



OHIO AUDITOR OF STATE
KEITH FABER



**COMMUNITY IMPROVEMENT CORPORATION OF HAMILTON
BUTLER COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Community Improvement Corporation of Hamilton
Butler County
345 High Street
Hamilton, Ohio 45011

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Community Improvement Corporation of Hamilton, Butler County, Ohio (the CIC), as of December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the CIC's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Community Improvement Corporation of Hamilton, Butler County, Ohio as of December 31, 2022 and 2021, and the respective changes in 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.

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 CIC, 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 opinions.

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 CIC'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 CIC'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 CIC'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2024, on our consideration of the CIC'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 CIC'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 CIC's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio
March 27, 2024

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**COMMUNITY IMPROVEMENT CORPORATION
CITY OF HAMILTON, OHIO**

*Statement of Financial Position
December 31, 2022*

Assets:

Cash and Cash Equivalents	\$ 1,063,638
Loan Receivable - CORE	2,423,753
Loan Receivable - 241 High	99,474
Loan Receivable - Vision Hamilton Main	550,000
Loan Receivable - Vision AWH	3,000,000
Investment in Spooky Nook Project	8,000,000
Assets Held for Resale	<u>2,153,339</u>
Total Assets	<u><u>17,290,204</u></u>

Liabilities:

Loan Payable - City of Hamilton	<u>1,000,000</u>
Total Liabilities	<u><u>1,000,000</u></u>

Net Position:

Net Investment in Assets Held for Resale	2,153,339
Restricted	8,000,000
Unrestricted	<u>6,136,865</u>
Total Net Position	<u><u>\$ 16,290,204</u></u>

See accompanying notes to the basic financial statements.

**COMMUNITY IMPROVEMENT CORPORATION
CITY OF HAMILTON, OHIO**

*Statement of Activities
For the Year Ended December 31, 2022*

	<u>Unrestricted</u>
Operating Revenues:	
Contributions - City of Hamilton	\$ 4,511,120
Interest on Loans	17,664
Property Rental	13,500
Investment Earnings	413
Miscellaneous	3,296
Total Operating Revenue	<u>4,545,993</u>
Operating Expenses:	
Urban Core Rehab Grants	541,300
Property Transfer - City of Hamilton	859,887
Property Transfer - JJV Properties	86,810
Property Taxes	18,680
Interest Expense - City of Hamilton Loan	9,900
Loan Forgiveness - Vision Hamilton Main	100,000
Administrative	43,338
Total Operating Expenses	<u>1,659,915</u>
Change in Net Assets	2,886,078
Net Position (Deficit) Beginning of Year	<u>13,404,126</u>
Net Position End of Year	<u>\$ 16,290,204</u>

See accompanying notes to the basic financial statements.

**COMMUNITY IMPROVEMENT CORPORATION
CITY OF HAMILTON, OHIO**

*Statement of Cash Flows
For the Year Ended December 31, 2022*

Cash Flows from Operating Activities:

Cash Paid for Operating Expenses	\$ (3,603,318)
Cash Received for Operating Revenue	4,527,916
Net cash provided by Operating Activities	<u>924,598</u>

Cash Flows from Investing Activities:

Investment Earnings	413
Cash Paid for Loans	(9,900)
Investment in Spooky Nook Project	
Loan Repayment - Principal	20,917
Loan Repayment - Interest	17,664
Property Purchase	(1,734,533)
Sale of Property	
Net cash provided by Investing Activities	<u>(1,705,439)</u>

Net increase (decrease) in cash and cash equivalents (780,841)

Cash and cash equivalents at beginning of year 1,844,479

Cash and cash equivalents at end of year \$ 1,063,638

See accompanying notes to the basic financial statements.

**COMMUNITY IMPROVEMENT CORPORATION
CITY OF HAMILTON, OHIO**

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2022*

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Community Improvement Corporation (the “CIC”) was created in March 1966 and incorporated as a corporation not-for profit under Section 1702 and 1724 of the Ohio Revised Code. The CIC is a separate body politic having power to act as an individual entity to carry out powers given to it under State statute. The CIC is a legally separate, not-for-profit organization, served by a 16-member board composed of City officials and community representatives. The CIC was created to advance, encourage, and promote the industrial, economic, commercial, and civic development of Hamilton by such means as will improve the normal growth, employment opportunities, and stability of employment in existing industries. The CIC is empowered with the ability to carry out the actions it considers necessary to achieve its mission.

B. Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) 117, Financial Statements for Not-For-Profit Organizations. Under SFAS No. 117, the Corporation is required to report information regarding its financial position and activities according to three classes of net position: unrestricted net position, temporarily restricted net position, and permanently restricted net position. At December 31, 2022, the unrestricted net position of the CIC was \$6,136,865.

C. Basis of Accounting

The financial statements are presented as of December 31, 2022, and for the year then ended, on the accrual basis and in conformity with accounting principles generally accepted in the United States of America.

D. Cash and Investments

Cash and cash equivalents include amounts in demand deposits.

E. Concentration of Credit Risk

The CIC maintains its cash in one commercial bank in Ohio. At times, the CIC’s cash deposits exceed amounts covered by insurance limits of \$250,000 per institution provided by the Federal Deposit Insurance Corporation. Management monitors the soundness of these financial institutions and believes the CIC’s exposure to significant credit risk related to cash deposits is very limited.

F. Assets Held for Resale

Assets Held for Resale are defined by the CIC as assets with an initial, individual cost of more than \$1,000. Property, plant and equipment acquired is stated at cost (or estimated historical cost), including architectural and engineering fees where applicable. Donated capital assets are recorded at fair market value at the date received. Depreciation is not calculated for land and buildings. It is the CIC’s practice

**COMMUNITY IMPROVEMENT CORPORATION
CITY OF HAMILTON, OHIO**

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2022
(Continued)*

to sell land and buildings after appropriate improvements have been made. Because it is not the CIC's intent to use these properties themselves, they have not been depreciated.

G. Loans Receivable

The CIC has loaned money to various City of Hamilton businesses and organizations. The loans range in interest rates from 2% to 3%. On August 1, 2021, the CIC modified four of the promissory notes with CORE. The modified agreements canceled \$1,254,293 of the \$3,678,046 Loan Receivable – CORE, resulting in the total amount due of \$2,423,753. At December 31, 2022, there were four loans outstanding with a total balance of \$6,073,227.

H. Loans Payable

On September 12, 2018, Hamilton City Council approved a loan in the sum of \$1,000,000 to the CIC. The purpose of the loan was for the CIC to loan the proceeds to the Consortium for Ongoing Reinvestment Efforts for Main Street Improvements, ultimately ending with the CORE using the proceeds of the sale of 150 High Street to repay the loan to the CIC. The loan becomes payable on the date that the CIC receives sale proceeds in connection with the sale of 150 High Street. The CIC received the loan proceeds from the City on May 1, 2019. Under the loan agreement, the interest rate is 0% through July 1, 2019, 1.75% beginning August 1, 2019 through April 1, 2020, 3.5% beginning May 1, 2020, and 1.08% beginning August 1, 2021.

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – CASH AND CASH EQUIVALENTS

At December 31, 2022, the carrying amount of deposits was \$1,063,638.

NOTE 3 – RELATED PARTY TRANSACTIONS

Seven of the 16 CIC board members are elected or appointed officials of the City of Hamilton.

The City of Hamilton transferred one property to the CIC during 2019 totaling \$130,000. The City of Hamilton transferred one property to the CIC during 2020 totaling \$5,000. During 2020, the CIC received \$8,000,000 from the City of Hamilton to fund an investment in the Spooky Nook project. In 2021, the CIC received a total of \$2,418,000 from the City of Hamilton, \$1,968,000 for strategic property acquisition and \$450,000 for commercial building assistance grants. In 2022, the CIC transferred seven properties to the City of Hamilton totaling \$859,887. The CIC received a total of \$4,511,120 from the City of Hamilton in 2022 for commercial building assistance grants and strategic property purchases.

**COMMUNITY IMPROVEMENT CORPORATION
CITY OF HAMILTON, OHIO**

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2022
(Continued)*

NOTE 4 – CONTINGENT LIABILITIES

Management believes there are no pending claims or lawsuits.

NOTE 5 – RISK MANAGEMENT

The CIC is subjected to certain types of risk in the performance of its normal functions. The Board views this exposure as minimal as the CIC currently has no employees and minimal operating activity. However, in 2019 the CIC did purchase a commercial liability insurance policy for the properties held related to the future Spooky Nook Sports Complex.

NOTE 6 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets held by the CIC available for general expenditures within one year of the December 31, 2022 financial position date, without donor or other restrictions limiting their use, within one year of the financial position date, totals \$442,518. As a steward of public-related funds, the CIC maintains all of its cash balances in safe deposit accounts with little to no risk of loss.

NOTE 7 – INVESTMENT IN SPOOKY NOOK PROJECT

On May 28, 2019, the CIC board voted to accept an \$8 million grant from the City of Hamilton, create a for-profit CIC subsidiary, and direct the for-profit entity to invest 100% of the \$8 million grant into Mill 2 of the Spooky Nook project by executing an operating agreement. Effective June 30, 2020, the Champion Mill Redevelopment Corporation contributed \$8 million to acquire a 1% membership interest in Historic Manager, LLC, a Pennsylvania limited liability company.

**COMMUNITY IMPROVEMENT CORPORATION
CITY OF HAMILTON, OHIO**

*Statement of Financial Position
December 31, 2021*

Assets:

Cash and Cash Equivalents	\$ 1,844,479
Loan Receivable - CORE	2,423,753
Loan Receivable - 241 High	120,391
Loan Receivable - Vision Hamilton Main	650,000
Investment in Spooky Nook Project	8,000,000
Assets Held for Resale	<u>1,365,503</u>
Total Assets	<u><u>14,404,126</u></u>

Liabilities:

Loan Payable - City of Hamilton	\$ <u>1,000,000</u>
Total Liabilities	<u><u>1,000,000</u></u>

Net Position:

Net Investment in Assets Held for Resale	1,365,503
Restricted	8,000,000
Unrestricted	<u>4,038,623</u>
Total Net Position	<u><u>\$ 13,404,126</u></u>

See accompanying notes to the basic financial statements.

**COMMUNITY IMPROVEMENT CORPORATION
CITY OF HAMILTON, OHIO**

*Statement of Activities
For the Year Ended December 31, 2021*

	<u>Unrestricted</u>
Operating Revenues:	
Contributions - City of Hamilton	\$ 2,418,000
Interest on Loans	39,872
Investment Earnings	460
Miscellaneous	75
Total Operating Revenue	<u>2,458,407</u>
Operating Expenses:	
Urban Core Rehab Grants	108,470
Property Transfer - Local Hamilton, LLC	358,313
Property Taxes	22,233
Interest Expense - City of Hamilton Loan	31,867
Loan Forgiveness - CORE	1,254,293
Administrative	8,891
Total Operating Expenses	<u>1,784,067</u>
Change in Net Assets	674,340
Net Position (Deficit) Beginning of Year	<u>12,729,786</u>
Net Position End of Year	<u><u>\$ 13,404,126</u></u>

See accompanying notes to the basic financial statements.

**COMMUNITY IMPROVEMENT CORPORATION
CITY OF HAMILTON, OHIO**

*Statement of Cash Flows
For the Year Ended December 31, 2021*

Cash Flows from Operating Activities:

Cash Paid for Operating Expenses	\$ (139,594)
Cash Received for Operating Revenue	2,418,075
Net cash provided by Operating Activities	<u>2,278,481</u>

Cash Flows from Investing Activities:

Investment Earnings	460
Cash Paid for Loans	(31,867)
Investment in Spooky Nook Project	
Loan Repayment - Principal	20,503
Loan Repayment - Interest	39,872
Property Purchase	(1,041,975)
Sale of Property	
Net cash provided by Investing Activities	<u>(1,013,007)</u>

Net increase (decrease) in cash and cash equivalents 1,265,474

Cash and cash equivalents at beginning of year 579,005

Cash and cash equivalents at end of year \$ 1,844,479

See accompanying notes to the basic financial statements.

**COMMUNITY IMPROVEMENT CORPORATION
CITY OF HAMILTON, OHIO**

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Community Improvement Corporation (the “CIC”) was created in March 1966 and incorporated as a corporation not-for profit under Section 1702 and 1724 of the Ohio Revised Code. The CIC is a separate body politic having power to act as an individual entity to carry out powers given to it under State statute. The CIC is a legally separate, not-for-profit organization, served by a 16-member board composed of City officials and community representatives. The CIC was created to advance, encourage, and promote the industrial, economic, commercial, and civic development of Hamilton by such means as will improve the normal growth, employment opportunities, and stability of employment in existing industries. The CIC is empowered with the ability to carry out the actions it considers necessary to achieve its mission.

B. Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) 117, Financial Statements for Not-For-Profit Organizations. Under SFAS No. 117, the Corporation is required to report information regarding its financial position and activities according to three classes of net position: unrestricted net position, temporarily restricted net position, and permanently restricted net position. At December 31, 2021, the unrestricted net position of the CIC was \$4,038,623.

C. Basis of Accounting

The financial statements are presented as of December 31, 2021, and for the year then ended on the accrual basis and in conformity with accounting principles generally accepted in the United States of America.

D. Cash and Investments

Cash and cash equivalents include amounts in demand deposits.

E. Concentration of Credit Risk

The CIC maintains its cash in one commercial bank in Ohio. At times, the CIC’s cash deposits exceed amounts covered by insurance limits of \$250,000 per institution provided by the Federal Deposit Insurance Corporation. Management monitors the soundness of these financial institutions and believes the CIC’s exposure to significant credit risk related to cash deposits is very limited.

F. Assets Held for Resale

Assets Held for Resale are defined by the CIC as assets with an initial, individual cost of more than \$1,000. Property, plant and equipment acquired is stated at cost (or estimated historical cost), including architectural and engineering fees where applicable. Donated capital assets are recorded at fair market value at the date received. Depreciation is not calculated for land and buildings. It is the CIC’s practice

**COMMUNITY IMPROVEMENT CORPORATION
CITY OF HAMILTON, OHIO**

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)*

to sell land and buildings after appropriate improvements have been made. Because it is not the CIC's intent to use these properties themselves, they have not been depreciated.

G. Loans Receivable

The CIC has loaned money to various City of Hamilton businesses and organizations. The loans range in interest rates from 2% to 3%. On August 1, 2021, the CIC modified four of the promissory notes with CORE. The modified agreements canceled \$1,254,293 of the \$3,678,046 Loan Receivable – CORE, resulting in the total amount due of \$2,423,753. At December 31, 2021, there were three loans outstanding with a total balance of \$3,194,144.

H. Loans Payable

On September 12, 2018, Hamilton City Council approved a loan in the sum of \$1,000,000 to the CIC. The purpose of the loan was for the CIC to loan the proceeds to the Consortium for Ongoing Reinvestment Efforts for Main Street Improvements, ultimately ending with the CORE using the proceeds of the sale of 150 High Street to repay the loan to the CIC. The loan becomes payable on the date that the CIC receives sale proceeds in connection with the sale of 150 High Street. The CIC received the loan proceeds from the City on May 1, 2019. Under the loan agreement, the interest rate is 0% through July 1, 2019, 1.75% beginning August 1, 2019 through April 1, 2020, 3.5% beginning May 1, 2020 and 1.08% beginning August 1, 2021.

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – CASH AND CASH EQUIVALENTS

At December 31, 2021, the carrying amount of deposits was \$1,844,479.

NOTE 3 – RELATED PARTY TRANSACTIONS

Seven of the 16 CIC board members are elected or appointed officials of the City of Hamilton.

The City of Hamilton transferred one property to the CIC during 2019 totaling \$130,000. The City of Hamilton transferred one property to the CIC during 2020 totaling \$5,000. During 2020, the CIC received \$8,000,000 from the City of Hamilton to fund an investment in the Spooky Nook project. In 2021, the CIC received a total of \$2,418,000 from the City of Hamilton, \$1,968,000 for strategic property acquisition and \$450,000 for commercial building assistance grants.

**COMMUNITY IMPROVEMENT CORPORATION
CITY OF HAMILTON, OHIO**

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)*

NOTE 4 – CONTINGENT LIABILITIES

Management believes there are no pending claims or lawsuits.

NOTE 5 – RISK MANAGEMENT

The CIC is subjected to certain types of risk in the performance of its normal functions. The Board views this exposure as minimal as the CIC currently has no employees and minimal operating activity. However, in 2019 the CIC did purchase a commercial liability insurance policy for the properties held related to the future Spooky Nook Sports Complex.

NOTE 6 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets held by the CIC available for general expenditures within one year of the December 31, 2021 financial position date, without donor or other restrictions limiting their use, within one year of the financial position date, totals \$240,773. As a steward of public-related funds, the CIC maintains all of its cash balances in safe deposit accounts with little to no risk of loss.

NOTE 7 – INVESTMENT IN SPOOKY NOOK PROJECT

On May 28, 2019, the CIC board voted to accept an \$8 million grant from the City of Hamilton, create a for-profit CIC subsidiary, and direct the for-profit entity to invest 100% of the \$8 million grant into Mill 2 of the Spooky Nook project by executing an operating agreement. Effective June 30, 2020, the Champion Mill Redevelopment Corporation contributed \$8 million to acquire a 1% membership interest in Historic Manager, LLC, a Pennsylvania limited liability company.



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

Community Improvement Corporation of Hamilton
Butler County
345 High Street
Hamilton, Ohio 45011

To the Board of Directors:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Community Improvement Corporation of Hamilton, Butler County, (the CIC) as of and for the year ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the CIC's basic financial statements and have issued our report thereon dated March 27, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CIC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CIC's internal control. Accordingly, we do not express an opinion on the effectiveness of the CIC'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 CIC'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CIC'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*.

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 CIC'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 CIC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio
March 27, 2024

OHIO AUDITOR OF STATE KEITH FABER



**COMMUNITY IMPROVEMENT CORPORATION OF HAMILTON
BUTLER 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 4/16/2024

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