



**NORTHWEST OHIO ADVANCED ENERGY  
IMPROVEMENT DISTRICT  
LUCAS COUNTY  
REGULAR AUDIT  
FOR THE YEAR ENDED DECEMBER 31, 2021**

313 Second St.  
Marietta, OH 45750  
740 373 0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304 422 2203

150 W. Main St., #A  
St. Clairsville, OH 43950  
740 695 1569

1310 Market St., #300  
Wheeling, WV 26003  
304 232 1358

749 Wheeling Ave., #300  
Cambridge, OH 43725  
740 435 3417

[www.perrycpas.com](http://www.perrycpas.com)



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(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, 2021 through December 31, 2021. 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 black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

**June 17, 2022**

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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 financial statements of the Northwest Ohio Advanced Energy Improvement District, Lucas County, Ohio (the District) (a not-for-profit organization) which comprise the statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Northwest Ohio Advanced Energy Improvement District, Lucas County, Ohio, as of December 31, 2021, 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 Opinions*

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 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 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 June 2, 2022, 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.



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

June 2, 2022

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2021**

**ASSETS**

**Current assets**

Cash	\$	178,884
Cash and cash equivalents held by trustees		6,281,692
Current portion of notes receivable		3,649,360
Interest receivable		771,818
Total current assets		10,881,754

**Noncurrent assets**

Notes receivable, net of current portion and unexpended funds		29,434,738
Total noncurrent assets		29,434,738

Total assets	\$	40,316,492
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**LIABILITIES AND NET ASSETS**

**Current liabilities**

Current portion of bonds payable	\$	2,940,000
Management fee payable - Toledo-Lucas County Port Authority		693,621
Current portion of notes payable		2,295,089
Accrued interest		207,261
Total current liabilities		6,135,971

**Noncurrent liabilities**

Bonds payable, net of current portion and unamortized bond issuance costs		24,663,007
Notes payable, net of current portion		1,452,849
Notes receivable issuance costs, net of amortization		904,016
Prepaid fees		315,962
Reserves held on behalf of borrowers		3,352,783
Other funds held on behalf of borrowers		62,066
Total noncurrent liabilities		30,750,683

**Net assets**

Net assets without donor restrictions		429,838
Net assets with donor restrictions		3,000,000
Total net assets		3,429,838

Total liabilities and net assets	\$	40,316,492
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The accompanying notes are an integral part of these financial statements.

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2021**

	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total</b>
<b>Revenues</b>			
Interest income from notes receivable	\$ 1,861,368	\$ -	\$ 1,861,368
Fee income	249,965	-	249,965
Investment income	3,687	-	3,687
Total revenue	2,115,020	-	2,115,020
<b>Expenses</b>			
Interest expense on bonds payable	1,398,849	-	1,398,849
Bond administration fees	230,217	-	230,217
Legal and other professional fees	20,410	-	20,410
Amortization of bond issuance costs	82,962	-	82,962
Trustee fees	27,558	-	27,558
Bad debt expense	84	-	84
Management fee	693,621	-	693,621
Total expenses	2,453,701	-	2,453,701
Change in net assets	(338,681)	-	(338,681)
Net assets, beginning of year	768,519	3,000,000	3,768,519
Net assets, end of year	\$ 429,838	\$ 3,000,000	\$ 3,429,838

The accompanying notes are an integral part of these financial statements.

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2021**

<b>Cash flows from operating activities</b>		
Change in net assets		\$ (338,681)
Adjustments to reconcile net change in net assets to net cash provided by (used in) operating activities:		
Amortization of bond issuance costs		82,962
Amortization income - deferred revenue and note receivable issuance costs		(175,735)
Changes in operating assets and liabilities:		
Change in:		
Interest receivable		(23,450)
Related party payable		273,347
Accrued interest		15,220
	Net cash used in operating activities	<u>(166,337)</u>
<b>Cash flows from investing activities</b>		
Principal payments received on notes receivable		3,215,066
Advances made to borrowers		(1,700,609)
	Net cash provided by investing activities	<u>1,514,457</u>
<b>Cash flows from financing activities</b>		
Proceeds from the issuance of notes payable		1,188,949
Payments on notes payable		(162,721)
Payments on bonds payable		(2,705,000)
	Net cash used in financing activities	<u>(1,678,772)</u>
Net decrease in cash and cash equivalents		<u>(330,652)</u>
Cash and cash equivalents at beginning of year		6,791,228
Cash and cash equivalents at end of year		<u><u>\$ 6,460,576</u></u>

The accompanying notes are an integral part of these financial statements.

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

**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 not-for-profit 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 with 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.

**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 cost 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, 2021 were \$904,016.

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**For the Year Ended December 31, 2021**

**Note 1—Summary of significant accounting policies – continued**

**Prepaid fees**

Prepaid fees represent fees charged to borrowers and is amortized over the term of the loan. Prepaid fees at December 31, 2021 amounted to \$315,962.

**Reserves held on behalf of borrowers**

Funds 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, 2021 were \$3,352,783.

**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.

**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.

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 2018. 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 June 2, 2022 the date the financial statements were available to be issued, and determined that there are no additional events which require recording or disclosure.

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**For the Year Ended December 31, 2021**

**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, 2021 is as follows:

Loan	Original Amount	Maturity Date	Interest Rate	Payment Amount	Balance
<b>Monthly payments:</b>					
IPS Energy-Collins Park Solar Project	\$ 1,040,000	3/15/2022	4.50%	\$ 11,354	\$ 33,810
Little Learners	45,000	11/15/2037	6.00%	286	21,802
Louisville Title	194,650	6/1/2026	4.75%	1,588	77,093
Solscient Energy, LLC (GM)	1,177,920	5/1/2027	4.32%	Various	616,856
Solscient Energy, LLC (GM)	500,000	12/20/2028	4.00%	3,698	270,575
Sylvania Tam-O-Shanter Sports, Inc.	313,000	10/15/2022	5.50%	3,397	33,128
Valentine Theatre	105,521	3/15/2027	3.00%	729	44,285
<b>Semi-annual payments:</b>					
107 LLC	76,500	7/31/2024	4.75%	7,286	40,271
123 N. Erie LLC	280,240	7/31/2033	6.00%	14,032	251,566
13 North Huron	55,182	7/31/2031	5.00%	2,662	41,402
16 Broadway St	79,560	7/31/2031	5.00%	3,858	60,727
337 Broadway	301,103	7/31/2040	4.40%	12,146	301,103
1800 Limited, LLC	161,389	7/31/2029	5.75%	Various	111,586
26610 Eckel LLC	243,586	7/31/2033	6.00%	12,303	220,339
405 Madison Limited, LLC	448,257	7/31/2029	5.75%	Various	321,651
920 Illinois Ave, LLC	3,660,000	7/1/2032	4.53%	Various	3,020,475
A&A Property Group	79,133	7/31/1931	4.50%	4,911	79,133
Anthony M. Fronk LLC	86,864	7/31/2033	5.15%	4,314	77,321
Art Iron	266,016	7/31/2031	5.00%	Various	248,844
Asset Protection Corporation	131,324	7/31/2029	5.25%	8,205	114,755
AWLCO Limited	100,320	7/31/2036	3.90%	4,471	100,320
B&B Molded Products	1,305,000	11/15/2030	4.95%	Various	950,000
Barone Brothers, LLC	1,806,777	7/31/2033	5.00%	91,289	1,558,594
Barron's Lawn Service	175,000	11/15/2030	4.50%	8,629	131,291
Beauty Bar	30,424	7/31/2032	5.00%	1,606	25,797
Bluffton Family Recreation	101,535	7/31/2032	5.00%	5,300	85,104
Briarwood Management Project	1,260,000	11/15/2035	4.35%	Various	1,065,000
Brickyard on Main	183,279	7/31/2033	6.00%	9,256	165,787
City of Northwood	81,593	7/31/2022	5.00%	10,913	21,026
City of Oregon	1,751,175	7/31/2028	3.90%	Various	991,098
City of Toledo	51,195	10/15/2026	5.48%	4,805	36,184
City of Toledo ESID 1-40	5,325,000	10/15/2026	5.48%	Various	2,973,660

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**For the Year Ended December 31, 2021**

**Note 2—Notes receivable – continued**

A summary of notes receivable at December 31, 2021 is as follows, continued:

Loan	Original Amount	Maturity Date	Interest Rate	Payment Amount	Balance
County of Medina	25,500	7/31/2022	5.00%	2,702	5,205
Crane Development	81,223	7/31/2027	5.00%	5,457	54,568
Dealer Portfolio Solutions	43,860	7/30/2026	5.00%	2,797	24,443
DOGR Properties, LLC	800,000	7/31/2033	5.15%	39,724	712,106
Findlay Surgical Center	1,095,000	7/31/2031	4.25%	Various	855,000
Hale Performance	565,000	7/31/2031	5.35%	Various	455,000
Imagination Station	1,626,970	7/31/2034	4.15%	77,410	1,552,580
J-Zamm Properties LLC	11,480	7/31/2023	5.00%	1,319	4,958
JA2 Investments, LLC	127,500	7/31/2030	4.75%	6,100	88,503
JAM III Enterprises	76,100	7/31/2032	5.00%	3,846	61,757
Jamaican Spice	59,670	7/31/2026	5.00%	3,758	46,592
JMS Real Estate	170,000	7/31/2024	6.25%	12,191	65,771
Job One USA	472,339	12/12/2028	5.50%	Various	280,293
John and Adrienne O'Donnell, LLC	417,652	7/31/2032	5.00%	21,181	371,935
Kettering Tower	2,335,000	11/15/2025	4.35%	Various	1,205,000
KG Funding LLC	126,278	7/31/2033	5.15%	6,270	123,178
Liberty Ridge II	1,328,315	7/31/2043	5.30%	51,713	1,273,149
Lima Chamber of Commerce	36,920	7/31/2027	5.00%	2,464	24,641
Marshall Fitness	44,650	7/31/2027	5.00%	3,000	29,997
Maumee Valley Movers	242,019	11/15/2030	4.10%	Various	179,737
NZR	1,485,035	7/31/2028	5.90%	Various	619,256
Paragon Crossing	64,078	7/31/2031	4.85%	4,041	64,078
Play With Your Food, LLC	422,029	7/31/2035	3.90%	19,729	422,029
Radon Environmental	26,269	7/31/2026	5.00%	Various	14,570
Rupp Unlimited Property Partnership	91,473	7/31/2025	4.45%	5,648	50,139
S&G Asset Group	365,000	7/31/2025	4.70%	Various	206,480
Sethi Investments, LLC	140,142	7/31/2033	6.00%	7,078	126,767
Shumaker Loop & Kendrick, LLP	443,700	7/31/2025	3.50%	48,636	359,953
SKA Enterprises	128,774	7/31/2027	5.81%	6,784	67,908
Springfield Township Fire Station	685,000	7/31/2031	5.25%	Various	550,000
Springfield Township Administration	166,649	7/31/2031	5.00%	7,923	123,212
Stevens Venture 3 - Saginaw, LLC	101,760	7/31/2022	5.35%	11,802	22,680
Stone Family Enterprises	280,000	7/31/2031	5.25%	Various	225,000
The Toledo Club	689,159	7/31/2028	4.85%	Various	424,053
Toledo Country Club	330,587	7/31/2035	4.00%	15,564	330,587
Toledo Legal Building, Ltd	99,106	7/31/2032	5.00%	5,080	81,671
Toledo School of the Arts	1,361,452	7/31/2028	4.69%	66,225	878,339



**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**For the Year Ended December 31, 2021**

**Note 2—Notes receivable – continued**

A summary of notes receivable at December 31, 2021 is as follows, continued:

Loan	Original Amount	Maturity Date	Interest Rate	Payment Amount	Balance
Top of the Market	655,000	11/15/2030	4.65%	Various	475,000
Torrey Hill Apts - 2356 Torrey Hill Drive	169,000	7/31/2030	5.50%	8,920	135,829
Torrey Hill Apts - 1945 Ottawa Drive	135,000	7/31/2031	5.35%	7,738	120,054
Torrey Hill Apts - 2252 Collingwood	135,000	7/31/2031	5.35%	Various	110,000
TronAir, Inc.	347,211	7/31/2027	3.57%	Various	224,366
TronAir, Inc.	100,000	7/31/2027	4.00%	Various	64,675
UAW Local 12	521,000	7/31/2026	4.75%	25,689	226,292
United North	304,000	12/1/2027	5.50%	15,654	257,963
Valico, LLC	82,857	7/31/2032	5.00%	4,202	67,474
Vibrant Ventures, LLC	515,449	7/31/2033	5.15%	25,665	462,577
Village of Edon	22,694	7/31/2025	5.00%	2,585	18,516
YMCA of Greater Toledo - Ft. Meigs	635,055	7/31/2038	4.90%	26,388	591,936
YMCA of Greater Toledo - Sylvania	660,337	7/31/2038	4.90%	27,439	615,501
YMCA of Greater Toledo - West	342,384	7/31/2038	4.90%	14,227	319,137
YMCA of Greater Toledo - Wolf Creek	430,315	7/31/2038	4.90%	Various	400,150
4493 286th Street	6,500	7/31/2028	4.25%	403	4,830
625 Acklin	11,200	12/31/2027	4.25%	692	7,254
2245 Airline	6,980	12/31/2027	4.25%	447	4,691
2721 Arthur	8,955	7/31/2030	4.25%	563	8,338
734 Barclay	6,970	12/31/2027	4.25%	434	4,546
4332 Belmar	6,718	7/31/2026	3.50%	424	3,856
4112 Berwick	4,336	7/31/2026	3.50%	273	2,796
4316 Birchall	8,535	7/31/2026	3.50%	537	4,885
2134 Birkdale	10,260	7/31/2030	4.25%	640	9,468
3540 Brock	6,240	7/31/2029	4.25%	1,032	13,857
714 Bronx	13,867	12/31/2027	4.25%	930	9,744
2316 Castlewood	5,800	7/31/2030	4.25%	373	5,516
4160 Carthage	12,486	7/31/2026	3.50%	786	7,146
3310 Cheltenham	9,885	7/31/2030	4.25%	628	9,301
25 Clifton	7,697	7/31/2028	4.25%	490	5,869
2044 Collingwood	14,350	7/31/2027	4.25%	952	9,982
2725 Collingwood	18,531	7/31/2031	4.25%	1,178	18,531
625 Collins	8,520	7/31/2030	4.25%	530	7,849
522 Continental	9,449	12/31/2027	4.25%	586	6,142
429 Darrow	3,815	7/31/2028	4.25%	241	2,883
2837 Densmore	6,000	7/31/2030	4.25%	381	5,646

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**For the Year Ended December 31, 2021**

**Note 2—Notes receivable – continued**

A summary of notes receivable at December 31, 2021 is as follows, continued:

Loan	Original Amount	Maturity Date	Interest Rate	Payment Amount	Balance
1564 Eleanor	5,702	7/31/2031	4.25%	366	5,702
4435 Fir Lane	10,200	7/31/2031	4.25%	657	10,200
2268 Glenwood	12,719	7/31/2030	4.25%	806	11,925
2537 Glenwood	6,113	12/31/2027	3.50%	366	3,932
1495 Gould	9,897	7/31/2026	3.50%	621	5,648
1905 Heatherwood	18,830	7/31/2026	3.50%	1,185	10,777
7113 Hollywyck	17,050	12/31/2027	4.25%	1,101	11,545
3628 Homewood	6,045	7/31/2029	4.25%	375	5,032
647 Hudson	8,700	7/31/2029	4.25%	555	8,577
512 Kopernik	4,191	7/31/2030	4.25%	270	4,000
1335 Laclede	7,669	7/31/2026	3.50%	480	4,363
2842 Letchworth	5,488	7/31/2029	4.25%	350	4,699
4330 Lowe	10,285	12/31/2027	4.25%	659	6,912
3764 Mapleway	14,745	12/31/2027	4.25%	959	10,058
2364 Meadowwood	24,454	7/31/2026	3.50%	1,548	14,079
3024 Meadowwood	9,261	7/31/2031	4.25%	586	9,261
308 Mont Royal	7,700	7/31/2028	4.25%	477	5,722
1413 N Huron	8,052	7/31/2029	4.25%	501	6,727
2401 Parkwood	12,121	12/31/2027	4.25%	777	8,145
4380 River Road	7,900	7/31/2030	4.25%	509	7,539
2236 Robinwood	28,013	12/31/2027	4.25%	1,796	18,825
2320 Robinwood	14,164	12/31/2027	3.50%	851	9,137
2634 Robinwood	10,329	7/31/2030	4.25%	645	9,549
3841 Rohr	12,662	7/31/2030	4.25%	816	12,084
1345 Rollins	8,946	7/31/2026	3.50%	561	5,105
2116 Scottwood	7,665	7/31/2027	4.25%	505	5,294
2333 Scottwood	19,200	7/31/2029	4.25%	1,199	16,095
2357 Scottwood	12,054	7/31/2031	4.25%	758	12,054
2515 Scottwood	11,200	7/31/2028	4.25%	697	8,352
2716 Scottwood	9,404	7/31/2027	4.25%	629	6,590
1010 Searls	6,065	7/31/2030	4.25%	376	5,567
3146 Sherbrooke	9,751	7/31/2029	4.25%	624	8,379
1745 Talbot	9,232	7/31/2031	4.25%	579	9,232
4424 Walker	11,007	7/31/2030	4.25%	707	10,467
554 Walsh	7,182	12/31/2027	4.25%	460	4,826
3618 Watson	6,215	7/31/2030	4.25%	401	5,932

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**For the Year Ended December 31, 2021**

**Note 2—Notes receivable – continued**

A summary of notes receivable at December 31, 2021 is as follows, continued:

Loan	Original Amount	Maturity Date	Interest Rate	Payment Amount	Balance
1935 Wellesley	11,040	7/31/2029	4.25%	692	9,288
4026 Wetzler	13,079	7/31/2026	3.50%	818	7,449
571 Williamsdale	9,703	12/31/2027	4.25%	600	6,284
525 Winthrop	4,809	7/31/2029	4.25%	307	3,093
525 Winthrop	9,637	7/31/2031	4.25%	608	9,638
					<u>\$ 30,652,401</u>

**Semi-annual payments - related parties:**

Loan	Original Amount	Maturity Date	Interest Rate	Payment Amount	Balance
ParkSmart	722,114	8/25/2025	3.00%	36,000	\$ 300,203
TLCPA One Maritime Plaza	1,094,588	8/25/2025	3.42%	52,500	458,830
TLCPA Martin Luther King Plaza	460,686	8/28/2026	3.00%	17,135	212,679
TLCPA TEA Terminal Roof	1,810,000	7/31/2027	4.80%	Various	1,200,000
TLCPA Two Maritime Plaza	545,000	7/31/2031	5.00%	Various	425,000
TLCPA TAA Hangar	473,463	7/31/2032	4.20%	23,647	394,926
TLCPA TEA Maintenance	27,874	7/31/2022	5.00%	3,242	6,246
TLCPA TEA Lighting Project	62,990	7/31/2025	3.88%	4,922	40,720
TLCPA Toledo Express Airport	845,771	11/15/2028	4.83%	Various	588,537
					<u>3,627,141</u>
				Total notes receivable	34,279,542
				Less current portion	<u>(3,649,360)</u>
					30,630,182
				Less unexpended funds	<u>(1,195,444)</u>
				Notes receivable, net of current portion and unexpended funds	<u>\$ 29,434,738</u>

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**For the Year Ended December 31, 2021**

**Note 2—Notes receivable – continued**

Future principal payments of notes receivable for years succeeding 2021 are as follows:

December 31,	
2022	\$ 3,649,360
2023	3,350,454
2024	3,520,545
2025	4,076,854
2026	3,817,139
Thereafter	15,865,190
Total future maturities of notes receivable	\$ 34,279,542

**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 deemed to be in the public interest. 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 \$41,655,000 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, 2021 is as follows:

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**For the Year Ended December 31, 2021**

**Note 3—Long-term debt - continued**

	Face Amount	Maturity Date	Interest Rate	Balance	Bond Reserve
2012B	\$ 5,325,000	11/15/26	4.67%	\$ 2,775,000	\$ 532,500
2012C-1	1,840,000	05/15/22	4.32%	315,000	184,000
2012C-2	3,055,000	05/15/27	4.32%	1,620,000	305,500
2012C-3	1,540,000	05/15/27	4.32%	825,000	154,000
2013A-1	360,000	11/15/23	4.83%	130,000	36,000
2013A-2	2,600,000	11/15/28	4.83%	1,695,000	260,000
2013A-3	1,795,000	11/15/28	4.83%	1,170,000	179,500
2015B-1	1,260,000	11/15/30	4.35%	1,000,000	126,000
2015B-2	655,000	11/15/30	4.35%	475,000	65,500
2015B-3	1,215,000	11/15/30	4.35%	910,000	121,500
2015B-4	670,000	11/15/30	4.35%	345,000	67,000
2015B-5	1,665,000	11/15/30	4.35%	860,000	166,500
2017A-1	2,455,000	11/15/27	3.57%	1,580,000	245,500
2017A-2	4,240,000	11/15/31	3.88%	3,250,000	424,000
2017D-1	175,000	11/15/27	4.20%	120,000	17,500
2017D-2	2,010,000	11/15/32	4.20%	1,690,000	201,000
2017D-3	440,000	11/15/32	4.20%	370,000	44,000
2017D-4	3,650,000	11/15/32	4.20%	3,065,000	365,000
2019A-1	3,425,000	11/15/33	4.37%	3,010,000	342,500
2019A-2	1,980,000	11/15/38	4.52%	1,835,000	198,000
2019A-3	1,300,000	11/15/43	4.65%	1,225,000	130,000
		Total bonds payable		\$ 28,265,000	\$ 4,165,500
		Less unamortized bond issuance costs		(661,993)	
				27,603,007	
		Less current portion		(2,940,000)	
		Bonds payable net of current portion and unamortized bond issuance costs		\$ 24,663,007	

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**For the Year Ended December 31, 2021**

**Note 3—Long-term debt – continued**

A summary of notes payable outstanding at December 31, 2021 is as follows:

	Original Amount	Maturity Date	Interest Rate	Balance
ODSA	\$ 1,740,087	09/15/28	1.00%	\$ 964,953
TLCPA	1,080,862	----	2.00%	2,119,811
TLCPA	150,000	05/01/32	3.00%	114,385
TLCPA	150,000	05/01/33	3.00%	124,135
TLCPA	150,000	11/01/33	3.00%	128,160
TLCPA	150,000	11/01/35	3.00%	146,494
TLCPA	150,000	11/01/36	3.00%	150,000
		Total notes payable		3,747,938
		Less current portion		(2,295,089)
		Notes payable net of current portion		<u>\$ 1,452,849</u>

Future maturities of long-term debt payable for years succeeding 2021 are as follows:

December 31,	
2022	\$ 5,235,089
2023	2,960,787
2024	3,023,532
2025	3,371,331
2026	3,554,188
Thereafter	13,868,011
Total future maturities of long-term debt	<u>\$ 32,012,938</u>

Bond issuance costs are cost incurred related to the issuance 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 included in interest expense amounted to \$82,962 in 2021.

Future amortization of bond issuance costs for years succeeding 2021 are as follows:

December 31,	
2022	\$ 82,965
2023	82,965
2024	82,965
2025	82,965
2026	82,965
Thereafter	247,168
Total future amortization of bond costs	<u>\$ 661,993</u>

**NORTHWEST OHIO ADVANCED ENERGY IMPROVEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**For the Year Ended December 31, 2021**

**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, 2021 was \$693,621 which was calculated based on the net assets for 2020 and is a payable to the Authority as of December 31, 2021.

At December 31, 2021, the District has outstanding notes receivable of \$3,627,141 from the Authority.

**Note 5—Risks and uncertainties**

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen as of the date of the financial statements. The extent of the impact of COVID-19 on the District’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, the impact on the District’s customers, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the District’s financial condition or results of operations is uncertain.

**Note 6—Liquidity**

The following reflects the District’s financial assets as of December 31, 2021, available for general use within one year of the balance sheet date.

Cash	\$ 178,884
Current portion of notes receivable	3,649,360
Interest receivable	771,818
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,600,062

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 7- 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.

**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 and 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, 2021, 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 June 2, 2022.

***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.



***Report on Internal Control Over Financial Reporting (Continued)***

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.

***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 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*

June 2, 2022

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# 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 6/30/2022**

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)