



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Gordon Square Arts District - Cleveland Improvement Corporation
Cuyahoga County
6516 Detroit Avenue, Suite 1
Cleveland, Ohio 44102

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 Gordon Square Arts District - Cleveland Improvement Corporation (the District) on the receipts, disbursements and balances recorded in the District's 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 General Ledger Report to the December 31, 2015 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, 2017 and 2016 fund cash balances reported in the General Ledger Report. The District had reconciliations performed as of January 5, 2018 and 2017, the dates of the bank statements. Transactions sometimes occurred between December 31 and January 5 of each year, which should have been reconciled to the December 31 balance. We recommend the District perform reconciliations at the end of every month and agree balances to monthly bank statements and the General Ledger Report.
4. We observed the year-end bank balance on the financial institution's website. The balance agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2017 bank reconciliation without exception.

Confirmable Cash Receipts

1. We confirmed the tax amounts paid from the City of Cleveland to the District during 2017 and 2016, with the City. We found exceptions.
 - a. We inspected the General Ledger Report to determine whether the receipts were recorded in the proper year. We found in 2017, the April receipt of \$75,845 was not recorded when received. The District recorded a receipt of \$62,750 in June as the 1st half installment. Thus, the total amount recorded was \$13,095 less than the amount received and deposited. An adjustment was made to the system in December 2019. We recommend the District post its revenue when the funds are received and deposited, or clearly marked as a receivable if posted in anticipation of future revenues, and reconcile the General Ledger Report to ensure posting agrees to what was received.
2. As required by Resolution from the City of Cleveland, we inspected the General Ledger Report for 2017 and 2016 to inspect whether each year included all semi-annual receipts from the City of Cleveland. We found no exceptions.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the General Ledger Report for the year ended December 31, 2017 and ten from the year ended 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 in the General Ledger Report agreed to the names and amounts on the supporting invoices. Canceled checks could not be provided by the financial institution. As an alternative procedure, we traced the check number, check date and amount to the bank statement for both years. 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 October 3, 2019 for both years, which was not within the allotted timeframe.

The District has responded to issues discussed in this report. You may obtain a copy of their response from Nina Woolf, Chief Financial Officer by contacting the District at 216-961-4242.

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.

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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 "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State

Columbus, Ohio

January 29, 2020

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OHIO AUDITOR OF STATE KEITH FABER



GORDON SQUARE ARTS DISTRICT – CLEVELAND IMPROVEMENT CORPORATION

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
FEBRUARY 11, 2020**