

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY
MIAMI COUNTY, INDIANA
January 1, 2009 to December 31, 2010



FILED
05/09/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	James E. Tidd	01-01-09 to 12-31-11
Treasurer	James Yates	01-01-09 to 12-31-11
President of the Board	Donald Cates	01-01-09 to 12-31-11



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF MIAMI COUNTY ECONOMIC
DEVELOPMENT AUTHORITY, MIAMI COUNTY, INDIANA

We have examined the financial information presented herein of Miami County Economic Development Authority (Authority), for the period of January 1, 2009 to December 31, 2010. The Authority's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Authority for the years ended December 31, 2009 and 2010, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

March 15, 2011

MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2009 And 2010

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Property Management	\$ 1,352,324.23	\$ 323,425.32	\$ 522,284.42	\$ 1,153,465.13
County Wide Fund	106,015.49	94,010.47	161,683.20	38,342.76
Revolving Loan	61,488.57	-	-	61,488.57
Tax Increment Financing	(7,271.54)	285,126.08	181,010.98	96,843.56
Urban Enterprise Zone Association	<u>16,377.06</u>	<u>905.37</u>	<u>11,180.07</u>	<u>6,102.36</u>
Totals	<u>\$ 1,528,933.81</u>	<u>\$ 703,467.24</u>	<u>\$ 876,158.67</u>	<u>\$ 1,356,242.38</u>

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Governmental Funds:				
Property Management	\$ 1,153,465.13	\$ 319,020.33	\$ 345,853.94	\$ 1,126,631.52
County Wide Fund	38,342.76	114,040.01	154,787.19	(2,404.42)
Revolving Loan	61,488.57	-	-	61,488.57
Tax Increment Financing	96,843.56	158,868.86	158,869.08	96,843.34
Urban Enterprise Zone Association	<u>6,102.36</u>	<u>20,163.69</u>	<u>20,000.00</u>	<u>6,266.05</u>
Totals	<u>\$ 1,356,242.38</u>	<u>\$ 612,092.89</u>	<u>\$ 679,510.21</u>	<u>\$ 1,288,825.06</u>

The accompanying notes are an integral part of the financial information.

MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Authority was established under the laws of the State of Indiana. The Authority operates under an appointed governing board and provides economic redevelopment for all of Miami County and reuse planning for the former Grissom Air Force Base.

Note 2. Fund Accounting

The Authority uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level.

Note 4. Property Taxes

The Authority does not levy a tax rate and only receives tax increment financing distributions from the County Treasurer

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Authority to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Subsequent Event

In December 2010, the Miami County Economic Development Authority (MCEDA) signed a 20 year lease with Deal Baldwin Painting. Terms of the lease require expansion of a hanger already owned by MCEDA. The total estimated project costs associated with this expansion are \$10,400,000. To obtain funding for the project, MCEDA has secured a grant from the Economic Development Administration in the amount of \$2,500,000, a grant from the Office of Community and Rural Affairs for \$2,000,000, a loan from the United States Department of Agriculture in the amount of \$4,891,400, and local CEDIT funds of up to \$1,500,000. The United States Department of Agriculture loan is based on a 20 year term and a rate of no more than 4%.

MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2010

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 9,611,524
Buildings	7,840,300
Machinery and equipment	<u>40,177</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 17,492,001</u></u>

MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

The Authority has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Loans payable	\$ <u>119,682</u>	\$ <u>119,682</u>

MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY
EXAMINATION RESULT AND COMMENT

OVERDRAWN FUND BALANCES

The County Wide Fund was overdrawn \$2,404.42 at December 31, 2010. A similar comment was made in Report B35057.

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY
EXIT CONFERENCE

The contents of this report were discussed on March 15, 2011, with James E. Tidd, Director.