



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



One First National Plaza  
130 West Second Street, Suite 2040  
Dayton, Ohio 45402-1502  
(937) 285-6677 or (800) 443-9274  
WestRegion@ohioauditor.gov

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

Miami Township – City of Dayton Joint Economic Development District  
Montgomery County  
2700 Lyons Road  
Miamisburg, Ohio 45342

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Miami Township – City of Dayton Joint Economic Development District (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

1. We recalculated the December 31, 2019 and December 31, 2018 bank reconciliations. The District listed check number 1123 in the amount of \$1,174 outstanding at December 31, 2019. However, the check was not reduced from the bank balance to arrive at the year-end book balance. This error in bank reconciliation resulted in the December 31, 2019 fund balance on the financial statements being overstated by \$1,174 while cash disbursements were understated by the same amount.
2. We agreed the January 1, 2018 beginning fund balances recorded in the Treasurer's Report Activity to Date for 2018 to the December 31, 2017 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2019 beginning fund balances recorded in the Treasurer's Report Activity to Date to the December 31, 2018 balances in the Treasurer's Report Activity to Date. 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 Treasurer's Report Activity to Date for 2019 and 2018 and the financial statements filed by the District in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2019 bank account balance for the District through the Ohio Pooled Collateral System. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2019 bank reconciliation without exception.

### **Cash (Continued)**

5. We selected the only reconciling debit (such as outstanding check) from the December 31, 2019 bank reconciliation:
  - a. We traced the debit to the subsequent January bank statement. We found no exceptions.
  - b. We traced the amount and date to the Treasurer's Report Activity to Date, to determine the debit was dated prior to December 31. There were no exceptions.

### **Income Taxes**

1. We confirmed the income tax amounts paid from the City of Dayton to the District during 2019 and 2018. We found no exceptions.
  - a. We inspected the Treasurer's Report Activity to Date to determine the receipts were recorded in the proper year. We found no exceptions.
2. As required by Section 3 of the Collection Services Agreement, we inspected the Treasurer's Report Activity to Date 2019 and 2018 to determine whether each year included all four quarterly receipts from the City of Dayton. We noted three receipts during 2018 and five receipts during 2019. Section 3 of the Collection Services Agreement requires the City of Dayton to remit income tax collections to the District within thirty (30) days after the close of calendar quarter. The City was late in remitting income taxes to the District throughout 2019 and 2018. The District should require the City to remit income taxes in accordance with the Collection Services Agreement. This would allow the District to maximize its return on investments.

### **Debt**

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2017.
2. We inquired of management, and inspected the Treasurer's Report Activity to Date for evidence of debt issued during 2019 or 2018 or debt payment activity during 2019 or 2018. We noted no new debt issuances, nor any debt payment activity during 2019 or 2018.

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

1. From the Treasurer's Report Activity to Date, we re-footed checks recorded as disbursements for 2019 and 2018. We found no exceptions.
2. We selected 10 disbursements from the Treasurer's Report Activity to Date for the year ended December 31, 2019 and 10 from the year ended 2018 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 on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Treasurer's Report Activity to Date and to the names and amounts on the supporting invoices. We noted two instances where the check cleared the bank before the date it was posted on Treasurer's Report Activity to Date. Policies and procedures should be established and implemented to verify that checks are properly posted on the District's accounting records. Failure to do so could result in the District's expenditures being reported in the wrong period on the financial statements.
  - 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.

## **Compliance – Bylaws**

We confirmed District income taxes collected were disbursed 50% to the Township and 50% to the City as required by Section 1J of the 2017 Amended and Restated Contract. We found no exceptions.

## **Sunshine Law Compliance**

1. We obtained and inspected the District's Public Records Policy to determine the policy did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.
2. We selected all public records requests from the engagement period and inspected each request to determine the District was compliant and responded to the request in accordance with their adopted policy. We found no exceptions.
3. We inquired with the District management and determined that the District did not deny any public records requests during the engagement period.
4. We inquired with the District management and determined that the District did not have any redacted public records requests during the audit period.
5. We inquired whether the District has a records retention schedule, and observed that it is readily available to the public. We found no exceptions.
6. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager. Ohio Rev. Code §149.43(E)(2) requires the public records custodian to acknowledge receipt of the copy of the public records policy. There was no indication that the District's public records custodian acknowledged the receipt of the public records policy.

Policies and procedures should be established and implemented to verify District's compliance with the open records provisions of the Ohio statute. Public records custodian is responsible for processing all the public record requests for the agency and their familiarity with the District's policy allows them to correctly and timely process the request. The records custodian should be provided with a copy of the District's public records policy and an acknowledgement should be obtained and kept on file. Failure to do so could result in errors and/or delays in processing public records request and the District being subject to expensive legal proceedings

7. We observed that the District's poster describing their Public Records Policy was displayed conspicuously in all branches of the District. We found no exceptions.
8. We inquired with the District's management and determined that the District did not have any applications for record disposal submitted to the Records Commission during the engagement period.
9. 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.
10. 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 are to be held. We found no exceptions.

### **Sunshine Law Compliance (Continued)**

11. We inspected the minutes of public meetings during the engagement period 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.

12. We inspected the minutes from the engagement period 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 one instance where the Board entered into an executive session without disclosing the purpose of going into an executive session. Policies and procedures should be established and implemented to verify that the District follows all requirements under Ohio Rev. Code Section 121.22(G) when entering into an executive session. Failure to do so could result in the courts requiring the District to disclose confidential items discussed during executive sessions or the District entering into an executive session for an unallowable purpose.

### **Other Compliance**

1. Ohio Rev. Code Section 117.38 requires 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. We confirmed the District filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2019 and 2018 in the Hinkle system. Financial information for 2018 was filed on February 19, 2020 which was not within the allotted timeframe.

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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This report is to provide assistance in it's 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.

A handwritten signature in black ink, reading "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State  
Columbus, Ohio

June 5, 2020

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# OHIO AUDITOR OF STATE KEITH FABER



**MIAMI TOWNSHIP – CITY OF DAYTON JOINT ECONOMIC DEVELOPMENT DISTRICT  
MONTGOMERY 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  
JUNE 25, 2020**