



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Harpersfield Township – City of Geneva Joint Economic Development District II
Ashtabula County
44 North Forest Street
Geneva, Ohio 44041

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Harpersfield Township – City of Geneva Joint Economic Development District II (the District), on the receipts, disbursements and balances recorded in the District's cash basis accounting records for the years ended December 31, 2017 and 2016 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, 2017 and 2016 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 and Investments

1. The City of Geneva is custodian for the District's deposits, and therefore the City's deposit holds the District's assets. We compared the District's fund balances reported on its December 31, 2017 Balance Sheet to the balances reported in The City of Geneva's accounting records. The amounts agreed.
2. We agreed the January 1, 2016 beginning fund balances recorded in the General Ledger to the December 31, 2015 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2017 beginning fund balances recorded in the General Ledger to the December 31, 2016 balances in the General Ledger. We found no exceptions.

Income Taxes and Other Confirmable Cash

1. We confirmed the income tax amounts paid by the City of Geneva to the entities due funds from the District during 2017 and 2016. We found no exceptions.
 - a. We inspected the General Ledger to determine the receipts were recorded in the proper year. We found no exceptions.

Income Taxes and Other Confirmable Cash (Continued)

2. As required by Section 6 of the Bylaws, we inspected the City of Geneva's Revenue Audit Trail Report for 2017 and 2016 to determine whether each year included all twelve monthly distributions from the City of Geneva to the entities due funds from the District. There were no exceptions.

Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2015.
2. We inquired of management, and inspected the General Ledger for evidence of debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. We noted no new debt issuances, nor any debt payment activity during 2017 or 2016.

Non-Payroll Cash Disbursements

1. From the Check Detail, we re-footed checks recorded as General Fund disbursements for *general government* for 2017. We found no exceptions.
2. We selected all disbursements from the Check Detail for the year ended December 31, 2017 and all from the year ended 2016 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 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

1. We confirmed JEDD income taxes collected were disbursed 20% to Harpersfield Township and 75% to the City of Geneva as required by section 6 of the District by-laws. The District retains 5% for economic development, infrastructure, marketing or other legal purposes to benefit the District. We found no exceptions.

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, in addition to filing extensions granted for extenuating circumstances, allow for refile complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System for December 31, 2017 and 2016 fiscal year ends included in 2015-2016 or 2016-2017 agreed up on procedure engagements, subsequent to the District's deadline where the initial filing was filed on time but incomplete. 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, 2017 and 2016 in the Hinkle system. There were no exceptions.

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.

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, 2017 and 2016, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 6, 2018

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HARPERSFIELD – GENEVA JOINT ECONOMIC DEVELOPMENT DISTRICT #2

ASHTABULA 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 21, 2018**