



OHIO AUDITOR OF STATE  
**KEITH FABER**





**GREEN TOWNSHIP – CITY OF CHEVIOT  
JOINT ECONOMIC DEVELOPMENT DISTRICT III (MERCY WEST)  
HAMILTON COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor’s Report .....	1
Prepared by Management:	
Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – Governmental Fund Type – For the Year Ended December 31, 2022.....	5
Notes to the Financial Statements For the Year Ended December 31, 2022.....	6
Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – Governmental Fund Type - For the Year Ended December 31, 2021.....	9
Notes to the Financial Statements For the Year Ended December 31, 2021.....	10
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	13

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**INDEPENDENT AUDITOR'S REPORT**

Green Township – City of Cheviot Joint Economic Development District III (Mercy West)  
Hamilton County  
3814 Harrison Avenue  
Cheviot, Ohio 45211

To the Board of Directors:

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

***Unmodified and Adverse Opinions***

We have audited the financial statements of the Green Township – City of Cheviot Joint Economic Development District III (Mercy West), Hamilton County, Ohio (the District), which comprises the cash balances, receipts and disbursements for the governmental fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for the governmental fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 1B.

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

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

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1B of the financial statements, the financial statements are prepared by the District on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio  
July 18, 2023

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**GREEN TOWNSHIP – CITY OF CHEVIOT JOINT ECONOMIC  
DEVELOPMENT DISTRICT – DISTRICT III MERCY WEST  
HAMILTON COUNTY, OHIO**

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*Statement of Receipts, Disbursements, and Changes in Fund Balance (Cash Basis)  
Governmental Fund Type  
For the Year Ended December 31, 2022*

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	General Fund
<b>Cash Receipts:</b>	
Income Taxes	\$ 2,052,392
<b>Total Cash Receipts</b>	2,052,392
<b>Cash Disbursements:</b>	
Green Township	1,800,785
City of Cheviot	200,087
Other Disbursements	57,988
<b>Total Cash Disbursements</b>	2,058,860
<b>Excess of Receipts Over Disbursements</b>	(6,468)
Fund Cash Balance, January 1	628,577
<b>Fund Cash Balance, December 31:</b>	
Unassigned	\$ 622,109

See accompanying notes to the basic financial statements

**GREEN TOWNSHIP – CITY OF CHEVIOT JOINT ECONOMIC  
DEVELOPMENT DISTRICT – DISTRICT III MERCY WEST  
HAMILTON COUNTY, OHIO**

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*Notes to the Financial Statements  
For the Year Ended December 31, 2022*

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Green Township - City of Cheviot Joint Economic Development District – District III Mercy West, Hamilton 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 Cheviot and Green Township, Hamilton County. The District is directed by a five member Board of Trustees. 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 residents of Green Township. The main occupant is Mercy Hospital West.

**B. Accounting Basis**

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

**C. Cash and Cash Equivalents**

The District designated the City of Cheviot as the fiscal agent for all funds received in the name of the District. Deposits are made with the City of Cheviot and fund expenditures and balances are reported through the City. Deposits and investments are made in accordance with the Ohio Revised Code and the City’s investment policy.

**D. 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 accounts for and reports all financial resources not accounted for and reported in another fund.

**GREEN TOWNSHIP – CITY OF CHEVIOT JOINT ECONOMIC  
DEVELOPMENT DISTRICT – DISTRICT III MERCY WEST  
HAMILTON COUNTY, OHIO**

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*Notes to the Financial Statements  
For the Year Ended December 31, 2022*

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. 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:

*Non-spendable* - The District classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

*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* - 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.

*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 the District's Board or a District official delegated that authority by resolution, or by State Statute.

*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.

**GREEN TOWNSHIP – CITY OF CHEVIOT JOINT ECONOMIC  
DEVELOPMENT DISTRICT – DISTRICT III MERCY WEST  
HAMILTON COUNTY, OHIO**

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*Notes to the Financial Statements  
For the Year Ended December 31, 2022*

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**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

The City of Cheviot serves as fiscal agent for the District. Cheviot maintains a cash and investments pool used by all City of Cheviot funds, including those of the District. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was \$622,109.

**NOTE 3 - LOCAL INCOME TAX**

The Green Township - City of Cheviot Joint Economic Development District III – Mercy West areas to be included consist of thirteen parcels that contain 70 acres (plus or minus), presently listed in Hamilton County Auditor’s Book 550, Page 74, Parcels 57,60,63,64,66,70,96,147,148 & 149, less and excepting the 1.176 acre parcel that forms a part of Auditor’s Book 550, Page 74, Parcel 148, and which is more particularly described in Exhibit A, and is referred to as the Mercy Hospitals West JEDD territory.

The original JEDD III Mercy West authorized a maximum rate of 2% based on salaries or other personal service income earned by individuals from services performed within the JEDD during the first 10 years of the JEDD, and a maximum rate of 1% based on salaries or other personal service income earned by individuals from services performed within the JEDD beginning in Year Eleven of the JEDD, with a cap on earned income at \$100,000 per annum, which cap shall, after the tenth year, be adjusted annually on January 1<sup>st</sup> of each year during the existence of the JEDD, based upon the Consumer Prices Index published by the U.S. Bureau of Labor Statistics on September 30<sup>th</sup> of the preceding year. After the set aside of fees to be held by the City of Cheviot the monies are divided as follows for the first 20 years of the contract, 10% to the City of Cheviot and 90% to Green Township. Beginning with the 21<sup>st</sup> year continuing until its expiration the following formula will be used: 15% to the City of Cheviot and 85% to Green Township. The main occupant is Mercy Hospital West.

**GREEN TOWNSHIP – CITY OF CHEVIOT JOINT ECONOMIC  
DEVELOPMENT DISTRICT – DISTRICT III MERCY WEST  
HAMILTON COUNTY, OHIO**

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*Statement of Receipts, Disbursements, and Changes in Fund Balance (Cash Basis)  
Governmental Fund Type  
For the Year Ended December 31, 2021*

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	General Fund
<b>Cash Receipts:</b>	
Income Taxes	\$ 1,904,332
<b>Total Cash Receipts</b>	1,904,332
<b>Cash Disbursements:</b>	
Green Township	1,629,384
City of Cheviot	180,907
Other Disbursements	7,673
<b>Total Cash Disbursements</b>	1,817,964
<b>Excess of Receipts Over Disbursements</b>	86,368
Fund Cash Balance, January 1	542,209
<b>Fund Cash Balance, December 31:</b>	
Unassigned	\$ 628,577

See accompanying notes to the basic financial statements

**GREEN TOWNSHIP – CITY OF CHEVIOT JOINT ECONOMIC  
DEVELOPMENT DISTRICT – DISTRICT III MERCY WEST  
HAMILTON COUNTY, OHIO**

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*Notes to the Financial Statements  
For the Year Ended December 31, 2021*

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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**B. Accounting Basis**

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**GREEN TOWNSHIP – CITY OF CHEVIOT JOINT ECONOMIC  
DEVELOPMENT DISTRICT – DISTRICT III MERCY WEST  
HAMILTON COUNTY, OHIO**

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*Notes to the Financial Statements  
For the Year Ended December 31, 2021*

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. 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:

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**GREEN TOWNSHIP – CITY OF CHEVIOT JOINT ECONOMIC  
DEVELOPMENT DISTRICT – DISTRICT III MERCY WEST  
HAMILTON COUNTY, OHIO**

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*Notes to the Financial Statements  
For the Year Ended December 31, 2021*

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**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

The City of Cheviot serves as fiscal agent for the District. Cheviot maintains a cash and investments pool used by all City of Cheviot funds, including those of the District. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was \$628,577.

**NOTE 3 - LOCAL INCOME TAX**

The Green Township - City of Cheviot Joint Economic Development District III – Mercy West areas to be included consist of thirteen parcels that contain 70 acres (plus or minus), presently listed in Hamilton County Auditor’s Book 550, Page 74, Parcels 57,60,63,64,66,70,96,147,148 & 149, less and excepting the 1.176 acre parcel that forms a part of Auditor’s Book 550, Page 74, Parcel 148, and which is more particularly described in Exhibit A, and is referred to as the Mercy Hospitals West JEDD territory.

The original JEDD III Mercy West authorized a maximum rate of 2% based on salaries or other personal service income earned by individuals from services performed within the JEDD during the first 10 years of the JEDD, and a maximum rate of 1% based on salaries or other personal service income earned by individuals from services performed within the JEDD beginning in Year Eleven of the JEDD, with a cap on earned income at \$100,000 per annum, which cap shall, after the tenth year, be adjusted annually on January 1<sup>st</sup> of each year during the existence of the JEDD, based upon the Consumer Prices Index published by the U.S. Bureau of Labor Statistics on September 30<sup>th</sup> of the preceding year. After the set aside of fees to be held by the City of Cheviot the monies are divided as follows for the first 20 years of the contract, 10% to the City of Cheviot and 90% to Green Township. Beginning with the 21<sup>st</sup> year continuing until its expiration the following formula will be used: 15% to the City of Cheviot and 85% to Green Township. The main occupant is Mercy Hospital West.



# OHIO AUDITOR OF STATE KEITH FABER



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

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

Green Township – City of Cheviot Joint Economic Development District III (Mercy West)  
Hamilton County  
3814 Harrison Avenue  
Cheviot, Ohio 45211

To the Board of Directors:

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 General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for the governmental fund type as of and for the years ended December 31, 2022 and 2021 of the Green Township – City of Cheviot Joint Economic Development District III (Mercy West), Hamilton County, (the District) and have issued our report thereon dated July 18, 2023, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose 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 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 were not 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio  
July 18, 2023

# OHIO AUDITOR OF STATE KEITH FABER



**GREEN TOWNSHIP - CITY OF CHEVIOT JOINT ECONOMIC DEVELOPMENT DISTRICT III - MERCY  
WEST**

**HAMILTON 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 8/1/2023**

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)