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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Bowling Green Central Business Special Improvement District
Wood County
130 S. Main Street
Bowling Green, Ohio 43402

We have performed the procedures enumerated below, with which the Board of Directors and the district officers, district members and directors and their designees or proxies, herein governing the Bowling Green Central Business Special Improvement District, Wood County, Ohio (the District) 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 December 31, 2015 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2015 beginning fund balance recorded on the January 2015 Balance Sheet to the December 31, 2014 balance on the December 2014 Balance Sheet. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2015 fund cash balances reported in the 2015 Statement of Financial Position. The amounts agreed.
4. We observed the year-end bank balances on the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2015 bank reconciliations without exception.

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2015 bank reconciliations:
 - a. We traced each debit to the subsequent January bank statements. We found no exceptions.
 - b. We traced the amounts and dates to the Check Detail Report, to determine the debits were dated prior to December 31. We noted no exceptions.
6. We selected all reconciling credits (such as deposits in transit) from the December 31, 2015 bank reconciliations:
 - a. We traced each credit to the subsequent January bank statements, except as noted below.
 - b. We agreed the credit amounts to the Deposit Detail Report. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation, except as noted below.

At December 31, 2015, the District's bank reconciliations included outstanding deposits dating back to 2007 which totaled \$187. This was caused due to there being no policies or procedures over long outstanding debits and credits on the bank reconciliations.

We recommend the District adopt a policy regarding long outstanding debits and credits on the bank reconciliations including procedures for following up on such outstanding items and a time period after which these items should be removed from the reconciliations and a corresponding entry made to the accounting records. Additionally, the Board of Directors should review the monthly bank reconciliations for unusual reconciling items and question why they have not cleared the bank. Follow up by the Board of the Directors should be documented and be completed in a timely manner.

7. We tested interbank account transfers occurring in December of 2015 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.

Property Tax Cash Receipts

We confirmed the tax amounts paid from the City of Bowling Green to the District during 2015, with the City. We found no exceptions.

- a. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
- b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Over-The-Counter Cash Receipts

We haphazardly selected 10 over-the-counter cash receipts from the year ended December 31, 2015 recorded on the 2015 Profit and Loss Statement and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Deposit Detail Report. The amounts agreed.

Debt

1. The District's documentation disclosed no debt outstanding as of December 31, 2014.
2. We inquired of management, and scanned the Deposit Detail Report and Check Detail Report for evidence of debt issued during 2015 or debt payment activity during 2015. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of note debt activity for 2015 and agreed principal and interest payments from the related debt amortization schedule to payments reported in the Check Detail Report. We also compared the date the debt service payments were due to the date the District made the payments. We found no exceptions.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the General fund per the Deposit Detail Report. The amounts agreed.
5. For new debt issued during 2015, we inspected the debt legislation, noting that there were no restrictions on the use of the proceeds.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2015 from the Check Detail Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Check Detail Report to supporting documentation (timecard, legislatively approved rate or salary). We found no exceptions.
 - b. We determined whether the fund and account code to which the check was posted were reasonable based on the employees' duties as documented in the minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. For any new employees selected in step 1, we determined whether the following information in the minute record was consistent with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate
 - c. Department and fund to which the check should be charged
 - d. Retirement system participation and payroll withholding
 - e. Federal, State & Local income tax withholding authorization and withholding
 - f. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to steps a. – f. above.

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2015 to determine whether 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 2015. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2016	February 1, 2016	\$5,073.56	\$5,073.56
State income taxes	January 31, 2016	February 1, 2016	368.50	368.50
City income taxes	January 31, 2016	January 31, 2016	411.60	411.60
School District income taxes	January 31, 2016	February 1, 2016	89.25	89.25
Social Security	January 31, 2016	January 13, 2016	578.16	578.16

As noted above, the District withheld Social Security from its employees during 2015. The District was unable to provide support that a determination was made as to whether the employees should be paying into the Ohio Public Employees Retirement System (OPERS). We recommend that the District contact OPERS to determine which retirement system the District should be remitting employees' contributions to.

Non-Payroll Cash Disbursements

We haphazardly selected ten disbursements from the Check Detail 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. 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 Check Detail 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.

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 District filed their financial information within the allotted timeframe for the year ended December 31, 2015. Financial information for 2015 was filed on November 3, 2016 which was not within the allotted timeframe. We recommend the District establish procedures to ensure timely filing of the financial statements and footnotes.

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We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the District'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 District, and is not intended to be, and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State

Columbus, Ohio

January 11, 2017

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**BOWLING GREEN CENTRAL BUSINESS SPECIAL IMPROVEMENT DISTRICT
WOOD 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
FEBRUARY 2, 2017**