



**CLINTON-GRANDVIEW HEIGHTS JOINT ECONOMIC DEVELOPMENT ZONE
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2019-2018

**OHIO AUDITOR OF STATE
KEITH FABER**



**CLINTON-GRANDVIEW HEIGHTS JOINT ECONOMIC DEVELOPMENT ZONE
FRANKLIN COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Clinton-Grandview Heights Joint Economic Development Zone
Franklin County
1016 Grandview Avenue
Grandview Heights, Ohio 43212

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 the Clinton-Grandview Heights Joint Economic Development Zone, Franklin County, Ohio (the JEDZ) as of and for the years ended December 31, 2019 and 2018.

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 opinion.

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

As described in Note 2 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, 2019 and 2018, 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 the Clinton-Grandview Heights Joint Economic Development Zone, Franklin County as of December 31, 2019 and 2018, 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 2.

Emphasis of Matter

As discussed in Note 8 to the financial statements, during 2019 and 2018, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the JEDZ. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2020, 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.

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

Keith Faber
Auditor of State

Columbus, Ohio

June 2, 2020

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CLINTON-GRANDVIEW HEIGHTS JOINT ECONOMIC DEVELOPMENT ZONE
FRANKLIN COUNTY, OHIO

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2019

Cash Receipts

Income Taxes	\$ 3,606,944
Refunds	64,561
Total Cash Receipts	\$ 3,671,505

Cash Disbursements:

Contractual Services	\$ 3,903
Commercial Insurance	6,820
Other Operating	2,000
Intergovernmental - Clinton Township	337,624
Intergovernmental - City of Grandview Heights	3,038,611
Income Tax Collection Fees	177,689
Income Tax Refunds	46,371
Total Cash Disbursements	\$ 3,613,018

Net Change in Fund Cash Balance	\$ 58,487
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Fund Cash Balance, January 1	\$ 183,513
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Fund Cash Balance, December 31

Committed	\$ -
Unassigned	242,000

Fund Cash Balance, December 31	\$ 242,000
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT

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**CLINTON-GRANDVIEW HEIGHTS JOINT ECONOMIC DEVELOPMENT ZONE
FRANKLIN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 - DESCRIPTION OF THE ENTITY

The Clinton-Grandview Heights Joint Economic Development Zone (the “JEDZ”) is a body politic and corporate for the purpose of enjoying and exercising the rights and privileges conferred upon it under a contract between Clinton Township (the “Township”) and the City of Grandview Heights (the “City”). The JEDZ may sue and be sued, and plead and be impleaded in its own name. The Board has specific powers set forth in the contract and, in addition, shall have the power to do all acts that it determines to be necessary and appropriate to carry out its authorized purposes pursuant to Ohio Revised Code Section 715.691.

The Board is authorized to promote, advertise, and publicize the JEDZ and its authorized purposes, and provide information to persons with an interest in establishing or expanding business and employment opportunities within the JEDZ. The Board may establish and collect fees for the provision of any promotional, advertising, and publicity services rendered at the request of a business or landowner within the JEDZ.

The JEDZ operates under a board established by the City and Township with each appointing three members of the Board to serve terms of two years. No more than one member of the Board shall be an elected officer of the City or the Township. The City and Township, in their sole discretion, may reappoint members of the Board for additional terms on the Board. The members of the Board serve without compensation. The JEDZ operates on a calendar year basis.

The term of the contract for the existence of the JEDZ terminates on December 31, 2043, and automatically renews unless the Township or the City provides written notice to the other that it has elected to not renew the contract (see Note 7). Notice is to be not more than 365 days and not less than 180 days prior to the expiration of the then current term of the contract. Upon the termination, (i) the levy of JEDZ income tax shall cease, (ii) any remaining assets or funds of the JEDZ shall be distributed as follows: 20% to the City and 80% to the Township, and (iii) the City and the Township shall be the successors in interest to any uncollected funds and unliquidated assets of the JEDZ, including the interest of the JEDZ in any legal proceedings, in the proportions set forth above.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is 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.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**CLINTON-GRANDVIEW HEIGHTS JOINT ECONOMIC DEVELOPMENT ZONE
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting

The JEDZ uses fund accounting to maintain its financial records. 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. The JEDZ's only fund is the General Fund.

C. Cash

JEDZ cash is held in one checking depository account. There were no investments during the year. The account was fully insured by the Federal Deposit Insurance Corporation.

D. Fund Balance Classifications

The fund cash balance is divided into five classifications, based primarily on the extent to which the JEDZ must observe constraints in the JEDZ contract. The classifications are based upon GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" and are as follows:

Non-spendable - When amounts cannot be spent because they are either: (a), not in a spendable form; or (b), legally or contractually required to be maintained intact.

Restricted - When constraints placed on the use of resources are either: (a), externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b), imposed by law through constitutional provisions or enabling legislation.

Committed - When the Board of Directors passes resolutions requiring specific revenues be used for specific purposes. The Board of Directors can modify or rescind such resolutions at any time through additional formal action.

Assigned - When a revenue source is not previously restricted or committed, but the Treasurer determines, in the Treasurer's professional opinion, that the assigning of the revenue is desired or made at the direction of the Board of Directors.

Unassigned - When resources have not been assigned to other Board of Director commitments or contractual responsibilities, and have not been restricted, committed, or assigned to any other specific purposes.

The JEDZ will apply 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 balances, 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.

**CLINTON-GRANDVIEW HEIGHTS JOINT ECONOMIC DEVELOPMENT ZONE
FRANKLIN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 3 - INCOME TAXES

The JEDZ levies a 2.5 percent income tax whose proceeds are placed into the General Fund. The JEDZ levies and collects the tax on all income earned within the JEDZ. Employers within the JEDZ are required to withhold income tax on employee earnings and remit the tax to the JEDZ at least quarterly. Individual taxpayers, whose only income is subject to withholding by employers are not required to file a final annual return. Corporations and other individual taxpayers are required to pay their estimated tax at least quarterly and file a final return annually.

The net income tax revenues are distributed 10 percent to the Township, and 90 percent to the City. The distributions are made monthly. The allocation to the Township is restricted to purposes of the JEDZ. The allocation to the City is recorded in the general fund. The JEDZ Board retains two percent for operations of the JEDZ.

NOTE 4 - CASH

The carrying amount of cash as of December 31, 2019 was as follows:

Demand Deposits	\$242,000
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NOTE 5 - CONTRIBUTIONS

As part of the contract forming the JEDZ, the Township and City provide certain services to the JEDZ. The Township furnishes all usual and customary governmental services to the other territory of the Township, including, but not limited to administration of zoning, maintenance of township roads, snow removal, fire protection, police protection, emergency medical services and general administration. The City, pursuant to the JEDZ income tax agreement, furnishes services set forth in the income tax agreement and engages activities to promote, complement and benefit economic development in the JEDZ. The Township and the City may provide additional services as allowed by law as the Township and/or City and the Board deem appropriate and agree. The fair value of the services provided are not determined and recorded in the financial statements.

NOTE 6 – RISK MANAGEMENT

The JEDZ is exposed to various risks of loss related to torts; errors and omissions; and injuries to third parties. Beginning in 2016, the JEDZ purchased General Liability and Public Officials Liability Insurance from Public Entity Risk Services of Ohio (PERSO) through The Keenan Agency. Upon expiration of the PERSO policy in 2017, the JEDZ purchased a Directors and Officers liability policy from One Beacon. Both liability policies had a \$2,000,000 per occurrence limit. There have been no claims.

**CLINTON-GRANDVIEW HEIGHTS JOINT ECONOMIC DEVELOPMENT ZONE
FRANKLIN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 7 - CONTRACTUAL COMMITMENTS

- A. The JEDZ contracts with the City of Grandview Heights (the “City”) for the collection of the Income Tax. The Board compensates the City for all expenses including legal fees, incurred by the City in connection with the collection of the income tax. In addition, the City receives two percent for serving as fiscal agent and fiscal officer for the JEDZ. The amount paid to the City for these services in 2019 was \$71,210.

- B. Under the JEDZ contract, the Township and City entered into a Cooperative Economic Development Agreement which addresses the continued economic development within the CEDA territory. The CEDA provides for cooperative economic development payments to the Township in consideration of the Township’s waiver of its right to terminate the JEDZ Contract, and provides for the provision of additional governmental services by the Township to the CEDA Territory. The additional services provided by the Township include enhanced planning and economic development and redevelopment services and enhancements to existing police and fire services within the CEDA Territory.

In consideration of Township’s waiver of its right to terminate the JEDZ Contract and its provisions of services to the CEDA Territory, the City pays an amount equal 77.78 percent of the amount of the proceeds of the JEDZ Income Tax that the City receives pursuant to the JEDZ Agreement. The Cooperative Economic Development Payments are paid monthly to the Township, by the City. The amount remitted to the Township under the CEDA in 2019 was \$2,399,000. At December 31, 2019 the Township was due an additional \$14,150 from the City for 2019, this amount was paid in January 2020.

NOTE 8 – SUBSEQUENT EVENTS

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the JEDZ. The impact on the JEDZ’s future operating costs and revenues cannot be estimated.

CLINTON-GRANDVIEW HEIGHTS JOINT ECONOMIC DEVELOPMENT ZONE
FRANKLIN COUNTY, OHIO

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2018

Cash Receipts

Income Taxes	\$ 3,312,937
Refunds	\$ 71,161
Total Cash Receipts	\$ 3,384,098

Cash Disbursements:

Contractual Services	\$ 13,815
Commercial Insurance	\$ 6,820
Other Operating	\$ 52,800
Intergovernmental - Clinton Township	\$ 314,049
Intergovernmental - City of Grandview Heights	\$ 2,826,442
Income Tax Collection Fees	\$ 165,078
Income Tax Refunds	\$ 12,521
Total Cash Disbursements	\$ 3,391,525

Net Change in Fund Cash Balance	\$ (7,427)
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Fund Cash Balance, January 1	\$ 190,940
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Fund Cash Balance, December 31

Committed	\$ -
Unassigned	\$ 183,513

Fund Cash Balance, December 31	\$ 183,513
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**CLINTON-GRANDVIEW HEIGHTS JOINT ECONOMIC DEVELOPMENT ZONE
FRANKLIN COUNTY, OHIO**

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

NOTE 1 - DESCRIPTION OF THE ENTITY

The Clinton-Grandview Heights Joint Economic Development Zone (the “JEDZ”) is a body politic and corporate for the purpose of enjoying and exercising the rights and privileges conferred upon it under a contract between Clinton Township (the “Township”) and the City of Grandview Heights (the “City”). The JEDZ may sue and be sued, and plead and be impleaded in its own name. The Board has specific powers set forth in the contract and, in addition, shall have the power to do all acts that it determines to be necessary and appropriate to carry out its authorized purposes pursuant to Ohio Revised Code Section 715.691.

The Board is authorized to promote, advertise, and publicize the JEDZ and its authorized purposes, and provide information to persons with an interest in establishing or expanding business and employment opportunities within the JEDZ. The Board may establish and collect fees for the provision of any promotional, advertising, and publicity services rendered at the request of a business or landowner within the JEDZ.

The JEDZ operates under a board established by the City and Township with each appointing three members of the Board to serve terms of two years. No more than one member of the Board shall be an elected officer of the City or the Township. The City and Township, in their sole discretion, may reappoint members of the Board for additional terms on the Board. The members of the Board serve without compensation. The JEDZ operates on a calendar year basis.

The term of the contract for the existence of the JEDZ terminates on December 31, 2043, and automatically renews unless the Township or the City provides written notice to the other that it has elected to not renew the contract (see Note 7). Notice is to be not more than 365 days and not less than 180 days prior to the expiration of the then current term of the contract. Upon the termination, (i) the levy of JEDZ income tax shall cease, (ii) any remaining assets or funds of the JEDZ shall be distributed as follows: 20% to the City and 80% to the Township, and (iii) the City and the Township shall be the successors in interest to any uncollected funds and unliquidated assets of the JEDZ, including the interest of the JEDZ in any legal proceedings, in the proportions set forth above.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is 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.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**CLINTON-GRANDVIEW HEIGHTS JOINT ECONOMIC DEVELOPMENT ZONE
FRANKLIN COUNTY, OHIO**

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting

The JEDZ uses fund accounting to maintain its financial records. 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. The JEDZ's only fund is the General Fund.

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Committed - When the Board of Directors passes resolutions requiring specific revenues be used for specific purposes. The Board of Directors can modify or rescind such resolutions at any time through additional formal action.

Assigned - When a revenue source is not previously restricted or committed, but the Treasurer determines, in the Treasurer's professional opinion, that the assigning of the revenue is desired or made at the direction of the Board of Directors.

Unassigned - When resources have not been assigned to other Board of Director commitments or contractual responsibilities, and have not been restricted, committed, or assigned to any other specific purposes.

The JEDZ will apply 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 balances, 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.

**CLINTON-GRANDVIEW HEIGHTS JOINT ECONOMIC DEVELOPMENT ZONE
FRANKLIN COUNTY, OHIO**

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

NOTE 3 - INCOME TAXES

The JEDZ levies a 2.5 percent income tax whose proceeds are placed into the General Fund. The JEDZ levies and collects the tax on all income earned within the JEDZ. Employers within the JEDZ are required to withhold income tax on employee earnings and remit the tax to the JEDZ at least quarterly. Individual taxpayers, whose only income is subject to withholding by employers are not required to file a final annual return. Corporations and other individual taxpayers are required to pay their estimated tax at least quarterly and file a final return annually.

The net income tax revenues are distributed 10 percent to the Township, and 90 percent to the City. The distributions are made monthly. The allocation to the Township is restricted to purposes of the JEDZ. The allocation to the City is recorded in the general fund. The JEDZ Board retains two percent for operations of the JEDZ.

NOTE 4 - CASH

The carrying amount of cash as of December 31, 2018 was as follows:

Demand Deposits	\$183,513
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NOTE 5 - CONTRIBUTIONS

As part of the contract forming the JEDZ, the Township and City provide certain services to the JEDZ. The Township furnishes all usual and customary governmental services to the other territory of the Township, including, but not limited to administration of zoning, maintenance of township roads, snow removal, fire protection, police protection, emergency medical services and general administration. The City, pursuant to the JEDZ income tax agreement, furnishes services set forth in the income tax agreement and engages activities to promote, complement and benefit economic development in the JEDZ. The Township and the City may provide additional services as allowed by law as the Township and/or City and the Board deem appropriate and agree. The fair value of the services provided are not determined and recorded in the financial statements.

NOTE 6 – RISK MANAGEMENT

The JEDZ is exposed to various risks of loss related to torts; errors and omissions; and injuries to third parties. Beginning in 2016, the JEDZ purchased General Liability and Public Officials Liability Insurance from Public Entity Risk Services of Ohio (PERSO) through The Keenan Agency. Upon expiration of the PERSO policy in 2017, the JEDZ purchased a Directors and Officers liability policy from One Beacon. Both liability policies had a \$2,000,000 per occurrence limit. There have been no claims.

**CLINTON-GRANDVIEW HEIGHTS JOINT ECONOMIC DEVELOPMENT ZONE
FRANKLIN COUNTY, OHIO**

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

NOTE 7 - CONTRACTUAL COMMITMENTS

- A. The JEDZ contracts with the City of Grandview Heights (the “City”) for the collection of the Income Tax. The Board compensates the City for all expenses including legal fees, incurred by the City in connection with the collection of the income tax. In addition, the City receives two percent for serving as fiscal agent and fiscal officer for the JEDZ. The amount paid to the City for these services in 2018 was \$66,008.

- B. Under the JEDZ contract, the Township and City entered into a Cooperative Economic Development Agreement which addresses the continued economic development within the CEDA territory. The CEDA provides for cooperative economic development payments to the Township in consideration of the Township’s waiver of its right to terminate the JEDZ Contract, and provides for the provision of additional governmental services by the Township to the CEDA Territory. The additional services provided by the Township include enhanced planning and economic development and redevelopment services and enhancements to existing police and fire services within the CEDA Territory.

In consideration of Township’s waiver of its right to terminate the JEDZ Contract and its provisions of services to the CEDA Territory, the City pays an amount equal 77.78 percent of the amount of the proceeds of the JEDZ Income Tax that the City receives pursuant to the JEDZ Agreement. The Cooperative Economic Development Payments are paid monthly to the Township, by the City. The amount remitted to the Township under the CEDA in 2018 was \$2,175,000. At December 31, 2018 the Township was due an additional \$49,718 from the City for 2018, this amount was paid in January 2019.

NOTE 8 – SUBSEQUENT EVENTS

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the JEDZ. The impact on the JEDZ’s future operating costs and revenues cannot be estimated.

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5th Floor
Columbus, Ohio 43215-3506
(614) 466-3402 or (800) 443-9275
CentralRegion@ohioauditor.gov

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

Clinton-Grandview Heights Joint Economic Development Zone
Franklin County
1016 Grandview Avenue
Grandview Heights, Ohio 43212

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 the Clinton-Grandview Heights Joint Economic Development Zone, Franklin County, (JEDZ) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated June 2, 2020 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. We also noted the financial impact COVID-19 and the ensuing emergency measures will impact subsequent periods of the JEDZ.

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 opinion 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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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*.

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

June 2, 2020

OHIO AUDITOR OF STATE KEITH FABER



CLINTON- GRANDVIEW HEIGHTS JOINT ECONOMIC DEVELOPMENT ZONE

FRANKLIN 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
JUNE 30, 2020**