



OHIO AUDITOR OF STATE
KEITH FABER



**COLUMBIA TOWNSHIP JOINT ECONOMIC DEVELOPMENT ZONE
HAMILTON COUNTY
DECEMBER 31, 2019 AND 2018**

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INDEPENDENT AUDITOR'S REPORT

Columbia Township Joint Economic Development Zone
Hamilton County
5903 Hawthorne Avenue
Cincinnati, Ohio 45227

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Columbia Township Joint Economic Development Zone, Hamilton County, Ohio (the Zone) as of and for the years ended December 31, 2019 and 2018.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Zone'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 Zone'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 opinions.

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

As described in Note 2 of the financial statements, the Zone 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 Zone 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 Zone as of December 31, 2019 and 2018, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Columbia Township Joint Economic Development Zone, Hamilton County as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 6 to the 2019 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Zone. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2020, on our consideration of the Zone'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 Zone's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio
December 16, 2020

Columbia Township Joint Economic Development Zone

Hamilton County

Statement of Receipts, Disbursements

and Changes in Fund Balances (Regulatory Cash Basis)

General Fund

For the Year Ended December 31, 2019

Cash Receipts	
Income Taxes	\$1,244,207
Miscellaneous	34,333
	<hr/>
<i>Total Cash Receipts</i>	<i>1,278,540</i>
	<hr/>
Cash Disbursements	
Current:	
Personal Services	25,847
Fringe Benefits	3,928
Contractual Services	1,179,867
Supplies and Materials	6,555
Other	11,670
	<hr/>
<i>Total Cash Disbursements</i>	<i>1,227,867</i>
	<hr/>
<i>Net Change in Fund Cash Balances</i>	<i>50,673</i>
<i>Fund Cash Balances, January 1</i>	<i>316,373</i>
	<hr/>
Fund Cash Balances, December 31	
Unassigned (Deficit)	367,046
	<hr/>
<i>Fund Cash Balances, December 31</i>	<i>\$367,046</i>
	<hr/> <hr/>

See accompanying notes to the basic financial statements

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Columbia Township Joint Economic Development Zone

Hamilton County

Notes to the Financial Statements

For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The Columbia Township Joint Economic Development Zone, Hamilton County, Ohio (the Zone) contract was entered into on August 5, 2013 by and among Columbia Township, Hamilton County, Ohio and the Village of Fairfax, Hamilton County, Ohio. The contract was authorized in accordance of the Ohio Revised Code Section 715.691, by ordinance 35-2013 passed by the Council of the Village on August 5, 2013, and Resolution 13-10 adopted by the Board of Trustees of the Township. The Village of Fairfax is responsible for fiscal control of the resources of the Zone.

The Zone operates under an appointed six-member Board of Directors established in accordance with Ohio Revised Code Section 715.691(G)(1). The purpose of the Zone is to facilitate new or expanded commercial and economic development, create and preserve jobs, and improve the economic welfare of the Township, Village and Zone. Pursuant to Ohio Revised Code 715.691, the Board adopted a resolution to levy an income tax in the Zone at a rate of 1.0%.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Zone's financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (cash basis) for the general fund.

Fund Accounting

The Zone uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Zone are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Zone for any purpose provided it is expended or transferred according to the general laws of Ohio.

Basis of Accounting

These 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 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

The 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 (D) permit.

Columbia Township Joint Economic Development Zone

Hamilton County

Notes to the Financial Statements

For the Year Ended December 31, 2019

Budgetary Process

The Contract between the Township, Village and Zone prescribes a budgetary process for the Zone. The fiscal year for the Zone shall be the same as the fiscal year of the Township. The budget shall estimate the revenues and expenses of the Zone. The Board shall provide a copy of the annual budget to the Contracting Parties promptly after its adoption. The Board shall establish appropriation procedures to provide for payment of the expenses of the Zone and the distribution of income tax revenues consistent with the Contract.

Fund Balance

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

Nonspendable The Zone 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 Governing Board can *commit* amounts via formal action (resolution). The Zone must adhere to these commitments unless the Governing 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 Zone's Governing Board or a Zone 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 Zone 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.

Columbia Township Joint Economic Development Zone

Hamilton County

Notes to the Financial Statements

For the Year Ended December 31, 2019

Note 3 – Deposits

The Zone maintains three non-interest bearing checking accounts. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	<u>2019</u>
Demand deposits	<u>\$367,046</u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Note 4 – Taxes

Income Taxes

The Zone levies an income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Zone. Employers within the Zone withhold income tax on employee compensation and remit the tax to the Zone either monthly or quarterly, as required. Individual taxpayers, whose only income is subject to withholding by employers, are not required to file a final annual return. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 5 – Risk Management

The Zone belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are

Columbia Township Joint Economic Development Zone

Hamilton County

Notes to the Financial Statements

For the Year Ended December 31, 2019

only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 776 members as of December 31, 2019.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2019.

Assets	\$ 15,920,504
Liabilities	<u>(11,329,011)</u>
Members' Equity	<u>\$ 4,591,493</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Note 6 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Zone. In addition, the impact on the Zone's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Columbia Township Joint Economic Development Zone

Hamilton County

Statement of Receipts, Disbursements

and Changes in Fund Balances (Regulatory Cash Basis)

General Fund

For the Year Ended December 31, 2018

Cash Receipts	
Income Taxes	\$1,025,022
Miscellaneous	29,474
	<hr/>
<i>Total Cash Receipts</i>	<u>1,054,496</u>
Cash Disbursements	
Current:	
Personal Services	27,202
Fringe Benefits	3,949
Contractual Services	952,977
Supplies and Materials	7,120
Other	34,410
	<hr/>
<i>Total Cash Disbursements</i>	<u>1,025,658</u>
<i>Net Change in Fund Cash Balances</i>	28,838
<i>Fund Cash Balances, January 1</i>	<u>287,535</u>
Fund Cash Balances, December 31	
Unassigned (Deficit)	<u>316,373</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$316,373</u></u>

See accompanying notes to the basic financial statements

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Columbia Township Joint Economic Development Zone

Hamilton County

Notes to the Financial Statements

For the Year Ended December 31, 2018

Note 1. Reporting Entity

The Columbia Township Joint Economic Development Zone, Hamilton County, Ohio (the Zone) contract was entered into on August 5, 2013 by and among Columbia Township, Hamilton County, Ohio and the Village of Fairfax, Hamilton County, Ohio. The contract was authorized in accordance of the Ohio Revised Code Section 715.691, by ordinance 35-2013 passed by the Council of the Village on August 5, 2013, and Resolution 13-10 adopted by the Board of Trustees of the Township. The Village of Fairfax is responsible for fiscal control of the resources of the Zone.

The Zone operates under an appointed six-member Board of Directors established in accordance with Ohio Revised Code Section 715.691(G)(1). The purpose of the Zone is to facilitate new or expanded commercial and economic development, create and preserve jobs, and improve the economic welfare of the Township, Village and Zone. Pursuant to Ohio Revised Code 715.691, the Board adopted a resolution to levy an income tax in the Zone at a rate of 1.0%.

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

Note 2. Summary of Significant Policies

Basis of Presentation

The Zone's financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (cash basis) for the general fund.

Fund Accounting

The Zone uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Zone are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Zone for any purpose provided it is expended or transferred according to the general laws of Ohio.

Basis of Accounting

These 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 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

The 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 (D) permit.

Columbia Township Joint Economic Development Zone

Hamilton County

Notes to the Financial Statements

For the Year Ended December 31, 2018

Budgetary Process

The Contract between the Township, Village and Zone prescribes a budgetary process for the Zone. The fiscal year for the Zone shall be the same as the fiscal year of the Township. The budget shall estimate the revenues and expenses of the Zone. The Board shall provide a copy of the annual budget to the Contracting Parties promptly after its adoption. The Board shall establish appropriation procedures to provide for payment of the expenses of the Zone and the distribution of income tax revenues consistent with the Contract.

Fund Balance

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

Nonspendable The Zone 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 Governing Board can *commit* amounts via formal action (resolution). The Zone must adhere to these commitments unless the Governing 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 Zone's Governing Board or a Zone 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 Zone 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.

Columbia Township Joint Economic Development Zone

Hamilton County

Notes to the Financial Statements

For the Year Ended December 31, 2018

Note 3 – Deposits

The Zone maintains three non-interest bearing checking accounts. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

Demand deposits	\$316,373
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Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Note 4 – Taxes

Income Taxes

The Zone levies an income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Zone. Employers within the Zone withhold income tax on employee compensation and remit the tax to the Zone either monthly or quarterly, as required. Individual taxpayers, whose only income is subject to withholding by employers, are not required to file a final annual return. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 5 - Risk Management

The Zone belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 members as of December 31, 2018.

Columbia Township Joint Economic Development Zone

Hamilton County

Notes to the Financial Statements

For the Year Ended December 31, 2018

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2018.

Assets	\$15,065,412
Liabilities	<u>(10,734,623)</u>
Members' Equity	<u>\$ 4,330,789</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Note 6 – Prior Period Restatement

A prior period restatement was necessary to properly reflect the Zoning fund activity in the General Fund. The following table shows the change to the beginning balance.

	General Fund
Fund Balance December 31, 2017	\$ 237,519
Restatement	<u>50,016</u>
Fund Balance January 1, 2018	<u>\$ 287,535</u>

OHIO AUDITOR OF STATE KEITH FABER



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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*

Columbia Township Joint Economic Development Zone
Hamilton County
5903 Hawthorne Avenue
Cincinnati, Ohio 45227

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 by fund type of the Columbia Township Joint Economic Development Zone, Hamilton County, (the Zone) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated December 16, 2020 wherein we noted the Zone followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Zone.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Zone'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 Zone'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 Zone'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 2019-001 to be a material weakness.

Compliance and Other Matters

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



Keith Faber
Auditor of State
Columbus, Ohio
December 16, 2020

**COLUMBIA TOWNSHIP JOINT ECONOMIC DEVELOPMENT ZONE
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018**

FINDING NUMBER 2019-001

Material Weakness

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

Due to deficiencies in the Zone's financial statement monitoring and review process, the following conditions were noted related to the Zone's reporting process:

- Income Tax receipts and Contractual Services disbursements were overstated in the amount of \$29,474 during 2018.
- 2018 Contractual Services disbursements were overstated in the amount of \$72,113; Personal Services disbursements were understated in the amount of \$12,605; Fringe Benefits disbursements were understated in the amount of \$1,652; Supplies and Materials disbursements were understated in the amount of \$6,092; Other disbursements were understated in the amount of \$29,478; and Cash Fund Balance was understated in the amount of \$22,286 during 2018.
- The 2018 Beginning Fund Cash Balance was overstated in the amount of \$9,990.

The Zone has posted these adjustments to the financial statements and accounting records where appropriate.

Failure to accurately report transactions could result in material errors in the Zone's financial statements and reduces the Zone's ability to monitor financial activity and to make sound decisions which effect the overall available cash position of the Zone.

The Zone should accurately report financial transactions.

Officials' Response:

The Officials did not respond to this finding.

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2019 AND 2018

Finding Number	Finding Summary	Status	Additional Information
2017-001	A 2016 and 2017 Material Weakness finding over Financial Reporting.	Not Corrected	Reissued as Finding 2019-001
2017-002	A 2016 and 2017 Material Weakness finding for the Zone not completing monthly bank reconciliations; rather, its accounts and fund were co-mingled within the Village's monthly reconciliations which contained unsupported adjusting factors. The recalculated reconciled bank balance exceeded the Zone's fund balance recorded in the financial statements by \$13,834 at December 31, 2016 and by \$12,256 at December 31, 2017.	Corrected	

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OHIO AUDITOR OF STATE KEITH FABER



COLUMBIA TOWNSHIP JOINT ECONOMIC DEVELOPMENT ZONE

HAMILTON 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 12/31/2020

88 East Broad 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