



OHIO AUDITOR OF STATE
KEITH FABER



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Coshocton-Tuscarawas Joint Economic Development District
Coshocton County
760 Chestnut Street
Coshocton, Ohio 43812

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of the Coshocton-Tuscarawas Joint Economic Development District, Coshocton County, Ohio (the District), for the years ended December 31, 2020 and 2019.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code § 117.11(A). Because our procedures were not designed to opine on the District's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the District's financial statements, transactions or balances for the years ended December 31, 2020 and 2019.

The District's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code § 117.11(A) is to examine, analyze and inspect these records and documents.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

Current Year Observations

1. **Ohio Rev. Code § 149.43(E)(2)** provides that every public office must have a policy in place for responding to public records requests. Generally, a public records policy cannot: (1) limit the number of public records the office will make available to a single person; (2) limit the number of public records the office will make available during a fixed period of time; and (3) establish a fixed period of time before the office will respond to a request for inspection/copying of public records unless that period is less than eight hours. However, pursuant to **Ohio Rev. Code § 149.43(B)(7)(c)**, the policy may limit the number of public records the public office will physically deliver by U.S. Mail or other delivery service to ten per month unless the person certifies to the office in writing that the person does not intend to use or forward the requested records, or the information contained in them, for commercial purposes. "Commercial" is narrowly construed and does not include reporting or gathering news, reporting or gathering information to assist citizen oversight or understanding of the operation or activities of government, or nonprofit educational research.

Ohio Rev. Code § 149.43(E)(2) further requires all public offices take certain actions with regard to their public record policy. Public offices must distribute their Public Records Policy to the employee who is the records custodian/manager or otherwise has custody of the records of that office and have that employee acknowledge receipt of the Public Records Policy; create and display in a conspicuous place in all locations where the public office has branch offices a poster describing the public records policy; and, if the public office has a manual or handbook of its general policies and procedures for all employees, include the public records policy in that manual or handbook.

Ohio Rev. Code § 149.43(B)(2) requires the entity to have available a copy of its current records retention schedule at a location readily available to the public.

Current Year Observations (Continued)

1. Ohio Rev. Code § 149.43 (Continued)

The District has no formal written policy that would demonstrate compliance with the Ohio Revised Code. This could result in records requests not being fulfilled in accordance with Ohio law. The District also has not established a records retention policy that identifies the provisions for the application or schedule of destruction of public records, including transmission to the Ohio Historical Society and approval by the Auditor of State's Office. As a result, there was an increased risk that records could be destroyed without obtaining the approval of the Ohio Historical Society and Auditor of State of Ohio as required.

The District shall establish a public records policy. The policy shall be distributed to the records custodian/manager and the District should have a written acknowledgement of receipt from the records custodian/manager. In addition, a poster describing the public records policy must be conspicuously displayed in all of the District's branch offices and the public records policy must be included in policy manuals or handbooks if any exist.

The District should also establish a records retention policy to include procedures used in the destruction of public records. This will help to ensure that all public records are properly accounted for by the District and reduce the risk that the District records are mutilated or destroyed prior to an authorized time.

Pursuant to **Ohio Rev. Code § 109.43(E)(2)**, the Ohio Attorney General has developed and provided to all public offices a model public records policy for responding to public records requests. The policy, which is available at <https://www.ohioattorneygeneral.gov/Files/Government-Entities/Model-Public-Records-Policy.aspx>, provides guidance to public offices in developing their own policies for responding to public records requests in compliance with the Public Records Act.

2. Coshocton-Tuscarawas Joint Economic Development District Contract Section 9(B) states that an amount equal to ten percent (10%) of excess revenue shall be paid to the Project Fund. Also, Section 9(D) states that the Port Authority shall establish for the account of the JEDD, and manage on behalf of the JEDD, a Project Fund to be administered in accordance with this Section 9(D) and held by a banking institution determined by the Port Authority in its discretion to be qualified to serve in such capacity. Monies available in the Project Fund, including interest accrued thereon, shall be used to pay costs of capital improvements supporting economic development within the District. The Port Authority shall establish a grant application and shall solicit proposals for Project Fund assistance each year, beginning in calendar year 2023. Eligible recipients of Project Fund assistance shall include the City, the Port Authority, and the Township. Eligible capital improvements shall include, but not be limited to, broadband infrastructure, fire/EMS equipment, roadway, water, and sewer improvements benefitting the District. Proposals may be submitted at any time to the Board, with copies provided (electronically or otherwise) to each of the City, the Port Authority, and the Township. Upon receipt of a proposal, the Board, the Board shall schedule a meeting to review whether to provide Project Fund assistance in response to the proposal. Board meetings to review Project Fund proposals shall be scheduled no more than once per calendar quarter and upon at least thirty (30) days' notice to the City, the port Authority, and the Township. After providing notice, but before the meeting, the Board shall accept for review any additional proposals for Project Fund assistance from the City, the Port Authority, and the Township. The Board shall take into account the economic development benefits anticipated from capital improvements to be funded with Project Fund assistance and may set the terms of any such assistance in its discretion, provided that such terms shall not be inconsistent with this Agreement or the Act. The Board shall be under no obligation to provide Project Fund assistance in any year.

Current Year Observations (Continued)

2. Project Fund (Continued)

The City of Coshocton properly disbursed 10% of the excess revenue to the Port Authority for the Project Fund. Although the Port Authority did create a fund on their general ledger and open a separate bank account to capture both the Coshocton-Franklin Joint Economic Development District monies and the Coshocton-Tuscarawas Joint Economic Development District monies, the separate fund on the general ledger and the bank account was not created or opened until the 3rd Quarterly disbursement was made. The 1st Quarterly disbursement, which occurred in May 2020, and 2nd Quarterly disbursement, which occurred in July 2020, were originally reflected in the Port Authority's General Fund and general checking account until the posting was corrected through a transfer in February 2021. As the Port Authority only created one fund on their general ledger to record both District's Project Funds, there is a risk that the Project Fund monies could be spent improperly for the incorrect party.

Additionally, as the District Board has the authority over how the Project Fund monies are to be spent, these monies should be reported by the District and included in the ending cash balance as of December 31, 2020. However, the Project Fund money was reflected as disbursed on the Hinkle filed financial statements. This resulted in an overstatement of expenditures and an understatement of ending cash balance of \$13,761 on the District's financial statements. This accounting error was corrected on the accounting ledgers in February 2021.

The District should implement procedures to ensure that all Project Fund monies are being properly reflected in a separate fund on the Port Authority's general ledger and are recorded in a timely manner. Additionally, the District should ensure that the financial statements properly reflect the actual District disbursements and ending fund balance including any unspent Project Fund monies. This will reduce the risk of monies being spent improperly and misstatements of the financial statements occurring.



Keith Faber
Auditor of State
Columbus, Ohio

April 28, 2021

OHIO AUDITOR OF STATE KEITH FABER



COSHOCTON-TUSCARAWAS JOINT ECONOMIC DEVELOPMENT DISTRICT

COSHOCTON 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 6/1/2021

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This report is a matter of public record and is available online at
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