



OHIO AUDITOR OF STATE
KEITH FABER



**HOLLAND – SPRINGFIELD TOWNSHIP
JOINT ECONOMIC DEVELOPMENT ZONE
LUCAS COUNTY
DECEMBER 31, 2018 AND 2017**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor’s Report	1
Prepared by Management:	
Statement of Receipts, Disbursements, and Change in Fund Balance (Cash Basis) – General Fund For the Year Ended December 31, 2018	3
Notes to the Financial Statement For the Year Ended December 31, 2018	4
Statement of Receipts, Disbursements, and Change in Fund Balance (Cash Basis) – General Fund For the Year Ended December 31, 2017	7
Notes to the Financial Statement For the Year Ended December 31, 2017	8
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11
Schedule of Findings.....	13

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Holland – Springfield Township Joint
Economic Development Zone
Lucas County
7617 Angola Road
Holland, Ohio 43528-8602

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements, and related notes of Holland – Springfield Township Joint Economic Development Zone, Lucas County, Ohio (the JEDZ) as of and for the years ended December 31, 2018 and 2017.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the JEDZ as of December 31, 2018 and 2017, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements, and related notes of Holland – Springfield Township Joint Economic Development Zone, Lucas County, Ohio as of December 31, 2018 and 2017, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 2019, on our consideration of the JEDZ'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 JEDZ's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

August 13, 2019

**HOLLAND - SPRINGFIELD TOWNSHIP
JOINT ECONOMIC DEVELOPMENT ZONE
LUCAS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGE IN FUND BALANCE (CASH BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

Cash Receipts	
Income Taxes	\$2,340,692
Interest	7,028
Miscellaneous	2,655
<i>Total Cash Receipts</i>	2,350,375
 Cash Disbursements	
Current:	
Fees	166,677
Intergovernmental	1,744,834
Payment to Political Subdivision	106,841
Contracted Services	995
Operating Expenses	5,064
<i>Total Cash Disbursements</i>	2,024,411
 <i>Net Change in Fund Balance</i>	 325,964
 <i>Fund Cash Balance, January 1</i>	 411,962
 Fund Cash Balance, December 31	
Unassigned	737,926
 <i>Fund Cash Balance, December 31</i>	 \$737,926

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

**HOLLAND – SPRINGFIELD TOWNSHIP
JOINT ECONOMIC DEVELOPMENT ZONE
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2018**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Holland – Springfield Township Joint Economic Development Zone, Lucas County, Ohio (the JEDZ) contract was entered into on July 2, 2014 by and among the Village of Holland, Lucas County, Ohio and Springfield Township, Lucas County, Ohio. The JEDZ was established and organized in accordance with Article 3 of the aforementioned contract. The contract was authorized under Ohio Rev. Code Section 715.691.

The JEDZ operates under an appointed six member Board of Directors. The purpose of the JEDZ is to spend funding consistent with the JEDZ economic development plan. The JEDZ receives its revenue from a 1.5% payroll tax on employees working in the development zone, as well as 1.5% income tax for businesses located in the development zone. The Village of Holland is responsible for collecting the tax receipts and distributing them to the partners in accordance with the JEDZ contract. The Treasurer of the Board is responsible for properly accounting for the receipts and disbursements of the JEDZ.

The JEDZ Board of Directors believes this financial statement presents all activities for which the JEDZ is financially accountable.

B. Basis of Presentation

The JEDZ's financial statement consists of a statement of receipts, disbursements and change in fund balance (regulatory cash basis.)

C. Accounting Basis

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The JEDZ recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

D. Fund Accounting

The JEDZ used fund accounting 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. Funds can be used to segregate resources that are restricted as to use, but all activities of the JEDZ are reported in the General Fund.

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

E. Deposits

The JEDZ's cash is held in one interest bearing checking account at Signature Bank.

HOLLAND – SPRINGFIELD TOWNSHIP
JOINT ECONOMIC DEVELOPMENT ZONE
LUCAS COUNTY

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)

F. Property, Plant and Equipment

The JEDZ records cash disbursements for acquisitions of property, plant and equipment when paid. These items are not reflected as assets in the accompanying financial statement.

G. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the JEDZ must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows

1. Nonspendable

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

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

The Board can *commit* amounts via formal action (resolution). The JEDZ must adhere to these commitments unless the Board amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. 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 Board or a JEDZ official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The JEDZ 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

**HOLLAND – SPRINGFIELD TOWNSHIP
JOINT ECONOMIC DEVELOPMENT ZONE
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

2. Deposits

The JEDZ maintains one interest bearing checking account. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

Demand Deposits	<u>\$ 737,926</u>
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Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

3. Income Taxes

The JEDZ levies a municipal income tax of 1.5% on substantially all earned income arising from employment or business activities within the JEDZ. Employers within the JEDZ that employ one or more persons on salary, wage, or commission are required to allocate wage taxes due and net profit taxes due at a rate of 1.5% to the JEDZ on the Regional Income Tax Agency (RITA) Form 11 and Form 27 (Municipal Tax Withholding Statement and Net Profit Tax Return). If an employee also does business outside of the JEDZ, it will be the responsibility of the employer to allocate the wage taxes to the taxing jurisdiction where the employee earned those wages.

The net proceeds (less RITA fees) are distributed to the Village of Holland, who then redistributes them to the partners based on the JEDZ contract. In accordance with the contract, the JEDZ retains 20% of the net proceeds. The remaining balance is distributed as follows: 82% to Springfield Township and 18% to the Village of Holland. The JEDZ's proceeds are placed into the General fund in accordance with legal guidance.

4. Risk Management

The JEDZ maintains commercial insurance from the Ohio Plan Risk Management through Hylant Administrative Services Company for the following risks:

- Comprehensive property and general liability;
- Errors and omissions.

HOLLAND - SPRINGFIELD TOWNSHIP
JOINT ECONOMIC DEVELOPMENT ZONE
LUCAS COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGE IN FUND BALANCE (CASH BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

Cash Receipts	
Income Taxes	\$2,154,393
Interest	11,509
Miscellaneous	326
<i>Total Cash Receipts</i>	<u>2,166,228</u>
Cash Disbursements	
Current:	
Fees	107,720
Intergovernmental	1,646,546
<i>Total Cash Disbursements</i>	<u>1,754,266</u>
<i>Net Change in Fund Balance</i>	411,962
<i>Fund Cash Balance, January 1</i>	<u> </u>
Fund Cash Balance, December 31	
Unassigned	<u>411,962</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$411,962</u></u>

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

**HOLLAND – SPRINGFIELD TOWNSHIP
JOINT ECONOMIC DEVELOPMENT ZONE
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Holland – Springfield Township Joint Economic Development Zone, Lucas County, Ohio (the JEDZ) contract was entered into on July 2, 2014 by and among the Village of Holland, Lucas County, Ohio and Springfield Township, Lucas County, Ohio. The JEDZ was established and organized in accordance with Article 3 of the aforementioned contract. The contract was authorized under Ohio Rev. Code Section 715.691.

The JEDZ operates under an appointed six member Board of Directors. The purpose of the JEDZ is to spend funding consistent with the JEDZ economic development plan. The JEDZ receives its revenue from a 1.5% payroll tax on employees working in the development zone, as well as 1.5% income tax for businesses located in the development zone. The Village of Holland is responsible for collecting the tax receipts and distributing them to the partners in accordance with the JEDZ contract. The Treasurer of the Board is responsible for properly accounting for the receipts and disbursements of the JEDZ.

The JEDZ Board of Directors believes this financial statement presents all activities for which the JEDZ is financially accountable.

B. Basis of Presentation

The JEDZ's financial statement consists of a statement of receipts, disbursements and change in fund balance (regulatory cash basis.)

C. Accounting Basis

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The JEDZ recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

D. Fund Accounting

The JEDZ used fund accounting 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. Funds can be used to segregate resources that are restricted as to use, but all activities of the JEDZ are reported in the General Fund.

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

E. Deposits

The JEDZ's cash is held in one interest bearing checking account at Signature Bank.

**HOLLAND – SPRINGFIELD TOWNSHIP
JOINT ECONOMIC DEVELOPMENT ZONE
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

F. Property, Plant and Equipment

The JEDZ records cash disbursements for acquisitions of property, plant and equipment when paid. These items are not reflected as assets in the accompanying financial statement.

G. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the JEDZ must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows

1. Nonspendable

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

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

The Board can *commit* amounts via formal action (resolution). The JEDZ must adhere to these commitments unless the Board amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. 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 Board or a JEDZ official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The JEDZ 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

**HOLLAND – SPRINGFIELD TOWNSHIP
JOINT ECONOMIC DEVELOPMENT ZONE
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

2. Deposits

The JEDZ maintains one interest bearing checking account. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

Demand Deposits	<u>\$ 411,962</u>
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Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

3. Income Taxes

The JEDZ levies a municipal income tax of 1.5% on substantially all earned income arising from employment or business activities within the JEDZ. Employers within the JEDZ that employ one or more persons on salary, wage, or commission are required to allocate wage taxes due and net profit taxes due at a rate of 1.5% to the JEDZ on the Regional Income Tax Agency (RITA) Form 11 and Form 27 (Municipal Tax Withholding Statement and Net Profit Tax Return). If an employee also does business outside of the JEDZ, it will be the responsibility of the employer to allocate the wage taxes to the taxing jurisdiction where the employee earned those wages.

The net proceeds (less RITA fees) are distributed to the Village of Holland, who then redistributes them to the partners based on the JEDZ contract. In accordance with the contract, the JEDZ retains 20% of the net proceeds. The remaining balance is distributed as follows: 82% to Springfield Township and 18% to the Village of Holland. The JEDZ's proceeds are placed into the General fund in accordance with legal guidance.

The JEDZ was a defendant in a lawsuit relating to the JEDZ agreement passed by the voters in November 2014. The plaintiffs alleged that the JEDZ was flawed in its construction, and therefore unable to levy the applicable taxes. The lawsuit was appealed to the Ohio Appellate Court and settled in the JEDZ's favor in late 2017. Although the plaintiffs were not paying taxes during the litigation, many other businesses were doing so and the remittances were distributed to the Village of Holland. The amounts were held in an agency fund by the Village of Holland and were not distributed out until the lawsuit was settled. Due to the uncertainty of the outcome at the time of litigation, none of the funds were recognized as income by the JEDZ until distribution.

4. Risk Management

The JEDZ maintains commercial insurance from the Ohio Plan Risk Management through Hylant Administrative Services Company for the following risks:

- Comprehensive property and general liability;
- Errors and omissions.

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

Holland – Springfield Township Joint
Economic Development Zone
Lucas County
7617 Angola Road
Holland, Ohio 43528-8602

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements of Holland – Springfield Township Joint Economic Development Zone, Lucas County, Ohio, (the JEDZ) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, and have issued our report thereon dated August 13, 2019, wherein we noted the JEDZ followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the JEDZ's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2018-001 to be a material weakness.

Compliance and Other Matters

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

JEDZ's Response to the Finding

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

Purpose of this Report

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



Keith Faber
Auditor of State

Columbus, Ohio

August 13, 2019

**HOLLAND – SPRINGFIELD TOWNSHIP
JOINT ECONOMIC DEVELOPMENT DISTRICT
LUCAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018 AND 2017**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2018-001

Material Weakness

Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Accurate financial reporting is the responsibility of management and is essential to ensure the information provided to the readers of the financial statements accurately reflects the JEDZ's activity. The JEDZ should have procedures in place to prevent or detect material misstatements for the accurate presentation of the JEDZ's financial statements.

The following errors requiring adjustment to the financial statements and/or notes to the financial statements were identified:

- In 2018, income tax receipts were recorded net of Regional Income Tax Authority (RITA) collection fees and net of distributions to the Village of Holland and Springfield Township. These errors caused income tax receipts, intergovernmental disbursements, and fees disbursements to be understated by \$1,904,483, \$1,744,834, and \$166,677, respectively.
- 2018 Unassigned fund balance of \$411,962 was incorrectly recorded as Assigned (GASB Cod. 1800.177).
- In 2017, Income tax receipts were recorded net of RITA collection fees and net of distributions to the Village of Holland and Springfield Township. These errors caused income tax receipts, intergovernmental disbursements, and fees disbursements to be understated by \$1,742,757, \$1,646,546, and \$107,720, respectively.

Additional errors in smaller relative amounts were also noted for the years ended December 31, 2018 and 2017. These errors were not identified and corrected prior to the JEDZ preparing its financial statements due to deficiencies in the JEDZ's internal controls over financial statement monitoring. The accompanying financial statements have been adjusted to reflect these changes.

To help ensure the JEDZ's financial statements are complete and accurate and to help identify and correct errors and omissions, the JEDZ should adopt policies and procedures, including a final review of the financial statements by the Treasurer and Board of Directors prior to submitting the JEDZ's draft report in the HINKLE system. The Treasurer can refer to Auditor of State Bulletin 2011-004 for information on Governmental Accounting Standards Board Statement No. 54.

Officials' Response:

Thank you for helping the JEDZ Board with our first audit. We will strive to have all corrections for the next audit.

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OHIO AUDITOR OF STATE KEITH FABER



HOLLAND SPRINGFIELD TOWNSHIP JOINT ECONOMIC DEVELOPMENT ZONE

LUCAS COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 29, 2019**