



OHIO AUDITOR OF STATE  
**KEITH FABER**





**SPRINGFIELD TOWNSHIP COMMUNITY IMPROVEMENT CORPORATION  
HAMILTON COUNTY  
DECEMBER 31, 2020 AND 2019**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Management's Discussion and Analysis For the Year Ended December 31, 2020.....	3
Basic Financial Statements:	
Statement of Net Position For the Year Ended December 31, 2020 .....	7
Statement of Revenues, Expenses and Changes in Net Position For the Year Ended December 31, 2020 .....	8
Statement of Cash Flows For the Year Ended December 31, 2020 .....	9
Notes to the Financial Statements For the Year Ended December 31, 2020 .....	11
Management's Discussion and Analysis For the Year Ended December 31, 2019.....	15
Basic Financial Statements:	
Statement of Net Position For the Year Ended December 31, 2019 .....	19
Statement of Revenues, Expenses and Changes in Net Position For the Year Ended December 31, 2019 .....	20
Statement of Cash Flows For the Year Ended December 31, 2019 .....	21
Notes to the Financial Statements For the Year Ended December 31, 2019 .....	23
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	27
Schedule of Findings.....	29
Prepared by Management:	
Summary Schedule of Prior Audit Findings .....	31

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Springfield Township 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 Township Community Improvement Corporation, Hamilton County, Ohio (the Corporation), as of and for the years ended December 31, 2020 and 2019, 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 Corporation, as of December 31, 2020 and 2019, 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.

***Emphasis of Matter***

As discussed in Note 7 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Corporation. 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 May 26, 2021, 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  
May 26, 2021

Springfield Township Community Improvement Corporation  
Management's Discussion and Analysis  
For the Year Ended December 31, 2020  
Unaudited

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This Management's Discussion and Analysis (MD&A) of the Springfield Township Community Improvement Corporation (CIC) provides an introduction and overview to the financial statements of the CIC for the year ended December 31, 2020. The CIC presents this discussion and analysis of its financial performance during the year ended December 31, 2020, to assist the reader in focusing on significant financial issues. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the CIC's financial statements (beginning on page 6).

**FINANCIAL HIGHLIGHTS**

During the year ended December 31, 2020:

- Net position decreased by \$11,075 for the year.
- Total revenue was \$200,000 for the year. This was down \$45,000 from 2019's amount of \$245,000.
- Total operating expenses amounted to \$211,075 for the year. This is down \$43,974 from 2019's amount of \$255,049.

**USING THIS ANNUAL REPORT**

The following is a list of the financial statements included in this report:

Statement of Net Position  
Statement of Revenues, Expenses and Changes in Net Position  
Statement of Cash Flows  
Notes to the Financial Statements

The financial statements are designed to provide readers with a broad overview of the CIC's finances in a manner similar to a private sector business.

The *statement of net position* presents information on all of the CIC's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CIC is improving or deteriorating.

The focus of the statement of net position (the "unrestricted" net position) is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire CIC. Net position is reported in three broad categories.

Net Investment in Capital Assets: This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that have been used for the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of net position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: This component of net position consists of net position that does not meet the definition of Net Investment in Capital Assets, or Restricted Net Position.

Springfield Township Community Improvement Corporation  
Management's Discussion and Analysis  
For the Year Ended December 31, 2020  
Unaudited

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The *statement of revenues, expenses and changes in net position* is similar to an income statement. This statement includes operating revenues, such as rental income; operating expenses, such as administrative, utilities, maintenance, and depreciation; and non-operating revenue and expenses, such as investment income, gains and losses on capital asset disposals and interest expense.

The focus of the statement of revenues, expenses and changes in net position is the Increase (Decrease) in Net Position, which is similar to Net Income or Loss.

The *statement of cash flows* provides information about the CIC's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operating activities, capital and related financing activities and investing activities.

The *notes to the financial statements* provide additional information essential to a full understanding of the data provided in the financial statements.

**FINANCIAL ANALYSIS OF THE CIC**

**Statement of Net Position**

The following table reflects the condensed Statement of Net Position as of December 31 compared to the prior year.

**Summary Statement of Net Position**

	<u>2020</u>	<u>2019</u>
Current Assets	<u>\$10,174</u>	<u>\$21,249</u>
Total Assets	<u>\$10,174</u>	<u>\$21,249</u>
Net Position		
Unrestricted	<u>\$10,174</u>	<u>\$21,249</u>
Total Net Position	<u>\$10,174</u>	<u>\$21,249</u>

**Major Factors Affecting the Statement of Net Position**

The CIC's current asset balances decreased by \$11,075. This is primarily due to incurring costs in excess of grants that funded those costs. The CIC received \$45,000 less of grant funding in 2020 compared to 2019.



Springfield Township Community Improvement Corporation  
Management's Discussion and Analysis  
For the Year Ended December 31, 2020  
Unaudited

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**Statement of Revenues & Expenses and Changes in Net Position**

The following table reflects the condensed Statement of Net Position for the year ended December 31, compared to prior year.

**Summary Statement of Revenues, Expenses and Changes in Net Position**

	<u>2020</u>	<u>2019</u>
Grants	<u>\$200,000</u>	<u>\$245,000</u>
Total Revenue	<u>200,000</u>	<u>245,000</u>
Business Expense	512	392
Contract Services	17	14,717
Operations	1,219	-
Other Expense	<u>209,327</u>	<u>239,940</u>
Total Expenses	<u>211,075</u>	<u>255,049</u>
Increase (Decrease) in Net Position	(11,075)	(10,049)
Net Position, Beginning of Year	<u>21,249</u>	<u>31,298</u>
Net Position, End of Year	<u>\$ 10,174</u>	<u>\$ 21,249</u>

**Major Factors Affecting the Statement of Net Position**

Revenues of the CIC are grants from Springfield Township. Total revenues decreased by a total of \$45,000 compared to the previous year. Expenses remained relatively constant except for a decrease in other expense, which represents a lower level of grants awarded by the CIC.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The CIC maintains no capital assets or debt.

**CONTACTING THE CIC**

This financial report is designed to provide a general overview of the CIC's accountability for all those interested. If you have any questions about this report or need additional financial information, contact Kim A Cox, Finance Director, Springfield Township, 9150 Winton Road, Cincinnati, Ohio 45231, telephone (513) 522-1410.

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**Springfield Township**  
**Community Improvement Corporation**  
*Statement of Net Position*  
*For the Year Ended December 31, 2020*

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**Assets**

*Current Assets:*

Equity in Pooled Cash and Cash Equivalents \$ 10,174

*Total current assets* 10,174

*Total Assets* \$ 10,174

**Net Position**

Unrestricted \$ 10,174

*Total Net Position* \$ 10,174

See accompanying notes to the financial statements

**Springfield Township**  
**Community Improvement Corporation**  
*Statement of Revenues*  
*Expenses and Changes in Fund Net Position*  
*For the Year Ended December 31, 2020*

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<b>Operating Revenues</b>	
Grants	\$ 200,000
	<hr/>
<i>Total Operating Revenues</i>	200,000
	<hr/>
<b>Operating Expenses</b>	
Business Expenses	512
Contract Services	17
Operations	1,219
Other Expenses (Grants Awarded)	209,327
	<hr/>
<i>Total Operating Expenses</i>	211,075
	<hr/>
<i>Operating Income (Loss)</i>	(11,075)
	<hr/>
<i>Net Position Beginning of Year</i>	21,249
	<hr/>
<i>Net Position End of Year</i>	\$ 10,174
	<hr/> <hr/>

See accompanying notes to the financial statements

**Springfield Township**  
**Community Improvement Corporation**  
*Statement of Cash Flows*  
*For the Year Ended December 31, 2020*

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<b>Cash Flows From Operating Activities</b>	
Other Cash Receipts	\$ 200,000
Cash Payments for Goods and Services	(1,748)
Other Cash Payments	<u>(209,327)</u>
<i>Net Cash Provided (Used in) Operating Activities</i>	<u>(11,075)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(11,075)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>21,249</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$ 10,174</u></u>

See accompanying notes to the financial statements

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# SPRINGFIELD TOWNSHIP COMMUNITY IMPROVEMENT CORPORATION

*Notes to the Financial Statements  
For the Year Ended December 31, 2020*

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## **Note 1 – Reporting Entity**

The Springfield Township Community Improvement Corporation, 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 Accounting**

The financial statements of the CIC have been prepared on the accrual basis of accounting. Revenues are reported in the year earned. Costs and expenses are charged against revenues in the year to which the cost is applicable.

### **Basis of Presentation**

The CIC's financial statements consist of a statement of net position, a statement of revenues, expenses and changes in fund net position, and a statement of cash flows. The financial statements of the CIC have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The CIC uses enterprise fund accounting to maintain its financial records during the year.

Net Position is comprised of unrestricted and restricted components. The statement of revenues, expenses and changes in fund net position presents increases (e.g. revenues) and decreases (e.g. expenses) in net position. Net position is the difference between the CIC's assets and liabilities. GASB establishes standards for external financial reporting which require that resources be classified for accounting and reporting purposes into the following net position categories:

Net investment in capital assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. The CIC has no net investment in capital assets.

Restricted: Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the Organization or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The CIC has no restricted net position.

Unrestricted: Net position whose use by CIC is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

The CIC first applies restricted resources when an expense is incurred for which both restricted and unrestricted net position are available.

# SPRINGFIELD TOWNSHIP COMMUNITY IMPROVEMENT CORPORATION

*Notes to the Financial Statements  
For the Year Ended December 31, 2020*

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## **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, 2020, 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.

## **Note 3 – Deposits**

At December 31, 2020, the carrying amount and bank balance of CIC’s deposits was \$10,174, which was covered by federal depository insurance.

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

The CIC received \$200,000 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 2020, 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.

## **Note 6 – Subsequent Events**

The CIC has evaluated subsequent events through January 31, 2021, the date which these financial statements were prepared by the CIC. No events have occurred that would require adjustment or disclosure in the financial statements.



**SPRINGFIELD TOWNSHIP COMMUNITY IMPROVEMENT CORPORATION**

*Notes to the Financial Statements  
For the Year Ended December 31, 2020*

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**Note 7 – COVID-19**

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

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Springfield Township Community Improvement Corporation  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019  
Unaudited

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This Management's Discussion and Analysis (MD&A) of the Springfield Township Community Improvement Corporation (CIC) provides an introduction and overview to the financial statements of the CIC for the year ended December 31, 2019. The CIC presents this discussion and analysis of its financial performance during the year ended December 31, 2019, to assist the reader in focusing on significant financial issues. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the CIC's financial statements (beginning on page 6).

**FINANCIAL HIGHLIGHTS**

During the year ended December 31, 2019:

- Net position decreased by \$10,049 for the year.
- Total revenue was \$245,000 for the year. This was down \$10,000 from 2018's amount of \$255,000.
- Total operating expenses amounted to \$255,049 for the year. This is down \$21,022 from 2018's amount of \$276,071.

**USING THIS ANNUAL REPORT**

The following is a list of the financial statements included in this report:

Statement of Net Position  
Statement of Revenues, Expenses and Changes in Net Position  
Statement of Cash Flows  
Notes to the Financial Statements

The financial statements are designed to provide readers with a broad overview of the CIC's finances in a manner similar to a private sector business.

The *statement of net position* presents information on all of the CIC's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CIC is improving or deteriorating.

The focus of the statement of net position (the "unrestricted" net position) is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire CIC. Net position is reported in three broad categories.

Net Investment in Capital Assets: This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that have been used for the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of net position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: This component of net position consists of net position that does not meet the definition of Net Investment in Capital Assets, or Restricted Net Position.

Springfield Township Community Improvement Corporation  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019  
Unaudited

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The *statement of revenues, expenses and changes in net position* is similar to an income statement. This statement includes operating revenues, such as rental income; operating expenses, such as administrative, utilities, maintenance, and depreciation; and non-operating revenue and expenses, such as investment income, gains and losses on capital asset disposals and interest expense.

The focus of the statement of revenues, expenses and changes in net position is the Increase (Decrease) in Net Position, which is similar to Net Income or Loss.

The *statement of cash flows* provides information about the CIC's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operating activities, capital and related financing activities and investing activities.

The *notes to the financial statements* provide additional information essential to a full understanding of the data provided in the financial statements.

**FINANCIAL ANALYSIS OF THE CIC**

**Statement of Net Position**

The following table reflects the condensed Statement of Net Position as of December 31 compared to the prior year.

**Summary Statement of Net Position**

	<u>2019</u>	<u>2018</u>
Current Assets	<u>\$21,249</u>	<u>\$31,298</u>
Total Assets	<u><u>\$21,249</u></u>	<u><u>\$31,298</u></u>
Net Position		
Unrestricted	<u>\$21,249</u>	<u>\$31,298</u>
Total Net Position	<u><u>\$21,249</u></u>	<u><u>\$31,298</u></u>

**Major Factors Affecting the Statement of Net Position**

The CIC's current asset balances decreased by \$10,049. This is primarily due to incurring costs in excess of grants that funded those costs. The CIC received \$10,000 less of grant funding in 2019 compared to 2018.

Springfield Township Community Improvement Corporation  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019  
Unaudited

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**Statement of Revenues & Expenses and Changes in Net Position**

The following table reflects the condensed Statement of Net Position for the year ended December 31, compared to prior year.

**Summary Statement of Revenues, Expenses and Changes in Net Position**

	<u>2019</u>	<u>2018</u>
Grants	\$245,000	\$255,000
Total Revenue	<u>245,000</u>	<u>255,000</u>
Business Expense	392	322
Contract Services	14,717	14,501
Operations	-	422
Other Expense	239,940	260,816
Total Expenses	<u>255,049</u>	<u>276,071</u>
Increase (Decrease) in Net Position	(10,049)	(21,071)
Net Position, Beginning of Year	<u>31,298</u>	<u>52,369</u>
Net Position, End of Year	<u>\$ 21,249</u>	<u>\$ 31,298</u>

**Major Factors Affecting the Statement of Net Position**

Revenues of the CIC are grants from Springfield Township. Total revenues decreased by a total of \$10,000 compared to the previous year. Expenses remained relatively constant except for a decrease in other expense, which represents a lower level of grants awarded by the CIC.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The CIC maintains no capital assets or debt.

**CONTACTING THE CIC**

This financial report is designed to provide a general overview of the CIC's accountability for all those interested. If you have any questions about this report or need additional financial information, contact Kim A Cox, Finance Director, Springfield Township, 9150 Winton Road, Cincinnati, Ohio 45231, telephone (513) 522-1410.

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**Springfield Township**  
**Community Improvement Corporation**  
*Statement of Net Position*  
*For the Year Ended December 31, 2019*

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<b>Assets</b>	
<i>Current Assets:</i>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 21,249</u>
<i>Total current assets</i>	<u>21,249</u>
<i>Total Assets</i>	<u><u>\$ 21,249</u></u>
 <b>Net Position</b>	
Unrestricted	<u>\$ 21,249</u>
<i>Total Net Position</i>	<u><u>\$ 21,249</u></u>

See accompanying notes to the financial statements

**Springfield Township**  
**Community Improvement Corporation**  
*Statement of Revenues*  
*Expenses and Changes in Fund Net Position*  
*For the Year Ended December 31, 2019*

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<b>Operating Revenues</b>	
Grants	<u>\$ 245,000</u>
<i>Total Operating Revenues</i>	<u>245,000</u>
<b>Operating Expenses</b>	
Business Expenses	392
Contract Services	14,717
Other Expenses (Grants Awarded)	<u>239,940</u>
<i>Total Operating Expenses</i>	<u>255,049</u>
<i>Operating Income (Loss)</i>	<u>(10,049)</u>
<i>Net Position Beginning of Year</i>	<u>31,298</u>
<i>Net Position End of Year</i>	<u><u>\$ 21,249</u></u>

See accompanying notes to the financial statements



**Springfield Township**  
**Community Improvement Corporation**  
*Statement of Cash Flows*  
*For the Year Ended December 31, 2019*

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<b>Cash Flows From Operating Activities</b>	
Other Cash Receipts	\$ 245,000
Cash Payments for Goods and Services	(15,109)
Other Cash Payments	<u>(239,940)</u>
<i>Net Cash Provided (Used in) Operating Activities</i>	<u>(10,049)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(10,049)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>31,298</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$ 21,249</u></u>

See accompanying notes to the financial statements

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# SPRINGFIELD TOWNSHIP COMMUNITY IMPROVEMENT CORPORATION

*Notes to the Financial Statements  
For the Year Ended December 31, 2019*

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## **Note 1 – Reporting Entity**

The Springfield Township Community Improvement Corporation, 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 Accounting**

The financial statements of the CIC have been prepared on the accrual basis of accounting. Revenues are reported in the year earned. Costs and expenses are charged against revenues in the year to which the cost is applicable.

### **Basis of Presentation**

The CIC's financial statements consist of a statement of net position, a statement of revenues, expenses and changes in fund net position, and a statement of cash flows. The financial statements of the CIC have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The CIC uses enterprise fund accounting to maintain its financial records during the year.

Net Position is comprised of unrestricted and restricted components. The statement of revenues, expenses and changes in fund net position presents increases (e.g. revenues) and decreases (e.g. expenses) in net position. Net position is the difference between the CIC's assets and liabilities. GASB establishes standards for external financial reporting which require that resources be classified for accounting and reporting purposes into the following net position categories:

Net investment in capital assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. The CIC has no net investment in capital assets.

Restricted: Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the Organization or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The CIC has no restricted net position.

Unrestricted: Net position whose use by CIC is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

The CIC first applies restricted resources when an expense is incurred for which both restricted and unrestricted net position are available.

## **SPRINGFIELD TOWNSHIP COMMUNITY IMPROVEMENT CORPORATION**

*Notes to the Financial Statements  
For the Year Ended December 31, 2019*

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### **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, 2019, 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.

### **Note 3 – Deposits**

At December 31, 2019, the carrying amount and bank balance of CIC’s deposits was \$21,249, which was covered by federal depository insurance.

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

The CIC received \$245,000 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 2019, 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.

### **Note 6 – Subsequent Events**

The CIC has evaluated subsequent events through January 31, 2020, the date which these financial statements were prepared by the CIC. No events have occurred that would require adjustment or disclosure in the financial statements.

**SPRINGFIELD TOWNSHIP COMMUNITY IMPROVEMENT CORPORATION**

*Notes to the Financial Statements  
For the Year Ended December 31, 2019*

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**Note 7 – COVID-19**

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

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# OHIO AUDITOR OF STATE KEITH FABER



Corporate Centre of Blue Ash  
11117 Kenwood Road  
Blue Ash, Ohio 45242-1817  
(513) 361-8550 or (800) 368-7419  
SouthwestRegion@ohioauditor.gov

## 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, Ohio 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, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated May 26, 2021. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Corporation.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing 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 2020-001 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 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*.

**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  
May 26, 2021



**SPRINGFIELD TOWNSHIP COMMUNITY IMPROVEMENT CORPORATION  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2020 AND 2019**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2020-001**

**Material Weakness – Financial Reporting**

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. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph 101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

The Corporation's financial statements were prepared in accordance with Financial Accounting Standards Board (FASB) ASC 958 rather than GASB. Due to deficiencies in the Corporation's internal controls over financial reporting, the following conditions related to the Corporation's financial statements for 2020 and 2019 were identified:

- The *Statement of Net Position* was incorrectly titled *Statement of Financial Position*.
- The *Statement of Revenue, Expenses and Changes in Fund Net Position* was incorrectly titled *Statement of Activities and Changes in Net Assets*.
- Unrestricted Net Position was incorrectly titled Assets Without Donor Restrictions.
- Net Position, Operating Revenues, Operating Expenses, and Operating Loss were incorrectly titled Net Assets, Support and Revenue, Expenses, and Change in Net Assets, respectively.
- Note 2 did not disclose the basis of presentation for Net Position within the significant accounting policies.
- Note 3 did not disclose that deposits were insured by the Federal Depository Insurance Corporation.
- Note 4 did not disclose the amount of grants received from Springfield Township.
- A risk management note was not disclosed.

The financial statements and footnotes have been corrected for these errors.

The Corporation did not have procedures in place for effective monitoring of the Corporation's financial activity, and the accuracy of accounting and financial reporting. Failure to accurately post and monitor financial activity increases the risk that errors, theft, and fraud could occur and not be detected in a timely manner.

**FINDING NUMBER 2020-001  
(Continued)**

Due care should be exercised when posting entries to the financial records and financial statement preparation. The Corporation officials should update control procedures for review of financial activity so that errors can be detected and corrected in a timely manner.

**Officials' Response:**

This finding is a result of incorrectly determining whether the CIC should prepare financial statements following reporting provisions for non-profit entities (FASB) or governmental entities (GASB).

The draft financial statements presented for audit were prepared in accordance with the provisions of FASB in order to be consistent with prior year presentations. The footnotes to the audited financial statements from 2015 through 2018 disclosed that the CIC is a non-profit organization that follows the provisions of the standards set by the Financial Accounting Standards Board (FASB). Audited statements during that time period did not conform to GASB reporting provisions. Footnote disclosures were based primarily on non-profit financial statement guidance. Also, a management discussion and analysis, as required by GASB reporting provisions, was not presented. These factors led the CIC to continue to follow the non-profit reporting provisions of FASB when preparing the 2019 and 2020 draft statement.

During the current audit, the auditors noted that the articles of incorporation require that three of the Township's Trustees are required to be on the Board of the CIC. Because of this the Township maintains a controlling interest, and therefore, the CIC should follow GASB reporting provisions.

Based on the guidance provided, the CIC will follow GASB reporting provisions going forward.

We would also like to point out that as discussed in the finding, the differences between the GASB and FASB reporting requirements, as it relates to the CIC, involve differences in naming the financial statements, naming of net position versus net assets, adding or deleting certain footnote disclosures and including a management's discussion and analysis. The actual overall financial condition and activities were not adjusted by the audit.

**SPRINGFIELD TOWNSHIP COMMUNITY IMPROVEMENT CORPORATION  
HAMILTON COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2020 AND 2019**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2018-001	Financial Reporting	Not Corrected	Financial Reporting – Finding Number 2020-001



# OHIO AUDITOR OF STATE KEITH FABER



**SPRINGFIELD TOWNSHIP COMMUNITY IMPROVEMENT CORPORATION**

**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 6/29/2021**

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](http://www.ohioauditor.gov)