

**UNION TOWNSHIP, CLERMONT COUNTY COMMUNITY  
IMPROVEMENT CORPORATION, INC.**  
*CLERMONT COUNTY*

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**





# Dave Yost • Auditor of State

Board of Trustees  
Union Township, Clermont County Community Improvement Corporation, Inc  
4350 Aicholtz Rd  
Cincinnati, OH 45245

We have reviewed the *Independent Auditor's Report* of the Union Township, Clermont County Community Improvement Corporation, Inc., Clermont County, prepared by Bastin & Company, LLC, for the audit period January 1, 2016 through December 31, 2016. 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 Union Township, Clermont County Community Improvement Corporation, Inc. is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

May 25, 2017

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**UNION TOWNSHIP, CLERMONT COUNTY  
COMMUNITY IMPROVEMENT CORPORATION, INC.  
CLERMONT COUNTY**

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# Bastin & Company, LLC

*Certified Public Accountants*

## **INDEPENDENT AUDITOR'S REPORT**

Union Township, Clermont County Community  
Improvement Corporation, Inc.  
Clermont County  
4350 Aicholtz Road  
Cincinnati, Ohio 45245

To the Board of Trustees:

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

We have audited the accompanying financial statements of the Union Township, Clermont County Community Improvement Corporation, Inc. Clermont County, Ohio, (a not-for-profit corporation), a component unit of Union 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, 2016, 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 Union 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 overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Union Township, Clermont County Community Improvement Corporation, Inc., Clermont County as of December 31, 2016, 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 April 17, 2017, 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 black ink that reads "Bastin & Company, L L C". The signature is written in a cursive style and is centered within a light gray rectangular box.

Cincinnati, Ohio  
April 17, 2017



**Union Township, Clermont County Community  
Improvement Corporation, Inc.**  
*Clermont County*  
*Statement of Financial Position*  
*December 31, 2016*

<b>ASSETS</b>	
<b>CURRENT ASSETS:</b>	
Cash	\$ 190,569
Mortgages receivable-current	425,426
Contributions receivable-current	10,000
Total current assets	625,995
<b>NONCURRENT ASSETS:</b>	
Assets held for resale	2,052,330
Mortgages receivable-net of current	3,771,435
Total noncurrent assets	5,823,765
<b>TOTAL ASSETS</b>	<b>\$ 6,449,760</b>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Mortgage funds held in escrow	\$ 25,000
Accrued property taxes	14,132
Amounts due to Union Township	96,667
Notes payable-current	504,602
Total current liabilities	640,401
<b>NONCURRENT LIABILITIES</b>	
Notes payable-net of current	1,635,180
Total noncurrent liabilities	1,635,180
<b>TOTAL LIABILITIES</b>	<b>\$ 2,275,581</b>
<b>NET ASSETS</b>	
Temporarily restricted	\$ 25,000
Unrestricted	4,149,179
<b>TOTAL NET ASSETS</b>	<b>\$ 4,174,179</b>

See accompanying notes to the financial statements.

**Union Township, Clermont County Community  
Improvement Corporation, Inc.**

*Clermont County*

*Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2016*

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES:</b>			
Cash contributions from Union Township	\$ -	\$ 2,312,123	\$ 2,312,123
Asset contributions from Union Township	-	1,075,000	1,075,000
Other contributions	-	11,620	11,620
Lease revenues	48,619	-	48,619
Mortgage revenues	151,577	-	151,577
Gain on sale of assets held for resale	273,448	-	273,448
Interest	168	-	168
Net assets released from restriction	3,373,743	(3,373,743)	-
Total Revenues	<u>3,847,555</u>	<u>25,000</u>	<u>3,872,555</u>
<b>EXPENSES:</b>			
Program services:			
Economic development	9,266	-	9,266
Support services:			
Assets transferred to Union Township	3,820,764	-	3,820,764
Interest expense	65,199	-	65,199
Administrative and general operating expense	829	-	829
Total Expenses	<u>3,896,058</u>	<u>-</u>	<u>3,896,058</u>
<b>CHANGE IN NET ASSETS</b>	(48,503)	25,000	(23,503)
Net assets beginning of year	<u>4,197,682</u>	<u>-</u>	<u>4,197,682</u>
Net assets end of year	<u>\$ 4,149,179</u>	<u>\$ 25,000</u>	<u>\$ 4,174,179</u>

See accompanying notes to the financial statements.

**Union Township, Clermont County Community  
Improvement Corporation, Inc.**  
*Clermont County*  
*Statement of Cash Flows*  
*For the Year Ended December 31, 2016*

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<b>Cash flows from operating activities:</b>	
Change in net assets	\$ (23,503)
Adjustments to reconcile change in net assets to cash provided by (used by) operating activities	
Non cash assets received	(1,085,000)
Non cash assets distributed	391,351
Gain on sale of assets held for resale	(273,448)
Increase in accrued property taxes payable	12,252
Decrease in amounts due to Union Township	<u>(1,020,616)</u>
Net cash used by operating activities	<u>(1,998,964)</u>
<b>Cash flows from investing related activities:</b>	
Proceeds from mortgages receivable	365,883
Purchases of capital assets	(300,000)
Proceeds from sales of asset held for resale	2,830,012
Purchases of assets held for resale and mortgaged	<u>(1,989,758)</u>
Net cash provided by investing activities	<u>906,137</u>
<b>Cash flows from financing related activities:</b>	
Proceeds from note issued	2,600,000
Principal retirement on notes	<u>(2,610,754)</u>
Net cash used by financing activities	<u>(10,754)</u>
Net decrease in cash and cash equivalents	(1,103,581)
Cash and cash equivalents at beginning of year	<u>1,294,150</u>
Cash and cash equivalents at end of year	<u><u>\$ 190,569</u></u>

See accompanying notes to the financial statements.

**UNION TOWNSHIP, CLERMONT COUNTY  
COMMUNITY IMPROVEMENT CORPORATION, INC.  
Clermont County**

**Notes to the Financial Statements  
For the Year Ended December 31, 2016**

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

*Nature of Organization*

The Union Township, Clermont County Community Improvement Corporation, Inc. (Corporation) is a not-for-profit organization which derives the major source of its revenues from Union Township (Township) in the form of capital and cash contributions. The Corporation is considered a component unit of Union Township. The Corporation began operations in January 2011 for the purpose of fostering economic development in the Township, located in Clermont 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.

On April 26, 2012, the Corporation's Board of Trustees approved Resolution 2012-02 whereby the Corporation agreed to refund any and all proceeds arising from the sale, lease, or transfer, or other contractual agreement, including but not limited to the lease payments, sale payments or other consideration to Union Township in support of its mission as the agency for development of Union Township.

*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, 2016.

**UNION TOWNSHIP, CLERMONT COUNTY  
COMMUNITY IMPROVEMENT CORPORATION, INC.  
Clermont County**

**Notes to the Financial Statements  
For the Year Ended December 31, 2016**

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*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, 2016.

*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*

The Corporation's cash balances in financial institutions at times throughout the year may exceed federally insured limits. No losses in such accounts have been experienced and, as a result, management believes it is not exposed to any significant credit risk related to its cash deposits.

*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, 2016, the Corporation maintains an interest bearing checking account with a recorded value of \$190,569.

**UNION TOWNSHIP, CLERMONT COUNTY  
COMMUNITY IMPROVEMENT CORPORATION, INC.  
Clermont County**

**Notes to the Financial Statements  
For the Year Ended December 31, 2016**

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**NOTE 3 – MORTGAGES RECEIVABLE**

Mortgages receivable consist of the following:

<u>Property</u>	<u>Total</u>
3944 Nine Mile Road	\$ 215,223
4362, 4366 & 4372 Mt. Carmel-Tobasco Road	307,254
Terrace Ridge Subdivision property	216,667
Eastgate Brew & View, LLC	3,139,639
507 and 3966 Piccadilly Lane	123,078
1420 State Route 125	195,000
Total	<u>\$4,196,861</u>

During 2012, the Corporation received real property located at 3944 Nine Mile Road valued at \$298,000 from Union Township to be sold to an individual for economic development purposes. The Corporation entered into a mortgage agreement to sell the property to the individual for \$298,000. The non-interest bearing mortgage is secured by the property with repayment scheduled as equal monthly amounts of \$1,655.55 over 15 years beginning on November 1, 2012.

During 2012, the Corporation purchased property located at 4372 Mt. Carmel-Tobasco Road for future development. The property was sold during 2013 by the Corporation and entered into a mortgage agreement with Restle Investments, LLC. Restle Investments, LLC established the Mt. Carmel Brewery on the property. During 2015, the Corporation entered into a new mortgage agreement with Restle Investments, LLC in the amount of \$320,276. The mortgage allowed Restle Investments, LLC to pay off the remaining balance of the 2012 mortgage, refinance a privately held mortgage on property located 4362 Mt. Carmel-Tobasco Road and to purchase additional property located at 4366 Mt. Carmel-Tobasco Road. The mortgage is secured by the 3 properties and repayment is scheduled as equal monthly amounts, including interest at 6 percent, of \$2,294.55 over 20 years commencing on July 1, 2015.

During 2015, the Corporation received approximately 14 acres of real property located within the Terrace Ridge Subdivision area valued at \$650,000 from Union Township to be sold for economic development purposes. The Corporation sold the property and entered into a mortgage agreement for the balance of the sales contract with Madeira Place, LLC in the amount of \$541,667. The non-interest bearing mortgage is secured by the property and with repayment scheduled for \$108,333.34 due December 30, 2015, \$216,666.66 due December 30, 2016 and \$216,666.66 due December 30, 2017.

During 2015, the Corporation entered into a leasehold mortgage agreement with Eastgate Brew & View, LLC in the amount of \$2,600,000 for the funding provided by the Corporation to make renovations and fixtures for the Eastgate Brew and View movie theater located within the Jungle Jim's International Marketplace. In June of 2016 the leasehold mortgage agreement was revised to incorporate additional funding provided to Eastgate Brew & View to make renovations. The new leasehold mortgage amount was for \$3,200,000 and is secured by the renovations and fixtures made as well as other security interests in as outlined in the leasehold mortgage. Repayment is scheduled as equal monthly amounts, including interest at 5 percent, of \$25,305.40 over 15 years commencing on August 1, 2016.

**UNION TOWNSHIP, CLERMONT COUNTY  
COMMUNITY IMPROVEMENT CORPORATION, INC.  
Clermont County**

**Notes to the Financial Statements  
For the Year Ended December 31, 2016**

During 2016 the Corporation sold property located at 507 and 3966 Piccadilly and entered into a mortgage receivable for \$126,159.41 with interest at 6.0% with monthly payments of \$1,064.60 due from DMG Rentals 15, LLC on the first of each month for fifteen years with the first payment due June 1, 2016.

During 2016 the Corporation entered into an agreement with the Village of Amelia to provide \$170,000 of financing for the purchase property at 1420 State Route 125 and to provide an additional \$25,000 for site improvements. A mortgage agreement was entered into dated December 1, 2016 with the Village of Amelia for a total of \$195,000 with interest at 5.0% and semi-annual payments of \$16,679.62 over 7 years commencing in 2017.

**NOTE 4 – CONTRIBUTIONS RECEIVABLE**

On December 14, 2012, the Corporation received a \$50,000 cash contribution from Union Township to purchase a property located at 4372 Mt. Carmel-Tobasco Road for future development. The Corporation sold the property during 2013, however, and certain conditions relating to the original acquisition of the property remain outstanding.

The Corporation original purchase agreement with Mt. Washington Savings required a cash payment of \$50,000 by the Corporation and the issuance of a non interest bearing promissory note for \$50,000. The note is payable in 5 years at \$10,000 per year. Terms of the note further provide that as long as the Corporation maintains a status as a 501 (c) (3) entity under the Internal Revenue Code, the Mt. Washington Savings Bank shall make five annual contributions of \$10,000 to the Corporation as a forgiveness of the debt owed under the note. As of December 31, 2016, the balance of the related promissory note and contribution receivable is \$10,000.

**NOTE 5 – ASSETS HELD FOR RESALE**

Assets held for resale represent properties contributed by Union Township or acquired by the Corporation using cash contributions from Union Township. These properties are being held for resale to promote future development within Union Township.

<u>Property</u>	<u>Cost</u>
4297-4299 Glen Este-Withamsville Road	\$ 124,665
4309 Glen Este-Withamsville Road	126,119
4303 Glen Este-Withamsville Road	106,040
4323 Glen Este-Withamsville Road	429,872
4319 Glen Este-Withamsville Road	259,331
979 Old State Route 74	120,193
4359 Glen Este-Withamsville Road	102,170
4340 Glen Este-Withamsville Road	152,005
4344 Glen Este-Withamsville Road	91,107
983 Clepper Lane	133,733
4322 Wuebold Lane	140,292
4307 Glen Este-Withamsville Road	176,328
4334 Glen Este-Withamsville Road	90,475
Total	<u>\$2,052,330</u>

**UNION TOWNSHIP, CLERMONT COUNTY  
COMMUNITY IMPROVEMENT CORPORATION, INC.  
Clermont County**

**Notes to the Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 6 – DEBT**

Changes in the debt during 2016 were as follows:

	Balance January 1, <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2016</u>	Due Within <u>One Year</u>
2015 Promissory Note	\$2,140,536	\$ -	(\$2,140,536)	\$ -	\$ -
2016 Promissory Note	-	2,600,000	(470,218)	2,129,782	494,602
Mt. Washington Savings Bank Note	<u>20,000</u>	<u>-</u>	<u>(10,000)</u>	<u>10,000</u>	<u>10,000</u>
Total	<u>\$2,160,536</u>	<u>\$2,600,000</u>	<u>(\$2,620,754)</u>	<u>\$2,139,782</u>	<u>\$504,602</u>

The 2015 Promissory Note was issued by the Corporation in conjunction with a cooperative agreement with Union Township, Eastgate Brew and View, LLC and WesBanco Bank Incorporated to provide funding to the developer for renovations and fixtures for the Eastgate Brew and View movie theater located within the Jungle Jim's International Marketplace. The notes were issued on May 26, 2015 in the amount of \$2,600,000 and carry an interest rate of 3.53%.

Proceeds from the 2016 Promissory Note were used to re-finance the remaining balance of the 2015 Promissory Note and to provide additional funding to the developer for renovations and fixtures. The 2016 Promissory Note was issued on June 17, 2016 in the amount of \$2,600,000 and carries an interest rate of 3.01%. An initial payment on the note that was due on November 1, 2016 included a principal payment of \$218,753 in addition to the scheduled amount due of \$251,465. Repayment of the note is secured by a leasehold mortgage from the developer, Eastgate Brew and View, LLC, due to the Corporation.

As further discussed in Note 3, during 2012, the Mt. Washington Savings Bank Note was a non-interest, five year note issued for a total of \$50,000 in conjunction with the purchase of a property located at 4372 Mt. Carmel-Tobasco Road. Although the Corporation sold the property during 2013, certain conditions of the note remain outstanding. The Note provides that as long as the Corporation maintains a status as a 501 (c) (3) entity under the Internal Revenue Code, the Mt. Washington Savings Bank will make annual contributions of \$10,000 to the Corporation as a forgiveness of the debt. As of December 31, 2016, the balance of the Note and related contribution receivable is \$10,000.

The future principal and interest requirements scheduled to retire the remaining balances of the notes are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 504,602	\$ 61,217	\$ 565,819
2018	509,811	46,007	555,818
2019	525,489	30,330	555,819
2020	541,578	14,172	555,750
2021	<u>58,302</u>	<u>882</u>	<u>59,184</u>
Total	<u>\$2,139,782</u>	<u>\$152,608</u>	<u>\$2,292,390</u>



**UNION TOWNSHIP, CLERMONT COUNTY  
COMMUNITY IMPROVEMENT CORPORATION, INC.  
Clermont County**

**Notes to the Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily Restricted Net Assets of \$25,000 as of December 31, 2016 represent funds held in escrow by the Corporation for future site improvements under the mortgage agreement for the sale of property located at 1420 State Route 125 to the Village of Amelia.

**NOTE 8 – RETURN OF PROJECT PROCEEDS**

In accordance with the Corporation’s Resolution 2012-02, the Corporation has agreed to pay any and all proceeds arising from the sale, lease, transfer, or other contractual agreement, including but not limited to the lease payments, sale payments or other consideration, to Union Township. During 2016, the Corporation returned the following items to Union Township:

<u>Item</u>	<u>Amount/Value</u>
<i>Cash items</i>	
Proceeds from sale 4300 Glen Este-Withamsville Road	\$1,001,002
Proceeds from sale 4339 Glen Este-Withamsville Road	701,177
Proceeds from sale 4345 Glen Este-Withamsville Road	54,181
Proceeds from sale 732 Clough Pike	999,566
Proceeds from sale 1173 Muirwood Lane	74,086
Mortgage payments received - 3944 Nine Mile Road	18,211
Mortgage payments received - 4362, 4366 & 4372 Mt. Carmel-Tobasco Road	25,240
Mortgage payments received - Terrace Ridge Subdivision property	216,667
Mortgage and other payments received - Eastgate Brew & View, LLC	329,827
Mortgage and other payments received - 507 and 3966 Piccadilly Lane	7,452
Property tax rebates and other refunds - various properties	2,004
<i>Subtotal Cash items</i>	3,429,413
<i>Non-cash Items</i>	
100' Aerial Fire Truck	300,000
Property held for resale 952 Clough Pike	91,351
<i>Subtotal Non-cash items</i>	391,351
<b>Total</b>	<b>\$3,820,764</b>

**NOTE 9 – CONCENTRATION**

Approximately 85% of the Corporation’s revenue is from Union Township. In addition, the Corporation has agreed to refund any and all proceeds arising from the sale, lease, or transfer, or other contractual agreement to Union Township in support of its mission as the agency for development of Union Township.

**NOTE 10 – SUBSEQUENT EVENTS**

The Corporation has evaluated subsequent events through April 17, 2017, the date which the financial statements were certified 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***

Union Township, Clermont County Community  
Improvement Corporation, Inc.  
Clermont County  
4350 Aicholtz Road  
Cincinnati, Ohio 45245

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 Union Township, Clermont County Community Improvement Corporation, Inc. Clermont County, Ohio, (a not-for-profit corporation), a component unit of Union Township, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated April 17, 2017.

### ***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 communication is not suitable for any other purpose.

*Bastin & Company, LLC*

Cincinnati, Ohio  
April 17, 2017

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# Dave Yost • Auditor of State

**UNION TOWNSHIP CLERMONT COUNTY COMMUNITY IMPROVEMENT CORPORATION**

**CLERMONT 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 6, 2017**