

Wooster Growth Corporation
Wayne County, Ohio

Regular Audit

For the Year Ended December 31, 2024

rea



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Board of Trustees
Wooster Growth Corporation
538 North Market Street
Wooster, OH 44691

We have reviewed the *Independent Auditor's Report* of the Wooster Growth Corporation, Wayne 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 Wooster Growth Corporation is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

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

July 31, 2025

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Wayne County, Ohio
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December 31, 2024

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Independent Auditor's Report

To the Board of Trustees
Wooster Growth Corporation
Wayne County, Ohio
538 North Market Street
Wooster, OH 44691

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Wooster Growth Corporation, Wayne County, Ohio, (the Corporation), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Wooster Growth Corporation, Wayne County, Ohio, as of December 31, 2024, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation, 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 statements.

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2025 on our consideration of the Corporation'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 Corporation'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 Corporation's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Rea & Associates, Inc.
Wooster, Ohio
June 16, 2025

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Wooster Growth Corporation
Wayne County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024

Our discussion and analysis of the Wooster Growth Corporation's (the "Corporation") financial performance provides an overview of its financial activities for the year ended December 31, 2024. Financial information consists of a Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows, and Notes to the Basic Financial Statements (the Notes) to disclose or explain information not apparent from the basic financial statements. Please read the Notes for important explanations of relationships and transactions.

The Corporation exists for the sole purpose of advancing, encouraging, and promoting the industrial, economic, commercial and civic development of Wooster, Ohio (the City). Thus, normal discussion and analysis of business results, such as return on assets or net profit, are not relevant and will not be highlighted here. Instead, we will focus on describing the activities pursued by the Corporation during 2024 to fulfill that sole purpose as well as plans to sustain it.

Financial Highlights

- The Corporation's Net Position decreased by \$446,008.
- Total operating revenues were \$53,092 in 2024 compared to \$8,302 in 2023.
- Total operating expenses were \$627,200 in 2024 compared to \$53,702 in 2023.
- Assets held for economic development totaled \$2,387,209 at December 31, 2024.
- The Corporation's operating loss was \$574,108.

Our analysis below focuses on the Corporation's financial position and the results of operations.

	Restated		
	2024	2023	Change
Assets			
Current and Other Assets	\$ 1,826,672	\$ 1,806,891	\$ 19,781
Noncurrent Assets	<u>2,387,209</u>	<u>2,377,154</u>	<u>10,055</u>
Total Assets	<u>4,213,881</u>	<u>4,184,045</u>	<u>29,836</u>
Liabilities			
Current Liabilities	528,640	52,796	475,844
Total Liabilities	<u>528,640</u>	<u>52,796</u>	<u>475,844</u>
Net Position			
Unrestricted	3,685,241	4,131,249	(446,008)
Total Net Position	<u>\$ 3,685,241</u>	<u>\$ 4,131,249</u>	<u>\$ (446,008)</u>
Total Revenues			
	\$ 181,192	\$ 542,304	\$ (361,112)
Total Expenses	<u>627,200</u>	<u>53,702</u>	<u>573,498</u>
Change in Net Position	\$ (446,008)	\$ 488,602	\$ (934,610)
Beginning Net Position	4,131,249	3,642,647	
Ending Net Position	<u>\$ 3,685,241</u>	<u>\$ 4,131,249</u>	

Wooster Growth Corporation
Wayne County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024

Total assets and revenues increased primarily as the result of the Brownfield grant receivable due to the Corporation for incurred remediation expenses.

Total liabilities and expenses increased due to the additional pollution remediation costs identified in 2024 that will occur in a subsequent year.

Economic Factors

The Corporation works within the corporate limits of the City. It was formed for the sole purpose of advancing, encouraging, and promoting the industrial, economic, commercial, distribution, research and civic development of Wooster, Ohio. The City is a stand-alone community with the nearest large city approximately 25 miles away. The City has a diversified mix of economic sectors.

The City is served by diversified transportation facilities, including eight State and U.S. highways and interstate highway I-71. It is also served by CSX, Norfolk Southern, and the RC Corman Railway Group and is served by air freight and air passenger services at Wayne County Airport, Akron-Canton Airport and Cleveland Hopkins International Airport.

Virtually all of the City's territory is located within the Wooster City School District which provides education to students in grades K through 12. There are several public and private two-year and four-year colleges and universities within the County, including among others, The College of Wooster (located in the City), The University of Akron Wayne College and the Ohio State University Agricultural Technical Institute (ATI), The Ohio Agricultural Research and Development Center (OARDC), both part of The Ohio State University College of Food, Agricultural, and Environmental Sciences (CFAES). The OARDC and the ATI main campuses are located in the City.

Budgets

The Corporation does not adopt an annual budget. Plans for each project are made as the opportunities present themselves.

Contacting Wooster Growth Corporation's Financial Management

This financial report is intended to provide our stakeholders with a general overview of the Corporation's finances and to demonstrate accountability for the assets it receives. If you have questions about this report or need additional financial information, contact the Director of Finance, City of Wooster, 538 North Market Street, Wooster, Ohio 44691, (330) 263-5225.

Wooster Growth Corporation
Wayne County, Ohio
Statement of Net Position
December 31, 2024

Assets:

Current Assets:

Cash and Cash Equivalents with Fiscal Agent	\$ 1,369,451
Intergovernmental Receivable	301,767
Loan Receivable	155,454
Total Current Assets	<u>1,826,672</u>

Non-Current Assets:

Inventory of Development Assets	2,387,209
Total Non-Current Assets	<u>2,387,209</u>

Total Assets

4,213,881

Liabilities:

Current Liabilities:

Accounts Payable	407
Pollution Remediation Payable	528,233
Total Liabilities	<u>528,640</u>

Net Position:

Unrestricted

Total Net Position

3,685,241
\$ 3,685,241

See accompanying notes to the basic financial statements.

Wooster Growth Corporation
Wayne County, Ohio
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2024

Operating Revenue:

Administrative Income	\$ 53,092
Total Operating Revenue	<u>53,092</u>

Operating Expenses:

Administrative and Professional Expenses	93,833
Taxes - Property	22,767
Economic Development	510,600
Total Operating Expenses	<u>627,200</u>

Operating Income (Loss)	(574,108)
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Non-Operating Revenue (Expenses):

Intergovernmental	24,019
Royalties	1,125
Interest	39,112
Federal and State Grant Revenue	63,844
Total Non-Operating Revenue (Expenses)	<u>128,100</u>

Change in Net Position	(446,008)
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Net Position at Beginning of Year, as previously presented	<u>4,332,519</u>
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Error Correction	(201,270)
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Net Position at Beginning of Year, as restated	<u>4,131,249</u>
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Net Position at End of Year	<u>\$ 3,685,241</u>
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See accompanying notes to the basic financial statements.

Wooster Growth Corporation
Wayne County, Ohio
Statement of Cash Flows
For the Year Ended December 31, 2024

Cash Flows From Operating Activities:

Cash Received for Administrative Income	\$ 53,092
Cash Paid for Cost of Property Development	(10,055)
Cash Paid for Taxes, Administrative and Professional Fees	(151,356)
Net Cash Provided By (Used For) Operating Activities	<u>(108,319)</u>

Cash Flows From Noncapital Financing Activities:

Intergovernmental	24,019
Royalties	1,125
Net Cash Provided By (Used For) Noncapital Financing Activities	<u>25,144</u>

Cash Flows From Investing Activities:

Interest Received on Investments	39,112
Net Cash Provided By (Used For) Investing Activities	<u>39,112</u>

Net Increase (Decrease) in Cash and Cash Equivalents	(44,063)
Cash and Cash Equivalents at Beginning of Year	1,413,514
Cash and Cash Equivalents at End of Year	<u>\$ 1,369,451</u>

Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:

Operating Income (Loss)	\$ (574,108)
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Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:

Changes in Assets and Liabilities:	
(Increase) Decrease in Assets:	
Development Inventory	(10,055)
Increase (Decrease) in Liabilities:	
Accounts Payable	(8,089)
Pollution Remediation Payable	483,933
Net Cash Provided By (Used For) Operating Activities	<u>\$ (108,319)</u>

See accompanying notes to the basic financial statements.

Wooster Growth Corporation
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 1 – REPORTING ENTITY & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Wooster Growth Corporation, Wayne County, Ohio (the “Corporation”) is a non-profit, tax-exempt entity designated by the City of Wooster (the “City”) as the agent for industrial, commercial, distribution, and research development, pursuant to section 1724.10 of the Ohio Revised Code. The Corporation acts as an agent of the City to attract, retain, promote, and coordinate business and industrial interest in the City of Wooster. The Corporation may also act as an agent for those businesses seeking economic development assistance.

Basis of Accounting

These basic financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Corporation’s significant account policies are described below.

The basic financial statements consist of a single-purpose business-type activity, which is reported on the accrual basis of accounting using the economic resources measurement focus. Revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The Corporation’s basic financial statements consist of a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows.

The Corporation distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Corporation’s principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and Cash Equivalents

Cash balances for the Corporation are held by the City which serves as fiscal agent. Cash and Cash Equivalents with Fiscal Agent are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments held at December 31, 2024, with original maturities greater than one year are stated at fair value. The Corporation maintains specific deposits. The Ohio Revised Code prescribes allowable deposits and investments. Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Corporation.

Inventory of Development Assets and Donated Property

Acquisition of property is not capitalized. Donations of property are recorded as contributions at their estimated net realizable value at the date of donation. Such donations are reported as increases in inventory of development assets unless the donor has restricted such assets for specific purposes. All other property is recorded at the lower of cost or fair value.

Wooster Growth Corporation
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

In accordance with Ohio Revised Code section 1724.10 (B) (3), sale proceeds of property donated to the Corporation by the City that are in excess of cost (less sales expenses) are required to be returned to the City. However, an agreement was reached between the City and the Corporation that any excess proceeds for the remaining Besancon farm land, the Timken property, the TCI property, the Conrail and any other parking lot, and Wooster Innovation Park would be held by the Corporation as economic development assets.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Donated Services

No amounts have been reflected in the financial statements for donated services. The Corporation generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Corporation with its administrative activities. The Corporation has not estimated the value of such services.

Income Tax Status

The Corporation received approval for its tax-exempt status under Section 501 (c) (3) from the Internal Revenue Service effective July 1994.

Estimates

In order to prepare financial statements in accordance with generally accepted accounting principles, the Corporation is required to make estimates and assumptions that affect the valuations of assets and liabilities and disclose contingent assets and liabilities at year end, as well as the revenue and expense amounts that occurred during the reporting period. Actual results could differ from those estimates.

Deferred Inflows of Resources and Deferred Outflows of Resources

A deferred inflow of resources is an acquisition of net assets by the Corporation that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net assets by the Corporation that is applicable to a future reporting period. The Corporation had neither during the year.

Intergovernmental/Grant Revenue

The Corporation is a participant in grant programs as they are made available. Federal and state grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements of the grants have been met. During 2024 the City Council approved a percentage of the bed tax to be allocated to the Corporation for economic development.

Wooster Growth Corporation
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Custodial Account - City of Wooster

An agreement was executed October 24, 2000, between the City and the Corporation, whereby the City will perform financial management services, including the establishment of one or more custodial accounts, at no cost to the Corporation. The Director of Finance for the City is the Treasurer of the Corporation as elected by the Corporation's Board of Trustees.

Implementation of New Accounting Principles

For the year ended December 31, 2024, the Corporation has implemented certain provisions of GASB Statement No. 99, *Omnibus 2022*, GASB Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62*, and GASB Statement No. 101, *Compensated Absences*.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of certain provisions of GASB Statement No. 99 that relate to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide a more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessment accountability. The implementation of GASB Statement No. 100 was incorporated into the financial statements of the Corporation.

GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences to promote consistency and better meet the information needs of financial statement users. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. The implementation of GASB Statement No. 101 did not have an effect on the financial statements of the Corporation.

NOTE 2 – INVENTORY OF DEVELOPMENT ASSETS

The inventory of development assets consists of the following at December 31, 2024:

Besancon Farm	\$	108,391
Timken		208,801
TCI		10,055
Liberty Street Parking Lot		15,120
Wooster Innovation Park		2,044,842
Total Development Assets	\$	<u>2,387,209</u>

Wooster Growth Corporation
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Besancon Farm/Geyers Chapel Road Property

On May 30, 2000, the Corporation purchased 147.97 acres of land located near Long Road and Geyers Chapel Road (formerly known as the Besancon Farm, Ltd.). On July 10, 2000, City Council authorized the transfer of 25 acres of the property to the Corporation. On September 18, 2000, City Council authorized transfer of another 104.403 acres to the Corporation in exchange for the \$18 county recorder fee. In 2009, an additional \$7,870 was capitalized as part of the basis of the property, related to clearing costs in order to prepare the land to lease as farm land.

On January 12, 2010, the Corporation entered into an agricultural lease with Sweet Breeze Farms for 150.8 acres of the South Well Field, part of the Besancon Farm property. The lease was five years then on a year-to-year basis thereafter for \$169.60 an acre. The lease has been extended for 2025.

Tekfor, Inc., completed an expansion project in 2016 in the amount of \$2,097,364, which includes an expenditure of \$96,810 related to a land purchase option.

Since 2015, the Corporation has sold portions of this property and currently holds approximately 12 acres.

Praire Lane Property (Timken)

During Spring 2006, Timken Company donated their Wooster roller bearing facility to the Corporation with a final closing date of September 29, 2006. Located at 2219 Praire Lane, Wooster, Ohio, the property consists of a primary site of 59.315 acres and includes vacant buildings of 174,757 square feet.

The secondary site consists of 64.94 acres of vacant land. The fair value at the time of the donation was \$916,000, of which \$786,000 was allocated to the primary site and \$130,000 to the secondary site. An additional \$21,779 in appraisal and other fees was included as part of the value of the land and building received.

During 2007, the Corporation entered into several agreements involving the demolition of two of the unusable buildings and the subsequent environmental cleanup process to assure compliance with Environmental Protection Agency (EPA) regulations. The costs of these agreements were \$45,000 and \$23,395, respectively, which increased the basis of the primary site of 59.315 acres.

In addition, the Corporation entered into an agreement for the removal and sale of timber from the primary site. The Corporation received \$90,360 for this transaction, which reduced the basis of the 59.315 acres by these proceeds.

The Corporation also agreed to sell the substation and equipment located on the primary site for \$18,250. The basis of the primary site was reduced by these proceeds.

On June 6, 2008, the Corporation (the Seller) entered into an agreement with Condor Pacific Properties, LLC (the Buyer) for the sale of Parcel 1 (approximately 14.5 acres) of the Praire Lane property for \$320,000, less \$10,000 adjustment for fencing with the Corporation financing the property at 5 percent interest for a period of seven years. Conditions of the sale required the Corporation to pay for extension of utilities including water and sewer and construction of a separate drive. The costs to satisfy these conditions were \$134,160, which increased the basis of Parcel 1. On May 18, 2009, with the conditions of the sale satisfied, the sale was finalized. The Corporation recognized a loss on the sale of \$437,901.

Wooster Growth Corporation
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

The Corporation agreed to provide financing to the Buyer for the outstanding balance due of \$275,000. Terms of the note receivable require monthly payments beginning July 1, 2009, from the Buyer of \$3,887, which include interest at a rate of 5 percent. Final payment was received in June 2016.

On September 4, 2012 the Corporation sold 24.212 acres of the Timken property to Knox Cattle Company for \$123,419. The Corporation recognized a gain on the sale of \$41,819.

The Corporation owns 64.946 acres at this site.

Wooster Innovation Park

On April 5, 2021 the City of Wooster (City) authorized the sale of 138.6558 acres of land to the Corporation for \$10.00 in order to promote economic development. On May 17, 2021 the City sold an additional 14.364 acres of land contiguous to the 138.6558 acres for \$10.00 to promote economic development. The Corporation named this land the Wooster Innovation Park, a greenfield site used to promote economic development. On June 11, 2021 the Corporation sold 27.765 acres to Scannell Properties for \$971,775. Scannell is constructing a 200,000 square foot building for logistics and distribution. On July 16, 2021 the Corporation paid \$80,000 to have four oil and gas wells plugged on this site. On October 20, 2021 the Corporation completed a land swap with the Wooster Brush Company. The Corporation swapped 44 acres in the Wooster Innovation Park for 42.6 acres of land owned by the Wooster Brush Company adjacent to the Wooster Innovation Park, located in the Bogner Business Park. Wooster Brush is constructing a 600,000 square foot building for manufacturing, logistics, and distribution. No money was exchanged in the land swap except for settlement charges and property taxes. The remaining land available for development is approximately 117.2 acres.

In 2021, the Corporation entered into an agricultural lease with Myrtle Farms for 61.205 acres on Geyers Chapel Road, part of the Wooster Innovation Park property. The lease is 12 months then on a year-to-year basis thereafter for \$72.10 an acre in increments of 50 percent in April and 50 percent in September. Rent received in 2024 under this lease was \$4,413.

TCI

In a prior year, the Corporation obligated itself to the environmental remediation of the former gas station at the Tire Centers West, LLC (TCI) property. In 2024, the Corporation purchased the property during remediation. Once remediation is complete, the Corporation will seek proposals for redevelopment while also evaluating the appropriateness of utilizing the site as a permanent greenspace or public infrastructure which would be supportive of adjacent redevelopment.

NOTE 3 – LOANS RECEIVABLE

In 2017, the Corporation entered into an agreement with the Corporation and Schaeffler Group in which the Corporation will remit \$240,000 to Schaeffler Group for the pre-payment of the four year Job Creation Tax Credit. The Corporation will be reimbursed from the City of Wooster with no interest due as proceeds are received. Payments of \$20,935 and \$63,611, for 2018 and 2019 respectively, were received in fiscal year 2020. No payments received in 2024, 2023, 2022 or 2021. In September, 2020, this agreement was amended to provide two additional years. The entire loan balance of \$155,454 is due in 2025.

Wooster Growth Corporation
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 4 – POLLUTION REMEDIATION OBLIGATION

The Corporation has obligated itself to the environmental remediation of the former gas station at the Tire Centers West, LLC property. The site suffers from groundwater contaminated with petroleum products from a suspected leak of one of the recently removed underground storage tanks. The Corporation has secured a Brownfield Remediation Program grant through the Ohio Department of Development in the amount of \$775,000. The building has been razed and remediation activities have commenced. Separate from pollution remediation, the Corporation committed funds up to \$115,000 primarily for other non-pollution remediation purposes.

NOTE 5 – RISK MANAGEMENT

The Corporation is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Corporation carries general liability and directors' and officers' insurance.

Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three years and there was no significant change in insurance coverage from the prior year.

NOTE 6 – SUBSEQUENT EVENT

At the March 13, 2025 meeting, the Board agreed to sell 61-acres of the Wooster Innovation Park to Jarrett Companies in the amount of \$1,715,000 contingent upon acceptable soil studies, enterprise zone tax abatement, and approval of rooftop solar panels. The Board also agreed to sell the remaining 12 acres on Long Road to an adjacent property owner for \$100,000.

NOTE 7 – RESTATEMENT OF NET POSITION

During fiscal year 2024, the Corporation determined that inventory held for development assets resale was not properly reduced for the sale of a property in a prior year resulting in an overstatement of inventory and gain/loss on sale of inventory by \$201,270. The effect of correcting that error as of December 31, 2023 is shown below:

December 31, 2023, as previously reported	\$ 4,332,519
Error Correction	<u>(201,270)</u>
December 31, as restated	<u><u>\$ 4,131,249</u></u>

**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***

To the Board of Trustees
Wooster Growth Corporation
Wayne County, Ohio
538 North Market Street
Wooster, OH 44691

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, the financial statements of the Wooster Growth Corporation, Wayne County, Ohio (the Corporation) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated June 16, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Wooster Growth Corporation

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rea & Associates, Inc.

Rea & Associates, Inc.

Wooster, Ohio

June 16, 2025

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OHIO AUDITOR OF STATE KEITH FABER



WOOSTER GROWTH CORPORATION

WAYNE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/12/2025

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