

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

SUPPLEMENTAL COMPLIANCE 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



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

This report is supplemental to our audit report of the Miami County Economic Development Authority (Authority), for the period from January 1, 2014 to December 31, 2014. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the Authority. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the Authority, which provides our opinions on the Authority's financial statement and federal program compliance. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Result and Comment contained herein describes the identified reportable instance of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Result and Comment, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

March 22, 2017

MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY
AUDIT RESULT AND COMMENT

OVERDRAWN CASH BALANCE

The financial statement presented for audit included the Hanger 200 Project - Operating fund with an overdrawn cash balance of \$138,649 at December 31, 2014.

The cash 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 unit. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)



MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY

AUDIT RESULTS AND COMMENTS

Audit Exit Conference Date – March 22, 2017

OVERDRAWN CASH BALANCE:

At the time of this audit by the Indiana State Board of Accounts, the Miami County Economic Development Authority was aware of the negative balance in the Hangar 200 Operating Fund.

The circumstances that created the negative balance, stems from the fact that both principal and interest payments, servicing the USDA loan, became due while the Hangar was still under construction and before the Authority generated revenue from its 30 year lease with Dean Baldwin Painting. Subsequently, the Authority made the required payments to USDA on time from excess funds in other accounts under its control.

At one time, this negative balance totaled in excess of \$277,000. However, based on the annual amount of lease payments paid by Dean Baldwin Painting above debt service payable to USDA, the negative balance continues to decrease annually; to the level of \$138,649 as of 12/31/14 and to the level of \$54,672 as of 12/31/16. Based on the excess revenue over debt service, we forecast that the current negative balance will become a positive balance by the end of CY 2019.

Building the Future of Miami County

MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY
EXIT CONFERENCE

The contents of this report were discussed on March 22, 2017, with James E. Tidd, Director; Thomas Webster, Treasurer; and James Yates, Chairman of the Board.