



**ROSSFORD/PERRYSBURG TOWNSHIP/JOINT
ECONOMIC DEVELOPMENT AUTHORITY/PORT AUTHORITY
WOOD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2005



Mary Taylor, CPA
Auditor of State

**ROSSFORD/PERRYSBURG TOWNSHIP/JOINT
ECONOMIC DEVELOPMENT AUTHORITY/PORT AUTHORITY
WOOD COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Rossford/Perrysburg Township/Joint Economic
Development Authority/Port Authority
Wood County
932 Dixie Hwy
Rossford, Ohio 43460-1333

To the Board of Directors:

We have audited the accompanying basic financial statements of the Rossford/Perrysburg Township/Joint Economic Development Authority/Port Authority, Wood County, Ohio (the Port Authority), as of and for the years ended December 31, 2005 and 2004, as listed in the table of contents. These financial statements are the responsibility of the Port Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Rossford/Perrysburg Township/Joint Economic Development Authority/Port Authority, Wood County, as of December 31, 2005 and 2004, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 to the financial statements, during the year ended December 31, 2004, the Port Authority implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2007, on our consideration of the Port Authority'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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

April 16, 2007

**ROSSFORD/PERRYSBURG/ TOWNSHIP/JOINT
ECONOMIC DEVELOPMENT AUTHORITY/PORT AUTHORITY
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
UNAUDITED**

The discussion and analysis of the Rossford/Perrysburg Township/Joint Economic Development Authority/Port Authority's (Port Authority) financial performance provides an overall review of the Port Authority's financial activities for the years ended December 31, 2005 and 2004. The intent of this discussion and analysis is to look at the Port Authority's financial performance as a whole; readers are encouraged to consider information presented here as well as the basic financial statements to enhance their understanding of the Port Authority's financial performance.

Using this Financial Report

This annual report consists of two parts, the MD&A and the basic financial statements. The basic financial statements include a statement of net assets, statement of revenues, expenses and changes in net assets and a statement of cash flows. Since the Port Authority only uses one fund for its operations, the entity-wide and the fund presentation information is the same.

Statement of Net Assets and Statement of Revenues, Expenses, and Changes in Net Assets

The Statement of Net Assets answers the question, "How did we do financially during 2005 and 2004?" This statement includes all assets and liabilities, both financial and capital, and current and long-term, using the accrual basis of accounting and economic resources focus, which is similar to the accounting used by most private-sector companies. The basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

This change in net assets is important because it tells the reader whether, for the Port Authority as a whole, the financial position of the Port Authority has improved or diminished. However, in evaluating the overall position of the Port Authority, non-financial information will also need to be evaluated.

This section contains a condensed comparison of assets, liabilities, net assets, revenues and expenses and explanations for significant differences.

**ROSSFORD/PERRYSBURG/ TOWNSHIP/JOINT
ECONOMIC DEVELOPMENT AUTHORITY/PORT AUTHORITY
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
UNAUDITED
(Continued)**

Table 1 provides a summary of the Port Authority's net assets for 2005, 2004, and 2003.

Table 1			
Net Assets			
	2005	2004	2003
Assets:			
Current assets	\$ 80,386	\$ 3,970	\$ 2,680
Total Assets	80,386	3,970	2,680
Liabilities:			
Current liabilities		9,678	6,818
Total Liabilities		9,678	6,818
Net Assets:			
Unrestricted	80,386	(5,708)	(4,138)
Total Net Assets	\$80,386	(\$5,708)	(\$4,138)

In 2005 total net assets increased by \$86,094 due to the non-operating revenue earned by the Port Authority for acting as the conduit in transacting a bond and land sale. Total liabilities in 2005 decreased by \$9,678. The decrease is due to the payment to the Auditor for the State of Ohio for fees charged for audits for the Port Authority for 1998 through 2003 and for legal fees outstanding at the end of 2004.

Total assets in 2004 increased by \$1,290. The increase is due to the decrease in operating expenses of the Port Authority in 2004. Total liabilities in 2004 increased by \$2,860. The increase is due to the increase in fees owed to the Auditor for the State of Ohio in the amount of \$640 for audit fees for the years 2002 and 2003 and for accrued attorney fees owed by the Port Authority in the amount of \$2,220.

Table 2 shows the changes in net assets for the years ended December 31, 2005, 2004, and 2003. Since this is the second year the Port Authority is reporting under the GASB 34 reporting model, revenue and expense comparisons can be made between the years 2003, 2004 and 2005. Total net assets increased by \$86,094 in 2005. This number reflects an increase in net assets due to increased Bond Transaction fees from OI Levis Park STS, Inc. and net fees from the sale of real property to West Valley Development, Inc. In 2004, total net assets decreased \$1,570. This decrease was a result of greater general administrative expenses of \$553 in 2004 than 2003. Although non-operating revenue contributed by the City and Township were equal for both years, the City contributed an additional \$15,000 contribution for Mediation in 2003, with mediating expenses of \$15,439.

**ROSSFORD/PERRYSBURG/ TOWNSHIP/JOINT
ECONOMIC DEVELOPMENT AUTHORITY/PORT AUTHORITY
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
UNAUDITED
(Continued)**

**Table 2
Revenues and Expenses**

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Operating Expenses:			
Administration			\$28,596
Audit Fees		\$640	
Legal & Professional Fees	\$26,208	9,822	
Insurance & Bonding	9,222	5,908	
Travel/Education		200	
Total Operating Expenses	<u>35,430</u>	<u>16,570</u>	<u>28,596</u>
Operating Loss	(35,430)	(16,570)	(28,596)
Non-Operating Revenues (Expenses):			
Bond and Closing Transaction Fees	106,564		
Contributions	15,000	15,000	30,000
Sale of Assets	50,000		
Fiscal Charges	(40)		
Intergovernmental	(50,000)		
Other Income			40
Total Non-Operating Revenues	<u>121,524</u>	<u>15,000</u>	<u>30,040</u>
Change in Net Assets	<u>\$ 86,094</u>	<u>\$ (1,570)</u>	<u>\$ 1,444</u>

Contacting the Port Authority's Financial Management

This financial report is intended to provide our citizens, investors and creditors with a general overview of the Port Authority's finances and to demonstrate the Port Authority's accountability for the revenue it receives. If you have questions about this report or need additional financial information, contact the Executive Director at the Rossford/Perrysburg Township/Joint Economic Development Authority/Port Authority, 932 Dixie Hwy, Rossford, Ohio 43460-1333.

**ROSSFORD/PERRYSBURG TOWNSHIP/JOINT
ECONOMIC DEVELOPMENT AUTHORITY/PORT AUTHORITY
WOOD COUNTY**

**STATEMENT OF NET ASSETS
PROPRIETARY FUND
DECEMBER 31, 2005 AND 2004**

	2005	2004
Assets:		
<i>Current Assets:</i>		
Equity in Pooled Cash & Cash Equivalents	\$80,386	\$3,970
<i>Total Assets</i>	<u>80,386</u>	<u>3,970</u>
Liabilities:		
<i>Current Liabilities:</i>		
Accounts Payable		\$2,220
Intergovernmental Payable		7,458
<i>Total Current Liabilities</i>		<u>9,678</u>
<i>Total Liabilities</i>		<u>9,678</u>
Net Assets:		
Unrestricted	80,386	(5,708)
<i>Total Net Assets</i>	<u>\$80,386</u>	<u>(\$5,708)</u>

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

**ROSSFORD/PERRYSBURG TOWNSHIP/JOINT
ECONOMIC DEVELOPMENT AUTHORITY/PORT AUTHORITY
WOOD COUNTY**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

	2005	2004
OPERATING EXPENSES:		
Audit Fees		\$640
Legal & Professional Fees	\$26,208	9,822
Insurance and Bonding	9,222	5,908
Travel/Education		200
	35,430	16,570
Total Operating Expenses		
	(35,430)	(16,570)
NON-OPERATING REVENUES (EXPENSES):		
Contributions	15,000	15,000
Bond and Closing Transaction Fees	106,564	
Sale of Assets	50,000	
Fiscal Charges	(40)	
Intergovernmental	(50,000)	
	121,524	15,000
Total Non-Operating Revenues (Expenses)		
	86,094	(1,570)
Change in Fund Net Assets		
Net Assets Beginning of Year	(5,708)	(4,138)
Net Assets End of Year	\$80,386	(\$5,708)

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

**ROSSFORD/PERRYSBURG TOWNSHIP/JOINT
ECONOMIC DEVELOPMENT AUTHORITY/PORT AUTHORITY
WOOD COUNTY**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

	2005	2004
Increase (Decrease) in Cash and Cash Equivalents		
<i>Cash Flows Used by Operating Activities:</i>		
Cash Payments for Audit Expenses	(\$7,458)	
Cash Payments for Legal and Professional Fees	(28,428)	(\$7,602)
Cash Payments for Insurance and Bonding	(9,222)	(5,908)
Cash Payments for Travel/Continuing Education		(200)
	(45,108)	(13,710)
<i>Net Cash Used by Operating Activities</i>		
<i>Cash Flows from Noncapital Financing Activities</i>		
Contributions	15,000	15,000
Other Payments	(40)	
	14,960	15,000
<i>Net Cash Provided by Noncapital Financing Activities</i>		
<i>Cash Flows from Capital and Related Financing Activities</i>		
Bond Transaction Fee	106,564	
Sale of Asset	212,200	
Intergovernmental	(50,000)	
Purchase of Asset	(157,636)	
Finance Charges Purchase and Sale of Capital Asset	(4,564)	
	106,564	
<i>Net Cash Provided by Capital and Related Financing Activities</i>		
Net Increase in Cash	76,416	1,290
<i>Cash Beginning of Year</i>	3,970	2,680
<i>Cash End of Year</i>	\$80,386	\$3,970
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Loss	(35,430)	(16,570)
<i>Adjustments to Reconcile Operating Income to Net Cash Adjustments:</i>		
<i>Increase (Decrease) in Liabilities:</i>		
Accounts Payable	(2,220)	2,220
Intergovernmental Payable	(7,458)	640
	(9,678)	2,860
<i>Total Adjustments</i>		
Net Cash Used by Operating Activities	(\$45,108)	(\$13,710)

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

**ROSSFORD/PERRYSBURG TOWNSHIP/JOINT
ECONOMIC DEVELOPMENT AUTHORITY/PORT AUTHORITY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Rossford/Perrysburg Township/Joint Economic Development Authority/Port Authority (the Port Authority) is presented to assist in understanding the entity's financial statements. The financial statements and notes are representations of the entity's management and board who are responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles for governmental agencies including those principles prescribed by the Governmental Accounting Standard Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of States, Local Governments* and by The Financial Accounting Standards Board (FASB) (when applicable). The above policies have been consistently applied in the preparation of the financial statements.

A. Reporting Entity

The Rossford/Perrysburg Township/Joint Economic Development Authority/Port Authority, Wood County, 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 pursuant to the authority of Section 4582.22 of the Ohio Revised Code. It has territorial limits coterminous with the City of Rossford and Perrysburg Township. Since statutes prohibit the Township from providing financial resources to nonprofit organizations, the City and Township formed the Port Authority.

The Port Authority is governed by a five-member Board of Directors. Two members are appointed by the Board of Trustees, Perrysburg Township, two members are appointed by the Mayor of the City of Rossford with the advice and consent of Council, and one member is jointly appointed by the Board of Trustees of Perrysburg Township and the Mayor of the City of Rossford with the advice and consent of the City Council. The City and Township can provide financial resources to the Port Authority, which passes these resources to the Rossford Arena-Amphitheater Authority (RAAA), a nonprofit organization.

The Port Authority's management believes these financial statements present all activities for which the Port Authority is financial accountable.

B. Basis of Accounting

The financial statements of the Port Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Port Authority also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, provided they do not conflict with or contradict GASB pronouncements.

The Port Authority's financial statements consist of a statement of net assets, a statement of revenue, expenses and changes in net assets, and a statement of cash flows.

The Port Authority uses a single enterprise fund 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.

Enterprise fund reporting focuses on the determination of the change in net assets, financial position and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

**ROSSFORD/PERRYSBURG TOWNSHIP/JOINT
ECONOMIC DEVELOPMENT AUTHORITY/PORT AUTHORITY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Measurement Focus

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the Port Authority are included on the statement of net assets. The statement of revenues, expenses, and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Port Authority finances and meets the cash flow needs of its enterprise activity.

D. Fund Accounting

The Port Authority maintains an Enterprise Fund, a proprietary fund type, which is the general operating fund and is used to account for all financial resources of the Port Authority. This fund is used to account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges.

E. Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Port Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Port Authority applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. The Port Authority did not have any restricted net assets for 2005 and 2004.

F. Statement of Cash Flows

For the purposes of the statement of cash flows, the Port Authority considers all short term investments with a maturity of three months or less at the time they are acquired to be cash equivalents.

G. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from primary activities. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Port Authority.

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**ROSSFORD/PERRYSBURG TOWNSHIP/JOINT
ECONOMIC DEVELOPMENT AUTHORITY/PORT AUTHORITY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

NOTE 2: CASH

Monies held by the Port Authority are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Port Authority treasury. Active monies must be maintained either as cash in the Port Authority treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts. Interim monies held by the Port Authority can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

**ROSSFORD/PERRYSBURG TOWNSHIP/JOINT
ECONOMIC DEVELOPMENT AUTHORITY/PORT AUTHORITY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

NOTE 2: CASH – (Continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Port Authority, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk for deposits is the risk that, in the event of bank failure, the Port Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2005 and 2004, none of the Port Authority's bank balances was exposed to custodial credit risk.

The Port Authority has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Port Authority or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

NOTE 3: CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2004, the Port Authority has implemented Governmental Accounting Standards Board Statement (GASB) No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments"; GASB No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues"; GASB No. 37, "Basic Financial Statements for State and Local Governments: Omnibus"; GASB No. 38, "Certain Financial Statement Note Disclosures"; GASB No. 40, "Deposit and Investment Risk Disclosure" and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements." At December 31, 2003, there was no effect on fund balance as a result of implementing GASB Statements 34, 36, 37, 38 and 40 and GASB and Interpretation No. 6.

GASB Statement No. 34 creates new basic financial statements for reporting on the Port Authority's financial activities.

GASB Statement No. 40 establishes and modifies the disclosure requirements related to deposit and investment risks.

NOTE 4: RISK MANAGEMENT

The Port Authority has obtained commercial insurance coverage for general liability and errors and omissions. There were no significant reductions in coverage between 2005 and 2004.

**ROSSFORD/PERRYSBURG TOWNSHIP/JOINT
ECONOMIC DEVELOPMENT AUTHORITY/PORT AUTHORITY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

NOTE 5: FINANCING ACTIVITY

During fiscal year 2005 and 2004, the Port Authority received operating monies from the City of Rossford and Perrysburg Township totaling \$15,000 and \$15,000, respectively.

During 1999, the Port Authority passed through a \$5,000,000 loan from the Township. The RAAA must pass repayment of the loan through the Port Authority. The loan was due June 1, 2001. The RAAA was unable to pay scheduled interest payments and the principal balance on the loan. Since the Port Authority is only obligated to pay the Township when it receives payment from the RAAA, the balance sheet does not reflect an asset due from the RAAA or a liability due to the Township.

NOTE 6: CONDUIT DEBT

OI Levis Park STS, Inc.

In November 2005, the Port Authority issued \$10,570,000 of Rossford/Perrysburg Township Joint Economic Development Authority/Port Authority Taxable Development Revenue Bonds, Series 2005. The proceeds of the revenue bonds are being used to fund the completion of the OI World Headquarters office building. The Port Authority has leased the property on which this building is located and owns the building. The Port Authority has leased the building to OI Levis Park STS, Inc. The lease is non-cancelable until the underlying revenue bonds are paid in full. The lease payments cover the principle and interest payments on the Revenue Bonds, Series 2005. All expenses related to the revenue bonds and the maintenance of the building is the responsibility of OI Levis Park STS, Inc. OI Levis Park STS, Inc. pays the lease payments directly to the trustee. In addition, an agreement to guarantee the indebtedness was executed by Owens-Brockway Glass Container, Inc. and the Port Authority.

In accordance with Governmental Accounting Standards, these revenue bonds issued by the Port Authority are considered conduit debt and do not create a liability and therefore are not presented on the Port Authority's financial statements. The Port Authority has no responsibility for the repayment of the debt and the lease payments are paid directly to the trustee by OI Levis Park STS, Inc. During 2005, the Port Authority received the sum of \$105,700 in consideration for the issuance of the revenue bonds.

NOTE 7: PURCHASE AND SALE OF REAL PROPERTY

In February 2005, the Port Authority purchased approximately 11 acres of real property from the Perrysburg Exempted Village School District for the sum of \$157,500. The Port Authority, on the same date sold the real property to West Valley Development, Inc. on the condition that West Valley contribute the sum of \$50,000 to the Perrysburg Township Trustees, for the use in improving a highway intersection within Perrysburg Township. West Valley also agreed to pay \$3,000 toward the Port Authority's legal expenses in completing the land acquisition and sale.

NOTE 8: SUBSEQUENT EVENTS

The Port Authority issued a \$50,000 promissory note to the Rossford Transportation Improvement District (RTID) on May 22, 2006. The loan was issued at 5% interest with a 3% administrative fee to be repaid upon receipt of the reimbursement from grant funds on or before July 1, 2007.

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Mary Taylor, CPA

Auditor of State

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

Rossford/Perrysburg Township/Joint Economic
Development Authority/Port Authority
Wood County
932 Dixie Hwy
Rossford, Ohio 43460-1333

To the Board of Directors:

We have audited the basic financial statements of Rossford/Perrysburg Township/Joint Economic Development Authority/Port Authority, Wood County (the Port Authority) as of and for the years ended December 31, 2005 and 2004, which comprise the Port Authority's basic financial statements and have issued our report thereon dated April 16, 2007, in which we disclosed the Port Authority implemented a new financial reporting model. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Port Authority's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

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Compliance and Other Matters

As part of reasonably assuring whether the Port Authority'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, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters that we must report under *Government Auditing Standards*. In a separate letter to the Port Authority's management dated April 16, 2007, we reported a matter related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the audit committee, management, and the Board of Directors. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

April 16, 2007



Mary Taylor, CPA
Auditor of State

**ROSSFORD / PERRYSBURG TOWNSHIP / JOINT ECONOMIC
DEVELOPMENT AUTHORITY / PORT AUTHORITY**

WOOD 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
MAY 10, 2007**