



OHIO AUDITOR OF STATE  
**KEITH FABER**





**COLERAIN TOWNSHIP, HAMILTON COUNTY, CIC, INC.  
HAMILTON COUNTY**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Colerain Township, Hamilton County, CIC, Inc.  
Hamilton County  
4200 Springdale Road  
Cincinnati, Ohio 45251

To the Board of Trustees:

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

We have audited the accompanying financial statements of the Colerain Township, Hamilton County, CIC, Inc., Hamilton County, Ohio (the Corporation), as of and for the years ended December 31, 2019 and 2018, 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 Colerain Township, Hamilton County, CIC, Inc., Hamilton County as of December 31, 2019 and 2018, 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 2019 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Corporation. We did not modify our opinion regarding this matter.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2020, on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State

Columbus, Ohio

August 17, 2020

**Colerain Township, Hamilton County, Community Improvement Corporation, Inc.**  
**Management’s Discussion and Analysis**  
**For the Year Ended December 31, 2019**  
(Unaudited)

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This discussion and analysis, along with the accompanying financial report of the Colerain Township, Hamilton County, Community Improvement Corporation, Inc., (the “Corporation”) is designed to provide our creditors and other interested parties with a general overview of the Corporation and its financial activities.

**Financial Highlights**

- Total net position of the Corporation on December 31, 2019 was \$76,140. The Corporation's net position on December 31, 2018 was \$39,016.
- Operating Income of the Corporation for 2019 was \$203,384.
- The Corporation had no property held for development on December 31, 2019 and \$1,000 on December 31, 2018.

**Overview of Basic Financial Statements**

The Corporation is a single enterprise fund using proprietary fund accounting, similar to private sector business. The Financial Statements are presented using the accrual basis of accounting.

The Statement of Net Position includes all of the Corporation's Assets and Liabilities. This statement provides information about the nature and amounts of investments in resources (assets) owned by the Corporation, and obligations owed by the Corporation (liabilities). The Corporation's net position (equity) is the difference between assets and liabilities.

The Statement of Revenues, Expenses and Changes in Net Position provides information on the Corporation's operations over the past year. Revenues are reported when earned and expenses are reported when incurred.

The Statements of Cash Flows provides information about the Corporation's cash receipts and cash disbursements. It summarizes the net changes in cash resulting from operating, investing and financing activities.

**Net Position**

Table 1 summarizes the Net Position of the Corporation.

	<u>2019</u>	<u>2018</u>
Assets:		
Cash and Cash Equivalents	\$76,140	\$38,016
Property Held for Development	0	1,000
Total Assets	<u>76,140</u>	<u>39,016</u>
Total Liabilities	<u>0</u>	<u>0</u>
Net Position:		
Unrestricted	<u>76,140</u>	<u>39,016</u>
Total Net Position	<u><u>\$76,140</u></u>	<u><u>\$39,016</u></u>

**Colerain Township, Hamilton County, Community Improvement Corporation, Inc.**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2019**  
(Unaudited)

During 2019, the Corporation purchased a former motel, received the donation of a contiguous property from Colerain Township, and demolished both buildings. The site of the former motel and the former Township property was subsequently sold to Duke Energy for \$430,000, to add to their new operations facility on Colerain Ave. The purchase of the motel was funded by a mortgage provided by a company related to Duke Energy. The mortgage was fully repaid upon the sale of the property.

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

Table 2 below summarizes the changes in revenues and expenses and the resulting change in net position.

	<u>2019</u>	<u>2018</u>
Operating Revenues:		
Contribution from Township	\$130,000	\$0
Property Received from Township	75,820	0
Total Operating Revenues	<u>205,820</u>	<u>0</u>
Operating Expenses:		
Insurance	836	1,358
Water Bills	0	113
Audit Fees	0	4,100
Advertising	0	25
Materials and Supplies	0	47
Professional Services	1,600	1,500
Total Operating Expenses	<u>2,436</u>	<u>7,143</u>
Operating Income (Loss)	203,384	(7,143)
Non-Operating (Expenses):		
Loss on Sale of Property Held for Development	(166,260)	0
Total Non-Operating (Expenses)	<u>(166,260)</u>	<u>0</u>
Changes in Net Position	37,124	(7,143)
Net Position (Deficit) - Beginning of Year	<u>39,016</u>	<u>46,159</u>
Net Position - End of Year	<u>\$76,140</u>	<u>\$39,016</u>

**Property Held for Development**

Summarized below is the Property Held for Development of the Corporation.

	<u>2019</u>	<u>2018</u>
Property Held for Development:		
Pippen Road	\$0	\$1,000

Property held for development decreased by \$1,000 from 2018 to 2019. For additional information regarding the Property held for development, see note 3.



**Colerain Township, Hamilton County, Community Improvement Corporation, Inc.**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2019**  
**(Unaudited)**

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**Short-Term Debt**

During 2019, the Corporation utilized the proceeds of a mortgage of \$430,000 to purchase the property to be sold to Duke. The Corporation also received a loan from Colerain Township in the amount of \$400,000. Both the mortgage and the loan were paid off by the end of the year.

**Contact Information**

If you have any questions about this report or need additional financial information, contact the Executive Director, Colerain Township, Hamilton County, Community Improvement Corporation, Inc., 4200 Springdale Road, Colerain Township, OH 45251.

Colerain Township, Hamilton County, Community Improvement Corporation, Inc.  
Statement of Net Position  
December 31, 2019

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Assets:	
Cash and Cash Equivalents	\$76,140
Total Assets	<u>76,140</u>
Total Liabilities	<u>0</u>
Net Position:	
Unrestricted	76,140
Total Net Position	<u><u>\$76,140</u></u>

See accompanying notes to the financial statements.

Colerain Township, Hamilton County, Community Improvement Corporation, Inc.

Statement of Activities

For the Fiscal Year Ended December 31, 2019

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Operating Revenues:	
Contribution from Township	\$130,000
Property Received from Township	<u>75,820</u>
Total Operating Revenues	<u>205,820</u>
Operating Expenses:	
Insurance	836
Professional Services	<u>1,600</u>
Total Operating Expenses	<u>2,436</u>
Operating Income (Loss)	<u>203,384</u>
Non-Operating (Expenses):	
Loss on Sale of Property Held for Development	<u>(166,260)</u>
Total Non-Operating (Expenses)	<u>(166,260)</u>
Change in Net Position	37,124
Net Position - Beginning of Year	<u>39,016</u>
Net Position - End of Year	<u><u>\$76,140</u></u>

See accompanying notes to the financial statements.

Colerain Township, Hamilton County, Community Improvement Corporation, Inc.

Statement of Cash Flows

For the Fiscal Year Ended December 31, 2019

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Cash Flows from Operating Activities:	
Receipts from Contributions	\$130,000
Payments to Service Providers	<u>(2,436)</u>
Net Cash Provided by Operating Activities	127,564
Cash Flows from Investing Activities:	
Proceeds from Sale of Property Held for Development	431,029
Purchase of Property Held for Development	<u>(520,469)</u>
Net Cash Provided by Cash Flows from Investing Activities	<u>(89,440)</u>
Cash Flows from Noncapital Financing Activities:	
Proceeds from Loan from Township	400,000
Loan Repayment to Township	(400,000)
Mortgage Proceeds	430,000
Mortgage Repayment	<u>(430,000)</u>
Net Cash Provided by Noncapital Financing Activities	<u>0</u>
Net Increase in Cash and Cash Equivalents	38,124
Cash and Cash Equivalents - Beginning of Year	<u>38,016</u>
Cash and Cash Equivalents - End of Year	<u><u>76,140</u></u>
Reconciliation of Change in Net Position to Net Cash Provided by Operating Activities:	
Operating Income	203,384
Adjustments to Reconcile Operating Income to Net Cash (Used) by Operating Activities:	
Donated Property Received from Township	<u>(75,820)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$127,564</u></u>
Schedule of Noncash Activities:	
Donated Property Received from Township	\$75,820

See accompanying notes to the financial statements.

**Colerain Township, Hamilton County, Community Improvement Corporation, Inc.**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2019**

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**Note 1 – Nature of Organization and Reporting Entity**

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The Colerain Township, Hamilton County, CIC, Inc. (the “Corporation”) was formed on April 9, 2013 with the purpose to benefit the residents and businesses of Colerain Township, Hamilton County, Ohio, in that it will provide a mechanism to encourage development in Colerain Township, Hamilton County, Ohio.

The Corporation is a 501(c)3 nonprofit formed under Ohio Revised Code 1724. The financial statements of the Corporation are not material to the financial statements of the Colerain Township. The Corporation’s management believes the financial statements present all activities for which the Corporation is financially accountable.

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

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A summary of the significant accounting policies consistently applied in preparation of the accompanying financial statements is as follows:

**Basis of Presentation**

The financial statements of the Corporation have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP) as applied to special-purpose governments.

The Corporation reports a single enterprise fund using proprietary fund accounting, similar to private sector business. The financial statements are presented using the accrual basis of accounting, which recognizes revenues when earned and expenses when incurred.

**Measurement Focus and Basis of Accounting**

The Corporation’s operations are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation are included on the statement of net position. The operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net position. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The Corporation uses the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred.

**Tax Exempt Status**

The Corporation is exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code.

**Property Held for Development (Resale)**

According to GASB 72, Property Held for Development is recorded at cost at the date of acquisition or at estimated fair market value at date of gift, if donated. The value of the asset is not adjusted for transaction costs even if those costs are separable.

**Colerain Township, Hamilton County, Community Improvement Corporation, Inc.**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2019**

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**Cash and Cash Equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents include all highly liquid investments with initial maturities of three months or less. The Corporation only had a checking account for December 31, 2019.

**Custodial Credit Risk and Concentration of Credit Risk**

The Corporation maintains its cash account in one commercial bank in Ohio. Custodial credit risk is the risk that in the event of a bank failure, the Corporation's deposits may not be returned to it. The Corporation's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of December 31, 2019, none of the Corporation's bank balance of \$76,140 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Corporation's name.

**Recognition of Donations and Contributions**

The Corporation reports gifts of cash and other assets at their estimated fair market value as of the date of contribution. The Corporation received a \$130,000 cash contribution and a donation of property worth \$75,820 from Colerain Township during the year.

**Capital Assets**

The Corporation had no capital assets as of December 31, 2019.

**Estimates**

Management uses estimates and assumptions in preparing the 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 revenues and expenses. Actual results could differ from those estimates.

**Net Position**

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Corporation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Corporation applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. None of the Corporation's net position was restricted by enabling legislation.

**Note 3 – Property Held for Development**

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During 2019, the Corporation purchased a former motel, received the donation of a contiguous property from Colerain Township, and demolished both buildings. The site of the former motel and the former Township property was subsequently sold to Duke Energy for \$430,000, to add to their new operations facility on Colerain Ave. The purchase of the motel was funded by a mortgage provided by a company related to Duke Energy. The mortgage was fully repaid upon the sale of the property.

**Colerain Township, Hamilton County, Community Improvement Corporation, Inc.**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2019**

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	Beginning Balance	Addition	Deletion	Ending Balance
Property Held for Development:				
Pippen Road	\$1,000	\$15	(\$1,015)	\$0
Duke Project	0	596,274	(596,274)	0
	<u>\$1,000</u>	<u>\$596,289</u>	<u>(\$597,289)</u>	<u>\$0</u>

**Note 4 – Short-Term Debt**

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During 2019, the Corporation utilized the proceeds of a mortgage of \$430,000 to purchase the property to be sold to Duke. The Corporation also received a loan from Colerain Township in the amount of \$400,000. Both the mortgage and the loan were paid off by the end of the year.

**Note 5 – Contingent Liabilities**

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Management believes there are no pending claims or lawsuits that would have a material effect on the financial statements.

**Note 6 – Insurance**

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The Corporation maintains Directors and Officers Liability Insurance through Continental Casualty Company and it was purchased in 2019. There have been no claims that exceeded coverage in any of the three preceding years.

**Note 7 – Subsequent Events**

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The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Corporation. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Corporation's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**Colerain Township, Hamilton County, Community Improvement Corporation, Inc.**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2018**  
(Unaudited)

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This discussion and analysis, along with the accompanying financial report of the Colerain Township, Hamilton County, Community Improvement Corporation, Inc., (the "Corporation") is designed to provide our creditors and other interested parties with a general overview of the Corporation and its financial activities.

**Financial Highlights**

- Total net position of the Corporation on December 31, 2018 was \$39,016. The Corporation's net position on December 31, 2017 was \$46,159.
- Loan payable of \$360,000 as of December 31, 2017, but during 2018 the loan payable paid off in full.
- The Corporation had property held for development of \$1,000 on December 31, 2018.

**Overview of Basic Financial Statements**

The Corporation is a single enterprise fund using proprietary fund accounting, similar to private sector business. The Financial Statements are presented using the accrual basis of accounting.

The Statement of Net Position includes all of the Corporation's Assets and Liabilities. This statement provides information about the nature and amounts of investments in resources (assets) owned by the Corporation, and obligations owed by the Corporation (liabilities). The Corporation's net position (equity) is the difference between assets and liabilities.

The Statement of Revenues, Expenses and Changes in Net Position provides information on the Corporation's operations over the past year. Revenues are reported when earned and expenses are reported when incurred.

The Statements of Cash Flows provides information about the Corporation's cash receipts and cash disbursements. It summarizes the net changes in cash resulting from operating, investing and financing activities.

**Net Position**

Table 1 summarizes the Net Position of the Corporation.

	<u>2018</u>	<u>2017</u>
Assets:		
Cash and Cash Equivalents	\$38,016	\$405,159
Property Held for Development	<u>1,000</u>	<u>1,000</u>
Total Assets	<u>39,016</u>	<u>406,159</u>
Liabilities:		
Loans Payable	<u>0</u>	<u>360,000</u>
Total Liabilities	<u>0</u>	<u>360,000</u>
Net Position:		
Unrestricted	<u>39,016</u>	<u>46,159</u>
Total Net Position	<u><u>\$39,016</u></u>	<u><u>\$46,159</u></u>

During 2018, the Corporation's loans payable of \$360,000 was paid back in full.



**Colerain Township, Hamilton County, Community Improvement Corporation, Inc.**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2018**  
(Unaudited)

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

Table 2 below summarizes the changes in revenues and expenses and the resulting change in net position.

	<u>2018</u>	<u>2017</u>
Operating Revenues:		
Real Estate Tax Refund	\$0	\$4,601
Total Operating Revenues	<u>0</u>	<u>4,601</u>
Operating Expenses:		
Insurance	1,358	859
Water Bills	113	362
Audit Fees	4,100	1,300
Bank Charges	0	33
Advertising	25	22
Materials and Supplies	47	0
Professional Services	1,500	0
Total Operating Expenses	<u>7,143</u>	<u>2,576</u>
Operating Income (Loss)	(7,143)	2,025
Non-Operating (Expenses):		
Gain on Sale of Property Held for Development	<u>0</u>	<u>230,410</u>
Total Non-Operating (Expenses)	<u>0</u>	<u>230,410</u>
Changes in Net Position	(7,143)	232,435
Net Position (Deficit) - Beginning of Year	<u>46,159</u>	<u>(186,276)</u>
Net Position - End of Year	<u>\$39,016</u>	<u>\$46,159</u>

The net position remained relatively consistent from 2017 to 2018.

**Property Held for Development**

Summarized below is the Property Held for Development of the Corporation.

	<u>2018</u>	<u>2017</u>
Property Held for Development	\$1,000	\$1,000

Property held for development did not change from 2017 to 2018. For additional information regarding the Property held for development, see note 3.

**Loans Payable**

Summarized below is the Loans Payable of the Corporation.

	<u>2018</u>	<u>2017</u>
Loans Payable	\$0	\$360,000

The Corporation had paid off the loans payable at year end. For additional information regarding the loans payable, see note 4.

**Colerain Township, Hamilton County, Community Improvement Corporation, Inc.**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2018**  
(Unaudited)

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**Contact Information**

If you have any questions about this report or need additional financial information, contact the Administrator, Colerain Township, Hamilton County, Community Improvement Corporation, Inc., 4200 Springdale Road, Colerain Township, OH 45251.

Colerain Township, Hamilton County, Community Improvement Corporation, Inc.

Statement of Net Position

December 31, 2018

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Assets:	
Cash and Cash Equivalents	\$38,016
Property Held for Development	<u>1,000</u>
Total Assets	<u>39,016</u>
Liabilities:	
Loan Payable	<u>0</u>
Total Liabilities	<u>0</u>
Net Position:	
Unrestricted	<u>39,016</u>
Total Net Position	<u><u>\$39,016</u></u>

See accompanying notes to the financial statements.

Colerain Township, Hamilton County, Community Improvement Corporation, Inc.

Statement of Activities

For the Fiscal Year Ended December 31, 2018

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Operating Revenues:

Real Estate Tax Refund \$0

Total Operating Revenues 0

Operating Expenses:

Insurance 1,358

Water Bills 113

Audit Fees 4,100

Advertising 25

Materials and Supplies 47

Professional Services 1,500

Total Operating Expenses 7,143

Change in Net Position (7,143)

Net Position - Beginning of Year 46,159

Net Position - End of Year \$39,016

See accompanying notes to the financial statements.

Colerain Township, Hamilton County, Community Improvement Corporation, Inc.

Statement of Cash Flows

For the Fiscal Year Ended December 31, 2018

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Cash Flows from Operating Cash Receipts and Payments:	
Cash Paid for Professional and Audit Services Fees	(\$5,600)
Cash Used for Operations	<u>(1,543)</u>
Net Cash Provided (Used) by Operating Cash Receipts and Payments	<u>(7,143)</u>
Cash Flows from Capital and Related Financing Activities:	
Loan Repayment	<u>(360,000)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(360,000)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(367,143)
Cash and Cash Equivalents - Beginning of Year	<u>405,159</u>
Cash and Cash Equivalents - End of Year	<u><u>38,016</u></u>
Reconciliation of Change in Net Position to Cash Receipts and Payments	
Operating Income	(7,143)
Changes in Assets and Liabilities	<u>0</u>
Net Cash Provided (Used) by Operating Cash Receipts and Payments	<u><u>(\$7,143)</u></u>

See accompanying notes to the financial statements.

**Colerain Township, Hamilton County, Community Improvement Corporation, Inc.**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2018**

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**Note 1 – Nature of Organization and Reporting Entity**

---

The Colerain Township, Hamilton County, CIC, Inc. (the “Corporation”) was formed on April 9, 2013 with the purpose to benefit the residents and businesses of Colerain Township, Hamilton County, Ohio, in that it will provide a mechanism to encourage development in Colerain Township, Hamilton County, Ohio.

The Corporation is a 501(c)3 nonprofit formed under Ohio Revised Code 1724. The financial statements of the Corporation are not material to the financial statements of the Colerain Township. The Corporation’s management believes the financial statements present all activities for which the Corporation is financially accountable.

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

---

A summary of the significant accounting policies consistently applied in preparation of the accompanying financial statements is as follows:

**Basis of Presentation**

The financial statements of the Corporation have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP) as applied to special-purpose governments.

The Corporation reports a single enterprise fund using proprietary fund accounting, similar to private sector business. The financial statements are presented using the accrual basis of accounting, which recognizes revenues when earned and expenses when incurred.

**Measurement Focus and Basis of Accounting**

The Corporation’s operations are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation are included on the statement of net position. The operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net position. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The Corporation uses the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred.

**Tax Exempt Status**

The Corporation is exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code.

**Property Held for Development (Resale)**

According to GASB 72, Property Held for Development is recorded at cost at the date of acquisition or at estimated fair market value at date of gift, if donated. The value of the asset is not adjusted for transaction costs even if those costs are separable.

**Cash and Cash Equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents include all highly liquid investments with initial maturities of three months or less. The Corporation only had a checking account for December 31, 2018.

**Colerain Township, Hamilton County, Community Improvement Corporation, Inc.**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2018**

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**Custodial Credit Risk and Concentration of Credit Risk**

The Corporation maintains its cash account in one commercial bank in Ohio. Custodial credit risk is the risk that in the event of a bank failure, the Corporation's deposits may not be returned to it. The Corporation's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of December 31, 2018, none of the Corporation's bank balance of \$38,016 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Corporation's name.

**Recognition of Donations and Contributions**

The Corporation reports gifts of cash and other assets at their estimated fair market value as of the date of contribution. The Corporation has no donations and contributions during 2018.

**Capital Assets**

The Corporation had no capital assets as of December 31, 2018.

**Estimates**

Management uses estimates and assumptions in preparing the 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 revenues and expenses. Actual results could differ from those estimates.

**Net Position**

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Corporation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Corporation applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. None of the Corporation's net position was restricted by enabling legislation.

**Note 3 – Property Held for Development**

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Property Held for Development activity for the fiscal year ended December 31, 2018 is as follows:

	Beginning Balance	Addition	Deletion	Ending Balance
Property Held for Development	\$1,000	\$0	\$0	\$1,000

The Corporation owns property (real estate) held for development (resale) with the intent to sell these properties after they are developed in the near future. The total amount of property held for development was \$1,000 (land located at 9184 Pippin Road) as of December 31, 2018.

**Colerain Township, Hamilton County, Community Improvement Corporation, Inc.**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2018**

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**Note 4 – Loans Payable**

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During 2014, the Corporation received \$360,000 in loan proceeds from Colerain Township to purchase a group of properties along Jonrose and Banning Avenue, in an effort to develop an affordable housing project for senior citizens.

On February 28, 2018 the loan payable was repaid in full.

**Note 5 - Contingent Liabilities**

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Management believes there are no pending claims or lawsuits that would have a material effect on the financial statements.

**Note 6 – Insurance**

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The Corporation maintains Directors and Officers Liability Insurance through Continental Casualty Company and it was purchased in 2018. There have been no claims that exceeded coverage in any of the three preceding years.

**Note 7 - Subsequent Events**

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On January 25, 2019, the property held for development (land located at 9184 Pippin Road) was sold for \$1,000.

No other significant events have occurred through this date requiring adjustment to the financial statements or disclosures.



# 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*

Colerain Township, Hamilton County, CIC, Inc.  
Hamilton County  
4200 Springdale Road  
Cincinnati, Ohio 45251

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 Colerain Township, Hamilton County, CIC, Inc., Hamilton County, (the Corporation) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated August 17, 2020. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods.

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

As part of our financial statement audit, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Corporation's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Corporation's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. 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.



Keith Faber  
Auditor of State

Columbus, Ohio

August 17, 2020

**Colerain Township**



Community Improvement Corporation  
4200 Springdale Rd. | Cincinnati, Ohio 45251 | 513.385.7500

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**DECEMBER 31, 2019 AND 2018**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2017-001	Reconciliation of fund balances and classification of revenue and expense transactions	Corrected	None

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# OHIO AUDITOR OF STATE KEITH FABER



**COLERAIN TOWNSHIP HAMILTON COUNTY 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 9/8/2020**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)