



OHIO AUDITOR OF STATE
KEITH FABER



OHIO AUDITOR OF STATE KEITH FABER



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

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Economic Development and Finance Alliance of Tuscarawas County
Tuscarawas County
339 Oxford Street
Dover, Ohio 44622

We have performed the procedures enumerated below on the Economic Development and Finance Alliance of Tuscarawas County's (the Alliance) revenue transactions (including receivables and cash receipts), cash disbursements and balances recorded in the 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 management of the Alliance. The Alliance is responsible for the revenue transactions (including receivables and cash receipts), cash disbursements and balances recorded in the 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 Alliance.

The Board of Directors and the management of the Alliance have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the Alliance's revenue transactions (including receivables and cash receipts), cash disbursements and balances recorded in their 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. We found no exceptions.
2. We agreed the January 1, 2019 beginning cash balance recorded in the General Ledger Report to the December 31, 2018 balance in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2020 beginning cash balance recorded in the General Ledger Report to the December 31, 2019 balance in the General Ledger Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2020 and 2019 fund cash balance reported in the General Ledger Report and the financial statements filed by the Alliance in the Hinkle System. The amounts agreed.

Cash (Continued)

4. We confirmed the December 31, 2020 bank account balances with the Alliance's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2020 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2020 bank reconciliation:
 - a. For three of the five reconciling debits, we traced each debit to the subsequent January bank statement. For one out of five reconciling debits, we traced the debit to the subsequent August reconciliation and accounting system. The debit was voided by the Alliance and was removed from the reconciliation in August 2021. For one out of five reconciling debits, we traced the debit to the subsequent August bank reconciliation. The debit was still a reconciling debit. We found no other exceptions.
 - b. We traced the amounts and dates to the check register and determined the debits were dated prior to December 31. There were no exceptions.
6. We selected all reconciling credits (such as deposits in transit) from the December 31, 2020 bank reconciliation:
 - a. We traced each credit to the subsequent January bank statement. We found no exceptions.
 - b. We agreed the credit amounts to the General Ledger Report and determined they were dated prior to December 31. We found no exceptions.

Other Confirmable Revenue/Receivable Transactions

1. We confirmed the \$200,000 Intergovernmental Revenue from the Tuscarawas County Transportation Improvement District to the Alliance during 2020 with the Ohio Department of Transportation. We found no exceptions.
 - a. We inspected the General Ledger Report to determine whether these revenues were allocated to the proper fund. We found no exceptions.
 - b. We inspected the General Ledger Report to determine whether the revenues were recorded in the proper year. We found no exceptions.
 - c. We inspected the February 2021 bank statement and determined the amount was deposited on February 8, 2021.
2. We confirmed the \$706,000 Contributions Revenue from ProVia to the Alliance during 2020 with ProVia. We found no exceptions.
 - a. We inspected the General Ledger Report to determine whether these revenues were allocated to the proper fund. We found no exceptions.
 - b. We inspected the General Ledger Report to determine whether the revenues were recorded in the proper year. We found no exceptions.
3. We confirmed the \$1,300,000 Capital Contributions (non-cash) Revenue appraisal amount from the Charles G. Snyder Company to the Alliance during 2020 with the Charles G. Snyder Company. We found no exceptions.
 - a. We inspected the General Ledger Report to determine whether these revenues were allocated to the proper fund. We found no exceptions.
 - b. We inspected the General Ledger Report to determine whether the revenues were recorded in the proper year. We found no exceptions.

Rent Revenue Transactions

We selected 10 rent revenue transactions (including receivables and revenues) from the year ended December 31, 2020 and 10 rent revenue transactions (including receivables and revenues) from the year ended 2019 recorded in the General Ledger Report and:

- a. Confirmed the amounts charged complied with rates in force during the period. We found seven instances in 2020 and four instances in 2019 where the Alliance charged tenants for additional or reduced square footage of rent or office space based on verbal agreements, however the lease agreement between the Alliance and tenant was not revised. We found no other exceptions. However, because we did not inspect all rent revenue transactions, our report provides no assurance regarding whether or not other similar errors occurred.
- b. Inspected the General Ledger Report to determine the revenue (including receivables and revenues) was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

Furthermore, for 2 out of 10 rent revenue transactions (including receivables and revenues) selected in 2020, the Alliance had a tenant that did not pay the rent they were billed for nor did the Alliance attempt to collect the rent owed to them.

Other Receipts

We selected 10 other receipts from the year ended December 31, 2020 and 10 other receipts from the year ended 2019 and:

- a. Agreed the receipt amount in the General Ledger Report to supporting documentation. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period. We found one instance in 2019 for a permit fee application that was determined to be overcharged by \$52 due to mathematical errors made on the permit application. We found no other exceptions. However, because we did not inspect all other receipts, our report provides no assurance regarding whether or not other similar errors occurred.
- c. Inspected the General Ledger Report to determine the receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

Charges for Services Revenue/Receivable Transactions

1. We selected 10 charges for services revenue transactions (including receivables and revenues) from the year ended December 31, 2020 and 10 charges for services revenue transactions (including receivables and revenues) from the year ended 2019 recorded in the General Ledger Report and determined whether the:
 - a. Revenue amount per the General Ledger Report agreed to the amount recorded to the credit of the customer's account in the General Ledger Report. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the General Ledger Report for the billing period. We found no exceptions.
 - ii. Complied with rates in force during the audit period multiplied by the weight and labor amounts recorded for the billing period, plus any applicable late penalties, plus unpaid prior billings. We found 10 instances in 2020 and 10 instances in 2019 where the Alliance either charged the incorrect rates or rates that were not outlined in the warehouse agreement in effect for 2020 and 2019. We found no other exceptions. However, because we did not inspect all charges for services revenue transactions, our report provides no assurance regarding whether or not other similar errors occurred.
 - c. Revenue was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

Charges for Services Revenue/Receivables Transactions (Continued)

2. We observed the AR Aging Report.
 - a. This report listed \$262,832 and \$111,645 of accounts receivable as of December 31, 2020 and 2019, respectively.
 - b. Of the total receivables reported in the preceding procedure, \$157,853 and \$17,415 were recorded as more than 90 days delinquent.
3. We observed the General Ledger Report.
 - a. This report listed \$0 and \$0 non-cash revenues adjustments for the years ended December 31, 2020 and 2019, respectively.

Debt

1. From the prior audit documentation, we observed the following loans were outstanding as of December 31, 2018. These amounts agreed to the Alliance's January 1, 2019 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2018:
Loans Payable – First National Bank of Dennison	\$1,159,933
Loans Payable – First National Bank of Dennison	815,683

2. We inquired of management, and inspected the General Ledger Report for evidence of debt issued during 2020 or 2019 or debt payment activity during 2020 or 2019. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of loans debt activity for 2020 and 2019 and agreed principal and interest payments from the related loan statements to enterprise fund payments reported in the General Ledger Report. We also compared the date the debt service payments were due to the date the Alliance made the payments. During 2020 and 2019, the interest payments recorded in the Alliance's debt summary did not agree to the interest paid by the Alliance in accordance with the monthly loan statements. Furthermore, the amount of interest paid by the Alliance did not agree to the loan statement for one payment made in 2020, resulting in an \$87 underpayment of interest. Finally, we found six instances in 2020 and six instances 2019 where the debt service payment was made subsequent to the due date, resulting in total late fees paid of \$35.
4. For new debt issued during 2019, we inspected the debt legislation, which stated the Alliance must use the proceeds to purchase a building and property. We inspected the General Ledger Report and observed the Alliance purchased a building and property in June of 2019.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2020 and one payroll check for five employees from 2019 from the General Ledger Report and:
 - a. We compared the hours and pay rate, or salary recorded in the General Ledger Report to supporting documentation (timecard, legislatively approved rate or salary).
 - i. We inspected the employees' personnel files for the Retirement system, Federal, State & Local income tax withholding authorization.
 - ii. We agreed these items to the information used to compute gross and net pay related to this check.

Payroll Cash Disbursements (Continued)

We found five instances in 2020 and five instances in 2019 where the employees' pay rates or salaries were not formally approved by the Alliance's Board of Directors. Because we did not select all employees, our report provides no assurance whether or not other similar errors occurred.

- b. We inspected the fund and account code to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the employees' personnel files. We found no exceptions.
 - c. We confirmed the payment was posted to the proper year. We found no exceptions.
2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2020 to confirm remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2020. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2021	December 18, 2020	\$3,273	\$3,273
State income taxes	January 31, 2021	January 14, 2021	\$977	\$977
City of Dover income tax	January 15, 2021	January 14, 2021	\$367	\$367
City of New Philadelphia income tax	January 15, 2021	January 14, 2021	\$142	\$142
OPERS retirement	January 30, 2021	January 29, 2021	\$8,281	\$8,281

Non-Payroll Cash Disbursements

We selected 10 cash disbursements transactions from the General Ledger Report for the year ended December 31, 2020 and 10 from the year ended 2019 and determined whether:

- a. The cash disbursement transactions 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 General Ledger Report 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 – Budgetary

- 1. Ohio Rev. Code §§ 5705.28(B)(2) and 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code §§ 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2020 and 2019 for the enterprise fund. We observed that enterprise fund expenditures for 2020 and 2019 exceeded total appropriations by \$53,247 and \$495,344, respectively, contrary to Ohio Rev. Code §§ 5705.28(B)(2) and 5705.41(B).

Compliance – Budgetary (Continued)

2. We inspected the General Ledger Report for the years ended December 31, 2020 and 2019 for negative cash fund balance. Ohio Rev. Code § 5705.10(l) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. There were no funds having negative cash fund balances.

Sunshine Law Compliance

1. We inquired with Alliance management and determined that the Alliance did not have a public records policy during the engagement period as required by Ohio Rev. Code § 149.43(E)(2).
2. We selected all public records requests from the engagement period and inspected each request to determine the following:
 - a. For all of the public records requests selected, the Alliance did not respond to the request in accordance with their adopted policy, as the Alliance did not have a public records policy during the engagement period. See the table below.

Date Request Received	Date Request Fulfilled	Policy Response Time (in Business days)	Actual Response Time (in Business days)
11/1/2019	1/20/2020	No Policy	50
6/10/2020	6/10/2020	No Policy	0

- b. The Alliance did not have any denied public records requests during the engagement period.
 - c. The Alliance did not have any public records requests with redactions during the engagement period.
3. We inquired with Alliance management and determined that the Alliance 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).
4. We inquired with Alliance management and determined that the Alliance 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).
5. We inquired with Alliance management and determined that the Alliance did not have a public records policy during the engagement period therefore it could not be included in a policy manual as required by Ohio Rev. Code § 149.43(E)(2).
6. We inquired with Alliance management and determined that the Alliance did not have a public records policy during the engagement period therefore it could not be displayed in all the branches of the Alliance as required by Ohio Rev. Code § 149.43(E)(2).
7. We inquired with Alliance management and determined that the Alliance did not have any applications for record disposal submitted to the Records Commission during the engagement period.

Sunshine Law Compliance (Continued)

8. We inquired with Alliance management and determined that the Alliance 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).
9. We inspected the public notices for the public meetings held during the engagement period and determined the Alliance 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.
10. 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.
11. 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 several instances during 2020 and 2019 where the Board entered into executive session, however the minutes did not indicate the purpose of the executive session as required by Ohio Rev. Code § 121.22(G). We found no other exceptions.

Other Compliance

1. Ohio Rev. Code § 117.38 requires port authorities 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 Alliance filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the year ended December 31, 2019 in the Hinkle system. For the year ended December 31, 2020, the filing due date was June 1, 2021, however financial information was filed on August 16, 2021, which was not within the allotted timeframe.
2. For all credit card accounts we obtained:
 - copies of existing internal control policies,
 - a list(s) of authorized users, and
 - a list of all credit card account transactions.

Other Compliance (Continued)

- a. We inspected the established policy obtained above and determined it is:
- i. in compliance with the HB 312 statutory requirements, and
 - ii. implemented by the entity.
- We found the policy does not include the following items, contrary to HB 312:
- i. the individual serving as the compliance officer;
 - ii. a list of authorized users;
 - iii. procedures for submitting receipts;
 - iv. maximum credit limits;
 - v. actions or omissions by an officer or employee that qualify as misuse of a credit card account; and
 - vi. performing reviews or filing reports on the active number of credit cards and accounts, expiration dates, credit limits, or rewards.
- b. We selected 1 credit card transaction from each credit card account. For selected transactions we inspected documentation to determine that:
- i. Use was by an authorized user within the guidelines established in the policy, and
 - ii. Each transaction was supported with original invoices and for a proper public purpose.
- We found no exceptions. However, the authorized user is not named within the Alliance's policy, as described in step a above.
- c. We selected 3 credit card statements from each credit card account. For selected statements we inspected documentation to determine that:
- i. No unpaid beginning balance was carried forward to the current billing cycle,
 - ii. Ending statement balance was paid in full, and
 - iii. Statement contained no interest or late fees.
- We found no exceptions.

We were engaged by the Alliance 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 Alliance's revenue transactions (including receivables and cash receipts), cash 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.

We are required to be independent of the Alliance 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.



Keith Faber
Auditor of State
Columbus, Ohio

December 21, 2021

OHIO AUDITOR OF STATE KEITH FABER



ECONOMIC DEVELOPMENT AND FINANCE ALLIANCE OF TUSCARAWAS COUNTY

TUSCARAWAS 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 1/6/2022

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

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