



Dave Yost • Auditor of State



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October 2, 2018

Route 20 Joint Economic Development District
Ashtabula County
4717 Main Avenue
Ashtabula, Ohio 44004

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Route 20 Joint Economic Development District, Ashtabula County, (the District) for the years ended December 31, 2017 and 2016.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 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, 2017 and 2016.

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

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

Current Year Observations

1. The City of Ashtabula – Saybrook Township State Road and Route 20 JEDDs revenue and expenditures are co-mingled in Agency Fund 801. We found that while the revenue agreed in total, the Saybrook JEDD's financial report was \$338 under-reported and the Route 20 report was over-reported \$338 when compared to revenue documentation. The Route 20 and State Road JEDDs should have separate Agency funds as they are legally separate entities. This practice will also reduce the risk of errors and increase transparency and accountability.
2. We examined the bank reconciliation prepared as of December 31, 2017. It was included as part of the City of Ashtabula's bank reconciliation. The District Agency fund 801 is included as part of the City of Ashtabula's bank reconciliation and money is co-mingled in the City's General bank account. The District should establish a separate bank account for each JEDD and perform a separate reconciliation independent of the City's bank reconciliation. The City can incorporate the separate reconciliations into its overall accounting system bank reconciliation.

3. We noted the income taxes are being collected and distributed. However, we found some income tax collections require an additional breakdown of amounts recorded in income tax collection software to segregate the regular City income tax payment due to the City and amount due to the District. This condition resulted in the 2016 revenue ledger recording \$18,761 (State Road and Route 20) instead of the amount reported on the financial statements of \$30,733. The \$11,972 difference was posted in the 2017 revenue ledger. We noted the JEDD had overpaid the City's Waste Water fund allocation by \$1,532 in the 2016 distribution. This error was corrected and repaid to the JEDDs (administrative fees) in August of 2018. Additionally, the 2017 revenue ledger had recorded \$38,013 in revenue (State Road and Route 20) instead of the amount reported on the financial statements of \$43,471. The \$5,458 difference was posted in the 2018 revenue ledger.

Reporting and posting of revenue and expenditures by the tax year to which it applies extends the reporting period into the subsequent year before fully settled, resulting in differences between the annual financial reports and supporting revenue and expenditure ledgers. We recommend the Fiscal Officer consider distributing only the amount posted to the revenue ledger as current fiscal year revenue and reporting the same in the financial statements, regardless of tax collection year the revenue may apply (applicable tax year can be noted in revenue ledger).

4. We noted the most recent bank reconciliation performed was as of February 28, 2018. The District should perform reconciliations in a timely fashion monthly. The District should also reconcile to the individual JEDD Agency funds monthly.



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ROUTE 20 JOINT ECONOMIC DEVELOPMENT DISTRICT

ASHTABULA 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
OCTOBER 16, 2018**