



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**NORTHWEST OHIO ADVANCED ENERGY
IMPROVEMENT DISTRICT
LUCAS COUNTY
REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2023**

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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800-282-0370

Board of Directors
Northwest Ohio Advanced Energy Improvement District
One Maritime Plaza, Suite 701
Toledo, Ohio 43604

We have reviewed the *Independent Auditor's Report* of the Northwest Ohio Advanced Energy Improvement District, Lucas County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Northwest Ohio Advanced Energy Improvement District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

May 31, 2024

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**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT
LUCAS COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Northwest Ohio Advanced Energy Improvement District
Lucas County
One Maritime Plaza, Suite 701
Toledo, OH 43604

To the Board of Directors:

Report on the Financial Statements

Opinion

We have audited the financial statements of the Northwest Ohio Advanced Energy Improvement District, Lucas County, Ohio (the District) (a not-for-profit organization) which comprise the statement of financial position as of December 31, 2023, and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended, in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing and opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2024, 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 grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

May 22, 2024

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023**

ASSETS

CURRENT ASSETS

Cash	\$ 181,480
Cash and Cash Equivalents Held by Trustees	5,444,273
Current Portion of Notes Receivable	4,202,609
Interest Receivable	663,273
Total Current Assets	10,491,635

NONCURRENT ASSETS

Notes Receivable, Net of Current Portion and Unexpended Funds	27,582,844
Total Noncurrent Assets	27,582,844

Total Assets	\$ 38,074,479
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current Portion of Bonds Payable	\$ 3,115,000
Management Fee Payable - Toledo-Lucas County Port Authority	253,933
Current Portion of Notes Payable	183,531
Accrued Interest	171,135
Total Current Liabilities	3,723,599

NONCURRENT LIABILITIES

Bonds Payable, Net of Current Portion and Unamortized Bond Issuance Costs	24,689,651
Notes Payable, Net of Current Portion	1,088,530
Notes Receivable Issuance Costs, Net of Amortization	885,985
Prepaid Fees	194,316
Reserves Held on Behalf of Borrowers	3,654,360
Capital Interest on Notes Receivable	21,065
Other Funds Held on Behalf of Borrowers	62,066
Total Noncurrent Liabilities	30,595,973

NET ASSETS

Net Assets Without Donor Restrictions	754,907
Net Assets With Donor Restrictions	3,000,000
Total Net Assets	3,754,907

Total Liabilities and Net Assets	\$ 38,074,479
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**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUES			
Interest Income from Notes Receivable	\$ 1,839,254	\$ -	\$ 1,839,254
Fee Income	313,529	-	313,529
Investment Income	312,358	-	312,358
Total Revenue	2,465,141	-	2,465,141
EXPENSES			
Interest Expense on Bonds Payable	1,421,234	-	1,421,234
Bond Administration Fees	230,081	-	230,081
Legal and Other Professional Fees	9,747	-	9,747
Amortization of Bond Issuance Costs	91,264	-	91,264
Trustee Fees	32,806	-	32,806
Management Fee	253,933	-	253,933
Total Expenses	2,039,065	-	2,039,065
CHANGE IN NET ASSETS	426,076	-	426,076
Net Assets - Beginning of Year	328,831	3,000,000	3,328,831
NET ASSETS - END OF YEAR	\$ 754,907	\$ 3,000,000	\$ 3,754,907

See accompanying Notes to Financial Statements.

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 426,076
Adjustments to Reconcile Net Change in Net Assets to Net Cash	
Provided (Used) by Operating Activities:	
Amortization of Bond Issuance Costs	91,264
Amortization Income - Deferred Revenue and Note Receivable Issuance Costs	(181,958)
Changes in Operating Assets and Liabilities:	
Interest Receivable	(45,463)
Capitalized Interest on Notes Receivable	12,194
Related Party Payable	(101,007)
Accrued Interest	(17,834)
Net Cash Provided by Operating Activities	183,272

CASH FLOWS FROM INVESTING ACTIVITIES

Principal Payments Received on Notes Receivable	3,394,756
Advances Made to Borrowers	(2,609,500)
Net Cash Provided by Investing Activities	785,256

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on Notes Payable	(180,788)
Payments on Bonds Payable	(3,040,000)
Net Cash Used by Financing Activities	(3,220,788)

NET DECREASE IN CASH AND CASH EQUIVALENTS

(2,252,260)

Cash and Cash Equivalents - Beginning of Year

7,878,013

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 5,625,753

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Entity

The Northwest Ohio Advanced Energy Improvement District, Lucas County, Ohio (the District) is a nonprofit corporation established pursuant to Ohio Revised Code (ORC) Chapters 1702 and 1710. The energy special improvement district (ESID) was created by legislative action taken by participating political subdivisions and is governed by the District's board of trustees. Members of the District are the owners of parcels of property located within the ESID. The District was established to develop and implement special energy improvement projects as defined by ORC Chapter 1710, including energy efficiency and clean and renewable energy projects at locations within the ESID. The District and the ESID will be conducive to and promote the public health, safety, peace, convenience and general welfare by creating projects that conserve energy and create a cleaner environment, lead to energy independence, create jobs and economic growth and development, especially jobs in the energy economy, and promote the general welfare in the area of the ESID and the participating political subdivisions.

Nature of Business

The purpose of the District is to provide financing through loans to businesses for energy efficiency and clean and renewable energy projects located within the jurisdiction of the ESID.

Management believes the financial statements included in this report represent all of the activities over which the District is financially accountable.

Basis of Accounting

The financial statements of the District have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Standard

The ESID has adopted the current expected credit losses (CECL) methodology for estimating credit losses on financial assets, effective January 1, 2023, utilizing the modified retrospective transition method. The adoption of this standard did not have a material impact on the ESID's financial statements but did change the ESID's accounting policies, including the recognition of credit losses based on expected future credit losses rather than incurred credit losses.

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents Held by Trustees

For purposes of the financial statements, the District considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

The District's cash and cash equivalents are held in trust accounts that are managed by bank trust departments. The accounts held by Huntington Bank are available for project costs and operating disbursements. The accounts held by Bank of New York Mellon are available for payments related to the bonds payable.

Notes Receivable Issuance Costs

Notes receivable issuance costs are costs incurred related to the issuance of notes receivable. These costs are amortized over the term of the related notes. Unamortized notes receivable issuance costs at December 31, 2023 were \$885,985

Prepaid Fees

Prepaid fees represent fees charged to borrowers and is amortized over the term of the loan. Prepaid fees at December 31, 2023 amounted to \$194,316.

Reserves Held on Behalf of Borrowers

Reserves held on behalf of borrowers represent a reserve withheld from funds disbursed to borrowers as collateral. The funds will be held until the loans are paid off at which time the amount will be recorded as the last payment or refunded to the borrower. Funds held on behalf of borrowers at December 31, 2023 were \$3,654,360.

Revenue Recognition

Interest income from notes receivable, fee income and investment income are recognized ratably as it accrues.

Net Assets

The net assets without restriction are not restricted by donors, or the donor-imposed restrictions have expired. Net assets with donor restrictions are segregated on the accompanying statement of financial position and are all restricted for purpose.

Income Taxes

Pursuant to provisions of the Internal Revenue Code, the District has elected to be taxed as a corporation. Management has evaluated the District's income tax position and has concluded the income derived from its activities is excludable under Internal Revenue Code section 115(1) which provides that gross income for federal income tax purposes does not include income accruing to a state or political subdivision that is derived from the exercise of an essential government function. Therefore, no current or deferred federal income taxes exist.

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

Management is required to determine whether a tax position of the District is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. With few exceptions, the District is no longer subject to U.S. federal, state, or local tax examinations for years before 2020. It is difficult to predict the final timing and resolution of any particular uncertain tax position. Based on the District's assessment of many factors, including past experience and judgments about future events, the District does not currently anticipate significant changes in its uncertain tax positions over the next 12 months.

Subsequent Events

The District has evaluated subsequent events through May 22, 2024, the date the financial statements were available to be issued and determined that there are no additional events which require recording or disclosure other than as noted below.

NOTE 2 NOTES RECEIVABLE

Notes receivable are loans to business located in Ohio for energy efficiency and clean and renewable energy projects. Principal and interest payments are required to be paid monthly directly to the District or semi-annually through special assessments on the borrowers' property taxes in an amount to fully amortize the loan over its term. A summary of notes receivable at December 31, 2023 is as follows:

Loan	Original Amount	Maturity Date	Interest Rate	Payment Amount	Balance
Monthly Payments:					
Little Learners	\$ 45,000	11/15/2027	6.00%	\$ 375	\$ 15,089
Louisville Title	194,650	6/1/2026	4.75%	1,588	44,850
Solscient Energy, LLC (GM)	1,177,920	5/1/2027	4.50%	Various	448,432
Solscient Energy, LLC (GM)	500,000	12/20/2028	4.00%	3,698	200,822
Valentine Theatre	105,521	3/15/2027	3.00%	729	27,705
Semi-Annual Payments:					
107 LLC	76,500	7/31/2024	4.75%	7,286	14,065
123 N. Erie LLC	280,240	7/31/2033	5.15%	14,032	244,936
13 North Huron	55,182	7/31/2031	5.00%	2,662	34,953
16 Broadway St	79,560	7/31/2031	4.75%	3,858	50,769
337 Broadway	301,103	7/31/2040	4.40%	12,146	283,851
1800 Limited, LLC	161,389	7/31/2029	5.75%	Various	97,018
26610 Eckel LLC	243,586	7/31/2033	5.15%	12,303	196,522
405 Madison Limited, LLC	448,257	7/31/2029	5.75%	Various	266,575
A&A Property Group	79,133	7/31/2031	4.50%	4,911	65,274
Anthony M. Fronk LLC	86,864	7/31/2033	5.15%	4,313	68,980
Art Iron	266,016	7/31/2031	5.00%	Various	170,172
Asset Protection Corp	131,324	7/31/2029	4.40%	8,205	93,153

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 NOTES RECEIVABLE (CONTINUED)

Loan	Original Amount	Maturity Date	Interest Rate	Payment Amount	Balance
Semi-Annual Payments:					
Automotive Workers Bldg. Corp	\$ 773,331	7/31/2037	4.45%	\$ 35,717	\$ 736,987
AWLCO Limited	100,320	7/31/2036	3.90%	4,471	91,438
B&B Molded Products	1,305,000	11/15/2030	4.95%	Various	780,000
Barone Brothers, LLC	1,806,777	7/31/2033	5.00%	91,289	1,367,616
Barron's Lawn Service	175,000	11/15/2030	4.50%	8,629	110,379
Beauty Bar	30,424	7/31/2032	5.00%	1,607	22,237
Bluffton Family Recreation	101,535	7/31/2032	5.00%	5,300	73,358
Booker Real Estate LLC	220,500	7/31/2038	6.10%	11,631	220,500
Briarwood Management Project	1,260,000	11/15/2035	6.40%	Various	1,025,000
Brickyard on Main	183,279	7/31/2033	5.15%	9,256	147,867
CDC Real Estate Holdings, LLC	357,856	7/31/2036	4.00%	16,848	341,318
City of Oregon	1,751,175	7/31/2028	3.90%	Various	734,063
City of Toledo	51,195	10/15/2026	5.48%	3,600	24,736
City of Toledo ESID 1-40	5,325,000	10/15/2026	5.48%	Various	2,172,322
Crane Development	81,223	7/31/2027	5.00%	5,457	38,431
Dealer Portfolio Solutions	43,860	7/30/2026	5.00%	2,797	15,390
DOGR Properties, LLC	800,000	7/31/2033	5.15%	39,724	635,290
Findlay Surgical Center	1,095,000	7/31/2031	4.25%	Various	715,000
Hale Performance	565,000	7/31/2031	5.35%	Various	395,000
Imagination Station	1,626,970	7/31/2034	4.15%	Various	1,392,313
J-Zamm Properties LLC	11,480	7/31/2023	5.00%	1,319	948
JA2 Investments, LLC	127,500	7/31/2030	4.75%	6,100	76,832
JAM III Enterprises	76,100	7/31/2032	5.00%	3,846	53,233
Jamaican Spice	59,670	7/31/2026	5.00%	3,758	26,915
Jamland2, LLC	1,392,878	7/31/2042	3.85%	53,770	1,341,561
JMS Real Estate	170,000	7/31/2024	6.25%	12,191	23,286
Job One USA	472,339	12/12/2028	5.50%	Various	214,385
John and Adrienne O'Donnell, LLC	417,652	7/31/2032	5.00%	21,181	293,174
Kettering Tower	2,335,000	11/15/2025	4.35%	Various	740,000
KG Funding LLC	126,278	7/31/2033	5.15%	6,270	102,913
Liberty Ridge II	1,328,315	7/31/2043	5.30%	51,713	1,220,528
Lima Chamber of Commerce	36,920	7/31/2027	5.00%	2,464	17,354
Marshall Fitness	44,650	7/31/2027	5.00%	3,000	21,126
Maumee Assembly & Stamping	3,660,000	7/1/2032	4.53%	Various	2,563,809
Maumee Valley Movers	242,019	11/15/2030	4.10%	Various	150,945
NZR	1,485,035	7/31/2028	5.90%	Various	459,998
Oakwood Partners, LLC	813,836	7/31/2038	5.10%	39,357	813,836
Paragon Crossing	64,078	7/31/2031	4.85%	4,041	52,969
Play With Your Food, LLC	422,029	7/31/2035	3.90%	19,729	392,214
Radon Environmental	26,269	7/31/2026	5.00%	Various	9,174
Rupp Unlimited Property Partnership	91,473	7/31/2025	4.45%	5,648	31,396
S&G Asset Group	365,000	7/31/2025	4.70%	Various	145,000
SBB Rouge, LLC	333,137	7/31/2036	3.65%	14,905	309,666
Sethi Investments, LLC	140,142	7/31/2033	5.15%	7,078	113,065
Shumaker Loop & Kendrick, LLP	443,700	7/31/2025	3.50%	48,636	186,264
SKA Enterprises	128,774	7/31/2027	5.81%	6,784	47,809

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 NOTES RECEIVABLE (CONTINUED)

Loan	Original Amount	Maturity Date	Interest Rate	Payment Amount	Balance
Semi-Annual Payments:					
Spencerville School District	\$ 12,088	7/31/2032	4.50%	\$ 745	\$ 10,903
Spring & Main	1,082,872	7/31/2042	5.40%	48,696	1,082,872
Springfield Township Fire Station	685,000	7/31/2031	5.25%	Various	465,000
Springfield Township Administration	166,649	7/31/2031	5.00%	7,923	103,228
Stone Family Enterprises	280,000	7/31/2031	5.25%	Various	185,000
Studio 329, LLC	63,000	7/31/2031	4.95%	4,189	54,680
The Toledo Club	689,159	7/31/2028	6.50%	Various	328,335
Toledo Country Club	330,587	7/31/2035	4.00%	15,564	299,282
Toledo Legal Building, Ltd	99,106	7/31/2032	5.00%	5,080	71,435
Toledo Natural Food Cooperative, Inc.	31,680	7/31/2033	6.00%	2,084	31,680
Toledo School of the Arts	1,361,452	7/31/2028	4.90%	66,225	639,323
Top of the Market	655,000	11/15/2030	4.65%	Various	395,000
Torrey Hill Apts - 2356 Torrey Hill Dr	169,000	7/31/2030	5.50%	8,920	114,219
Torrey Hill Apts - 1945 Ottawa Dr	135,000	7/31/2031	4.25%	7,738	100,622
Torrey Hill Apts - 2552 Collingwood	135,000	7/31/2031	5.35%	Various	90,000
TronAir, Inc.	347,211	7/31/2027	3.57%	Various	155,108
TronAir, Inc.	100,000	7/31/2027	4.00%	Various	44,800
UAW Local 12	521,000	7/31/2026	4.75%	25,689	142,092
United North	304,000	12/1/2027	5.50%	15,654	181,560
Uptown Fitness, LLC	186,599	7/31/2033	5.75%	12,144	186,599
Valico, LLC	82,857	7/31/2032	5.00%	4,202	58,162
Vibrant Ventures, LLC	515,449	7/31/2033	5.15%	25,665	412,938
Village of Edon	22,694	7/31/2025	5.00%	2,585	9,719
Woosey Properties, LLC	142,392	7/31/2032	5.85%	9,808	135,348
Wurth Holding, Ltd	420,000	7/31/2038	6.15%	21,821	420,000
YMCA of Greater Toledo - Ft. Meigs	635,055	7/31/2038	4.90%	26,388	552,809
YMCA of Greater Toledo - Sylvania	660,337	7/31/2038	4.90%	27,439	574,817
YMCA of Greater Toledo - West	342,384	7/31/2038	4.90%	14,227	298,042
YMCA of Greater Toledo - Wolf Creek	430,315	7/31/2038	4.90%	Various	372,123
4493 286th Street	6,500	7/31/2028	4.25%	403	3,593
625 Acklin	11,200	12/31/2027	4.25%	692	5,045
2245 Airline	6,980	12/31/2027	4.25%	447	3,258
2721 Arthur	8,955	7/31/2030	4.25%	563	6,750
734 Barclay	6,970	12/31/2027	4.25%	434	3,157
4332 Belmer	6,718	7/31/2026	3.50%	424	2,394
4112 Berwick	4,336	7/31/2026	3.50%	273	1,546
4316 Birchall	8,535	7/31/2026	3.50%	537	3,033
2134 Birkdale	10,260	7/31/2030	4.25%	640	7,665
3540 Brock	6,240	7/31/2029	4.25%	1,032	10,820
714 Bronx	13,867	12/31/2027	4.25%	930	6,767
2316 Castlewood	5,800	7/31/2030	4.25%	373	4,465
4160 Cathage	12,486	7/31/2026	3.50%	786	4,437
3310 Cheltenham	9,885	7/31/2030	4.25%	628	7,530
25 Clifton	7,697	7/31/2028	4.25%	490	4,366
2044 Collingwood	14,350	7/31/2027	4.25%	952	6,933
2717 Collingwood	8,800	7/31/2033	4.25%	521	8,403
2725 Collingwood	18,531	7/31/2031	4.25%	1,178	15,811
625 Collins	8,520	7/31/2030	4.25%	530	6,354

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 NOTES RECEIVABLE (CONTINUED)

Loan	Original Amount	Maturity Date	Interest Rate	Payment Amount	Balance
Semi-Annual Payments:					
522 Continental	\$ 9,449	12/31/2027	4.25%	\$ 586	\$ 4,265
364 Darrow	13,454	7/31/2032	4.25%	820	12,134
429 Darrow	3,815	7/31/2028	4.25%	241	2,144
2837 Densmore	6,000	7/31/2030	4.25%	381	4,848
2476 Detroit	5,555	7/31/2032	4.25%	338	5,236
1564 Eleanor	5,702	7/31/2031	4.25%	366	4,917
4435 Fir Lane	10,200	7/31/2031	4.25%	657	8,826
5429 Fortune	13,046	7/31/2031	4.25%	843	11,315
2268 Glenwood	12,719	7/31/2030	4.25%	806	9,654
2347 Glenwood	19,265	7/31/2032	4.25%	1,174	17,376
2537 Glenwood	6,113	12/31/2027	3.50%	366	2,711
1495 Gould	9,897	7/31/2026	3.50%	621	3,507
1905 Heatherwood	18,830	7/31/2026	3.50%	1,185	6,691
7113 Hollywyck	17,050	12/31/2027	4.25%	1,101	8,018
3628 Homewood	6,045	7/31/2029	4.25%	375	3,929
647 Hudson	8,700	7/31/2029	4.25%	555	6,659
512 Kopemik	4,191	7/31/2030	4.25%	270	3,238
1335 Laclede	7,669	7/31/2026	3.50%	480	2,708
2842 Letchworth	5,488	7/31/2029	4.25%	350	3,669
4330 Lowe	10,285	12/31/2027	4.25%	659	4,800
3764 Mapleway	14,745	12/31/2027	4.25%	959	6,985
2364 Meadowwood	24,454	7/31/2026	4.00%	1,548	8,741
3024 Meadowwood	9,261	7/31/2031	4.25%	586	7,871
308 Mont Royal	7,700	7/31/2028	4.25%	477	4,257
1413 N Huron	8,052	7/31/2029	4.25%	501	5,253
2401 Parkwood	12,121	12/31/2027	4.25%	777	5,657
4380 River Road	7,900	7/31/2030	4.25%	509	6,103
2236 Robinwood	28,013	12/31/2027	4.25%	1,796	13,074
2320 Robinwood	14,164	12/31/2027	3.50%	851	6,301
2634 Robinwood	10,329	7/31/2030	4.25%	645	7,730
3841 Rohr	12,662	7/31/2030	4.25%	816	9,843
1345 Rollins	8,946	7/31/2026	3.50%	561	3,170
2116 Scottwood	7,665	7/31/2027	4.25%	505	3,677
2333 Scottwood	19,200	7/31/2029	4.25%	1,199	12,568
2357 Scottwood	12,054	7/31/2031	4.25%	758	10,175
2515 Scottwood	11,200	7/31/2028	4.25%	697	6,213
2716 Scottwood	9,404	7/31/2027	4.25%	629	4,577
1010 Searls	6,065	7/31/2030	4.25%	376	4,507
3146 Sherbrooke	9,751	7/31/2029	4.25%	624	6,543
1745 Talbot	9,232	7/31/2031	4.25%	579	7,766
4424 Walker	11,007	7/31/2030	4.25%	707	8,474
554 Walsh	7,182	12/31/2027	4.25%	460	3,352
3618 Watson	6,215	7/31/2030	4.25%	401	4,802
1935 Wellesley	11,040	7/31/2029	4.25%	692	7,252
4026 Wetzler	13,079	7/31/2026	3.50%	818	4,673
571 Williamdale	9,703	12/31/2027	4.25%	600	4,365
525 Winthrop	4,809	7/31/2029	4.25%	307	1,075
625 Winthrop	9,637	7/31/2031	4.25%	608	8,165
Total					30,708,648

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 NOTES RECEIVABLE (CONTINUED)

Loan	Original Amount	Maturity Date	Interest Rate	Payment Amount	Balance
Semi-Annual Payments - Related Parties:					
ParkSmart	722,114	8/25/2025	3.00%	36,000	189,913
TLCPA One Maritime Plaza	1,094,588	8/25/2025	3.42%	52,500	290,756
TLCPA Martin Luther King Plaza	460,686	8/28/2026	3.00%	17,135	148,763
TLCPA TEA Terminal Roof	1,810,000	7/31/2027	4.80%	Various	840,000
TLCPA Two Maritime Plaza	545,000	7/31/2031	5.00%	Various	365,000
TLCPATM Hangar	473,463	7/31/2032	4.20%	23,647	337,969
TLCPA TEA Lighting Project	62,990	7/31/2025	3.88%	4,922	24,314
TLCPA Toledo Express Airport	845,771	11/15/2028	4.25%	Various	466,310
Total					<u>2,663,025</u>
Total Notes Receivable					33,371,673
Less: Current Portion					<u>(4,202,609)</u>
Subtotal					29,169,064
Less: Unexpended Funds					<u>(1,586,220)</u>
Notes Receivable, Net of Current Portion and Unexpended Funds					<u><u>\$ 27,582,844</u></u>

Future principal payments of notes receivable for years succeeding 2023 are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 4,202,609
2025	4,475,048
2026	3,863,369
2027	2,999,316
2028	2,948,835
Thereafter	14,882,496
Total Future Maturities of Notes Receivable	<u><u>\$ 33,371,673</u></u>

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 LONG-TERM DEBT

The Northwest Ohio Bond Fund issues taxable and tax-exempt revenue bonds to provide financial assistance to private-sector, governmental and non-profit entities for the acquisition and construction of industrial and commercial facilities for the purpose of economic development. The bonds are secured by the property financed and funds held in reserve and are payable solely from payments on notes receivable. The District has borrowed \$46,115,000 from the Northwest Ohio Bond Fund to provide financing through loans to businesses for energy efficiency and clean and renewable energy projects. Principal and interest payments are payable semi-annually in an amount that will amortize the loans over their term until maturity.

A summary of bonds payable to the Northwest Ohio Bond Fund at December 31, 2023 is as follows:

Bond	Face Amount	Maturity Date	Interest Rate	Balance	Bond Reserve
2012B	\$ 5,325,000	11/15/2026	4.67%	\$ 1,945,000	\$ 532,500
2012C-2	3,055,000	5/15/2027	4.32%	1,180,000	305,500
2012C-3	1,540,000	5/15/2027	4.32%	610,000	154,000
2013A-1	360,000	11/15/2023	4.83%	0	36,000
2013A-2	2,600,000	11/15/2028	4.83%	1,345,000	260,000
2013A-3	1,795,000	11/15/2028	4.83%	925,000	179,500
2015B-1	1,260,000	11/15/2030	4.35%	900,000	126,000
2015B-2	655,000	11/15/2030	4.35%	395,000	65,500
2015B-3	1,215,000	11/15/2030	4.35%	765,000	121,500
2015B-4	670,000	11/15/2030	4.35%	210,000	67,000
2015B-5	1,665,000	11/15/2030	4.35%	530,000	166,500
2017A-1	2,455,000	11/15/2027	3.57%	1,085,000	245,500
2017A-2	4,240,000	11/15/2031	3.88%	2,690,000	424,000
2017D-1	175,000	11/15/2027	4.20%	80,000	17,500
2017D-2	2,010,000	11/15/2032	4.20%	1,445,000	201,000
2017D-3	440,000	11/15/2032	4.20%	315,000	44,000
2017D-4	3,650,000	11/15/2032	4.20%	2,625,000	365,000
2019A-1	3,425,000	11/15/2033	4.37%	2,625,000	342,500
2019A-2	1,980,000	11/15/2038	4.52%	1,710,000	198,000
2019A-3	1,300,000	11/15/2043	4.65%	1,165,000	130,000
2022G-1	1,585,000	11/15/2034	5.00%	1,420,000	158,500
2022G-2	1,785,000	11/15/2036	5.05%	1,665,000	178,500
2022G-3	1,585,000	11/15/2037	5.10%	1,555,000	158,500
2022G-4	1,345,000	11/15/2042	5.20%	1,295,000	134,500
Total	<u>\$ 46,115,000</u>			<u>28,480,000</u>	<u>\$ 4,611,500</u>
Less: Unamortized Bond Issuance Costs				<u>(675,349)</u>	
Subtotal				27,804,651	
Less: Current Portion Bonds Net of Current Portion and Unamortized Bond Issuance Costs				<u>(3,115,000)</u>	
				<u>\$ 24,689,651</u>	

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 LONG-TERM DEBT (CONTINUED)

A summary of notes payable outstanding at December 31, 2023 is as follows:

Note	Original Amount	Maturity Date	Interest Rate	Balance
ODSA	\$ 1,740,087	9/15/2028	1.00%	\$ 696,092
TLCPA	150,000	5/1/2032	3.00%	95,278
TLCPA	150,000	5/1/2033	3.00%	105,500
TLCPA	150,000	11/1/2033	3.00%	109,868
TLCPA	150,000	11/1/2035	3.00%	129,135
TLCPA	150,000	11/1/2036	3.00%	136,188
Total Notes Payable				1,272,061
Less: Current Portion				(183,531)
Notes Payable Net of Current Portion				<u>\$ 1,088,530</u>

Future maturities of long-term debt payable for years succeeding 2023 are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 3,298,531
2025	3,656,331
2026	3,859,188
2027	3,222,104
2028	2,805,082
Thereafter	12,910,825
Total Future Maturities of Long-Term Debt	<u>\$ 29,752,061</u>

Bond issuance costs are costs incurred related to the issuance of bonds payable. These costs are amortized over the term of the related bonds which range from 115 to 180 months. Amortization of bond issuance costs amounted to \$91,264 in 2023.

Future amortization of bond issuance costs for years succeeding 2023 are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 90,266
2025	88,443
2026	82,094
2027	68,087
2028	58,884
Thereafter	287,575
Total Future Amortization of Bond Costs	<u>\$ 675,349</u>

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 RELATED PARTY TRANSACTIONS

On January 1, 2014, the District entered into an administrative agreement with the Authority to provide support services and resources. The management fee associated with the agreement is equal to the increase in net assets prior to the management fee for the previous calendar year not to exceed \$300,000. The management fee can be increased at the discretion of the Authority if the cost to provide the support services and resources exceeds the then-existing management fee. The fee is determined based on the audited increase in net assets prior to the management fee and becomes payable 30 days after the annual audit has been released. The management fee for the year ended December 31, 2023 was \$253,933 which was calculated based on the net assets for 2022 and is a payable to the Authority as of December 31, 2023.

At December 31, 2023, the District has outstanding notes receivable of \$2,663,025 from the Authority.

NOTE 5 LIQUIDITY

The following reflects the District's financial assets as of December 31, 2023, available for general use within one year of the balance sheet date:

Cash	\$ 163,519
Current Portion of Notes Receivable	4,202,609
Interest Receivable	<u>663,273</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u><u>\$ 5,029,401</u></u>

Operations of the District are substantially funded through monies borrowed from bonds and commercial loans, used to fund loans to property owners for improvements.

NOTE 6 METHODS USED FOR ALLOCATION OF EXPENSES

The financial statements report all categories of expenses to be attributable to one program or supporting function. Therefore, these expenses do not require allocation as they are attributable to either program expense or management and general expenses.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Northwest Ohio Advanced Energy Improvement District
Lucas County
One Maritime Plaza, Suite 701
Toledo, OH 43604

To the Board of Directors:

We have audited, 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 (*Government Auditing Standards*), the statement of financial position of the **Northwest Ohio Advanced Energy Improvement District**, Lucas County (the District) (a nonprofit organization) as of December 31, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated May 22, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

May 22, 2024

OHIO AUDITOR OF STATE KEITH FABER



NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT

LUCAS 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 6/13/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov