



Dave Yost • Auditor of State



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October 2, 2018

City of Ashtabula and Ashtabula Township Joint Economic Development District
Ashtabula County
4717 Main Avenue
Ashtabula, Ohio 44004

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the City of Ashtabula and Ashtabula Township Joint Economic Development District, Ashtabula County, (the District) for the years ended December 31, 2017 and 2016.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the District's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the District's financial statements, transactions or balances for the years ended December 31, 2017 and 2016.

The District's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

Based on the results of our procedures, we found the following accounting issues to report.

Current Year Observations

1. We examined the bank reconciliation prepared as of December 31, 2017. It was included as part of the City of Ashtabula's bank reconciliation. The District Agency fund 801 is included as part of the City of Ashtabula's bank reconciliation and money is co-mingled in the City's General bank account. The District should establish a separate bank account for each JEDD and perform a separate reconciliation independent of the City's bank reconciliation. The City can incorporate the separate reconciliations to its overall accounting system bank reconciliation.
2. We noted the income taxes are being collected and distributed. However, we found some income tax collections require an additional breakdown to amounts recorded in Income tax collection software to segregate the regular City income tax payment due the City and amount due the District. This condition resulted in an underpayment to the District's fund 802 in 2016 of \$3,781. We also noted the Income tax software misclassified \$2,005 in Route 20 JEDD tax collections that were posted to the Ashtabula Township JEDD. Both corrections were made before distribution to the City and Township but after the close of the fiscal year in February 2017. Additionally, the 2017 revenue ledger had recorded \$25,269 in revenue instead of the amount reported on the financial statements of \$31,966. The \$6,697 difference was posted in the 2018 revenue ledger.

Reporting and posting of revenue and expenditures by the tax year to which it applies extends the reporting period into the subsequent year before fully settled, resulting in differences between the annual financial reports and supporting revenue and expenditure ledgers. We recommend the Fiscal Officer consider distributing only the amount posted to the revenue ledger as current fiscal year revenue and reporting the same in the financial statements, regardless of which tax collection year the revenue may apply (applicable tax year can be noted in revenue ledger).

3. We noted the most recent bank reconciliation performed was as of February 28, 2018. The District should perform reconciliations in a timely fashion monthly.

Current Status of Matters Reported in our Prior Engagement

1. The reconciling matter reported in item 1 above, from our prior basic audit for the years ended December 31, 2015 and 2014, also included the recommendation the District should establish a separate bank account and a separate reconciliation specifically for the District.



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**CITY OF ASHTABULA AND ASHTABULA TOWNSHIP JOINT ECONOMIC DEVELOPMENT
DISTRICT**

ASHTABULA 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
OCTOBER 16, 2018**