



**Auditor of State  
Betty Montgomery**



**NOBLE TOWNSHIP/CITY OF DEFIANCE JOINT  
ECONOMIC DEVELOPMENT DISTRICT  
DEFIANCE COUNTY**

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**Auditor of State  
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**INDEPENDENT ACCOUNTANTS' REPORT**

Noble Township/City of Defiance Joint  
Economic Development District  
Defiance County  
101 Clinton Street, Suite 1500  
Defiance, Ohio 43512-2177

To the Board of Directors:

We have audited the accompanying financial statements of the Noble Township/City of Defiance Joint Economic Development District, Defiance County, (the District) as of and for the years and period ended December 31, 2003, 2002, and 2001. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the District as of December 31, 2003, 2002, and 2001, and its cash receipts and disbursements for the years ended December 31, 2003 and 2002 and the period November 20, 2001 through December 31, 2001 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2004 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Board of Directors, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, 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 "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Ohio Auditor of State

December 13, 2004

**NOBLE TOWNSHIP/CITY OF DEFIANCE JOINT  
ECONOMIC DEVELOPMENT DISTRICT  
DEFIANCE COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - GOVERNMENTAL FUND TYPE  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002  
AND THE PERIOD NOVEMBER 20, 2001 THROUGH DECEMBER 31, 2001

	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Cash Receipts:</b>			
Income Tax Revenue	\$ 7,410	\$ 6,373	\$ 2,250
<b>Cash Disbursements:</b>			
General Government	<u>1,086</u>	<u>3,022</u>	<u>-</u>
Total Receipts Over Disbursements	6,324	3,351	2,250
Beginning Fund Cash Balances	<u>5,601</u>	<u>2,250</u>	<u>-</u>
<b>Ending Fund Cash Balances</b>	<b><u>\$ 11,925</u></b>	<b><u>\$ 5,601</u></b>	<b><u>\$ 2,250</u></b>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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**NOBLE TOWNSHIP/CITY OF DEFIANCE JOINT  
ECONOMIC DEVELOPMENT DISTRICT  
DEFIANCE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003, 2002 AND 2001

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Noble Township/City of Defiance Joint Economic Development District, Defiance County (the District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District was formed as a result of an agreement between the City of Defiance and the Township of Noble, in Defiance County. The District is directed by a five-member Board of Trustees. The District's purpose is to promote economic development activities in the geographic area comprising the District. Such area is located in Noble Township and includes the general area of the Defiance County Airport. The District's primary source of revenue is a tax on income earned in the District.

The District's management believes these financial statements present all activities for which the District is financially accountable.

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**D. Fund Accounting**

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District only has a General Fund.

**General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources.

**NOBLE TOWNSHIP/CITY OF DEFIANCE JOINT  
ECONOMIC DEVELOPMENT DISTRICT  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003, 2002 AND 2001  
(Continued)**

**2. EQUITY IN CASH AND INVESTMENTS**

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31, 2003, 2002, and 2001 was \$11,925, \$5,601, and \$2,250 respectively. Deposits are insured by the Federal Depository Insurance Corporation.



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Noble Township/City of Defiance Joint  
Economic Development District  
Defiance County  
101 Clinton Street, Suite 1500  
Defiance, Ohio 43512-2177

To the Board of Directors:

We have audited the accompanying financial statements of the Noble Township/City of Defiance Joint Economic Development District, Defiance County, (the District) as of and for the years and period ended December 31, 2003, 2002, and 2001, and have issued our report thereon dated December 13, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance we must report under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the District's management in a separate letter dated December 13, 2004.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily

disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that does not require inclusion in this report that we have reported to the District's management in a separate letter dated December 13, 2004.

This report is intended for the information and use of management and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.



**Betty Montgomery**  
Ohio Auditor of State

December 13, 2004



**Auditor of State  
Betty Montgomery**

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**NOBLE TOWNSHIP/CITY OF DEFIANCE JOINT  
ECONOMIC DEVELOPMENT DISTRICT**

**DEFIANCE 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  
DECEMBER 30, 2004**