



Dave Yost · Auditor of State



**SPRINGFIELD-BECKLEY MUNICIPAL AIRPORT  
JOINT ECONOMIC DEVELOPMENT DISTRICT  
CLARK COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Springfield-Beckley Municipal Airport Joint Economic Development District  
Clark County  
76 East High Street, Fourth Floor  
Springfield, Ohio 45502

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type and related notes of the Springfield-Beckley Municipal Airport Joint Economic Development District, Clark County, (the District) as of and for the years ended December 31, 2014 and 2013.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; 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.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 1B of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Springfield-Beckley Municipal Airport Joint  
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Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***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* paragraph, the financial statements referred to above 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, 2014 and 2013, or changes in financial position thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Springfield-Beckley Municipal Airport Joint Economic Development District, Clark County as of December 31, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1B.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2015, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 14, 2015

**SPRINGFIELD-BECKLEY MUNICIPAL AIRPORT JOINT ECONOMIC DEVELOPMENT DISTRICT  
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Governmental Fund Type</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
Income Tax Revenue	\$ 234,252	-	\$ 234,252
Total Cash Receipts	<u>234,252</u>	<u>-</u>	<u>234,252</u>
<b>Cash Disbursements:</b>			
Intergovernmental	<u>222,539</u>	<u>-</u>	<u>222,539</u>
Total Cash Disbursements	<u>222,539</u>	<u>-</u>	<u>222,539</u>
Total Receipts Over Disbursements	<u>11,713</u>	<u>-</u>	<u>11,713</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers In	-	11,713	11,713
Transfers Out	<u>(11,713)</u>	<u>-</u>	<u>(11,713)</u>
Total Other Financing Receipts/(Disbursements)	<u>(11,713)</u>	<u>11,713</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	<u>-</u>	<u>11,713</u>	<u>11,713</u>
Fund Cash Balances, January 1	<u>5,000</u>	<u>186,550</u>	<u>191,550</u>
Committed	<u>5,000</u>	<u>198,263</u>	<u>203,263</u>
<b>Fund Cash Balances, December 31</b>	<b>\$ 5,000</b>	<b><u>198,263</u></b>	<b>\$ 203,263</b>

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

**SPRINGFIELD-BECKLEY MUNICIPAL AIRPORT JOINT ECONOMIC  
DEVELOPMENT DISTRICT, CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Springfield-Beckley Municipal Airport Joint Economic Development District, Clark 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, as permitted by Ohio Revised Code Section 715.70. The District was formed as a result of an agreement between the City of Springfield (City) and Green Township (Township), in Clark County. The District is directed by a five member Board of Trustees: three are appointed by the City of Springfield and two appointed by Green Township. The District's purpose is to promote economic development activities in the geographic area comprising the District. Such area is located in Green Township and includes the general area of the Springfield-Beckley Municipal 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 accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Cash and Investments**

As permitted by the Ohio Revised Code, the City's Treasurer holds the District's cash as custodian for the District. The District's assets are held in the City's cash and investment pool, and are valued at the Treasurer's reported carrying amount.

## **D. Fund Accounting**

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

### **1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

### **2. Capital Projects Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The District had the following significant Capital Projects Fund:

**Road Reconstruction Fund** – This fund receives a portion of the net income tax receipts and is used to pay for the reconstruction of public roadways in the District.

## **E. Fund Balance**

For December 31, 2014, 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:

### **1. Nonspendable**

The District classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

### **2. 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.

### **3. Committed**

District Board members can commit amounts via formal action (resolution). The District must adhere to these commitments unless the District Board members 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.

#### **4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. In the General Fund, assigned amounts represent intended uses established by District Board members or a District official delegated that authority by resolution, or by State Statute.

#### **5. Unassigned**

Unassigned fund balance is the residual classification for the General Fund and includes amounts not included in the other classifications.

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.

## **2. LOCAL INCOME TAX**

The District levies an income tax of one 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 the tax to the City, as required. The City then distributes the income tax monies to the District.

**SPRINGFIELD-BECKLEY MUNICIPAL AIRPORT JOINT ECONOMIC DEVELOPMENT DISTRICT  
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Governmental Fund Type</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
Income Tax Revenue	\$ 245,400	_____ -	\$ 245,400
Total Cash Receipts	<u>245,400</u>	_____ -	<u>245,400</u>
<b>Cash Disbursements:</b>			
Intergovernmental	<u>233,130</u>	_____ -	<u>233,130</u>
Total Cash Disbursements	<u>233,130</u>	_____ -	<u>233,130</u>
Total Receipts Over Disbursements	<u>12,270</u>	_____ -	<u>12,270</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers In	-	12,270	12,270
Transfers Out	<u>(12,270)</u>	_____ -	<u>(12,270)</u>
Total Other Financing Receipts/(Disbursements)	<u>(12,270)</u>	<u>12,270</u>	_____ -
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	_____ -	<u>12,270</u>	<u>12,270</u>
Fund Cash Balances, January 1	<u>5,000</u>	<u>174,280</u>	<u>179,280</u>
Committed	<u>5,000</u>	<u>186,550</u>	<u>191,550</u>
<b>Fund Cash Balances, December 31</b>	<b>\$ 5,000</b>	<b><u>186,550</u></b>	<b>\$ 191,550</b>

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

**SPRINGFIELD-BECKLEY MUNICIPAL AIRPORT JOINT ECONOMIC  
DEVELOPMENT DISTRICT, CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

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**A. Description of the Entity**

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# Dave Yost • Auditor of State

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

Springfield-Beckley Municipal Airport Joint Economic Development District  
Clark County  
76 East High Street, Fourth Floor  
Springfield, Ohio 45502

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of Springfield-Beckley Municipal Airport Joint Economic Development District, Clark County, (the District) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, and have issued our report thereon dated December 14, 2015, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

### ***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Springfield-Beckley Municipal Airport Joint  
Economic Development District  
Clark County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

**Purpose of this Report**

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 14, 2015



# Dave Yost • Auditor of State

## SPRINGFIELD-BECKLEY MUNICIPAL AIRPORT JOINT ECONOMIC DEVELOPMENT

### CLARK 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.

A handwritten signature in cursive script that reads "Susan Babbitt".

CLERK OF THE BUREAU

CERTIFIED  
FEBRUARY 16, 2016