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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Boston Township - City of Cuyahoga Falls Joint Economic Development District
Summit County
2310 Second Street
Cuyahoga Falls, Ohio 44221-2583

We have performed the procedures enumerated below, with which the Board of Directors and the management of Boston Township - City of Cuyahoga Falls Joint Economic Development District (the JEDD) agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the year ended December 31, 2015, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. 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*. 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 tested the mathematical accuracy of the City of Cuyahoga Falls December 31, 2015 bank reconciliation which includes the JEDD activity. We found no exceptions.
2. We agreed the adjusted January 1, 2015 beginning fund balance recorded in the City's JEDD Audit Adjustment Journal Entry Report and the Monthly Activity Report, as the City of Cuyahoga Falls 2015 audit noted the City did not maintain a separate fund to account for JEDD activity. As a result, the beginning balance adjustment for January 1, 2015 for the JEDD agency fund totaled \$90,628; however, the JEDD financial statements as submitted in the Hinkle system, noted the balance at January 1, 2015 was \$12,343, resulting in a variance of \$78,285, which consisted of the audit adjustment amount found in the City 2015 audit.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2015 fund cash balances reported in the JEDD Audit Adjustment Journal Entry Report and the Monthly Activity Report, as the City of Cuyahoga Falls 2015 audit noted the City did not maintain a separate fund to account for JEDD activity. As a result, the ending balance adjustment at December 31, 2015 for the JEDD agency fund totaled \$56,943; however, the JEDD financial statements as submitted in the Hinkle system, totaled \$12,097, resulting in a variance of \$44,846, which consisted of the audit adjustment amount found in the City's 2015 audit.

Cash – (Continued)

4. We confirmed the City of Cuyahoga Falls December 31, 2015 bank account balances which includes the JEDD activity. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the City of Cuyahoga Falls December 31, 2015 bank reconciliation without exceptions.

Income Taxes

1. We confirmed the income tax amounts paid from the City of Cuyahoga Falls to the JEDD during 2015, with the City.
 - a. We determined whether these receipts were allocated to the proper fund(s).
 - b. We determined whether the receipts were recorded in the proper year.

We determined during the 2015 audit of the City of Cuyahoga Falls, the City did not maintain a separate fund to account for JEDD activity. Therefore, audit adjustments were made to account for the JEDD activity in a separate agency fund. As noted in the reconciliation of JEDD activity for the year (used to support audit adjustments made to establish the City's JEDD agency fund), the income tax collections for the JEDD for 2015 totaled \$135,058 as traced to the sum of monthly deposit totals on the City's Deposit Journal report. Per review of the JEDD financial statements as submitted per the Hinkle system, noted the cash receipts for the year were \$168,497, resulting in a variance of \$33,439, which consisted of the audit adjustment amount found in the City's 2015 audit.
2. As required by Section 6 of the Agreement, we attempted to scan the City of Cuyahoga Falls General Ledger Revenue Transaction Detail Report for 2015 to determine whether they included all required receipts from the City of Cuyahoga Falls. However, per the JEDD agreement, the City's Finance Director is the income tax administrator for the JEDD and per review of JEDD activity testing on the City's 2015 audit, the City did not maintain a separate fund for JEDD activity during 2015 until adjustments were proposed by the audit team. As such, income tax distributions to the Township and the City were made directly from the City's Municipal Income Tax fund.

Debt

1. The prior audit of the City of Cuyahoga Falls documentation disclosed no debt outstanding as of December 31, 2014 for the JEDD.
2. We inquired of management, and scanned the City of Cuyahoga Falls General Ledger Revenue Transaction Detail Report and the Expenditure Accounts General Ledger Report for evidence of debt issued during 2015 or debt payment activity during 2015. We noted no new debt issuances or any debt payment activity during 2015.

Non-Payroll Cash Disbursements

1. We determined during the 2015 audit of the City of Cuyahoga Falls, the City did not maintain a separate fund to account for JEDD activity. Therefore, audit adjustments were made in order for JEDD activity to be accounted for in a separate agency fund. As noted in the reconciliation of JEDD activity for the year (used to support audit adjustments made to establish the City's JEDD agency fund), the income tax distributions to Boston Township and the City of Cuyahoga Falls were \$67,497 and \$101,247, respectively. Additionally, noted these amounts were tested 100% and were found to be distributed in accordance with the JEDD agreement percentages. No exceptions noted. The JEDD financial statements as submitted to the Hinkle System, disbursements consisted solely of income tax distributions to the Township and the City. We found no exceptions.

Non-Payroll Cash Disbursements – (Continued)

2. We haphazardly selected all disbursements from the City's 2015 Expenditure Accounts General Ledger Transaction Report for the year ended December 31, 2015 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. We attempted to determine whether 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 City's 2015 Expenditure Accounts General Ledger Transaction Report and to the names and amounts on the supporting invoices. However the payments weren't based on invoices, therefore we determined the payments were in compliance with the agreement see the below Compliance Section.
 - 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 – Agreement

1. We confirmed the JEDD income tax collected were disbursed 40% to the Township and 60% to the City. We found no exceptions.

Other Compliance

Ohio Rev. Code Section 117.38 requires entities to file their financial information in the HINKLE system formerly known as the Annual Financial Data Reporting System (AFDRS) within 60 days after the close of the fiscal year. We reviewed AFDRS to verify the JEDD filed their financial information within the allotted timeframe for the years ended December 31, 2015. No exceptions noted

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the JEDD's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management, those charged with governance, and others within the JEDD, and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

Columbus, Ohio

August 30, 2016

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**BOSTON TOWNSHIP – CITY OF CUYAHOGA FALLS JOINT ECONOMIC DEVELOPMENT DISTRICT
SUMMIT 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
SEPTEMBER 15, 2016**