



OHIO AUDITOR OF STATE
KEITH FABER



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88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

BASIC AUDIT REPORT

Coshocton-Tuscarawas Joint Economic Development District
Coshocton County
760 Chestnut Street
Coshocton, Ohio 43812

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of the Coshocton-Tuscarawas Joint Economic Development District, Coshocton County, Ohio (the District), for the years ended December 31, 2022 and 2021.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code § 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, 2022 and 2021.

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

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

Current Year Observations

1. **Ohio Rev. Code § 149.43(E)(2)** requires all public offices take certain actions with regard to their public record policy. Public offices must distribute their Public Records Policy to the employee who is the records custodian/manager or otherwise has custody of the records of that office and have that employee acknowledge receipt of the Public Records Policy.

Ohio Rev. Code § 149.43(B)(2) requires the entity to have available a copy of its current records retention schedule at a location readily available to the public.

Although the District has established a public records policy, there is no written acknowledgement of receipt from the records custodian/manager. Also, the District has not established a records retention policy that identifies the provisions for the application or schedule of destruction of public records, including transmission to the Ohio Historical Society and approval by the Auditor of State's Office. As a result, there was an increased risk that records could be destroyed without obtaining the approval of the Ohio Historical Society and Auditor of State of Ohio as required.

The District shall distribute the public records policy to the records custodian/manager and the District should have a written acknowledgement of receipt from the records custodian/manager.

The District should also establish a records retention policy to include procedures used in the destruction of public records. This will help to ensure that all public records are properly accounted for by the District and reduce the risk that the District records are mutilated or destroyed prior to an authorized time.

Current Year Observations (Continued)

2. Coshocton-Tuscarawas Joint Economic Development District Contract Section 9(B) states that an amount equal to ten percent (10%) of excess revenue shall be paid to the Project Fund. Also, Section 9(D) states that the Port Authority shall establish for the account of the JEDD, and manage on behalf of the JEDD, a Project Fund to be administered in accordance with this Section 9(D) and held by a banking institution determined by the Port Authority in its discretion to be qualified to serve in such capacity. Monies available in the Project Fund, including interest accrued thereon, shall be used to pay costs of capital improvements supporting economic development within the District. The Port Authority shall establish a grant application and shall solicit proposals for Project Fund assistance each year, beginning in calendar year 2023. Eligible recipients of Project Fund assistance shall include the City, the Port Authority, and the Township. Eligible capital improvements shall include, but not be limited to, broadband infrastructure, fire/EMS equipment, roadway, water, and sewer improvements benefitting the District. Proposals may be submitted at any time to the Board, with copies provided (electronically or otherwise) to each of the City, the Port Authority, and the Township. Upon receipt of a proposal, the Board, the Board shall schedule a meeting to review whether to provide Project Fund assistance in response to the proposal. Board meetings to review Project Fund proposals shall be scheduled no more than once per calendar quarter and upon at least thirty (30) days' notice to the City, the port Authority, and the Township. After providing notice, but before the meeting, the Board shall accept for review any additional proposals for Project Fund assistance from the City, the Port Authority, and the Township. The Board shall take into account the economic development benefits anticipated from capital improvements to be funded with Project Fund assistance and may set the terms of any such assistance in its discretion, provided that such terms shall not be inconsistent with this Agreement or the Act. The Board shall be under no obligation to provide Project Fund assistance in any year.

The City of Coshocton properly disbursed 10% of the excess revenue to the Port Authority for the Project Fund. However, as the District Board has the authority over how the Project Fund monies are to be spent, these monies should be reported by the District and included in the ending cash balance as of December 31, 2022 and December 31, 2021. However, the Project Fund money was reflected as disbursed on the Hinkle filed financial statements. This resulted in an overstatement of expenditures and an understatement of ending cash balance of \$22,493 and \$18,671 on the JEDD's financial statements as of December 31, 2022 and 2021, respectively. Additionally, there was an overstatement of expenditures identified during the prior basic audit, resulting in an understatement of the opening fund balance as of January 1, 2021 in the amount of \$13,761. The cumulative results of these errors result in an understatement of ending cash balance at December 31, 2022 of \$54,925.

The JEDD should ensure that the financial statements properly reflect the actual JEDD disbursements and ending fund balance including any unspent Project Fund monies. This will reduce the risk of monies being spent improperly and misstatements of the financial statements occurring.



Keith Faber
Auditor of State
Columbus, Ohio

June 20, 2023

OHIO AUDITOR OF STATE KEITH FABER



COSHOCTON-TUSCARAWAS JOINT ECONOMIC DEVELOPMENT DISTRICT

COSHOCTON 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 7/6/2023

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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