



**PRAIRIE TOWNSHIP JOINT ECONOMIC DEVELOPMENT DISTRICT
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2014-2013



Dave Yost • Auditor of State

**PRAIRIE TOWNSHIP JOINT ECONOMIC DEVELOPMENT DISTRICT
FRANKLIN COUNTY**

DECEMBER 31, 2014 AND 2013

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Prairie Township Joint Economic Development District
Franklin County
23 Maple Drive
Columbus, Ohio 43228

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 Prairie Township Joint Economic Development District, Franklin County, Ohio (the District) as of and for the years ended December 31, 2014 and 2013.

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 District'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 District's internal control. Accordingly, we express no 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 1 of the financial statements, the District 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 District 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 District as of December 31, 2014 and 2013, or 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 of Prairie Township Joint Economic Development District, Franklin County, Ohio as of December 31, 2014 and 2013, and its cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2017, on our consideration of the District'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 District's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

March 15, 2017

Prairie Township Joint Economic Development District
Franklin County, Ohio

Statement of Receipts, Disbursements and Change in
Fund Balance (Cash Basis) - Governmental Fund Type
For the Year Ended December 31, 2014

	General Fund
<u>Cash Receipts</u>	
Income Taxes	\$214,886
Interest	457
Total Cash Receipts	215,343
<u>Cash Disbursements</u>	
Operating expenses	7,289
City of Columbus	81,652
Prairie Township	145,052
Total Cash Disbursements	233,993
Net Change in Fund Balance	(18,650)
Fund Balance, January 1	48,846
<u>Fund Balance, December 31</u>	
Restricted	29,363
Unassigned	833
Fund Balance, December 31	\$30,196

The Notes to the Financial Statements are an Integral Part of this Financial Statement.

Prairie Township Joint Economic Development District
Franklin County, Ohio

Statement of Receipts, Disbursements and Change in
Fund Balance (Cash Basis) - Governmental Fund Type
For the Year Ended December 31, 2013

	General Fund
<u>Cash Receipts</u>	
Income Taxes	\$115,062
Interest	117
Total Cash Receipts	115,179
<u>Cash Disbursements</u>	
Prairie Township	69,531
Total Cash Disbursements	69,531
Net Change in Fund Balance	45,648
Fund Balance, January 1	3,198
<u>Fund Balance, December 31</u>	
Restricted	43,820
Unassigned	5,026
Fund Balance, December 31	\$48,846

The Notes to the Financial Statements are an Integral Part of this Financial Statement.

Prairie Township Joint Economic Development District
Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 1. - Summary of Significant Accounting Policies

Description of the Entity

The Prairie Township Joint Economic Development District, Franklin County, Ohio (the District) was formed by contract on November 15, 2010, under Sections 715.72 through 715.83 of the Ohio Revised Code. The District is comprised of the City of Columbus and Prairie Township. The District operates under an appointed five-member Board of Directors established in accordance Section 715.78(A) of the Ohio Revised Code. The purpose of the District is to facilitate economic development, to create or preserve jobs and employment opportunities, and to improve the economic welfare of the people in the State of Ohio, Franklin County, the City of Columbus, and Prairie Township.

The Township and City provide services to assist the District with planning, marketing, promotion and related activities to facilitate economic development in the District. In addition, the Board may contract for such services with either of the contracting parties on such terms as the Board and the respective contracting parties may agree. The Board has approved an income tax rate of 2.5 percent.

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

Basis of Accounting

The financial statements follow the accounting basis permitted by the financial reporting provisions of Section 117.38 of the Ohio Revised Code and Section 117-203(D) of the Ohio Administrative Code. This basis is similar to the cash receipts and disbursements basis of accounting. The Board 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 financial reporting provisions of Section 117.38 of the Ohio Revised Code and Section 117-203(D) of the Ohio Administrative Code 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.

Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash held by the City of Columbus.

Fund Accounting

The District uses fund accounting to segregate cash that is restricted as to use. The District has the following fund:

General Fund - The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

Prairie Township Joint Economic Development District
Notes to the Financial Statements
For the Year Ended December 31, 2014 and 2013
(Continued)

Note 1. - Summary of Significant Accounting Policies (Continued)

Fund Balance

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

Nonspendable - The District classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

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

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

Assigned - Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by District Board or a District official delegated that authority by resolution, or by State Statute.

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

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 2 - Cash Deposits

The District utilizes the City of Columbus to collect and hold cash to be distributed to Prairie Township and the City of Columbus. Cash for the District remains with the City of Columbus. Money held by the City of Columbus is invested and subject to the same collateralization requirements of the City of Columbus. The District's cash balances as of December 31, 2014 and 2013 were \$30,196 and \$48,846, respectively.

Prairie Township Joint Economic Development District
Notes to the Financial Statements
For the Year Ended December 31, 2014 and 2013
(Continued)

Note 3 – Income Tax

The District levies a municipal income tax of 2.5 percent on substantially all earned income arising from employment or business activities within the District. Employers within the District withhold income tax on employee compensation and remit at least monthly and file an annual declaration. The tax rate will change from time to time so that it is equal to the income tax rate being levied by the City of Columbus.

The Board has entered into an agreement with the City of Columbus to administer, collect, and enforce the income tax on behalf of the District. A fee is applied to the collections of income taxes within the District. This percent was, and continues to be, subject to change based off the annual contract between the District's Board and the City of Columbus.

Of the amounts collected in 2014 and 2013, the District retains one-quarter of one percent for maintenance of the District. In 2013, the District distributed 23.94 percent to the City of Columbus and 71.81 percent to Prairie Township. The City of Columbus collection fee was four percent. In 2014, the District distributed 24.63 percent to the City of Columbus and 73.89 percent to Prairie Township. The City of Columbus received a collection fee of 1.23 percent.

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Dave Yost • Auditor of State

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

Prairie Township Joint Economic Development District
Franklin County
23 Maple Drive
Columbus, Ohio 43228

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 Prairie Township Joint Economic Development District, Franklin County, Ohio (the District) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, and have issued our report thereon dated March 15, 2017, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District'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 District'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 District'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 District'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 District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

March 15, 2017



Dave Yost • Auditor of State

**PRAIRIE TOWNSHIP JOINT ECONOMIC DEVELOPMENT DISTRICT
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
APRIL 11, 2017**