



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Harrison Township – City of Harrison Joint Economic Development District
Hamilton County
300 George Street
Harrison, Ohio 45030

We have performed the procedures enumerated below on the Harrison Township – City of Harrison Joint Economic Development District's (the District) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2020 and 2019 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, 2020 and 2019 and certain compliance requirements related to these transactions and balances included in the information provided to us by the District.

The Board of Trustees and the management of the District have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing 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, 2020 and 2019, and certain compliance requirements related to these transactions and balances. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the 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.

For the purposes of performing these procedures, this report only describes exceptions exceeding \$10.

The procedures and the associated findings are as follows:

Cash

1. We recalculated the December 31, 2020 and December 31, 2019 bank reconciliations. Additionally, the City of Harrison is custodian for a portion of the District's deposits and therefore the City holds those District's assets. We compared the District's fund balances reported on its December 31, 2020 annual report to the balances reported in the bank reconciliations and the City's accounting records. The recalculated balances exceeded the annual report balance by \$60,238 for December 31, 2020 and by \$192,501 for December 31, 2019 due to the omission of the deposits held by the District's custodian.

The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The Fiscal Officer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Board and/or other administrator are responsible for reviewing the reconciliations and related support.

Failure to reconcile monthly increases the possibility that the District will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

The Fiscal Officer should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. In addition, the Board should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews

2. We agreed the January 1, 2019 beginning fund balances recorded in the 2019 annual report to the December 31, 2018 balances in the prior year Agreed-Upon Procedures working papers and to the Receipt and Payment ledger. We found no exceptions. We also agreed the January 1, 2020 beginning fund balances for each fund recorded in the 2020 annual report to the Receipt and Payment Ledger to the December 31, 2019 annual report. We found no exceptions.

Income Taxes

1. We obtained and inspected the amendment to the District contract, noting the City is the Income Tax Administrator for the District and is required to record the Township's portion of the income taxes collected in the District agency fund and the City's portion of the income taxes collected into the City's general fund. We found no exceptions.
2. We confirmed the District income tax collections made by RITA to determine the completeness of total District collections. No exceptions were noted.
3. We inspected the City's recording of District income tax collections confirmed with RITA to determine if:
 - a. these receipts were properly allocated by the City to the City's general and District agency funds. No exceptions noted.
 - b. the receipts were recorded in the proper year. No exceptions noted
4. We agreed the total amount of District income tax collections to the tax revenue amount reported on the District financial statements submitted in the Hinkle system. The amounts agree.
5. As required by Section 11 of the Agreement, we inspected the City's Detail Revenue Transactions report for the District agency fund for 2020 and 2019 to confirm it included all required receipts from the City for subsequent disbursement to the Township. We found no exceptions.

Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2018.
2. We inquired of management, and inspected the Receipt and Payment Ledger for evidence of debt issued during 2020 or 2019. We noted no new debt issuances, nor any debt payment activity during 2020 or 2019.

Non-Payroll Cash Disbursements

1. From the check register, we re-footed checks recorded as General Fund disbursements for *general government* in the General fund for 2020. We found no exceptions.
2. We selected all four disbursements from the check register for the year ended December 31, 2020 and all six from the year ended 2019 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 Receipt and Payment Ledger and to the names and amounts on the supporting invoices. 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.

Compliance – Bylaws

We confirmed District income taxes collected were disbursed at 50% to the Township and 50% to the City as required by section 11 of the Agreement. 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(E)(2).
2. We inquired with District management and determined that the District did not have any completed public records requests during the engagement period.
3. The District did not have any denied public records requests during the engagement period. The District did not have any public records requests with redactions during the engagement period.
4. 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).
5. 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).
6. We inquired with District management and determined that the District did not have a policy manual during the engagement period therefore the public records policy could not be included 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 displayed in all the branches of the District as required by Ohio Rev. Code § 149.43(E)(2).
8. 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.

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 as required by Ohio Rev. Code §§ 149.43(E)(1) and 109.43(B).
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 were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
11. 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.

12. 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 § 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.

We found no exceptions.

Other Compliance

Ohio Rev. Code § 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, 2020 and 2019 in the Hinkle system. There were no exceptions.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review engagement, 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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We are required to be independent of the District and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed upon procedures engagement.

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
September 20, 2021

OHIO AUDITOR OF STATE KEITH FABER



**HARRISON TOWNSHIP - CITY OF HARRISON JOINT ECONOMIC DEVELOPMENT DISTRICT
HAMILTON 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 10/12/2021

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This report is a matter of public record and is available online at
www.ohioauditor.gov