



Dave Yost • Auditor of State





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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Downtown Toledo Improvement District, Inc.  
Lucas County  
300 Madison Avenue, Suite 0110  
Toledo, Ohio 43604

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and the district officers, district members and directors and their designees or proxies, herein governing of the Downtown Toledo Improvement District, Inc., Lucas County, Ohio (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 and Investments

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 Reconciliation Detail to the December 31, 2015 balances in the prior year audited statements. 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 General Ledgers account code 2580 (checking account) and 1000 (investment account). The amounts agreed.
4. We confirmed the December 31, 2017 bank account balances with the District's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2017 bank reconciliation without exception.
5. We selected all three reconciling debits (such as outstanding checks) haphazardly from the December 31, 2017 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statement. 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.

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.

**Other Confirmable Cash Receipts - District Assessments**

We confirmed the assessment amounts paid from the City of Toledo to the District during 2017 and 2016, with the City of Toledo. We found the District is not recording assessments gross of Delinquent Tax and Assessment (DTAC) fees. This resulted in errors of \$1,806 and \$2,938 that should have been included as revenues and expenses for 2017 and 2016, respectively. The District should record assessment revenue at gross and then expense the DTAC fees.

- a. We inspected the Deposit Registers to determine whether the receipts were recorded in the proper year. We found no exceptions.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for all three employees from 2017 and one payroll check for all two employees from 2016 from the Payroll Register Processing Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Process Report to supporting documentation (timecard, legislatively approved rate or salary). We found that the Office Manager's pay rate is not approved by the Board; rather, it is only discussed at the Executive Committee meetings which do not have minutes. The District should maintain approved evidence of Office Manager's pay rate.
  - 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 minute record and job descriptions. We also confirmed the payment was posted to the proper year. We found no exceptions.
2. For any new employees selected in procedure 1 we inspected the employees' personnel file and minutes for the following information and compared it with the information used to compute gross and net pay related to this check:
  - a. Name
  - b. Authorized salary or pay rate
  - c. Department and fund to which the check should be charged
  - d. Federal, State and Local income tax withholding authorization and withholding

We found no exceptions related to procedures a. – d. above.

3. 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:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes and Medicare	January 31, 2018	January 4, 2018	\$3,768.85	\$3,768.85
State income taxes	January 31, 2018	January 16, 2018	437.33	437.33
Local income tax	January 16, 2018	January 16, 2018	432.84	432.84

### **Non-Payroll Cash Disbursements**

We haphazardly selected ten disbursements from the Check Register 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 in 2016. In 2017 one payment of \$42.80 did not include the itemized receipt. The District should ensure that all payments made by the District include an itemized receipt to determine what the purchase was made for. Because we did not test all non-payroll disbursements, our report provides no assurance whether or not other similar errors occurred.
- 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 Register Report and to the names and amounts on the supporting invoices. We found no exceptions.
- 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.

### **Other 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 refiling 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. Financial information was filed on May 30, 2017 and August 29, 2018 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.

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Lucas County  
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Applying Agreed-Upon Procedures  
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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 style with a large, looping initial "D".

**Dave Yost**  
Auditor of State

Columbus, Ohio

October 23, 2018



# Dave Yost • Auditor of State

**DOWNTOWN TOLEDO IMPROVEMENT DISTRICT, INC.**

**LUCAS 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  
NOVEMBER 8, 2018**