



OHIO AUDITOR OF STATE
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Downtown Toledo Special 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 Special Improvement District, 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, 2019 and 2018 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, 2019 and 2018 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, 2019 and December 31, 2018 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2018 beginning fund balances recorded in the 2018 General Ledger to the December 31, 2017 balances in the prior year documentation in 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, 2019 and 2018 fund cash balances reported in the General Ledgers account code 2580 (checking account) and 1000 (investment account) and the financial statements filed by the District in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2019 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, 2019 bank reconciliation without exception.

Confirmable Cash Receipts – District Assessments

We confirmed the assessment amounts paid from the City of Toledo to the District during 2019 and 2018, with the City of Toledo.

- a. We traced the gross receipts from the City of Toledo to the amount recorded in the Detailed P&L ledgers. The amounts were posted at net rather than gross. This resulted in errors of \$6,638 and \$6,264 that should have been included as receipts and disbursements for 2019 and 2018, respectively. Assessment amounts should be posted at the gross amounts with a corresponding expenditure to record the Delinquent Tax and Assessment and Auditor fees charged.
- b. We inspected the Detailed P&L ledgers to confirm whether the receipts were recorded in the proper year. We found no exceptions.

Non-Payroll Cash Disbursements

We selected 10 disbursements from the Detailed P&L ledger for the year ended December 31, 2019 and 10 from the year ended December 31, 2018 and determined whether:

- a. The disbursements were for a proper public purpose. We noted one payment of \$520 for a credit card bill payment did not include the itemized receipts for \$495 of the items purchased during 2018. This credit card payment was made in January 2018 for purchases made at the end of 2017. It was noted that as of January 1, 2018 the credit card was cancelled. The District should implement controls to help ensure adequate supporting documentation is obtained and retained for all disbursements. Because we did not inspect all disbursements, our report provides no assurance whether or not additional 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 Detailed P&L ledgers and to the names and amounts on the supporting invoices. We noted one exception where the June 2018 service payment in the amount of \$55,000 payable to the Downtown Toledo Development Corporation was incorrectly paid to the Toledo Design Corporation. The error was noted by the District and proper payment for June was issued to the Downtown Toledo Development Corporation by the Toledo Design Corporation. The District should ensure that all payments made by the District are paid to the correct vendors. Because we did not inspect all disbursements, our report provides no assurance whether or not additional similar errors occurred.
- 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.

Sunshine Law Compliance

1. We inquired with District management and determined that the District did not have a public records policy during the engagement period as required by Ohio Rev. Code § 149.43(B)(7)(c).
2. We inquired with District management and determined that the District did not have any completed public records requests during the engagement period.
3. We inquired with District management and determined that the District did not have any denied public records requests during the engagement period.
4. We inquired with District management and determined that the District did not have any public records requests with redactions during the engagement period.

5. We inquired with District management and determined that the District did not have a records retention schedule during the engagement period and therefore could not make it readily available to the public as required by Ohio Rev. Code § 149.43(B)(2).
6. We inquired with District management and determined that the District did not have a public records policy during the engagement period therefore could not provide it to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2).
7. We inquired with District management and determined that the District did not have a public records policy during the engagement period therefore it could not be included in a policy manual as required by Ohio Rev. Code § 149.43(E)(2).
8. We inquired with District management and determined that the District did not have a public records policy during the engagement period therefore it could not be displayed in all the branches of the District as required by Ohio Rev. Code § 149.43(E)(2).
9. We inquired with District management and determined that the District did not have any applications for record disposal submitted to the Records Commission during the engagement period.
10. We inquired with District management and determined that the District did not have any elected officials subject to the Public Records Training requirements during the engagement period as required by Ohio Rev. Code §§ 149.43(E)(1) and 109.43(B).
11. We inspected the public notices for the public meetings held during the engagement period and determined the District notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We were unable to locate any public notices for the annual public meeting of the District's Board for 2018.
12. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
 - a. Prepared – a file is created following the date of the meeting
 - b. Filed – placed with similar documents in an organized manner
 - c. Maintained - retained, at a minimum, for the engagement period
 - d. Open to public inspection – available for public viewing or request.We found no exceptions.
13. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
 - a. Executive sessions were only held at regular or special meetings.
 - b. The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code Section 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.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, regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. Financial information was filed on May 20, 2019 and on July 23, 2020 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, 2019 and 2018, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

September 23, 2020

OHIO AUDITOR OF STATE KEITH FABER



DOWNTOWN TOLEDO IMPROVEMENT DISTRICT, INC.

LUCAS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 10/13/2020

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This report is a matter of public record and is available online at
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