

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY  
MIAMI COUNTY, INDIANA

January 1, 2014 to December 31, 2014



**FILED**  
05/19/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	James E. Tidd	01-01-14 to 12-31-17
Treasurer	Thomas Webster	01-01-14 to 12-31-17
Chairman of the Board	James Yates	01-01-14 to 12-31-17



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INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Miami County Economic Development Authority (Authority), which comprises the financial position and results of operations for the year ended December 31, 2014, and the related notes to the financial statement as listed in the Table of Contents.

***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statement 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 Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As discussed in Note 1 to the financial statement, the Authority prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Authority for the year ended December 31, 2014.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Authority for the year ended December 31, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the Authority's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. 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 financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, 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 financial statement taken as a whole.

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the Authority's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated March 22, 2017, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 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 Authority's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

March 22, 2017



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, 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, the financial statement of the Miami County Economic Development Authority (Authority), which comprises the financial position and results of operations for the year ended December 31, 2014, and the related notes to the financial statement, and have issued our report thereon dated March 22, 2017, wherein we noted the Authority followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority's financial statement 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
(Continued)

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statement is 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 determination of financial statement amounts. 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*.

**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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

March 22, 2017

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the Authority. The financial statement and notes are presented as intended by the Authority.

MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2014

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
HANGAR 200 PROJECT- MIAMI CO	\$ 241,161	\$ 271,499	\$ 116,350	\$ 396,310
HANGAR 200 PROJECT- USDA	-	471,777	471,777	-
HANGAR 200 PROJECT- EDA	(155,215)	-	207,271	(362,486)
HANGAR 200 PROJECT- OCRA	2	189,792	189,792	2
HANGAR 200 PROJECT- OPERATING	(277,430)	465,864	327,083	(138,649)
TAX INCREMENT FINANCING (24/31)	18,302	21,920	-	40,222
Operating	1,086,916	321,226	495,909	912,233
Revolving Loan	11,613	59,463	50,000	21,076
Tax Increment Financing (Grissom)	172,010	263,881	261,628	174,263
Urban Enterprise Zone Association	11,990	11,225	-	23,215
Totals	<u>\$ 1,109,349</u>	<u>\$ 2,076,647</u>	<u>\$ 2,119,810</u>	<u>\$ 1,066,186</u>

The notes to the financial statement are an integral part of this statement.

MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The Authority was established under the laws of the State of Indiana. The Authority operates under an appointed governing board.

The accompanying financial statement presents the financial information for the Authority.

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

*Taxes.* Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Authority.

*Intergovernmental receipts.* Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Charges for services.* Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable TV receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

*Other receipts.* Amounts received from various sources, including, but not limited to, the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; fiduciary receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

*Personal services.* Amounts disbursed for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

*Supplies.* Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

*Other services and charges.* Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

*Debt service - principal and interest.* Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the Authority. It includes all expenditures for the reduction of the principal and interest of the Authority's general obligation indebtedness.

*Capital outlay.* Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

*Other disbursements.* Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

*F. Interfund Transfers*

The Authority may, from time to time, make transfers from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the Authority. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Authority. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the Authority in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

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

**Note 3. Property Taxes**

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

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be 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 statutes authorize the Authority to invest in securities including, but not limited to, the following: 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 5. Risk Management**

The Authority may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the Authority to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 6. Pension Plans**

The Authority contributes to pension plans unique to the Authority. Information regarding these plans may be obtained from the Authority.

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. The HANGER 200 PROJECT-EDA fund has a cash deficit balance which is a result of the fund being set up as a reimbursable grant. The reimbursements for expenditures made by the Authority were not received by December 31, 2014. The HANGER 200 PROJECT-OPERATING fund has a deficit cash balance which is a result of the expenditures exceeding receipts.

**Note 8. Subsequent Events**

***Hanger 200 Project Update***

The Authority has entered into a 30-year lease (with two 5-year renewable options) for Hangar 200 at the Grissom Aeroplex with Dean Baldwin Painting, an aircraft painting company. To accommodate Dean Baldwin Painting's operation, the Authority secured funding from five different sources to meet the project budget of \$13,943,000. These sources included: (1) A grant from the Indiana Office of Community and Rural Affairs (OCRA) of \$2,000,000; (2) A grant from the United States Department of Commerce, Economic Development Administration (EDA) of \$3,150,000; (3) A grant from Miami County (Miami) of \$1,367,600 from its CREDIT Funds; (4) A grant from the Indiana Economic Development Corporation (IEDC) of \$234,000 and; (5) A loan from the United States Department of Agriculture's Rural Development Program (USDA) of \$7,191,400 on a 30-year term at 3.375 percent interest.

The primary source for debt repayment on the USDA loan is the lease payments from Dean Baldwin Painting, currently totaling \$484,400 annually. The 30-year lease has an escalation clause of 2 percent increase every 2-years. Miami County has pledged, as a secondary source for repayment, CREDIT funds as required by the USDA. The estimated annual debt service on the USDA loan is \$392,248.

Dean Baldwin Painting began limited operations in March 2013. All work was completed by December 31, 2014. All final receipts from the funding sources and final disbursements to contractors were completed in August 2015.

***Hoosier Boulevard Project***

Hoosier Boulevard, which is a major transportation artery on the Grissom Aeroplex, was in extremely poor condition and in need of major rehabilitation. Hoosier Boulevard is also the primary entry into and out of the 434<sup>th</sup> Air Refueling Wing. Maintenance of Hoosier Boulevard is the responsibility of Miami County. On June 19, 2015, the Authority, with the support of the Miami County Commissioners, issued bonds in the aggregate amount of \$850,000 to make the necessary repairs to Hoosier Boulevard. The bonds were secured by Tax Incremental Financing (TIF) from the real property at Grissom for a period of 25-years.

MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

***Shell Building***

The Authority entered into an agreement dated November 12, 2015, with Miami County Shell Building LLC to facilitate the construction of a shell building to offer interested businesses usable space and, thereby, enhance the economic development of Miami County. Pursuant to the completion of the shell building on December 22, 2016, the Authority took ownership of the shell building located within the Grissom Industrial Park. The Authority also assumed debt related to the shell building; the balance of which was \$2,787,838 as of December 31, 2016. Debt financing was established as interest only for the first three years based on an adjustable rate with principal payments beginning in year four. Current interest only payments are \$101,425 annually. Debt is secured by a pledge of County Economic Development Income Tax (CEDIT) from the Miami County Commissioners and Miami County Council.

***Fixed Base Operator***

The Authority will assume the role of the Fixed Base Operator (FBO) for the civil aviation side of the Joint Use airfield at the Grissom ARB effective April 4, 2017. An FBO is required by the Joint Use Agreement (JUA) between the Authority and the Department of the Air Force to assume responsibility for and provide services to civil aircraft using the Grissom airfield. The prior FBO gave notice to the Authority to terminate its operations with six months' notice on October 4, 2016. The Authority has received a grant of \$305,000 from Miami County CEDIT funds to purchase equipment necessary for FBO operations. In addition to the CEDIT funds, the Miami County Council approved an annual payment of \$50,000 to MCEDA towards operational expenses of the FBO. The Authority anticipates the increase of two employees to function as the FBO.

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#### OTHER INFORMATION - UNAUDITED

The Authority's Annual Financial Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Authority's Annual Financial Report referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the Authority. It is presented as intended by the Authority.

MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014

	HANGAR 200 PROJECT- MIAMI CO	HANGAR 200 PROJECT- USDA	HANGAR 200 PROJECT- EDA	HANGAR 200 PROJECT- OCRA	HANGAR 200 PROJECT- OPERATING	TAX INCREMENT FINANCING (24/31)
Cash and investments - beginning	\$ 241,161	\$ -	\$ (155,215)	\$ 2	\$ (277,430)	\$ 18,302
Receipts:						
Taxes	-	-	-	-	-	21,920
Intergovernmental receipts	-	471,777	-	189,792	-	-
Charges for services	-	-	-	-	465,864	-
Other receipts	271,499	-	-	-	-	-
Total receipts	<u>271,499</u>	<u>471,777</u>	<u>-</u>	<u>189,792</u>	<u>465,864</u>	<u>21,920</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	327,083	-
Capital outlay	116,350	471,777	207,271	189,792	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>116,350</u>	<u>471,777</u>	<u>207,271</u>	<u>189,792</u>	<u>327,083</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>155,149</u>	<u>-</u>	<u>(207,271)</u>	<u>-</u>	<u>138,781</u>	<u>21,920</u>
Cash and investments - ending	<u>\$ 396,310</u>	<u>\$ -</u>	<u>\$ (362,486)</u>	<u>\$ 2</u>	<u>\$ (138,649)</u>	<u>\$ 40,222</u>

MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	Operating	Revolving Loan	Tax Increment Financing (Grissom)	Urban Enterprise Zone Association	Totals
Cash and investments - beginning	\$ 1,086,916	\$ 11,613	\$ 172,010	\$ 11,990	\$ 1,109,349
Receipts:					
Taxes	-	-	263,881	-	285,801
Intergovernmental receipts	-	50,000	-	-	711,569
Charges for services	137,371	-	-	-	603,235
Other receipts	183,855	9,463	-	11,225	476,042
Total receipts	<u>321,226</u>	<u>59,463</u>	<u>263,881</u>	<u>11,225</u>	<u>2,076,647</u>
Disbursements:					
Personal services	135,932	-	131,326	-	267,258
Supplies	14,055	-	-	-	14,055
Other services and charges	310,717	-	110,901	-	421,618
Debt service - principal and interest	-	-	-	-	327,083
Capital outlay	-	-	10,250	-	995,440
Other disbursements	35,205	50,000	9,151	-	94,356
Total disbursements	<u>495,909</u>	<u>50,000</u>	<u>261,628</u>	<u>-</u>	<u>2,119,810</u>
Excess (deficiency) of receipts over disbursements	<u>(174,683)</u>	<u>9,463</u>	<u>2,253</u>	<u>11,225</u>	<u>(43,163)</u>
Cash and investments - ending	<u>\$ 912,233</u>	<u>\$ 21,076</u>	<u>\$ 174,263</u>	<u>\$ 23,215</u>	<u>\$ 1,066,186</u>

MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 526,602</u>	<u>\$ 491,719</u>

MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: MailFinance	Postage meter	\$ 595	11/1/2012	5/1/2018
Total of annual lease payments		<u>\$ 595</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities: Notes and loans payable	NOTE PAYABLE MIAMI CO	\$ 119,682	\$ -
Notes and loans payable	NOTE PAYABLE USDA (HANGAR PROJECT)	<u>6,846,507</u>	<u>384,906</u>
Total governmental activities		<u>6,966,189</u>	<u>384,906</u>
Totals		<u>\$ 6,966,189</u>	<u>\$ 384,906</u>

MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2014

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.

	Ending Balance
Governmental activities:	
Land	\$ 8,543,899
Buildings	7,152,000
Machinery, equipment, and vehicles	63,451
Construction in progress	13,852,542
Total governmental activities	29,611,892
Total capital assets	\$ 29,611,892

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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

**Report on Compliance for the Major Federal Program**

We have audited the Miami County Economic Development Authority's (Authority) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2014. The Authority's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Authority's major federal program based on our audit of the types of compliance requirements referred to above. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

***Opinion on the Major Federal Program***

In our opinion, the Authority 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 program for the year ended December 31, 2014.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)


**Report on Internal Control over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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. 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 consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

March 22, 2017

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the Authority. The schedule and notes are presented as intended by the Authority.

MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2014

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Awards Expended
<u>Department of Agriculture</u>					
Community Facilities Loans and Grants Cluster					
Community Facilities Loans and Grants	Direct Grant				
Hanger 200 Expansion and Renovation Project		10.766	15-052 9142	\$ -	\$ 471,777
Total - Community Facilities Loans and Grants Cluster				-	471,777
Rural Business Enterprise Grants	Direct Grant				
Miami County Economic Development Authority Revolving Loan Program		10.769	15-052-611489142	-	59,463
Total - Rural Business Enterprise Grants				-	59,463
Total - Department of Agriculture				-	531,240
<u>Department of Housing and Urban Development</u>					
CDBG - State-Administered CDBG Cluster					
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	Miami County				
Hanger 200 Expansion and Renovation Project		14.228	A192-11-ID-10-001	-	189,792
Total - CDBG - State-Administered CDBG Cluster				-	189,792
Total - Department of Housing and Urban Development				-	189,792
Total federal awards expended				\$ -	\$ 721,032

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the Authority under programs of the federal government for the year ended December 31, 2014. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the Authority, it is not intended to and does not present the financial position of the Authority.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weakness identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major program:	
Material weakness identified?	no
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit finding disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	no

Identification of Major Program:

\_\_\_\_\_ Name of Federal Program or Cluster \_\_\_\_\_  
Community Facilities Loans and Grants Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	no
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**Section II - Financial Statement Findings**

No matters are reportable.

**Section III - Federal Award Findings and Questioned Costs**

No matters are reportable.

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the Authority. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.