



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**SHORT NORTH SPECIAL IMPROVEMENT DISTRICT
FRANKLIN COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2023-2022**



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Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Board of Directors
Short North Special Improvement District
1181 Mount Pleasant Ave
Columbus, Ohio 43201

We have reviewed the *Independent Auditor's Report* of the Short North Special Improvement District, Franklin County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2022 through December 31, 2023. 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 Short North Special Improvement District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

October 21, 2024

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**SHORT NORTH SPECIAL IMPROVEMENT DISTRICT
FRANKLIN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Financial Statements for the Year Ended December 31, 2023:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements for the Year Ended December 31, 2023.....	7
Financial Statements for the Year Ended December 31, 2022:	
Statement of Financial Position	11
Statement of Activities	12
Statement of Functional Expenses	13
Statement of Cash Flows	14
Notes to the Financial Statements for the Year Ended December 31, 2022.....	15
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	19
Schedule of Findings.....	21

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INDEPENDENT AUDITOR'S REPORT

Short North Special Improvement District
Franklin County
1181 Mount Pleasant Ave
Columbus, Ohio 43201

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the **Short North Special Improvement District**, Franklin County, Ohio (District), (a not-for-profit-organization), which comprise the statement of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended and related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District, as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

July 31, 2024

**SHORT NORTH SPECIAL IMPROVEMENT DISTRICT
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023**

	2023
ASSETS	
Current Assets:	
Cash-Checking Huntington	\$ 5,465
Accounts Receivable	8,994
Total Current Assets	14,459
Fixed Assets:	
Artwork	87,389
Furniture, Fixtures and Equipment	37,947
Less: Accumulated Depreciation	(37,947)
Net Fixed Assets	87,389
Other Assets:	
Beneficial Interest in Assets Held by Others	4,713
Total Other Assets	4,713
Total Assets	106,561
Net Assets:	
Without donor restrictions	106,561
TOTAL NET ASSETS	\$ 106,561

The accompanying notes are an integral part of the financial statements.

**SHORT NORTH SPECIAL IMPROVEMENT DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023
Changes in Net Assets without Donor Restrictions:	
Revenue:	
City Grants	\$ 10,000
Interest	157
Property Owner Assessment	527,323
Total Revenues	537,480
Expenses:	
Operational	8,230
District Maintenance	518,329
Total Expenses	526,559
Change in Net Assets without Donor Restrictions	10,921
Net Assets - Beginning of Year	95,640
Net Assets - End of Year	\$ 106,561

The accompanying notes are an integral part of the financial statements.

**SHORTH NORTH SPECIAL IMPROVEMENT DISTRICT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Operational	District Maintenance	Total
Expenses:			
Contracted Maintenance	-	\$ 518,329	\$ 518,329
Bureau of Workers Compensation	960	-	960
Professional Services	6,031	-	6,031
Insurance	1,146	-	1,146
Miscellaneous Service and Bank Fees	93	-	93
Total Expenses	\$ 8,230	\$ 518,329	\$ 526,559

The accompanying notes are an integral part of the financial statements.

**SHORT NORTH SPECIAL IMPROVEMENT DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023
Cash Flow from Operating Activities:	
Change in Net Assets	\$ 10,921
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:	
Change in Columbus Foundation	(194)
Change in Accounts Receivable	(8,994)
Net Cash Provided (Used) by Operating Activities	1,733
Cash and Cash Equivalents - Beginning of Year	3,732
Cash and Cash Equivalents - End of Year	\$ 5,465

The accompanying notes are an integral part of the financial statements.

**SHORT NORTH SPECIAL IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

Short North Special Improvement District (the District), is an Ohio non-profit organization created in 2000 for the purpose of advancing, encouraging, and promoting the industrial, economic, commercial and civic development of the City of Columbus and the surrounding community and county.

Management believes the financial statements included in this report represent all of the activities over which the District is financially accountable.

B. BASIS OF ACCOUNTING

The financial statements of the District conform to accounting principles generally accepted in the United States of America applicable for not-for-profit organizations. They are prepared in accordance with the accrual basis of accounting, and reflect all significant receivables, payables, and other liabilities.

C. BASIS OF PRESENTATION

The District reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions. Contributions with donor restrictions whose restrictions are fulfilled in the same time period in which the contribution is received are reported as contributions without restrictions. As of December 31, 2023, the District had net assets without donor restrictions and no net assets with donor restrictions (see Note 7).

D. REVENUE RECOGNITION

Income from membership dues, fees, and land sales is recognized over the period to which the dues, fees, and land sales relate.

E. CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash and cash equivalents include all highly liquid investments with initial maturities of three months or less.

F. EQUIPMENT

Equipment is stated at cost and is depreciated over the estimated useful lives by the straight-line method for financial reporting purposes. Repairs and maintenance are charged to operations when incurred and improvements and additions are capitalized. When equipment is sold, or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

G. DONATED PROPERTY

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

**SHORT NORTH SPECIAL IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FEDERAL INCOME TAX

The District was incorporated as a nonprofit entity and is exempt from federal income taxes under Section 501(c) (6) of the Internal Revenue Code.

Accounting principles generally accepted in the United States require management to evaluate tax positions taken and recognize a tax liability (or asset) if an uncertain tax position has been taken that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). Management has concluded that as of December 31, 2023, there are no uncertain positions taken or expected to be taken The District that would require recognition of a liability (or asset) or disclosure in the financial statements. The District is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The District's Federal Return of Organization Exempt from Income Tax (Form 990) for 2020, 2021 and 2022 are subject to examination by the IRS, generally for three years after they were filed.

I. ESTIMATES

Management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

J. FAIR VALUE MEASUREMENTS

In accordance with the Fair Value Measurements and Disclosures Topic of the FASB ASC, all financial instruments that are being measured and reported on a fair value basis must be classified and disclosed in one of the following three categories:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2: Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, inputs that are derived principally from or corroborated by observable market data by correlation or other means, and if the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**SHORT NORTH SPECIAL IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. FAIR VALUE MEASUREMENTS (Continued)

Assets measured at fair value on a recurring basis at December 31, 2023 was as follows:

	<u>2023</u>
Beneficial Interest in Assets Held by Others Level 2	\$ 4,713
Total	<u>\$ 4,713</u>

The level 2 assets listed above were valued using the market approach and were determined using quoted market prices of similar assets.

2. AVAILABILITY AND LIQUIDITY

	<u>2023</u>
Financial assets at year end:	
Cash and cash equivalents	\$ 5,465
Accounts receivable	<u>8,994</u>
Total financial assets	<u>14,459</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 14,459</u>

3. DEPOSITS WITH FINANCIAL INSTITUTIONS

At December 31, 2023 cash and cash equivalents consisted of the following:

	<u>2023</u>
Demand Deposits	<u>\$5,465</u>
Total Deposits	<u><u>\$5,465</u></u>

At the end of the year, the bank balance of the District's deposits was insured by the Federal Depository Insurance Corporation.

**SHORT NORTH SPECIAL IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

4. FUNDS HELD BY THE COLUMBUS FOUNDATION

The District has funds held at The Columbus Foundation for the unrestricted use of the District. These funds are subject to the variance power of the Board of Trustees of The Columbus Foundation. The variance power permits The Columbus Foundation's Board of Trustees, in its sole discretion, to redirect all or part of the funds' income and/or assets to another organization. The activity of the funds held at The Columbus Foundation for the year ended December 31, 2023 is as follows:

	<u>2023</u>
Cash and investments at beginning of year (at market)	\$ 4,519
Transfers to (from) Columbus Foundation	-
Net interest and dividend income	215
Administrative fees	(21)
Cash and investments at end of year (at market)	<u>\$ 4,713</u>

5. FURNITURE AND EQUIPMENT

Furniture and equipment consists of:

	<u>2023</u>
Capital Asset being depreciated:	
Artwork	\$ 87,389
Furniture, Fixtures and Equipment	37,947
Less: Accumulated Depreciation	(37,947)
Capital Asset, net of depreciation	<u>\$ 87,389</u>

6. INSURANCE

The District maintains property insurance through a private insurance carrier. There has been no significant change in coverage in the past four years. There have been no claims that exceeded coverage in the past four years.

7. NET ASSETS WITH DONOR RESTRICTIONS: The District has no donor restricted assets.

8. SUBSEQUENT EVENTS

The District has evaluated subsequent events through July 31, 2024, the date which the financial statements were available to be issued. No events occurred subsequent to July 31, 2024 that would require adjustment or disclosure in the financial statements.

**SHORT NORTH SPECIAL IMPROVEMENT DISTRICT
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022**

	2022
ASSETS	
Current Assets:	
Cash-Checking Huntington	\$ 3,732
Total Current Assets	3,732
Fixed Assets:	
Artwork	87,389
Furniture, Fixtures and Equipment	37,947
Less: Accumulated Depreciation	(37,947)
Net Fixed Assets	87,389
Other Assets:	
Beneficial Interest in Assets Held by Others	4,519
Total Other Assets	4,519
Total Assets	95,640
Net Assets:	
Without donor restrictions	95,640
TOTAL NET ASSETS	\$ 95,640

The accompanying notes are an integral part of the financial statements.

**SHORT NORTH SPECIAL IMPROVEMENT DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022
Changes in Net Assets without Donor Restrictions:	
Revenue:	
Interest	\$ 38
Property Owner Assessment	526,507
Total Revenues	526,545
Expenses:	
Operational	7,915
District Maintenance	523,173
Total Expenses	531,088
Change in Net Assets without Donor Restrictions	(4,543)
Net Assets - Beginning of Year	100,183
Net Assets - End of Year	\$ 95,640

The accompanying notes are an integral part of the financial statements.

**SHORTH NORTH SPECIAL IMPROVEMENT DISTRICT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Operational	District Maintenance	Total
Expenses:			
Contracted Maintenance	\$ -	\$ 523,173	\$ 523,173
Bureau of Workers Compensation	600	-	600
Professional Services	6,013	-	6,013
Insurance	1,135	-	1,135
Miscellaneous Service and Bank Fees	167	-	167
Total Expenses	\$ 7,915	\$ 523,173	\$ 531,088

The accompanying notes are an integral part of the financial statements.

**SHORT NORTH SPECIAL IMPROVEMENT DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022
Cash Flow from Operating Activities:	
Change in Net Assets	\$ (4,543)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:	
Change in Columbus Foundation	(45)
Change in Accounts Receivable	-
Net Cash Provided (Used) by Operating Activities	(4,588)
Cash and Cash Equivalents - Beginning of Year	8,320
Cash and Cash Equivalents - End of Year	\$ 3,732

The accompanying notes are an integral part of the financial statements.

**SHORT NORTH SPECIAL IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

Short North Special Improvement District (the District), is an Ohio non-profit organization created in 2000 for the purpose of advancing, encouraging, and promoting the industrial, economic, commercial and civic development of the City of Columbus and the surrounding community and county.

Management believes the financial statements included in this report represent all of the activities over which the District is financially accountable.

B. BASIS OF ACCOUNTING

The financial statements of the District conform to accounting principles generally accepted in the United States of America applicable for not-for-profit organizations. They are prepared in accordance with the accrual basis of accounting, and reflect all significant receivables, payables, and other liabilities.

C. BASIS OF PRESENTATION

The District reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions. Contributions with donor restrictions whose restrictions are fulfilled in the same time period in which the contribution is received are reported as contributions without restrictions. As of December 31, 2022, the District had net assets without donor restrictions and no net assets with donor restrictions (see Note 7).

D. REVENUE RECOGNITION

Income from membership dues, fees, and land sales is recognized over the period to which the dues, fees, and land sales relate.

E. CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash and cash equivalents include all highly liquid investments with initial maturities of three months or less.

F. EQUIPMENT

Equipment is stated at cost and is depreciated over the estimated useful lives by the straight-line method for financial reporting purposes. Repairs and maintenance are charged to operations when incurred and improvements and additions are capitalized. When equipment is sold, or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

G. DONATED PROPERTY

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

**SHORT NORTH SPECIAL IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FEDERAL INCOME TAX

The District was incorporated as a nonprofit entity and is exempt from federal income taxes under Section 501(c) (6) of the Internal Revenue Code.

Accounting principles generally accepted in the United States require management to evaluate tax positions taken and recognize a tax liability (or asset) if an uncertain tax position has been taken that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). Management has concluded that as of December 31, 2022, there are no uncertain positions taken or expected to be taken The District that would require recognition of a liability (or asset) or disclosure in the financial statements. The District is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The District's Federal Return of Organization Exempt from Income Tax (Form 990) for 2019, 2020 and 2021 are subject to examination by the IRS, generally for three years after they were filed.

I. ESTIMATES

Management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

J. FAIR VALUE MEASUREMENTS

In accordance with the Fair Value Measurements and Disclosures Topic of the FASB ASC, all financial instruments that are being measured and reported on a fair value basis must be classified and disclosed in one of the following three categories:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2: Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, inputs that are derived principally from or corroborated by observable market data by correlation or other means, and if the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**SHORT NORTH SPECIAL IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. FAIR VALUE MEASUREMENTS (Continued)

Assets measured at fair value on a recurring basis at December 31, 2022 was as follows:

	<u>2022</u>	
Beneficial Interest in Assets Held by Others Level 2	\$ 4,519	
Total	\$ 4,519	

The level 2 assets listed above were valued using the market approach and were determined using quoted market prices of similar assets.

2. AVAILABILITY AND LIQUIDITY

	<u>2022</u>	
Financial assets at year end:		
Cash and cash equivalents	\$ 3,732	
Accounts receivable	-	
Total financial assets	<u>3,732</u>	
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>-</u>	
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 3,732</u>	

3. DEPOSITS WITH FINANCIAL INSTITUTIONS

At December 31, 2022 cash and cash equivalents consisted of the following:

	<u>2022</u>	
Demand Deposits	\$3,732	
Total Deposits	<u>\$3,732</u>	

At the end of the year, the bank balance of the District's deposits was insured by the Federal Depository Insurance Corporation.

**SHORT NORTH SPECIAL IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(CONTINUED)**

4. FUNDS HELD BY THE COLUMBUS FOUNDATION

The District has funds held at The Columbus Foundation for the unrestricted use of the District. These funds are subject to the variance power of the Board of Trustees of The Columbus Foundation. The variance power permits The Columbus Foundation's Board of Trustees, in its sole discretion, to redirect all or part of the funds' income and/or assets to another organization. The activity of the funds held at The Columbus Foundation for the year ended December 31, 2022 is as follows:

	<u>2022</u>
Cash and investments at beginning of year (at market)	\$ 4,475
Transfers to (from) Columbus Foundation	-
Net interest and dividend income	65
Administrative fees	<u>(21)</u>
Cash and investments at end of year (at market)	<u>\$ 4,519</u>

5. FURNITURE AND EQUIPMENT

Furniture and equipment consists of:

	<u>2022</u>
Capital Asset being depreciated:	
Artwork	\$ 87,389
Furniture, Fixtures and Equipment	37,947
Less: Accumulated Depreciation	<u>(37,947)</u>
Capital Asset, net of depreciation	<u>\$ 87,389</u>

6. INSURANCE

The District maintains property insurance through a private insurance carrier. There has been no significant change in coverage in the past four years. There have been no claims that exceeded coverage in the past four years.

7. NET ASSETS WITH DONOR RESTRICTIONS: The District has no donor restricted assets.

8. SUBSEQUENT EVENTS

The District has evaluated subsequent events through July 31, 2024, the date which the financial statements were available to be issued. No events occurred subsequent to July 31, 2024 that would require adjustment or disclosure in the financial statements.



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

Short North Special Improvement District
Franklin County
1181 Mount Pleasant Ave
Columbus, Ohio 43201

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standard applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of **Short North Special Improvement District**, Franklin County, (the District) which comprise the statement of financial position as of December 31, 2023 and 2022 and the related statements of activities, functional expenses, and cash flows for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, and have issued our report thereon dated July 31, 2024.

Report on the Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District’s financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

July 31, 2024

**SHORT NORTH SPECIAL IMPROVEMENT DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2023-001

Material Weakness

Financial Reporting

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure the information provided to the readers of the financial statements is accurate. The following errors with the District's annual financial report were noted:

- The District overstated accumulated depreciation in 2023;
- The District did not implement ASU 2016-14 in 2023 and 2022; and
- The District only partially recorded interest for the Columbus Foundation Endowment Account in 2023 and 2022, leading to the balance of the account to be understated for both years.

Not posting disbursements or implementing required accounting standards resulted in the financial statements requiring several reclassifications and adjustments. The Financial Statements reflect all reclassifications and adjustments. The District has posted the adjustments to its accounting system.

We also updated the notes to the financial statements for omitted information and to agree to financial statement amounts.

To help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues are properly identified and classified on the financial statements. The District should also ensure all applicable footnote disclosures are accurately reported.

Officials' Response – See below:

Depreciation: The SNSID will institute updated procedures with its bookkeeping practices in keeping with the recommendations of the audit firm.

ASU2016-14: The SNSID now aware that added reporting is required in the annual Hinkle filing, It wishes that the audit firm would have informed the SNSID in previous years AUP's so that it could have initialized this requirement. It is modifying its management practices going forward to utilize the updated templates provided by the audit firm to now incorporate the new required report sections in future Hinkle reports. It will also shift its timeline for making those reports and for filing of its annual 990, so that both occur within 150 days of the closing of the fiscal year.

Endowment Fund Interest Reporting: Due to changes following COVID-19, the statements received by the Columbus Foundation shifted to digital only, resulting in an underreporting of interest accruals. The SNSID will adjust its monthly reconciliation procedures to ensure that those electronic statements are pulled and recorded monthly and not only at quarterly or year-end intervals.

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OHIO AUDITOR OF STATE KEITH FABER



**SHORT NORTH SPECIAL IMPROVEMENT DISTRICT
FRANKLIN 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 11/7/2024

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Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov