



OHIO AUDITOR OF STATE
KEITH FABER



**TOLEDO EXPRESS AIRPORT
JOINT ECONOMIC DEVELOPMENT DISTRICT
LUCAS COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Toledo Express Airport
Joint Economic Development District
Lucas County
4335 Albon Road
Monclova, Ohio 43542

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements as of and for the years ended December 31, 2020 and 2019, and related notes of Toledo Express Airport Joint Economic Development District, Lucas County, Ohio (the District).

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 such 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 1 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.

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, 2020 and 2019, and the respective 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 cash balances, receipts and disbursements as of and for the years ended December 31, 2020 and 2019, and related notes of the District, as of and 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 1.

Emphasis of Matter

As discussed in Note 6 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2021, 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.



Keith Faber
Auditor of State
Columbus, Ohio

November 15, 2021

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Toledo Express Airport
Joint Economic Development District
Lucas County
Statement of Receipts, Disbursements and
Changes in Fund Balance (Regulatory Cash Basis)
For the Year Ended December 31, 2020

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Cash Receipts	
Income Taxes	\$322,946
Net Profit Taxes Collected	248
Interest Revenue	1,889
	<hr/>
<i>Total Cash Receipts</i>	<i>325,083</i>
	<hr/>
Cash Disbursements	
Administrative Fee to Toledo	9,240
Retention Fund	3,696
Distribution to Swanton Township	53,501
Distribution to Monclova Township	53,501
Distribution to City of Toledo	53,501
Miscellaneous Disbursements	182,275
	<hr/>
<i>Total Cash Disbursements</i>	<i>355,714</i>
	<hr/>
<i>Net Change in Fund Cash Balance</i>	<i>(30,631)</i>
<i>Fund Cash Balance, January 1</i>	<i>248,082</i>
	<hr/>
<i>Fund Cash Balance, December 31</i>	<i>\$217,451</i>
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The notes to the financial statements are an integral part of this statement.

Toledo Express Airport
Joint Economic Development District
Notes to the Financial Statement
For the Year Ended December 31, 2020

Note 1 - Summary of Significant Accounting Policies

Description of the Entity

The Toledo Express Airport Joint Economic Development District, Lucas County, Ohio (the District) was formed by contract on December 17, 2014, under Sections 715.72 through 715.83 of the Ohio Revised Code. The District is comprised of the City of Toledo, Swanton Township, and Monclova Township (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 1.5 percent.

The District's management believes this financial statement presents all activities for which the District is financially accountable.

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 governmental fund type.

Basis of Accounting

The financial statement follows the accounting basis permitted by the financial reporting provisions of Section 117.38 of the Ohio Revised Code and Section 117-203(D) of the Ohio Administrative Code. This basis is similar to the cash receipts and disbursements basis of accounting. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred.

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Section 117.38 of the Ohio Revised Code and Section 117-203(D) of the Ohio Administrative Code permit.

Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash held by the City of Toledo and JEDD Board.

Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District has the following fund:

General Fund - The General Fund is the general operating fund. It is used to report all financial resources.

Toledo Express Airport
Joint Economic Development District
Notes to the Financial Statement
For the Year Ended December 31, 2020
(Continued)

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 - Governing Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Governing Board amends 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 7.

Note 2 - Cash Deposits

The City of Toledo collects and holds cash to be distributed to Monclova Township, Swanton Township and the District. Money held by the City of Toledo may be invested and subject to the same collateralization requirements of the City of Toledo.

The JEDD maintains one interest bearing checking account. The Ohio Revised Code prescribes allowable deposits and investments.

The carrying amount of the deposits at December 31 was \$217,451.

Toledo Express Airport
Joint Economic Development District
Notes to the Financial Statement
For the Year Ended December 31, 2020
(Continued)

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.

Note 3 - Income Tax

The District levies a municipal income tax of 1.5 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 1.5 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, 1.0 percent is retained by the Tax Administrator and 2.5 percent is paid to the City of Toledo for administering, collecting and enforcing the income tax. The 1.0 percent retained by the Tax Administrator is used to pay refunds and in general to balance accounts. If total retainage exceeds 3 percent of the prior year's Gross Tax Receipts, the Tax Commissioner shall annually distribute the amount in excess of 3 percent to the Contracting Parties.

Net Tax Receipts are the Gross Tax Receipts reduced by (1) the 1.0 percent retained by the Tax Administrator, and (2) the 2.5 percent paid to the City for administering, collecting and enforcing the income tax. Of the Net Tax Receipts, 55 percent is distributed to the District's Airport Expense Fund for operating expenses, long-term maintenance, and capital improvements at the Airport, and the remaining 41.5 percent is distributed to the Contracting Parties in equal share (33.33% each). Distributions to the Contracting Parties are made on a quarterly basis.

Note 4 – Related Party Transaction

A board member is an employee of TronAir that the District distributed funds to for a Jobs Creation Grant, the board member abstained from voting regarding the grant for TronAir. The District contributed \$20,000 to the company.

Note 5 – Risk Management

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- General liability; and
- Errors and omissions.

Note 6 – COVID 19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. In addition, the impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Toledo Express Airport
Joint Economic Development District
Notes to the Financial Statement
For the Year Ended December 31, 2020
(Continued)

Note 7 – Fund Balances

The fund balance of the General Fund is unassigned.

Note 8 – Change in Accounting Principle

For 2020, the Authority has made changes to their cash basis reporting model. These changes include removing the fund balance classifications from the statement of receipts, disbursements and changes in fund balances (regulatory cash basis).

Toledo Express Airport
Joint Economic Development District
Lucas County
Statement of Receipts, Disbursements and
Changes in Fund Balance (Regulatory Cash Basis)
For the Year Ended December 31, 2019

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Cash Receipts	
Income Taxes	\$381,572
Net Profit Taxes Collected	65
Interest Revenue	<u>1,356</u>
<i>Total Cash Receipts</i>	<u>382,993</u>
 Cash Disbursements	
Administrative Fee to Toledo	8,897
Retention Fund	3,559
Distribution to Swanton Township	51,516
Distribution to Monclova Township	51,516
Distribution to City of Toledo	51,516
Miscellaneous Disbursements	<u>99,681</u>
<i>Total Cash Disbursements</i>	<u>266,685</u>
 <i>Net Change in Fund Cash Balance</i>	 116,308
 <i>Fund Cash Balance, January 1</i>	 <u>131,774</u>
 <i>Fund Balance, December 31</i>	
Unassigned	248,082
 <i>Fund Cash Balance, December 31</i>	 <u><u>\$248,082</u></u>

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

Toledo Express Airport
Joint Economic Development District
Notes to the Financial Statement
For the Year Ended December 31, 2019

Note 1 - Summary of Significant Accounting Policies

Description of the Entity

The Toledo Express Airport Joint Economic Development District, Lucas County, Ohio (the District) was formed by contract on December 17, 2014, under Sections 715.72 through 715.83 of the Ohio Revised Code. The District is comprised of the City of Toledo, Swanton Township, and Monclova Township (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 1.5 percent.

The District's management believes this financial statement presents all activities for which the District is financially accountable.

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 governmental fund type.

Basis of Accounting

The financial statement follows the accounting basis permitted by the financial reporting provisions of Section 117.38 of the Ohio Revised Code and Section 117-203(D) of the Ohio Administrative Code. This basis is similar to the cash receipts and disbursements basis of accounting. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred.

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Section 117.38 of the Ohio Revised Code and Section 117-203(D) of the Ohio Administrative Code permit.

Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash held by the City of Toledo and JEDD Board.

Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District has the following fund:

General Fund - The General Fund is the general operating fund. It is used to report all financial resources.

Toledo Express Airport
Joint Economic Development District
Notes to the Financial Statement
For the Year Ended December 31, 2019
(Continued)

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. The District had no nonspendable fund balance at December 31, 2019.

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. At December 31, 2019, the District had no restricted fund balance.

Committed - The Board can commit amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends 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. The District had no committed fund balance at December 31, 2019.

Assigned - Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by District Board or a District official delegated that authority by resolution, or by State Statute. The District had no assigned fund balance at December 31, 2019.

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.

Note 2 - Cash Deposits

The City of Toledo collects and holds cash to be distributed to Monclova Township, Swanton Township and the District. Money held by the City of Toledo may be invested and subject to the same collateralization requirements of the City of Toledo.

The JEDD maintains one interest bearing checking account. The Ohio Revised Code prescribes allowable deposits and investments.

The carrying amount of the deposits at December 31 was \$248,082.

Toledo Express Airport
Joint Economic Development District
Notes to the Financial Statement
For the Year Ended December 31, 2019
(Continued)

Deposits are insured by the Federal Depository 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.

Note 3 - Income Tax

The District levies a municipal income tax of 1.5 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 1.5 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, 1.0 percent is retained by the Tax Administrator and 2.5 percent is paid to the City of Toledo for administering, collecting and enforcing the income tax. The 1.0 percent retained by the Tax Administrator is used to pay refunds and in general to balance accounts. If total retainage exceeds 3 percent of the prior year's Gross Tax Receipts, the Tax Commissioner shall annually distribute the amount in excess of 3 percent to the Contracting Parties.

Net Tax Receipts are the Gross Tax Receipts reduced by (1) the 1.0 percent retained by the Tax Administrator, and (2) the 2.5 percent paid to the City for administering, collecting and enforcing the income tax. Of the Net Tax Receipts, 55 percent is distributed to the District's Airport Expense Fund for operating expenses, long-term maintenance, and capital improvements at the Airport, and the remaining 41.5 percent is distributed to the Contracting Parties in equal share (33.33% each). Distributions to the Contracting Parties are made on a quarterly basis.

Note 4 - Related Party Transaction

A board member is an employee of TronAir that the District distributed funds to for a Jobs Creation Grant, the board member abstained from voting regarding the grant for TronAir. The District contributed \$20,000 to the company.

Note 5 – Risk Management

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- General liability; and
- Errors and omissions.

Note 6 - COVID 19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. In addition, the impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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OHIO AUDITOR OF STATE KEITH FABER



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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

Toledo Express Airport
Joint Economic Development District
Lucas County
4335 Albon Road
Monclova, Ohio 43542

To the Board of Directors:

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 as of and for the years ended December 31, 2020 and 2019, and related notes of Toledo Express Airport Joint Economic Development District, Lucas County, Ohio (the District) and have issued our report thereon dated November 15, 2021, 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. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion 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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2020-001 and 2020-002 to be material weaknesses.

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 financial statements. 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*.

District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings. We did not subject the District's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

November 15, 2021

**TOLEDO EXPRESS AIRPORT
JOINT ECONOMIC DEVELOPMENT DISTRICT
LUCAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2020 and 2019**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2020-001

Material Weakness - Financial Reporting

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 statement; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting a financial statement 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 statements for the year ended December 31, 2020:

- Toledo Express Airport Economic Development Distribution in the amount of \$196,170 was incorrectly included as a distribution to the District itself rather than the City of Toledo, Swanton Township and Monclova Township; and
- Miscellaneous Disbursements in the amount \$182,275 were incorrectly excluded from the distributions for the District.

The following errors required adjustment to the financial statements for the year ended December 31, 2019:

- Toledo Express Airport Economic Development Distribution in the amount of \$188,891 was incorrectly included as a distribution to the District itself rather than the City of Toledo, Swanton Township, and Monclova Townships;
- Miscellaneous Disbursements in the amount \$99,681 were incorrectly excluded from the distributions for the District;
- Beginning Fund Balance in the amount of \$63,052 was incorrectly excluded from the fund balance for the District.

These errors were not identified and corrected prior to the District preparing its financial statement and notes to the financial statement due to deficiencies in the District's internal controls over financial statement monitoring. Failing to prepare an accurate financial statement could lead the Board of Directors to make misinformed decisions. The accompanying financial statement have been adjusted to reflect these changes. In addition to the adjustment noted above, we also identified additional misstatements ranging from \$435 to \$1,889, which we have brought to the District's attention.

To help ensure the District's financial statement and notes to the financial statement are complete and accurate, the District should adopt policies and procedures over financial reporting, including a final review of the financial statement and notes to the financial statement by the Treasurer and Board of Directors to help identify and correct errors and omissions.

FINDING NUMBER 2020-002

Material Weakness – District Distributions

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure accounting policies and procedures are in place to ensure all District distributions are correct and in accordance with the District agreement.

Due to deficiencies in internal controls over calculation and review of distributions, District distributions paid to the City were incorrect and not in accordance with the District agreement. During 2019, the District failed to pay the City the correct amounts resulting in the City being overpaid by \$20,125.

The District should implement policies and procedures to review calculations before disbursements to ensure they are correct and in accordance with the District agreement.

The City corrected the matter by issuing a check on November 3, 2021 to the District in the amount of \$20,125.

Officials' Response:

The District appreciates being made aware of the findings included in the audit. The District will develop and implement the appropriate policies and procedures to avoid such issues from occurring in the future.

OHIO AUDITOR OF STATE KEITH FABER



TOLEDO EXPRESS AIRPORT JOINT ECONOMIC DEVELOPMENT 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 11/30/2021

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