

**BOSTON TOWNSHIP-CITY OF CUYAHOGA FALLS  
JOINT ECONOMIC DEVELOPMENT DISTRICT  
SUMMIT COUNTY, OHIO**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2022**

***Zupka & Associates***  
Certified Public Accountants



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPARepor**t**@ohioauditor.gov  
(800) 282-0370

Board Members

Boston Township-City of Cuyahoga Falls Joint Economic Development District  
2310 Second Street  
Cuyahoga Falls, Ohio 44221

We have reviewed the *Independent Auditor's Report* of Boston Township-City of Cuyahoga Falls Joint Economic Development District, Summit County, prepared by Zupka & Associates, for the audit period January 1, 2022 through December 31, 2022. 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. Boston Township-City of Cuyahoga Falls Joint Economic Development District is responsible for compliance with these laws and regulations.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

September 13, 2023

**This page intentionally left blank.**

**BOSTON TOWNSHIP-CITY OF CUYAHOGA FALLS  
JOINT ECONOMIC DEVELOPMENT DISTRICT  
SUMMIT COUNTY, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2022**

---

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-3
Management Discussion and Analysis	4-5
Statement of Net Position	7
Statement of Activities	8
Balance Sheet - Governmental Fund	9
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	10
Notes to the Financial Statements	12-16
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	17-18

**This page intentionally left blank.**

## INDEPENDENT AUDITOR'S REPORT

To Members of the Board  
Boston Township-City of Cuyahoga Falls  
Joint Economic Development District  
Cuyahoga Falls, Ohio

The Honorable Keith Faber  
Auditor of State  
State of Ohio

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

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Boston Township-City of Cuyahoga Falls Joint Economic Development District, Summit County, Ohio (the District), as of and for the year ended December 31, 2022, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Boston Township-City of Cuyahoga Falls Joint Economic Development District, Ohio, as of December 31, 2022, and the respective changes in financial position thereof for the year then ended in accordance with 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 financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Management is responsible for the preparation and fair presentation of the 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

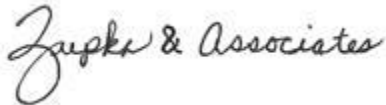


### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our internal control testing over financial reporting and compliance and the results of that testing, and not to provide an opinion on effectiveness of the 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.



Zupka & Associates  
Certified Public Accountants

June 28, 2023

# Boston Township-City of Cuyahoga Falls Joint Economic Development District

## Management's Discussion and Analysis

The management's discussion and analysis of the Boston Township-City of Cuyahoga Falls Joint Economic Development District (the "JEDD") financial performance provides an overall review of the JEDD's financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the JEDD's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the JEDD's financial performance.

### Financial Highlights

- Total net position of the JEDD was \$0 at December 31, 2022, as the total assets of \$68,163 is considered owed to Boston Township (40%) and City of Cuyahoga Falls (60%), and included as current liabilities, based on the JEDD agreement.
- Total revenue was \$258,786 for the year ended December 31, 2022.
- Total revenue was \$258,126 for the prior year ended December 31, 2021.
- The amount distributed to Boston Township and the City of Cuyahoga Falls was \$98,292 and \$147,437 respectively in 2022.

### Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the JEDD as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the JEDD as a whole, presenting both an aggregate view of the JEDD's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For the governmental fund, these statements tell how services were financed in the short-term as well as what remains for future spending. All activities of the JEDD are reported in the General Fund.

### Reporting the JEDD as a Whole

#### *Statement of Net Position and the Statement of Activities*

While this document contains funds used by the JEDD to provide programs and activities, the view of the JEDD as a whole looks at all financial transactions and asks the question, "How did we do financially during 2022?" The statement of net position and the statement of activities answer this question. These statements include all assets, liabilities, deferred inflows and outflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the JEDD's *net position* and changes in that position. This change in net position is important because it tells the reader that, for the JEDD as a whole, the financial position of the JEDD has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Nonfinancial factors include the JEDD's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

The JEDD's statement of net position and statement of activities can be found on pages 7 - 8 of this report.

# **Boston Township-City of Cuyahoga Falls Joint Economic Development District**

## **Reporting the JEDD's Most Significant Funds**

### ***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The JEDD, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All activities of the JEDD are reported in the General Fund. The basic governmental fund financial statements can be found on pages 9 – 10 of this report.

### ***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found beginning on page 12 of this report.

## **Governmental Activities**

Revenues of \$258,786 equaled the expenses which resulted in no change to net position.

Revenues were essentially unchanged, with an increase of \$660 from 2021 to 2022.

### ***Governmental Fund***

The focus of the JEDD's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the JEDD's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the JEDD's net resources available for spending at year-end.

The JEDD's governmental fund (as presented on the balance sheet on page 9) reported a fund balance of \$0, as assets are considered owed to Boston Township (40%) and City of Cuyahoga Falls (60%) at year end. Therefore, the unassigned fund balance at December 31, 2022 was \$0.

### ***General Fund***

The JEDD's General Fund balance remained at \$0 for 2022.

## **Current Issues**

The challenge for all Joint Economic Development Districts is to provide quality services to the businesses residing within the boundaries of the JEDD while staying within sometimes an unpredictable amount of revenues. The Board of Directors is continuously assessing not only the current needs of the businesses but also the future needs of current and future businesses.

In 2022, the City extended water service further north in the JEDD, with the installation of 1,659 feet of twelve-inch water main on Akron-Cleveland Road, from Wyoga Lake Road to 600 feet north of Geoppert Road. The project was completely funded by the American Rescue Plan Act of 2021, with a total cost \$382,469.09.

## **Contacting the JEDD's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the JEDD's finances and to reflect the JEDD's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Mr. Bryan Hoffman, Fiscal Officer, 2310 Second Street, Cuyahoga Falls, Ohio 44221.

# **BASIC FINANCIAL STATEMENTS**

## Boston Township-City of Cuyahoga Falls Joint Economic Development District

**Boston Township-City of Cuyahoga Falls  
Joint Economic Development District  
Summit County, Ohio  
Statement of Net Position  
December 31, 2022**

### Assets

Equity in pooled cash and cash equivalents	\$	9,502
Investments	\$	4,047
Income taxes receivable	\$	50,057
Due from other governments	\$	4,557
Total assets	\$	<u>68,163</u>

### Liabilities

Current:		
Due to other governments:		
Boston Township (40%)	\$	27,265
City of Cuyahoga Falls (60%)	\$	40,898
Total liabilities	\$	<u>68,163</u>

### Net Assets

Unrestricted	\$	-
Total net assets	\$	<u>-</u>

See accompanying notes to the basic financial statements.

## Boston Township-City of Cuyahoga Falls Joint Economic Development District

**Boston Township-City of Cuyahoga Falls  
Joint Economic Development District  
Summit County, Ohio  
Statement of Activities  
For the Year Ended December 31, 2022**

### Revenues

Income taxes	\$ 253,443
Other revenue	\$ 5,343
Total revenues	<u>\$ 258,786</u>

### Expenses

Income tax disbursements, Boston Township	\$ 98,292
Income tax disbursements, City of Cuyahoga Falls	\$ 147,437
Contractual services	\$ 13,057
Refunds	\$ -
Total program expenses	<u>\$ 258,786</u>

Change in net position	\$ -
Net position - beginning, as restated	\$ -
Net position - ending	<u>\$ -</u>

See accompanying notes to the basic financial statements.

**Boston Township-City of Cuyahoga Falls Joint Economic Development District**

**Boston Township-City of Cuyahoga Falls  
 Joint Economic Development District  
 Summit County, Ohio  
 Balance Sheet - Governmental Fund  
 December 31, 2022**

	<b>General Fund</b>
<b><u>Assets</u></b>	
Equity in pooled cash and cash equivalents	\$ 9,502
Investments	\$ 4,047
Income taxes receivable	\$ 50,057
Due from other governments	\$ 4,557
<b>Total assets</b>	<b>\$ 68,163</b>
<b><u>Liabilities</u></b>	
Current:	
Due to other governments:	
Boston Township (40%)	\$ 27,265
City of Cuyahoga Falls (60%)	\$ 40,898
<b>Total liabilities</b>	<b>\$ 68,163</b>
<b><u>Fund Balance</u></b>	
Unassigned	\$ -
<b>Total fund balance</b>	<b>\$ -</b>

See accompanying notes to the basic financial statements.

## Boston Township-City of Cuyahoga Falls Joint Economic Development District

**Boston Township-City of Cuyahoga Falls  
Joint Economic Development District  
Summit County, Ohio  
Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Governmental Fund  
For the Year Ended December 31, 2022**

	<b>General Fund</b>
<b><u>Revenues</u></b>	
Income taxes	\$ 253,443
Other revenue	\$ 5,343
Total revenues	<u>\$ 258,786</u>
<b><u>Expenditures</u></b>	
Income tax disbursements, Boston Township	\$ 98,292
Income tax disbursements, City of Cuyahoga Falls	\$ 147,437
Contractual services	\$ 13,057
Other	\$ -
Refunds	\$ -
Total expenditures	<u>\$ 258,786</u>
Net change in fund balance	\$ -
Fund balance at beginning of year	\$ -
Fund balance at end of year	<u>\$ -</u>

See accompanying notes to the basic financial statements.



# **NOTES TO THE FINANCIAL STATEMENTS**

# **Boston Township-City of Cuyahoga Falls Joint Economic Development District**

## **Notes to the Financial Statements December 31, 2022**

### **NOTE 1 – DESCRIPTION OF THE ENTITY**

Boston Township – City of Cuyahoga Falls Joint Economic Development District, Summit 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. The District was formed as a result of an agreement between the City of Cuyahoga Falls (the City) and Boston Township (the Township), in Summit County. The District is directed by a six member Board of Directors, in which two members representing the City are appointed by the Mayor; two members representing the Township are appointed by the Township trustees; one member representing active businesses within the District, who shall be a resident of the Township, is appointed by the Township Trustees and one member representing the employees of active businesses within the District, who shall be a City resident is appointed by the Mayor. The City of Cuyahoga Falls is the fiscal agent for the District and reports the JEDD activity in a Custodial Fund in their financial statements. The District's purpose is to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State, the County, the City, the Township and the District. The territorial boundaries of the District is located in the Township and known as being a part of Township lots 7, 8 and 9. 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.

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

To be consistent with the reporting of the JEDD as a Custodial Fund of the City of Cuyahoga Falls, the basic financial statements (BFS) of the JEDD have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the JEDD's accounting policies are described below.

#### **A. Basis of Presentation**

The JEDD's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-wide Financial Statements** - The statement of net position and the statement of activities display information about the JEDD as a whole. These statements include the financial activities of the primary government. JEDD activities are financed through a tax on income earned in the JEDD. The statement of net position presents the financial condition of the governmental activities of the JEDD at year end. The statement of activities compares expenses with program revenues for each of the JEDD's activities. Expenses are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the JEDD is responsible. Program revenues include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational requirements of a particular program and revenue of interest earned on grants that is required to be used to support a particular program. General revenues are all receipts not classified as program revenues, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the JEDD's general revenues. The JEDD did not have any program revenues.

## **Boston Township-City of Cuyahoga Falls Joint Economic Development District**

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Fund Financial Statements* - During the year, the JEDD segregates transactions related to certain JEDD functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the JEDD at this more detailed level. All activities of the JEDD are reported in the General Fund.

#### **B. Fund Accounting**

The JEDD uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

*Governmental Funds* - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. Governmental fund assets and deferred outflows or resources less liabilities and deferred inflows of resources is reported as fund balance. The following is the JEDD's major governmental fund:

#### **General Fund**

The general fund accounts for and reports all financial resources not accounted for and reported in another fund. All activities of the JEDD are reported in the General Fund. The JEDD has no proprietary or fiduciary funds.

#### **C. Measurement Focus**

*Government-wide Financial Statements* - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the JEDD are included on the statement of net position. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

*Fund Financial Statements* - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows, current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation, where applicable, with brief explanations to better identify the relationship between the government-wide statements and the financial statements for governmental funds.

#### **D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources and in the presentation of expenses versus expenditures.

## **Boston Township-City of Cuyahoga Falls Joint Economic Development District**

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenues - Nonexchange Transactions** - Nonexchange transactions, in which the JEDD receives value without directly giving equal value in return, includes income taxes. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. For the JEDD, available means expected to be received within sixty days of year-end. Under the modified accrual basis, income tax revenue is considered to be both measurable and available at year end.

**Deferred Inflows of Resources and Deferred Outflows of Resources** - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The JEDD has no deferred inflows or deferred outflows of resources at December 31, 2022.

**Expenses/Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

#### **E. Budgetary Data**

The Ohio Revised Code does not require the JEDD to budget annually; therefore, budgetary information for the general fund is not presented in the basic financial statements.

#### **F. Cash and Cash Equivalents**

All monies received by the JEDD are deposited in the City of Cuyahoga Falls main checking depository account and accounted for by the City in a Custodial Fund. The JEDD had Investments during 2022 which represents their pooled share of the City's investments at December 31, 2022.

#### **G. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the JEDD is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

**Nonspendable** - The JEDD classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. The JEDD had no nonspendable fund balance at December 31, 2022.

**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 of regulations of other governments; or is imposed by law through constitutional provisions. The JEDD had no restricted fund balance at December 31, 2022.

## **Boston Township-City of Cuyahoga Falls Joint Economic Development District**

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Committed* - The Board can *commit* amounts via formal action (resolution). The JEDD 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 JEDD had no committed fund balance at December 31, 2022.

*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 the Board delegated that authority by resolution, or by State Statute. The JEDD had no assigned fund balance at December 31, 2022.

*Unassigned* - Unassigned fund balance is the residual classification for the general fund and includes amounts not included in other classifications.

The JEDD 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.

#### **H. Net Position**

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The JEDD had no restricted net position at December 31, 2022. The JEDD applies restricted resources first when an expense is incurred for purpose for which both restricted and unrestricted net position is available.

#### **I. Estimates**

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

### **NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES**

Effective January 1, 2017, the JEDD had a change in accounting principles to Generally Accepted Accounting Principles to provide consistency with the reporting of the JEDD activity as a Custodial Fund of the City.

### **NOTE 4 - INCOME TAXES**

The District levies an income tax of 2 percent, which is the same rate as the City. The rate of the income tax shall change from time to time so that it is equal to the rate of the municipal income tax levied by the City. Income tax revenues in excess of those provided to the District shall be paid or credited each quarter by the City's Tax Administrator without need of further action by the Treasurer of the Board in the following manner: Forty Percent of that amount to be paid or credited to the Township and the remaining sixty Percent of that amount to be paid or credited to the City. The District distributes the income tax receipts to the City and Township in the month subsequent to receipt collection. The revenues of that income tax shall be used for the purpose of the District and the contracting parties pursuant to the District's contract and may be used for any purpose not prohibited by law.

## **Boston Township-City of Cuyahoga Falls Joint Economic Development District**

### **NOTE 5 – PROPERTY TAXES**

Property taxes levied by the Boston Township on property within the District shall be distributed to the Township with no portion going to the District or City.

### **NOTE 6 – DEPOSITS**

At December 31, 2022, the carrying amount of JEDD deposits was \$9,502. Equity in pooled cash and cash equivalents is included in the City's main checking account, the balance of which was \$5,944,514. Of the bank balance \$500,000 was covered by Federal depository insurance and \$4,258,544 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institutions' trust department or Federal Reserve, but not in the City's name.

At year-end, the amount of Investments was \$4,047. This amount represents the JEDD's pooled share of the City's investment in United States Treasury and Negotiable Certificates of Deposit in the amount of \$18,833,622, and \$10,532,189, respectively.

Custodial credit risk is the risk that, in the event of bank failure, the JEDD deposits may not be returned. The JEDD does not have a deposit policy for custodial credit risk.

### **NOTE 7 - CONTRACTUAL COMMITMENTS**

In 2022, the JEDD paid Zupka & Associates \$5,520 for statutory auditing services and the Auditor of State of Ohio \$119 for audit contracting and review procedures.

**INDEPENDENT AUDITOR’S REPORT  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To Members of the Board  
Boston Township-City of Cuyahoga Falls  
Joint Economic Development District  
Cuyahoga Falls, Ohio

The Honorable Keith Faber  
Auditor of State  
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States, the financial statements of the governmental activities and the General Fund of the Boston Township-City of Cuyahoga Falls Joint Economic Development District, Summit County, Ohio (the District), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated June 28, 2023.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

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

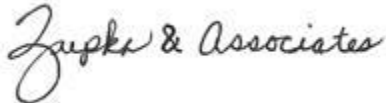
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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



Zupka & Associates  
Certified Public Accountants

June 28, 2023



# OHIO AUDITOR OF STATE KEITH FABER



**BOSTON TOWNSHIP - CITY OF CUYAHOGA FALLS JOINT ECONOMIC DEVELOPMENT DISTRICT**

**SUMMIT 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 9/26/2023**

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)