

Bath-Akron-Fairlawn
Joint Economic Development District

REGULAR AUDIT



For the Year Ended December 31, 2024

Issued by the City of Akron, Department of Finance



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Board of Directors
Bath-Akron-Fairlawn Joint Economic Development District
166 South High Street
Room 502
Akron, Ohio 44308

We have reviewed the *Independent Auditor's Report* of the Bath-Akron-Fairlawn Joint Economic Development District, Summit County, prepared by Rea & Associates, Inc., for the audit period January 1, 2024 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Bath-Akron-Fairlawn Joint Economic Development District is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink that reads "Tiffany L. Ridenbaugh".

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

June 27, 2025

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Bath-Akron-Fairlawn
JOINT ECONOMIC DEVELOPMENT DISTRICT
SUMMIT COUNTY, OHIO
For the Year Ended December 31, 2024
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INDEPENDENT AUDITOR'S REPORT

Bath-Akron-Fairlawn Joint Economic Development District
Summit County
166 South High Street
Akron, Ohio 44308

To the Board of Directors:

Report on the Audit of the Financial Statement

Unmodified and Adverse Opinions

We have audited the financial statement of Bath-Akron-Fairlawn Joint Economic Development District, Summit County, Ohio (the "District"), which comprises the cash balances, receipts, and disbursements as of and for the year ended December 31, 2024, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the cash balances, receipts, and disbursements of the District for the year ended December 31, 2024, and the related notes to the financial statement in accordance with financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter described in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statement does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2024 or the changes in financial position for the year then ended.

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statement

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

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Bath-Akron-Fairlawn Joint Economic Development District
Summit County
Independent Auditor's Report
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- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Rea & Associates, Inc.
Medina, Ohio
May 1, 2025

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

To the Board of Directors
Bath-Akron-Fairlawn Joint Economic Development District
Summit County
166 South High Street
Akron, Ohio 44308

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statement of the cash balances, receipts, and disbursements as of and for the year ended December 31, 2024, and the related notes to the financial statements of Bath-Akron-Fairlawn Joint Economic Development District (the "District) and have issued our report thereon dated May 1, 2025, wherein we noted the District followed the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Bath-Akron-Fairlawn Joint Economic Development District
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

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Report on Compliance and Other Matters

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

Purpose of This Report

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

Rea & Associates, Inc.

Rea & Associates, Inc.
Medina, Ohio
May 1, 2025

Bath - Akron - Fairlawn
Joint Economic Development District
Statement of Receipts, Disbursements and Changes in Fund Balances
(Regulatory Cash Basis)
For the Year Ended December 31, 2024

Cash Receipts

JEDD Income taxes	\$7,584,192
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Cash Disbursements

Administrative Expense	83,414
Income Tax Sharing	664,597
Payments to City of Akron	2,555,835
Payments to City of Fairlawn	4,182,829
Refunds	92,237
Other	5,280
 Total Cash Disbursements	 7,584,192

Excess of receipts over disbursements	0
Net change in fund cash balance	0
 Fund cash balances, January 1, 2024	0
Fund cash balances, December 31, 2024	 \$0

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

Bath-Akron-Fairlawn Joint Economic Development District
Notes to the Financial Statement for the Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

In 1998 the City of Akron entered into a JEDD contract with Bath Township (Bath) and the City of Fairlawn (Fairlawn). This contract created the District under the authority of the Ohio Revised code Sections 715.70 and 715.71 and was approved by voters in November 1998 with an effective date of January 1, 1999. The District operates under an appointed nine member Board of Directors established in accordance with Ohio Revised Code Section 715.70(E). The District Board has approved an income tax rate equal to the rate of municipal income tax levied by the City of Akron, currently at a rate of 2.5%. The purpose of the District is assure the continued economic viability of Bath Township, while preserving employment opportunities and improving the economic welfare of the people in the region.

B. Accounting Basis

The 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(C). This basis is similar to the cash receipts and disbursements accounting basis. Receipts are recognized 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(C) permit.

C. Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services and are not reflected in the Fund cash balances. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. The outstanding encumbrance balances are as follows:

<u>Fund Balances:</u>	<u>December 31, 2024</u>
Outstanding Encumbrances	\$ -
Total	<u>\$ -</u>

D. Cash and Cash Equivalents, Fund Balance, and Cash Deposits

The District does not have cash or cash equivalents. The fund balance, or cash equivalents, is expended in their entirety as the income taxes are collected.

E. Local Income Tax

The District Board levies an income tax equal to the rate of municipal income tax levied by the City of Akron, currently at a rate of 2.5%, on substantially all earned income arising from employment or business activities with the district. The District Board has contracted with the City of Akron to administer, collect and enforce the income tax on behalf of the District. The Director of Finance of the City of Akron shall be the Administrator of the income tax of the District, who shall be responsible for the receipt, safekeeping and investment of the income tax revenues collected within the District.

The Tax Agreement provides that the Administrator quarterly shall provide the District with an amount sufficient to pay the outstanding or expected administrative expenses of the operation of the District of that quarter. The balance of the net district revenue shall be distributed by the Administrator in accordance with the contract, without need of further action by the Treasurer or District Board.

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OHIO AUDITOR OF STATE KEITH FABER



BATH-AKRON-FAIRLAWN JOINT ECONOMIC DEVELOPMENT DISTRICT

SUMMIT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/10/2025

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov