



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Union Township – City of Milford Joint Economic Development District II
(Jungle Jim's/ Eastgate/ Carepointe Clermont)
Clermont County
745 Center Street, Suite 200
Milford, Ohio 45150

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Union Township City of Milford Joint Economic Development District II (Jungle Jim's/ Eastgate/ Carepointe Clermont), Clermont County, Ohio (the District) on the receipts, disbursements and balances recorded in the District's cash basis accounting records for the years ended December 31, 2016 and 2015 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the District. The District is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2016 and 2015 and certain compliance requirements related to these transactions and balances included in the information provided to us by the District. The sufficiency of the procedures is solely the responsibility of the parties specified in this report.

Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This report only describes exceptions exceeding \$10.

Cash

1. The City of Milford is custodian for the District's deposits and therefore the City's deposit and investment pool holds the District's assets. We compared the District's fund balances reported on its December 31, 2016 Financial Statements to the Reconciled Bank Statements. The amounts agree. We noted the cash balance included a reconciling item for \$15,921 which represented the net correction for Period 10 (2016) distributions due to the Township as of December 31, 2016 which were subsequently debited from the bank account in January, 2017. The entries offsetting this in the financial statements are detailed in the Income Tax Receipt section 2 below and Non-Payroll Cash Disbursements section 2b below.
2. We agreed the January 1, 2015 beginning fund balances recorded in the Financial Statements to the December 31, 2014 bank balances. We found no exceptions. We also agreed the January 1, 2016 beginning fund balances recorded in the Financial Statements to the December 31, 2015 balances in the Financial Statements. We found no exceptions.

Income Taxes and Other Confirmable Cash Receipts

1. We confirmed the income tax amounts paid from the City of Milford to the District during 2016 and 2015 with the reports from RITA. We found no exceptions.
 - a. We inspected the Financial Statements to determine the receipts were recorded in the proper year. We found no exceptions.

2. We inspected the Financial Statements for 2016 and 2015 to determine whether each year included twelve monthly receipts from RITA. We found no exceptions for 2015. We found the receipts from the Income Taxes and Release of Prior Year Refund Retainer receipts recorded in the 2016 financial statements were overstated by \$22,564 and \$81, respectively.
3. As required by Section 17A of the JEDD Contract, we inspected the Bank Statements for 2016 and 2015 to determine whether income tax receipts were maintained in separate bank accounts and not comingled with other receipts. There were no exceptions.

Debt

1. The prior entity documentation disclosed no debt outstanding as of December 31, 2014.
2. We inquired of management, and inspected the Financial Statements and Bank Statements for evidence of debt issued during 2016 or 2015 or debt payment activity during 2016 or 2015. There were no new debt issuances, nor any debt payment activity during 2016 or 2015.

Non-Payroll Cash Disbursements

1. From the Bank Statements and RITA reports, we re-calculated disbursements recorded on the Financial Statements for 2016 and 2015. We found the following discrepancies:
 - For 2015, disbursements to Union Township were \$300 less and disbursements to the City of Milford were \$300 higher than the amounts calculated during testing and agreed to the bank statements.
 - For 2016, disbursements to Union Township were \$6,758 higher, and disbursements to the City of Milford were \$36 lower, respectively, than the amounts calculated during testing and agreed to the bank statements.
2. We selected all of the disbursements for distribution to the City of Milford and Union Township from the Financial Statements and Bank Statements for the year ended December 31, 2016 and all of the disbursements for distribution to the City and the Township for the year ended 2015 and determined whether
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. For all disbursements made in 2016 and 2015 for distributions to the City of Milford and Union Township, the payment amount was re-computed and verified to the terms of the JEDD resolution and agreements except that no distributions were made to Union Township for November and December 2016. We noted that the Period 6 (2016) was not distributed when it was received and no distribution was made to the Township in 2016 for Period 11 (2016). As of December 31, 2016, the District needs to distribute \$16,380 to the Township and \$1,662 to the City.
 - c. We compared disbursements to the City of Milford and Union Township receipt ledgers obtained from the City and the Township for the years ended December 31, 2016 and 2015. We found no exceptions.

Compliance – Bylaws

We confirmed JEDD income taxes collected were disbursed 85% to the Township and 15% to the City as required by section 19 of the JEDD contract and the City's portion did not exceed the \$150,000 cap required by the contract. We found no exceptions for 2015. For 2016, Period 11 (2015) through Period 10 (2016) were disbursed 85% to the Township and 15% to the City, except that Period 6 (2016) was not disbursed, and Period 11 (2016) was only partially disbursed resulting in amounts still due as noted in point 2b of the Non-Payroll Disbursements section above.

Other Compliance

Ohio Rev. Code Section 117.38 requires entities to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. We confirmed the District filed their complete financial statements, in accordance with AOS Bulletin 2016-007 for the years ended December 31, 2016 and 2015. Financial information for 2016 and 2015 was filed on March 3, 2017, and October 1, 2016, respectively, which was not within the allotted timeframe.

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is for the use of the District to assist in evaluating its receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2016 and 2015, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

August 24, 2017

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**UNION TOWNSHIP – CITY OF MILFORD JOINT ECONOMIC DEVELOPMENT DISTRICT 2 – JUNGLE
JIMS EASTGATE**

CLERMONT COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 12, 2017**