



OHIO AUDITOR OF STATE  
**KEITH FABER**





**SPRINGFIELD TOWNSHIP COMMUNITY IMPROVEMENT CORPORATION  
HAMILTON COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

Springfield Community Improvement Corporation  
Hamilton County  
9150 Winton Road  
Cincinnati, Ohio 45231

To the Board of Directors:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the Springfield Community Improvement Corporation, Hamilton County, Ohio (the Corporation), as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are 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 Corporation'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 Corporation'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.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Springfield Community Improvement Corporation, Hamilton County, Ohio, as of December 31, 2018 and 2017, and the changes in its financial position and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2019, on our consideration of the Corporation'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 Corporation's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State

Columbus, Ohio

August 22, 2019

**Springfield Township**  
**Community Improvement Corporation**  
*Statement of Net Position*  
*For the Year Ended December 31, 2018*

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	<u>2018</u>
<b>Assets</b>	
<i>Current Assets:</i>	
Equity in Pooled Cash and Cash Equivalents	<u>\$31,298</u>
<i>Total Current Assets</i>	<u>31,298</u>
<i>Total Assets</i>	<u>31,298</u>
<b>Net Position</b>	
Unrestricted	<u>31,298</u>
<i>Total Net Position</i>	<u><u>\$31,298</u></u>

See accompanying notes to the basic financial statements

**Springfield Township**  
**Community Improvement Corporation**  
*Statement of Revenues,*  
*Expenses and Changes in Fund Net Position*  
*Proprietary Funds*  
*For the Year Ended December 31, 2018*

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	2018
<b>Operating Revenues</b>	
Grants	\$255,000
<i>Total Operating Revenues</i>	255,000
<b>Operating Expenses</b>	
Business Expenses	332
Contract Services	14,501
Operations	422
Other Expenses (Grants Awarded)	260,816
<i>Total Operating Expenses</i>	276,071
<i>Operating Income (Loss)</i>	(21,071)
 <i>Net Assets Beginning of Year</i>	 52,369
<i>Net Assets End of Year</i>	\$31,298

See accompanying notes to the basic financial statements



**Springfield Township**  
**Community Improvement Corporation**  
*Statement of Cash Flows*  
*Proprietary Funds*  
*For the Year Ended December 31, 2018*

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2018

**Increase (Decrease) in Cash and Cash Equivalents**

**Cash Flows from Operating Activities**

Other Cash Receipts	\$255,000
Cash Payments for Goods and Services	(15,255)
Other Cash Payments	<u>(260,816)</u>

<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>(21,071)</u>
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<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(21,071)
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<i>Cash and Cash Equivalents Beginning of Year</i>	<u>52,369</u>
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<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$31,298</u></u>
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See accompanying notes to the basic financial statements

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**SPRINGFIELD TOWNSHIP HAMILTON COUNTY COMMUNITY IMPROVEMENT CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**Note 1 – Reporting Entity**

The Springfield Township CIC, Hamilton County, Ohio (the CIC) is a not-for-profit organization that was created by the Springfield Township Trustees and Certified by the State of Ohio, Secretary of State in February 2014. The creation of the CIC was recommended by the Springfield Township Comprehensive Neighborhood Master Plan, which was adopted by the Board of Trustees in May 2011.

The CIC was created in accordance with Chapters 1702 and 1724 of the Ohio Revised Code in order to advance, encourage and promote industrial, economic, commercial, housing and civic development in Springfield Township. The CIC has been designated by the Springfield Township Board of Trustees as the Economic Development agent for Springfield Township.

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Presentation**

The CIC prepares its financial statements in accordance with the not-for-profit entity related provisions of the standards set by the Financial Accounting standards Board (FASB) which established the FASB Accounting Standards Codification (ASC) as the single source of authoritative accounting principles generally accepted in the United States of America. The CIC's financial statements consist of a State of Net Position, Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

The CIC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, based upon the existence or absence of donor-imposed restrictions. The CIC does not have any temporarily restricted or permanently restricted net position as of December 31, 2018.

**Basis of Accounting**

The financial statements of the CIC have been prepared on the accrual basis of accounting principles generally accepted in the United States of America (GAAP) as applied to not-for-profit organizations.

**Cash and Cash Equivalents**

For purposes of cash flows, the CIC considers cash on hand and in demand accounts with a maturity of 90 days or less to be cash.

**Income Taxes**

The CIC has qualified for a tax exemption under section 501(c)(3) of the Internal Revenue Code, and accordingly, no provision for federal income tax has been recorded in the accompanying financial statements.

Income taxes are accounted for under the provisions of the "Income Taxes" topic of the FASB ASC. Uncertain income tax positions are evaluated at least annually by management. As of December 31, 2018, the CIC has identified no uncertain income tax provisions and has incurred no amounts for income tax penalties and interest for the year then ended.

### **Estimates**

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

### **Net Position**

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The CIC has no restricted net position.

### **Note 3 – Deposits**

At December 31, 2018, the carrying amount and bank balance of CIC's deposits was \$31,297.74, which was covered by federal depository insurance.

### **Note 4 – Grants from Springfield Township**

The CIC received \$255,000 in grants from Springfield Township during the year.

### **Note 5 – Risk Management**

The CIC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to contracted personnel; and natural disasters. For 2018, the CIC has property and casualty insurance through Hylant Insurance.

Settled claims have not exceeded commercial coverage in the past three years. There was no significant reduction in coverage from the prior year.

**Springfield Township CIC**  
*Statement of Net Position*  
*For the Year Ended December 31, 2017*

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	<u>2017</u>
<b>Assets</b>	
<i>Current Assets:</i>	
Equity in Pooled Cash and Cash Equivalents	<u>\$52,369</u>
<i>Total Current Assets</i>	<u>52,369</u>
<i>Total Assets</i>	<u>52,369</u>
<b>Net Position</b>	
Unrestricted	52,369
<i>Total Net Position</i>	<u><u>\$52,369</u></u>

See accompanying notes to the basic financial statements

**Springfield Township CIC**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Position  
For the Year Ended December 31, 2017*

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	<u>2017</u>
<b>Operating Revenues</b>	
Grants	<u>\$250,000</u>
<i>Total Operating Revenues</i>	<u>250,000</u>
<b>Operating Expenses</b>	
Materials and Supplies	2,111
Business Expenses	742
Contract Services	19,924
Community Support	<u>204,149</u>
<i>Total Operating Expenses</i>	<u>226,926</u>
<i>Operating Income (Loss)</i>	<u>23,074</u>
<i>Net Position Beginning of Year</i>	<u>29,295</u>
<i>Net Position End of Year</i>	<u><u>\$52,369</u></u>

See accompanying notes to the basic financial statements

**Springfield Township CIC**  
*Statement of Cash Flows*  
*For the Year Ended December 31, 2017*

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	<u>2017</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	
<b>Cash Flows from Operating Activities</b>	
Other Cash Receipts	\$250,000
Cash Payments for Goods and Services	(22,777)
Other Cash Payments	(204,149)
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>23,074</u>
Net Increase (Decrease) in Cash and Cash Equivalents	23,074
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>29,295</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$52,369</u></u>

See accompanying notes to the basic financial statements

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**SPRINGFIELD TOWNSHIP HAMILTON COUNTY COMMUNITY IMPROVEMENT CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**Note 1 – Reporting Entity**

The Springfield Township CIC, Hamilton County, Ohio (the CIC) is a not-for-profit organization that was created by the Springfield Township Trustees and Certified by the State of Ohio, Secretary of State in February 2014. The creation of the CIC was recommended by the Springfield Township Comprehensive Neighborhood Master Plan, which was adopted by the Board of Trustees in May 2011.

The CIC was created in accordance with Chapters 1702 and 1724 of the Ohio Revised Code in order to advance, encourage and promote industrial, economic, commercial, housing and civic development in Springfield Township. The CIC has been designated by the Springfield Township Board of Trustees as the Economic Development agent for Springfield Township.

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Presentation**

The CIC prepares its financial statements in accordance with the not-for-profit entity related provisions of the standards set by the Financial Accounting standards Board (FASB) which established the FASB Accounting Standards Codification (ASC) as the single source of authoritative accounting principles generally accepted in the United States of America. The CIC's financial statements consist of a Statement of Net Position, Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

The CIC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, based upon the existence or absence of donor-imposed restrictions. The CIC does not have any temporarily restricted or permanently restricted net position as of December 31, 2017.

**Basis of Accounting**

The financial statements of the CIC have been prepared on the accrual basis of accounting principles generally accepted in the United States of America (GAAP) as applied to not-for-profit organizations.

**Cash and Cash Equivalents**

For purposes of cash flows, the CIC considers cash on hand and in demand accounts with a maturity of 90 days or less to be cash.

## **Income Taxes**

The CIC has qualified for a tax exemption under section 5019(c)(3) of the Internal Revenue Code, and accordingly, no provision for federal income tax has been recorded in the accompanying financial statements.

Income taxes are accounted for under the provisions of the "Income Taxes" topic of the FASB ASC. Uncertain income tax positions are evaluated at least annually by management. As of December 31, 2017, the CIC has identified no uncertain income tax provisions and has incurred no amounts for income tax penalties and interest for the year then ended.

## **Estimates**

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

## **Net Position**

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The CIC has no restricted net position.

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At December 31, 2017, the carrying amount and bank balance of CIC's deposits was \$52,369, which was covered by federal depository insurance.

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## **Note 5 – Risk Management**

The CIC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to contracted personnel; and natural disasters. For 2017, the CIC has property and casualty insurance through Hylant Insurance.

Settled claims have not exceeded commercial coverage in the past three years. There was no significant reduction in coverage from the prior year.



Corporate Centre of Blue Ash  
11117 Kenwood Road  
Blue Ash, Ohio 45242-1817  
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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Springfield Township Community Improvement Corporation  
Hamilton County  
9150 Winton Road  
Cincinnati, OH 45231

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 Springfield Township Community Improvement Corporation, Hamilton County, (the Corporation) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Corporation’s basic financial statements, and have issued our report thereon dated August 22, 2019.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Corporation’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 Corporation’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 Corporation’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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2018-001 to be a material weakness.

***Compliance and Other Matters***

As part of reasonably assuring whether the Corporation'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*.

***Corporation's Response to Findings***

The Corporation's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not subject the Corporation's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

***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 Corporation's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State

Columbus, Ohio

August 22, 2019

**SPRINGFIELD TOWNSHIP COMMUNITY IMPROVEMENT CORPORATION  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2018 and 2017**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING 2018-001**

**Material Weakness – Financial Reporting**

In our audit engagement letter, as required by AU-C Section 210, *Term of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; the 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following conditions related to management controls over financial reporting were identified:

- For 2018 Cash and Cash Equivalents totaling \$31,298 was incorrectly posted to Materials and Supplies Inventory.
  
- On the 2018 Statement of Cash Flows, Other Cash Receipts, Cash Payments for Goods and Services and Other Cash Payments were understated by \$255,000, \$15,255 and \$260,816, respectively.

The Corporation adjusted the financial statements.

It appears that the Corporation did not review the 2018 financial statements for accuracy. Failure to accurately report financial activity increases the risk of material errors in the financial statements. Due care should be exercised when posting entries to the financial records and financial statement preparation. The Corporation officials should take steps to make sure the financial statements accurately reflect the Corporation's financial information, including internal control policies and procedures to review and approve the financial statements prior to submission for audit.

**Officials' Response:**

The Springfield Township Community Improvement Corporation uses the Quickbooks accounting software. The previous audit for the CIC was the organization's first audit and during that audit, the CIC learned that the State of Ohio will not accept the financial statements generated by the Quickbooks software. The State of Ohio sent a template to the CIC to use to transfer all of the information from the Quickbooks financial statements to the template accepted by the State of Ohio. During that process, there was some confusion about where specific amounts should be transferred into the template and the alignment of the template. The financial statements in Quickbooks correctly reflect cash and cash equivalents. The problem was simply with the transfer of information into the template. The Township will take steps to ensure that this is corrected on future financial statements.

The Statement of Cash Flows generated by the Quickbooks software does not include all of the information that the State of Ohio requires in a Statement of Cash Flows. The Springfield Township CIC will take steps to ensure that the Statement of Cash Flows includes more detail in the future.

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# OHIO AUDITOR OF STATE KEITH FABER



**SPRINGFIELD TOWNSHIP COMMUNITY IMPROVEMENT CORPORATION**

**HAMILTON 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  
SEPTEMBER 5, 2019**