will be equal to 25% of the taxpayer's qualified investment capital, up to $1.0 million for qualified Indiana businesses, or 30% up to $1.5 million for qualified Indiana businesses that are women- or minority-owned. Qualified Indiana business is defined as an independently owned and operated business that is certified as a qualified Indiana business by the IEDC. Qualified investment capital is defined as debt or equity capital that is provided to a qualified Indiana business. However, the term does not include debt that is provided by a financial institution (as defined in IC 5-13-4-10) after May 15, 2005 and is secured by a valid mortgage, security agreement, or other agreement or document that establishes a collateral or security position for the financial institution that is senior to all collateral or security interests of other taxpayers that provide debt or equity capital to the qualified Indiana business. In order to award a tax credit under this program, the IEDC must certify the taxpayer's proposed investment plan. The proposed investment plan must include the name and address of the taxpayer, the name and address of each proposed recipient of the taxpayer's proposed investment; the amount of the proposed investment; a copy of the certification issued by the IEDC stating the business being invested in is a qualified Indiana business, and any other information required by the IEDC. The IEDC must determine that the proposed investment would qualify for the taxpayer credit under this program, and the amount of proposed investment would not result in the total amount of tax credits certified for the calendar year exceeding $12.5 million. The total amount of credits that may be approved by the IEDC for a calendar year may not exceed $12.5 million. Starting on January 1, 2022, the total amount of credits that may be approved by the IEDC for a calendar year may not exceed $20.0 million, with not more than $7.5 million set aside for a taxpayer's investment in a qualified Indiana investment fund. A qualified Indiana investment fund is certified by the IEDC and must have a substantial presence in Indiana. The credit is equal to 20% of the taxpayer's qualified investment capital, up to $5 million. The tax credit will be recaptured if the IEDC determines the taxpayer is noncompliant with the requirements of the tax credit agreement or all of the provisions of IC 6-3.1-24. The State has made no other commitments other than to reduce the applicable taxes as part of this program.

Data Center Sales Tax Exemption: The Data Center Gross Retail and Use Tax Exemption provides a sales and use tax exemption on purchases of qualifying data center equipment and energy to operators of a qualified data center for a period not to exceed 25 years for data center investments of less than $750 million. If the investment exceeds $750 million, the IEDC may award an exemption for up to 50 years. This program is established by Indiana Code § 6-2.5-15.

NOTE 9 - TAX ABATEMENTS (CONTINUED)

Local governments may also provide a personal property tax exemption on qualified enterprise information technology equipment to owners of a data center who invest at least $25 million in real and personal property in the facility.

Patent Income Tax Exemption: Certain income derived from qualified patents and earned by a taxpayer are exempt from taxation. The Tax Exemption for Patent-derived Income defines qualified patents to include only utility patents and plant patents. The total amount of exemptions claimed by a taxpayer in a taxable year may not exceed $5 million.

The exemption provides that a taxpayer may not claim an exemption for income derived from a particular patent for more than 10 taxable years. The exemption percentage begins at 50 percent of income derived from a qualified patent for each of the first five taxable years, and decreases over the next five taxable years to 10 percent in the 10th taxable year.

It also specifies that a taxpayer is eligible to claim the exemption only if the taxpayer is domiciled in Indiana and is either an individual or corporation with not more than 500 employees including employees in the individual's or corporation's affiliates or is a nonprofit organization or corporation. The Tax Exemption for Patent-Derived Income is established by IC 6-3-2-21.7.

The patent-derived income that is exempt under the bill includes:

- Licensing fees or other income received from the use of a patent
- Royalties received from the infringement of a patent
- Receipts from the sale of a patent
- Certain income from the taxpayer's own use of the qualified patent to produce the claimed invention

Skill Enhancement Fund (SEF) – Workforce Training Grant: The SEF provides assistance to businesses to support training and upgrading skills of employees required to support new capital investment. The grant may be provided to reimburse a portion (typically 50%) of eligible training costs over a period of two full calendar years from the commencement of the project.

Grants from the SEF must lead to post-secondary credentials, a nationally-recognized industry credential, or specialized company training for both new hires and existing workers, and an increase in wages for existing employees.

Industrial Development Grant Fund (IDGF): The Industrial Grant Fund provides assistance to municipalities and other eligible entities as defined under I.C. 5-28-25-1 with off-site infrastructure improvements needed to serve the proposed project site. Upon review and approval of the Local Recipient's application, project specific Milestones are established for completing the improvements. IDGF will reimburse a portion of the actual total cost of the infrastructure improvements. The assistance will be paid as each Milestone is achieved, with final payment upon completion of the last Milestone of the infrastructure project.

NOTE 10 - INTERFUND RECEIVABLE AND PAYABLE

Funds are transferred from one fund to support expenditures of other funds in accordance with authority established for the individual fund. To the extent that certain transactions between funds are not paid or received in the current period, net interfund receivable and payable balances are recorded at June 30, 2024, as follows:

	Interfund Receivable	Interfund Payable
Other funds	$861,447	$ -
Capital fund	-	861,447
	$861,447	$861,447

REQUIRED SUPPLEMENTARY INFORMATION

INDIANA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the State of Indiana)

SCHEDULE OF THE IEDC'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (UNAUDITED)

PUBLIC EMPLOYEES' RETIREMENT FUND
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
IEDC's proportion of the net pension liability	0.16080%	0.12690%	0.11648%	0.11419%	0.11869%	0.11792%	0.10753%	0.08812%	0.08269%	0.09216%
IEDC's proportionate share of the net pension liability	$ 5,675,169	$ 4,002,213	$ 1,532,699	$ 3,448,988	$ 3,922,780	$ 4,005,796	$ 4,797,497	$ 3,999,277	$ 3,367,883	$ 2,421,905
IEDC's covered-employee payroll	$ 10,109,681	$ 7,303,199	$ 6,421,896	$ 6,164,710	$ 6,183,991	$ 6,017,154	$ 5,334,727	$ 4,223,182	$ 3,960,711	$ 4,499,353
IEDC's proportionate share of the net pension liability as a percentage of its covered-employee payroll	56.14%	54.80%	23.87%	55.95%	63.43%	66.57%	89.93%	94.70%	85.03%	53.83%
Plan fiduciary net position as a percentage of the total pension liability	80.80%	82.50%	92.50%	81.40%	80.10%	78.90%	72.70%	71.20%	73.30%	81.10%

See accompanying notes to required supplementary information.

INDIANA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the State of Indiana)

SCHEDULE OF IEDC CONTRIBUTIONS (UNAUDITED)

PUBLIC EMPLOYEES' RETIREMENT FUND
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 1,325,687	$ 1,155,971	$ 760,520	$ 675,736	$ 659,043	$ 659,921	$ 659,659	$ 583,387	$ 478,865	$ 466,060
Contributions in relation to the contractually required contribution	1,325,687	1,155,971	760,520	675,736	659,043	659,921	659,659	583,387	478,865	466,060
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
IEDC's covered-employee payroll	$ 12,358,061	$ 10,109,681	$ 7,303,199	$ 6,421,896	$ 6,164,710	$ 6,183,991	$ 6,017,154	$ 5,334,727	$ 4,223,182	$ 3,960,711
Contributions as a percentage of covered-employee payroll	10.73%	11.43%	10.41%	10.52%	10.69%	10.67%	10.96%	10.94%	11.34%	11.77%

See accompanying notes to required supplementary information.

INDIANA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the State of Indiana)

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
June 30, 2024

SCHEDULE OF THE IEDC'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (UNAUDITED)

Plan Amendments: In 2024, the full retirement benefit eligibility condition of age 70 and 20 years of credible service while still active in covered position was changed to age 65 and 20 years of creditable service while still active in a covered position. This change was deemed immaterial and has no impact on the actuarial liability.

SCHEDULE OF IEDC'S CONTRIBUTIONS (UNAUDITED)

Methods Used in Calculating Contributions: Contributions are determined by the INPRS Board and are based on a percentage of covered payroll. If determined to be necessary by the actuaries of INPRS, the INPRS Board updates the percentage of covered payroll annually effective July 1. Employers currently contribute 11.2% of covered payroll. There have been no changes in the percentage of covered payroll used since 2015.

Trends: There were no factors that significantly affected trends in contributions to the Plan.

Katz, Sapper & Miller, LLP
Certified Public Accountants

800 East 96th Street, Suite 500
Indianapolis, IN 46240

Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards

Board of Directors
Indiana Economic Development Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Indiana Economic Development Corporation, a component unit of the State of Indiana, (the IEDC) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the IEDC's basic financial statements, and have issued our report thereon dated October 28, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the IEDC's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the IEDC's internal control. Accordingly, we do not express an opinion on the effectiveness of the IEDC's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of financial statement audit findings as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the IEDC’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Indiana Economic Development Corporation’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Indiana Economic Development Corporation’s response to the findings identified in our audit and described in the accompanying schedule of financial statement audit findings. Indiana Economic Development Corporation’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
October 28, 2024

INDIANA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the State of Indiana)

SCHEDULE OF FINANCIAL STATEMENT AUDIT FINDINGS
Year Ended June 30, 2024

2024-001 Significant Deficiency – Financial Reporting

Criteria: Internal controls over financial reporting should be in place that provide reasonable assurance that the schedule of expenditures of federal awards are consistent with the financial statements. Internal controls over financial reporting should be designed to ensure the schedule of expenditures of federal awards include all amounts expended on federal awards within a financial reporting period.

Condition and Context: During the preparation process of the schedule of expenditures of federal awards, management discovered $550,000 of expenditures which were incurred in prior periods on a federal program were excluded from the schedule of expenditures of federal awards. The financial statement preparation process did not appropriately identify all amounts which needed to be reported on the schedule of expenditures of federal awards as of June 30, 2023.

Cause and Effect: The deficiency noted above resulted in the schedule of expenditures of federal awards to be understated as of June 30, 2023. Misstatements identified were not material to the financial statements as a whole. Similar misstatements could occur and impact IEDC’s presentation of the schedule of expenditures of federal awards.

Recommendations: We recommend IEDC review the year-end financial statement and schedule of expenditures of federal awards preparation process and determine what appropriate procedures and review processes are necessary to prevent or detect misstatements.

Views of Responsible Officials and Planned Corrective Actions: IEDC agrees with the recommendation and has adjusted staffing and reorganized the department to more adequately cover the processes impacting this area of the business; in addition, there is now a more robust secondary review of the work completed as opposed to a more singular preparation and review in years past. The corrective action plan was implemented in February 2024 and should cover the impacted area going forward.

INDIANA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the State of Indiana)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND
INDEPENDENT AUDITOR'S REPORT

June 30, 2024

ksm

Katz, Sapper & Miller, LLP
Certified Public Accountants

INDIANA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the State of Indiana)

CONTENTS

Katz, Sapper & Miller, LLP
Certified Public Accountants
800 East 96th Street, Suite 500
Indianapolis, IN 46240

Independent Auditor's Report on Compliance
for Each Major Federal Program and on Internal Control
over Compliance Required by the Uniform Guidance

Board of Directors
Indiana Economic Development Corporation

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Indiana Economic Development Corporation's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Indiana Economic Development Corporation's major federal programs for the year ended June 30, 2024. Indiana Economic Development Corporation, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Indiana Economic Development Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Indiana Economic Development Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Indiana Economic Development Corporation's compliance with the compliance requirements referred to above.

T 317.580.2000 | F 317.580.2117 | W ksmcpa.com

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and the provisions of contracts or grant agreements applicable to Indiana Economic Development Corporation's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Indiana Economic Development Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Indiana Economic Development Corporation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Indiana Economic Development Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Indiana Economic Development Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Indiana Economic Development Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-002 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Indiana Economic Development Corporation's response to the internal control findings over compliance identified in our audit and described in the accompanying schedule of findings and questioned costs. Indiana Economic Development Corporation's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Indiana Economic Development Corporation, a component unit of the State of Indiana, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Indiana Economic Development Corporation's basic financial statements. We issued our report thereon dated October 28, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
November 20, 2024

INDIANA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the State of Indiana)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

	Federal Assistance Listing Number	Identifying/ Grant Number	Program or Award Amount	Federal Expenditures	Amount Provided to Subrecipients
U.S. DEPARTMENT OF COMMERCE					
Minority Business Development Agency Business Center	11.805	MB22OBD8050267	$ 770,000	$ 88,018	
COVID-19 - Economic Adjustment Assistance	11.307	ED22CHI3070005	1,000,000	255,980	
				343,998	
U.S. DEPARTMENT OF DEFENSE					
Procurement Technical Assistance For Business Firms	12.002	W56KGU-23-2-0029	741,576	540,469	
Procurement Technical Assistance For Business Firms	12.002	W56KGU-24-2-0006	732,037	47,322	
				587,791	
U.S. SMALL BUSINESS ADMINISTRATION					
Federal and State Technology Partnership Program	59.058	SBAOIIFT220042	125,000	125,000	
Federal and State Technology Partnership Program	59.058	SBAOIIFT220042-02	125,000	77,420	
				202,420	
Small Business Development Centers	59.037	SBAHQ-21-B-0046	2,606,211	307,326	
Small Business Development Centers	59.037	SBAHQ-23-B-0024	2,644,447	1,907,613	$ 1,516,102
Small Business Development Centers	59.037	SBAHQ-23-B-0027	2,644,447	625,760	44,289
Small Business Development Centers	59.037	SBAHQ-23-B-0070	100,000	97,587	
Small Business Development Centers	59.037	SBAHQ-22-B-0036	100,000	42,967	
				2,981,253	1,560,391
Cybersecurity for Small Business Pilot Program	59.079	SBAOEDCS230007	1,000,000	2,507	
State Trade Expansion	59.061	SBAOITST220047	300,000	25,898	
State Trade Expansion	59.061	SBAOITST230119	300,000	286,676	
				312,574	
U.S DEPARTMNET OF TREASURY					
COVID-19 - State Small Business Credit Intiative Capital Program	21.031	SSBCI 2.0	100,534,656	10,592,665	
				$ 15,023,208	$ 1,560,391

See accompanying notes to schedule of expenditures of federal awards.

INDIANA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the State of Indiana)

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Indiana Economic Development Corporation, a component unit of the State of Indiana, (the IEDC) for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the IEDC, it is not intended to and does not present the net position, changes in net position, or cash flows of the IEDC.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the Uniform Guidance, or when not applicable the specific federal award agreement, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Subrecipients: The amounts of expenditures to subrecipients represents the actual expenditures incurred by subrecipients and reimbursable by IEDC during the year ended June 30, 2024

Program Income reported on the Schedule related to the State Small Business Credit Initiative Capital Program is recognized when received and amounted to $721,972 during the year ended June 30, 2024. Program income over the term of the award will be added to the original award from the U.S. Department of Treasury of $99,087,725. Program income used as of June 30, 2024 amounted to $283,333.

As of June 30, 2024, the IEDC had accrued interest on notes receivable from Indiana Angel Network Fund, LLC relating to disbursements from SSBCI 1.0 and SSBCI 2.0 in the amount of $1,343,623 and $224,513, respectively. Interest income relating to the notes receivable will be recorded as program income upon receipt.

NOTE 2 - INDIRECT COST RATE

The IEDC has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

INDIANA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the State of Indiana)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:		Unmodified
Internal control over financial reporting:		
• Material weakness(es) identified?	____ yes	✓ no
• Significant deficiency(ies) identified?	✓ yes	____ none reported
Noncompliance material to financial statements noted?	____ yes	✓ no

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	✓ yes	____ no
• Significant deficiency(ies) identified?	____ yes	✓ none reported
Type of auditor's report issued on compliance for major programs [*unmodified, qualified, adverse, or disclaimer*]:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	✓ yes	____ no

Identification of major programs:

Assistance Listing Number	Agency	Name of Federal Program
21.031	U.S. Department of Treasury	COVID-19 State Small Business Credit Initiative Capital Program
11.307	Department of Commerce	COVID-19 Economic Adjustment Assistance

Dollar threshold used to distinguish between type A and type B programs:		$750,000
Auditee qualified as low-risk auditee?	____ yes	✓ no

FINANCIAL STATEMENT AUDIT FINDINGS

2024-001 Significant Deficiency – Financial Reporting

Criteria: Internal controls over financial reporting should be in place that provide reasonable assurance that the schedule of expenditures of federal awards are consistent with the financial statements. Internal controls over financial reporting should be designed to ensure the schedule of expenditures of federal awards include all amounts expended on federal awards within a financial reporting period.

Condition and Context: During the preparation process of the schedule of expenditures of federal awards, management discovered $550,000 of expenditures which were incurred in prior periods on a federal program were excluded from the schedule of expenditures of federal awards. The financial statement preparation process did not appropriately identify all amounts which needed to be reported on the schedule of expenditures of federal awards as of June 30, 2023.

Cause and Effect: The deficiency noted above resulted in the schedule of expenditures of federal awards to be understated as of June 30, 2023. Misstatements identified were not material to the financial statements as a whole. Similar misstatements could occur and impact IEDC's presentation of the schedule of expenditures of federal awards.

Recommendations: We recommend IEDC review the year-end financial statement and schedule of expenditures of federal awards preparation process and determine what appropriate procedures and review processes are necessary to prevent or detect misstatements.

Views of Responsible Officials and Planned Corrective Actions: IEDC agrees with the recommendation and has adjusted staffing and reorganized the department to more adequately cover the processes impacting this area of the business; in addition, there is now a more robust secondary review of the work completed as opposed to a more singular preparation and review in years past. The corrective action plan was implemented in February 2024 and should cover the impacted area going forward.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Subject: 2024-002 Economic Adjustment Assistance – Reporting

Federal Agency: Department of Commerce

Federal Program: Economic Adjustment Assistance

Assistance Listing Number: 11.307

Compliance Requirement: Reporting

Audit Finding: Material Weakness in Internal Control

2024-002 Economic Adjustment Assistance – Assistance Listing No. 11.307 (CONTINUED)

Criteria: 2 CFR 200.303 includes requirements related to internal controls for federal award programs, including that the Agency must, among other things, "establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award." These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)".

2 CFR 200.329(c)(1) includes requirements related to performance reports for federal award programs, including that the IEDC must submit performance reports as required by the Federal award. Non-construction awards under Assistance Listing number 11.307 require recipients of awards on or after June 1, 2020, to submit ED-916 and ED-918.

Condition and Context: We noted IEDC submitted the SF-425 *Federal Financial Report* required under the Economic Adjustment Assistance grant which reported an inaccurate amount of cash receipts during the reporting period identified. The difference noted was not material to the major program.

We also reviewed whether performance reports ED-916 and ED-918 required under the Economic Adjustment Assistance were submitted in a timely manner noting the reports were not filed as of the required submission date. There were no questioned costs related to this finding.

Cause and Effect: We noted lack of internal controls surrounding the reporting process resulted in key line items in the SF-425 *Federal Financial Report* to be misstated. The errors were identified subsequent to the submission and corrected in the submission of the final SF-425 *Federal Financial Report*.

We also noted lack of internal controls surrounding the reporting process resulted in performance reports for this federal award to be submitted after the required submission date.

Recommendation: We recommend IEDC implement procedures to ensure reports are being reviewed by an individual familiar with the program prior to submission and are being submitted timely and accurately during the reporting period.

Views of Responsible Officials and Actions Taken: We agree with the recommendation and as of October 2024 have implemented an additional layer of review, effective for the first round of reports filed for FY2025.

CORRECTIVE ACTION PLAN
Year Ended June 30, 2024

Department of Commerce

Indiana Economic Development Corporation respectively submits the following corrective action plan for the year ended June 30, 2024.

Name and address of independent public accounting firm:

Katz, Sapper & Miller, LLP
800 East 96th Street, Suite 500
Indianapolis, IN 46240

Audit period: Year ended June 30, 2024

The findings from the schedule of findings and questioned costs for the year ended Juen 30, 2024, are discussed below. The findings are numbered consistently with the numbers assigned in the Schedule.

FINANCIAL STATEMENT AUDIT FINDINGS

2024-001 Significant Deficiency – Financial Reporting

Recommendations: The Auditor recommends IEDC review the year-end financial statement and schedule of expenditures of federal awards preparation process and determine what appropriate procedures and review processes are necessary to prevent or detect misstatements.

Planned Corrective Action: IEDC agrees with the recommendation and has adjusted staffing and reorganized the department to more adequately cover the processes impacting this area of the business; in addition, there is now a more robust secondary review of the work completed as opposed to a more singular preparation and review in years past. The corrective action plan was implemented in February 2024 and should cover the impacted area going forward.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2024-002 Economic Adjustment Assistance – Assistance Listing No. 11.307

Material Weakness in Internal Control over Compliance– L. Reporting

Recommendation: The Auditor recommends IEDC implement procedures to ensure reports are being reviewed by an individual familiar with the program prior to submission and are being submitted timely and accurately during the reporting period.

Action Taken: We agree with the recommendation and as of October 2024 have implemented an additional layer of review, effective for the first round of reports filed for FY2025.

If the Department of Commerce have questions regarding this plan, please call Heidi Babkowski, Senior Vice President Finance at 317.697.2966.

Sincerely yours,

Heidi Babkowski

Heidi Babkowski, Senior Vice President Finance
Indiana Economic Development Corporation