

FAIRFIELD TOWNSHIP
COMMUNITY IMPROVEMENT CORPORATION, INC.
BUTLER COUNTY

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017



Dave Yost • Auditor of State

Board
Fairfield Township Community Improvement Corporation
6032 Morris Road
Fairfield Township, Ohio 45011

We have reviewed the *Independent Auditor's Report* of the Fairfield Township Community Improvement Corporation, Butler County, prepared by Bastin & Company, LLC, for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Fairfield Township Community Improvement Corporation is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

June 7, 2018

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FAIRFIELD TOWNSHIP
COMMUNITY IMPROVEMENT CORPORATION, INC.
CLERMONT COUNTY

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Bastin & Company, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Fairfield Township
Community Improvement Corporation, Inc.
Butler County
6032 Morris Road
Fairfield, Ohio 45011

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the Fairfield Township Community Improvement Corporation, Inc. Butler County, Ohio, (a not-for-profit corporation), a component unit of Fairfield Township, which comprise the statement of financial position, the related statements of activities and cash flows, as of and for the year ended December 31, 2017, and the related notes to the financial statements.

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 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 Fairfield Township Community Improvement Corporation, Inc., Butler County as of December 31, 2017, and the changes in its financial position and its cash flows for the year 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 May 16, 2018, 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.

A handwritten signature in cursive script that reads "Bastin & Company, LLC". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio
May 16, 2018

Fairfield Township
Community Improvement Corporation, Inc.
Butler County
Statement of Financial Position
December 31, 2017

ASSETS

CURRENT ASSETS:

Cash	<u>\$ 106,611</u>
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Total current assets	<u>106,611</u>
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NONCURRENT ASSETS:

Assets held for resale	<u>437,174</u>
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Total noncurrent assets	<u>437,174</u>
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TOTAL ASSETS	<u><u>\$ 543,785</u></u>
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NET ASSETS

Temporarily restricted	\$ 105,283
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Unrestricted	<u>438,502</u>
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TOTAL NET ASSETS	<u><u>\$ 543,785</u></u>
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See accompanying notes to the financial statements.

Fairfield Township
Community Improvement Corporation, Inc.
Butler County
Statement of Activities
For the Year Ended December 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES:			
Cash contributions from Fairfield Township	\$ -	\$ 535,079	\$ 535,079
Interest	56	-	56
Net assets released from restriction	<u>430,254</u>	<u>(430,254)</u>	<u>-</u>
Total Revenues	<u>430,310</u>	<u>104,825</u>	<u>535,135</u>
EXPENSES:			
Program services:			
Economic development	13	-	13
Support services:			
Administrative and general operating expense	<u>3,175</u>	<u>-</u>	<u>3,175</u>
Total Expenses	<u>3,188</u>	<u>-</u>	<u>3,188</u>
CHANGE IN NET ASSETS	<u>427,122</u>	<u>104,825</u>	<u>531,947</u>
Net assets beginning of year	<u>11,380</u>	<u>458</u>	<u>11,838</u>
Net assets end of year	<u>\$ 438,502</u>	<u>\$ 105,283</u>	<u>\$ 543,785</u>

See accompanying notes to the financial statements.

Fairfield Township
Community Improvement Corporation, Inc.
Butler County
Statement of Activities
For the Year Ended December 31, 2017

Cash flows from operating activities:	
Increase in net assets	<u>\$ 531,947</u>
Net cash provided by operating activities	<u>531,947</u>
Cash flows from investing related activities:	
Cash payments for assets held for resale	<u>(430,254)</u>
Net cash used by investing activities	<u>(430,254)</u>
Net increase in cash and cash equivalent	101,693
Cash and cash equivalents at beginning of year	<u>4,918</u>
Cash and cash equivalents at end of year	<u><u>\$ 106,611</u></u>

See accompanying notes to the financial statements.

**FAIRFIELD TOWNSHIP
COMMUNITY IMPROVEMENT CORPORATION, INC.
Butler County**

*Notes to the Financial Statements
For the Year Ended December 31, 2017*

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Fairfield Township Community Improvement Corporation, Inc. (Corporation) is a not-for-profit organization which derives the major source of its revenues from Fairfield Township (Township) in the form of capital and cash contributions. The Corporation is considered a component unit of Fairfield Township. The Corporation was established in 2014 for the purpose of fostering economic development in the Township, located in Butler County, Ohio. The Corporation works with the Township in many aspects of the overall adopted economic development strategy of the Township with its current efforts focused on facilitating industrial and retail development.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The Corporation follows the recommendations of the Financial Accounting Standards Board ASC 958, *Financial Statements of Not-For-Profit Organizations*. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets – Net assets that are not subject to donor or grantor imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Corporation and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets resulting from contributions and other inflows of assets whose use by the Corporation is limited by donor-imposed restrictions that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Corporation.

The Corporation's activities are reported as unrestricted and temporarily restricted for the year ended December 31, 2017.

Cash and Cash Equivalents

The Corporation considers all short-term investments with an original maturity of three months or less when acquired to be cash equivalents for the cash flows statement. The Corporation had no cash equivalents at December 31, 2017.

**FAIRFIELD TOWNSHIP
COMMUNITY IMPROVEMENT CORPORATION, INC.
Butler County**

*Notes to the Financial Statements
For the Year Ended December 31, 2017*

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donations of property are recorded as contributions at their estimated fair value at the date of the donation.

Income Taxes

The Corporation is a not-for-profit organization exempt from income taxes under Section 501(c) (3) of the Internal Revenue and is not required to file a Federal Return of Organizations Exempt from Income Tax. Accordingly, no provision for federal income tax is required.

Concentration of Credit Risk

Due to the nature of the Corporation's activities, cash balances in a financial institution may exceed federally insured limits during limited time periods. The Corporation considers its banks to have a high enough stability that any cash in excess of the limit is at minimal risk. No losses in such accounts have been experienced.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles generally accepted 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 2 – CASH

As of December 31, 2017, the Corporation maintains an interest bearing checking account with a recorded value of \$106,611.

NOTE 3 – CONTRIBUTIONS

During 2017, the Corporation has received \$535,079 in cash contributions from Fairfield Township to fund infrastructure improvements made to property owned by the Township.

**FAIRFIELD TOWNSHIP
COMMUNITY IMPROVEMENT CORPORATION, INC.
Butler County**

*Notes to the Financial Statements
For the Year Ended December 31, 2017*

NOTE 4 – ASSETS HELD FOR RESALE

Assets held for resale represents a property contributed to the Corporation which is being held for resale to promote future development within Fairfield Township. During 2015 a land parcel on Lenox Avenue was donated to the Corporation, valued at \$6,920. During 2017 \$430,254 in funds were expended on infrastructure improvements made to property owned by the Township. The value of such improvements will be contributed to the Township upon completion.

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily Restricted Net Assets at December 31, 2017 totaling \$105,283 represent the results of activities related to the bariatric equipment contribution received during 2015 and funding provided for infrastructure improvements during 2017.

Net assets in the amount of \$430,254 were released from restriction in 2017 as expenses were incurred which satisfied the restricted purposes.

NOTE 6 – CONCENTRATION OF FUNDING

The Corporation's support is primarily from contributions or funding provided by Fairfield Township.

NOTE 7 – SUBSEQUENT EVENTS

The Corporation has evaluated subsequent events through May 16, 2018, the date which these financial statements were prepared by the Corporation. No events have occurred that would require adjustment or disclosure in the financial statements.

Bastin & Company, LLC

Certified Public Accountants

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

Fairfield Township
Community Improvement Corporation, Inc.
Butler County
6032 Morris Road
Fairfield, Ohio 45011

To the Board of Trustees:

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 Fairfield Township Community Improvement Corporation, Inc. Butler County, Ohio, (a not-for-profit corporation), a component unit of Fairfield Township, as of and for the year ended December 31, 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 May 16, 2018.

Internal Controls 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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the 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*.

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.

A handwritten signature in cursive script that reads "Bastin & Company, LLC". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio
May 16, 2018



Dave Yost • Auditor of State

FAIRFIELD TOWNSHIP COMMUNITY IMPROVEMENT CORPORATION

BUTLER 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
JUNE 19, 2018**