



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Coventry Village Special Improvement District
Cuyahoga County
1824 Coventry Road
Cleveland Heights, Ohio 44118

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the district officers, district members and directors and their designees or proxies, herein governing of the Coventry Village Special Improvement District (the District) on the receipts, disbursements and balances recorded in the Districts cash basis accounting records for the years ended December 31, 2017 and 2016 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, 2017 and 2016 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. We recalculated the December 31, 2017 and December 31, 2016 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2016 beginning fund balances recorded in the January 2016 bank reconciliations to the December 31, 2015 balances in the documentation of the prior year Agreed-Upon Procedures working papers. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2017 and 2016 fund cash balances reported in the Combined Statements of Receipts, Disbursements and Changes in Fund Balances. The amounts agreed.
4. We observed the 2017 year-end bank balances on the District's financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2017 bank reconciliations without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2017 bank reconciliations:
 - a. We traced each debit to the subsequent January, February and March bank statements. We found no exceptions.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. There were no exceptions.

Cash (Continued)

6. We traced interbank account transfers occurring in December of 2017 and 2016 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.

Confirmable Cash Receipts

We confirmed the amounts paid from the City of Cleveland Heights to the District during 2017 and 2016 with the City. We also inspected the Profit & Loss Detail Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following lease was outstanding as of December 31, 2015. These amounts agreed to the District's January 1, 2016 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2015:
Lease Purchase	\$20,670

2. We inquired of management, and inspected the Profit & Loss Detail Report for evidence of debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of lease debt activity for 2017 and 2016 and agreed principal and interest payments from the related debt amortization schedule to debt service fund payments reported in the Check Detail Report. We also compared the date the debt service payments were due to the date the District made the payments. We found no exceptions.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2017 and one payroll check for five employees from 2016 from the Paycor reports and:
 - a. We compared the hours and pay rate, or salary recorded in the Paycor reports to supporting documentation (timecard, legislatively approved rate or salary). We noted the District has not formally approved pay rates for its employees. In addition, timecards were not maintained for any employee.
 - b. We inspected the fund and account code to which the check was posted to determine the posting was reasonable based on the employees' duties as documented in the employees' personnel files. We also confirmed the payment was posted to the proper year. We found no exceptions.

Payroll Cash Disbursements (Continued)

2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2017 to confirm whether remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2017. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes, Medicare & Social Security	January 16, 2018	January 16, 2018	\$294	\$294
State income taxes	January 31, 2018	January 31, 2018	39	39
Local income tax	January 12, 2018	January 12, 2018	100	100

Non-Payroll Cash Disbursements

1. From the Profit and Loss Detail Report, we re-footed checks recorded as General Fund disbursements for *general government*, and checks recorded as *capital outlay* in the District's General Fund for 2017. We found no exceptions.
2. We haphazardly selected ten disbursements from the Check Detail Report for the year ended December 31, 2017 and ten from the year ended December 31, 2016 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Check Detail Report and to the names and amounts on the supporting invoices. We found one disbursement in which the returned, canceled check could not be provided.
 - c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.

Compliance

Ohio Rev. Code Section 117.38 requires these districts to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, in addition to filing extensions granted for extenuating circumstances, allow for refile complete financial statements, as defined in AOS Bulletin 2015-007 in the HINKLE System for December 31, 2017 and 2016 fiscal year ends included in 2015-2016 or 2016-2017 agreed up on procedure engagements, subsequent to the District's deadline where the initial filing was filed on time but incomplete. We confirmed the District filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2017 and 2016 in the HINKLE system. Financial information for the years ended December 31, 2017 and 2016 was filed on May 4, 2018 and May 22, 2017, which was not within the allotted timeframe. The District is required to maintain an "active" status with the Secretary of State to operate. In order to maintain an "active" status the District must file annual financial statements. We inspected the Secretary of State's website and confirmed the District is in "active" status. There were no exceptions.

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 to provide assistance in the evaluation of the District's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2017 and 2016, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State

Columbus, Ohio

June 26, 2018



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COVENTRY VILLAGE SID OF CLEVELAND HEIGHTS/ INC.

CUYAHOGA 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
JULY 10, 2018