



**TROY TOWNSHIP - CITY OF TOLEDO  
JOINT ECONOMIC DEVELOPMENT DISTRICT  
WOOD COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2022-2021**



**TROY TOWNSHIP – CITY OF TOLEDO  
JOINT ECONOMIC DEVELOPMENT DISTRICT  
WOOD COUNTY**

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**INDEPENDENT AUDITOR'S REPORT**

Troy Township – City of Toledo Joint Economic Development District  
Wood County  
237 Krotzer Avenue, P.O. Box 128  
Luckey, OH 43443-0128

To the Board of Directors:

***Report on the Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

We have audited the financial statements of Troy Township – City of Toledo Joint Economic Development District, Wood County, Ohio (the District), which comprises the cash balances, receipts and disbursements as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of December 31, 2022 and 2021, or the changes in financial position thereof for the years then ended.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government 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 opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the financial statements are prepared by the District on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***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 opinions. 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 the financial audit standards in the Comptroller General of the United States' *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 an 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 December 20, 2023, 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.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 20, 2023

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**TROY TOWNSHIP - CITY OF TOLEDO  
JOINT ECONOMIC DEVELOPMENT DISTRICT  
WOOD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCE (REGULATORY CASH BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

<b>Cash Receipts</b>	
Income Taxes	\$1,173,774
Net Profit Taxes Collected	820,830
Earnings on Investments	829
	<hr/>
<i>Total Cash Receipts</i>	<i>1,995,433</i>
 <b>Cash Disbursements</b>	
Administrative Fee to Toledo	39,892
Distribution to Troy Township	996,903
Distribution to City of Toledo	664,602
Miscellaneous Disbursements	124,355
	<hr/>
<i>Total Cash Disbursements</i>	<i>1,825,752</i>
 <i>Net Change in Fund Cash Balance</i>	 <i>169,681</i>
 <i>Fund Cash Balance, January 1</i>	 <i>651,785</i>
	<hr/>
<i>Fund Cash Balance, December 31</i>	<i>\$821,466</i>
	<hr/> <hr/>

*The notes to the financial statements are an integral part of this statement.*

**Troy Township – City of Toledo**  
**Joint Economic Development District**  
*Wood County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 1 – Reporting Entity**

The Troy Township-City of Toledo Joint Economic Development District, Wood County, Ohio (the District) was formed by contract on September 1, 2010, under Sections 715.72 through 715.83 of the Ohio Revised Code. The District is comprised of the City of Toledo, Lucas County and Troy Township, Wood County (the Contracting Parties). The District operates under an appointed five-member Board of Directors (the Board) established in accordance Section 715.78(A) of the Ohio Revised Code. The purpose of the District is to facilitate economic development, to create or preserve jobs and employment opportunities, and to improve the economic welfare of the people in the State, the Townships, the City and the District.

The Contracting Parties provide services to assist the District with planning, marketing, promotion and related activities to facilitate economic development in the District. In addition, the Board may contract for such services with either of the Contracting Parties on such terms as the Board and the respective Contracting Parties may agree. The Board has approved an income tax rate of 2.25 percent.

***Public Entity Risk Pools***

The District participates in a public entity risk pool. Note 5 to the financial statements provide additional information for this entity. The District's management believes this financial statement presents all activities for which the District is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The District's financial statement consists of a statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for the general fund.

***Fund Accounting***

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

***Deposits and Investments***

The District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

**Troy Township – City of Toledo**  
**Joint Economic Development District**  
*Wood County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District and the nonspendable portion of the corpus in permanent funds.

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Directors can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Directors amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 6.

**Note 3 – Deposits**

The Ohio Revised Code prescribes allowable deposits and investments. A summary of the District's deposit and investment accounts are as follows:

	2022
Deposits	\$821,466

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Troy Township – City of Toledo**  
**Joint Economic Development District**  
*Wood County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 4 – Income Taxes**

The District levies a income tax of 2.25 percent on substantially all earned income arising from employment or business activities within the District. Employers within the District withhold income tax on employee compensation and remit at least monthly and file an annual declaration. The Board has entered into an agreement with the City of Toledo to administer, collect, and enforce the income tax on behalf of the District.

Gross Tax Receipts are the sum of the 2.25 percent income tax on (1) income earned by persons working within the District, and (2) net profits of businesses located within the District. Of the Gross Tax Receipts, 2 percent is paid to the City of Toledo for administering, collecting and enforcing the income tax.

Net Tax Receipts are the Gross Tax Receipts reduced by 2 percent paid to the City for administering, collecting and enforcing the income tax, and 15 percent paid to the District to fund the long term maintenance and operations of the District.

On the Net Tax Receipts, 60 percent is distributed to Troy Township and 40 percent is distributed to the City of Toledo. Distributions to the Contracting Parties are made on a quarterly basis.

**Note 5 – Risk Management**

The District belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

Assets	\$ 21,662,291
Liabilities	<u>(18,158,351)</u>
Members' Equity	<u>\$ 3,503,940</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Note 6 – Fund Balance**

The Fund Balance of the General Fund was unassigned.

**TROY TOWNSHIP - CITY OF TOLEDO  
JOINT ECONOMIC DEVELOPMENT DISTRICT  
WOOD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCE (REGULATORY CASH BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

<b>Cash Receipts</b>	
Income Taxes	\$650,989
Net Profit Taxes Collected	755,940
Earnings on Investments	227
	<hr/>
<i>Total Cash Receipts</i>	<i>1,407,156</i>
	<hr/>
<b>Cash Disbursements</b>	
Administrative Fee to Toledo	35,872
Distribution to Troy Township	896,435
Distribution to City of Toledo	597,623
Miscellaneous Disbursements	90,597
	<hr/>
<i>Total Cash Disbursements</i>	<i>1,620,527</i>
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<i>Net Change in Fund Cash Balance</i>	<i>(213,371)</i>
	<hr/>
<i>Fund Cash Balance, January 1</i>	<i>865,156</i>
	<hr/>
<i>Fund Cash Balance, December 31</i>	<i>\$651,785</i>
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*The notes to the financial statements are an integral part of this statement.*

**Troy Township – City of Toledo**  
**Joint Economic Development District**  
*Wood County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 1 – Reporting Entity**

The Troy Township-City of Toledo Joint Economic Development District, Wood County, Ohio (the District) was formed by contract on September 1, 2010, under Sections 715.72 through 715.83 of the Ohio Revised Code. The District is comprised of the City of Toledo, Lucas County and Troy Township, Wood County (the Contracting Parties). The District operates under an appointed five-member Board of Directors (the Board) established in accordance Section 715.78(A) of the Ohio Revised Code. The purpose of the District is to facilitate economic development, to create or preserve jobs and employment opportunities, and to improve the economic welfare of the people in the State, the Townships, the City and the District.

The Contracting Parties provide services to assist the District with planning, marketing, promotion and related activities to facilitate economic development in the District. In addition, the Board may contract for such services with either of the Contracting Parties on such terms as the Board and the respective Contracting Parties may agree. The Board has approved an income tax rate of 2.25 percent.

***Public Entity Risk Pools***

The District participates in a public entity risk pool. Note 5 to the financial statements provide additional information for this entity. The District's management believes this financial statement presents all activities for which the District is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The District's financial statement consists of a statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for the general fund.

***Fund Accounting***

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

***Deposits and Investments***

The District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

**Troy Township – City of Toledo**  
**Joint Economic Development District**  
*Wood County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District and the nonspendable portion of the corpus in permanent funds.

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Directors can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Directors amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 6.

**Note 3 – Deposits**

The Ohio Revised Code prescribes allowable deposits and investments. A summary of the District's deposit and investment accounts are as follows:

	2021
Deposits	<u>\$651,785</u>

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Troy Township – City of Toledo**  
**Joint Economic Development District**  
*Wood County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 4 – Income Taxes**

The District levies a income tax of 2.25 percent on substantially all earned income arising from employment or business activities within the District. Employers within the District withhold income tax on employee compensation and remit at least monthly and file an annual declaration. The Board has entered into an agreement with the City of Toledo to administer, collect, and enforce the income tax on behalf of the District.

Gross Tax Receipts are the sum of the 2.25 percent income tax on (1) income earned by persons working within the District, and (2) net profits of businesses located within the District. Of the Gross Tax Receipts, 2 percent is paid to the City of Toledo for administering, collecting and enforcing the income tax.

Net Tax Receipts are the Gross Tax Receipts reduced by 2 percent paid to the City for administering, collecting and enforcing the income tax, and 15 percent paid to the District to fund the long term maintenance and operations of the District.

On the Net Tax Receipts, 60 percent is distributed to Troy Township and 40 percent is distributed to the City of Toledo. Distributions to the Contracting Parties are made on a quarterly basis.

**Note 5 – Risk Management**

The District belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

Assets	\$ 21,777,439
Liabilities	<u>( 15,037,383)</u>
Members' Equity	<u>\$ 6,740,056</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Note 6 – Fund Balance**

The Fund Balance of the General Fund was unassigned.

# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
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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

Troy Township – City of Toledo Joint Economic Development District  
Wood County  
237 Krotzer Avenue, P.O. Box 128  
Luckey, OH 43443-0128

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 financial statements of the cash balances, receipts, and disbursements as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of Troy Township – City of Toledo Joint Economic Development District, Wood County, Ohio (the District) and have issued our report thereon dated December 20, 2023, wherein we noted the District followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

### ***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 opinions 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 a 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

***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.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 20, 2023

**TROY TOWNSHIP – CITY OF TOLEDO  
JOINT ECONOMIC DEVELOPMENT DISTRICT  
WOOD COUNTY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2022-001**

**Material Weakness**

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following errors required adjustment to the financial statement for the year ended December 31, 2022:

- JEDD Board Maintenance and Operations (15%) Distribution in the amount of \$293,207 was incorrectly included as a distribution to the District itself; and
- Miscellaneous Disbursements in the amount of \$124,355 were incorrectly excluded from the distributions for the District; and
- Fourth Quarter 2021 Income Taxes and Net Profit Taxes Collected, received in fiscal year 2022, were incorrectly included in the amounts reported as received for fiscal year 2021. Additionally, Fourth Quarter 2022 Income Taxes and Net Profit Taxes Collected received in fiscal year 2023 were incorrectly included in the amounts reported as received for fiscal year 2022. Adjustments were made to Income Taxes and Net Profit Taxes Collected for the net amounts of \$301,587 and \$157,191, respectively; and
- Interest revenue of \$829 was excluded from the financial statements.

The following errors required adjustment to the financial statement for the year ended December 31, 2021:

- JEDD Board Maintenance and Operations (15%) Distribution in the amount of \$263,657 was incorrectly included as a distribution to the District itself; and
- Miscellaneous Disbursements in the amount of \$90,597 were incorrectly excluded from the distributions for the District; and
- Fourth Quarter 2021 Income Taxes and Net Profit Taxes Collected, received in fiscal year 2022, were incorrectly included in the amounts reported as received for fiscal year 2021. The removal of the Fourth Quarter 2021 Income Taxes and Net Profit Taxes Collected resulted in decreases of \$339,889 and \$274,386, respectively; and
- Interest revenue of \$227 was excluded from the financial statements; and
- Beginning fund balance did not include the prior audit adjustment of \$478,498

These errors were the result of inadequate policies and procedures in reviewing the financial statements. Failure to complete accurate financial statements could lead to the District making misinformed decisions. The accompanying financial statements and notes to the financial statements have been adjusted to correct these errors.

The District should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Fiscal Officer and Directors, to identify and correct errors and omissions.

**Officials Response:**

We did not receive a response from Officials to the findings reported above.

**Troy Township/City of Toledo  
 Joint Economic Development District  
 PO Box 128  
 Luckey, Ohio 43443**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
 DECEMBER 31, 2022 AND 2021**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2020-001	Finding was first issued in the 2020-2019 audit. Material weakness for lack of monitoring of financial transactions resulting in errors in the financial statements.	Not corrected and reissued as Finding 2022-001 in this report.	Recurrence occurred due to inadequate policies and procedures in reviewing the financial statements and accounting records throughout the audit period. Board of Directors will perform detailed reviews of financial information.

# OHIO AUDITOR OF STATE KEITH FABER



**TROY TOWNSHIP-CITY OF TOLEDO JOINT ECONOMIC DEVELOPMENT DISTRICT**

**WOOD 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 1/16/2024**

88 East Broad 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](http://www.ohioauditor.gov)