



**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICES ASSOCIATION
FRANKLIN COUNTY
REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2021**

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Marietta, OH 45750
740 373 0056

1907 Grand Central Ave.
Vienna, WV 26105
304 422 2203

150 W. Main St., #A
St. Clairsville, OH 43950
740 695 1569

1310 Market St., #300
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OHIO AUDITOR OF STATE
KEITH FABER



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Board of Directors
Special Improvements District Public Service Association
23 North Fourth Street
Columbus, Ohio 43215

We have reviewed the *Independent Auditor's Report* of the Special Improvements District Public Service Association, Franklin County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2021 through December 31, 2021. 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 Special Improvements District Public Service Association is responsible for compliance with these laws and regulations.

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

Keith Faber
Auditor of State
Columbus, Ohio

May 20, 2022

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**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICES ASSOCIATION
Franklin County**

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INDEPENDENT AUDITOR'S REPORT

Special Improvement District Public Service Association
Franklin County
23 North Fourth Street
Columbus, OH 43215

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Special Improvement District Public Service Association, Franklin County, Ohio (the Association), (a not-for-profit organization) which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Special Improvement District Public Service Association, Franklin County, Ohio as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended, in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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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 Association'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 Association'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 Association'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.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The supplemental information on pages 14-19 is presented for purposes of additional analysis and are not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2022, on our consideration of the Association'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 Association'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 Association's internal control over financial reporting and compliance.



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

April 29, 2022

**SPECIAL IMPROVEMENTS DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 AND 2020**

| | 2021 | 2020 |
|--|---------------------|---------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and Cash Equivalents: | | |
| Cash-undesignated | \$ 1,488,569 | \$ 1,102,065 |
| Total cash and equivalents | 1,488,569 | 1,102,065 |
| Accounts Receivable | 386,120 | 206,274 |
| Prepaid expenses | 71,474 | 53,053 |
| Total Current Assets | 1,946,163 | 1,361,392 |
| Fixed Assets: | | |
| Equipment and vehicles, at cost | 725,480 | 707,070 |
| Accumulated depreciation | (644,094) | (583,060) |
| Net Fixed Assets | 81,386 | 124,010 |
| Other Assets: | | |
| Beneficial interest in assets held by others | 1,015,477 | 924,206 |
| Total Assets | 3,043,026 | 2,409,608 |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities: | | |
| Accounts payable | 436,625 | 195,622 |
| Accounts payable-related party | 2,419,073 | 2,105,108 |
| Accrued expenses | 74,039 | 77,122 |
| Deferred revenue | 102,518 | 18,092 |
| Capital lease obligation, current portion | 3,204 | 2,988 |
| Deposits | 6,730 | 6,635 |
| Total Current Liabilities | 3,042,189 | 2,405,567 |
| Noncurrent Liabilities: | | |
| Capital lease obligation, less current portion | 837 | 4,041 |
| Total Noncurrent Liabilities | 837 | 4,041 |
| Total Liabilities | 3,043,026 | 2,409,608 |
| Net Assets: | | |
| Without donor restrictions | (83,179) | (53,323) |
| With donor restrictions | 83,179 | 53,323 |
| Total Net Assets | - | - |
| Total Liabilities and Net Assets | \$ 3,043,026 | \$ 2,409,608 |

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

**SPECIAL IMPROVEMENTS DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

| | 2021 | 2020 |
|---|--------------|--------------|
| Change in Net Assets without Donor Restrictions: | | |
| Revenue: | | |
| Assessments | \$ 2,442,311 | \$ 2,299,249 |
| Contributions | 662,735 | 690,532 |
| Promotions | 49,514 | 20,189 |
| Contracted income | 65,706 | 38,019 |
| Employee Pass Program | 509,900 | 322,312 |
| Grants | - | 2,037,763 |
| Interest | 556 | 341 |
| Miscellaneous | 181,540 | 119,379 |
| Right of way improvements | 15,160 | 18,923 |
| Gain/loss on investment held by others | 79,057 | 64,876 |
| Other income (expense) | (313,965) | (155,734) |
| Net assets released from restrictions | 179,155 | 35,760 |
| | 3,871,669 | 5,491,609 |
| Total revenue without donor restrictions | | |
| Expenses: | | |
| Clean and safe | 2,445,990 | 2,281,697 |
| Landscaping and maintenance | 224,178 | 289,791 |
| Communications and research | 337,850 | 262,681 |
| Employee pass program | 509,900 | 322,312 |
| Right of way improvements | - | - |
| CARES program | - | 2,000,000 |
| Public Restrooms program | 65,774 | - |
| General and administrative | 317,833 | 374,351 |
| | 3,901,525 | 5,530,832 |
| Total Expenses | | |
| Change in Net Assets without Donor Restrictions | (29,856) | (39,223) |
| Change in Net Assets with Donor Restrictions: | | |
| Grant revenue | 209,011 | 74,983 |
| Net assets released from restrictions | (179,155) | (35,760) |
| Change in Net Assets with Donor Restrictions | 29,856 | 39,223 |
| Change in Net Assets | - | - |
| Net Assets-Beginning of Year | - | - |
| Net Assets-End of Year | \$ - | \$ - |

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

**SPECIAL IMPROVEMENTS DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

| | Clean and Safe | Landscaping and Maintenance | Promotions and Research | Employee Pass Program | Public Restrooms | Total Program Services | General and Administrative | Total |
|------------------------------|----------------------------|--------------------------------|----------------------------|--------------------------|-------------------------|----------------------------|-------------------------------|----------------------------|
| Expenses: | | | | | | | | |
| Professional Services | \$ 2,097,628 | \$ 176,084 | \$ 112,597 | \$ 2,894 | \$ 52,583 | \$ 2,441,786 | \$ 38,949 | \$ 2,480,735 |
| Salaries, Taxes and Benefits | 151,282 | 20,831 | 167,091 | 80,458 | 13,191 | 432,853 | 174,749 | 607,602 |
| Bus Passes | - | - | - | 424,834 | - | 424,834 | - | 424,834 |
| Occupancy and Equipment | 65,987 | 11,428 | 1,800 | - | - | 79,215 | 48,208 | 127,423 |
| Depreciation | 35,217 | 3,355 | 15,193 | - | - | 53,765 | 7,269 | 61,034 |
| Supplies | 41,967 | 3,495 | 32,953 | - | - | 78,415 | 8,192 | 86,607 |
| Communications | 22,531 | 6,459 | 16 | - | - | 29,006 | - | 29,006 |
| Insurance | 6,977 | 1,676 | 626 | 1,714 | - | 10,993 | 19,261 | 30,254 |
| Meetings and Travel | 4,596 | - | 7,554 | - | - | 12,150 | 1,314 | 13,464 |
| Training and Support | 18,530 | - | - | - | - | 18,530 | 289 | 18,819 |
| Other | 1,275 | 850 | 20 | - | - | 2,145 | 19,602 | 21,747 |
| Total Expenses | <u>\$ 2,445,990</u> | <u>\$ 224,178</u> | <u>\$ 337,850</u> | <u>\$ 509,900</u> | <u>\$ 65,774</u> | <u>\$ 3,583,692</u> | <u>\$ 317,833</u> | <u>\$ 3,901,525</u> |

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

**SPECIAL IMPROVEMENTS DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

| | Clean and Safe | Landscaping and Maintenance | Promotions and Research | Employee Pass Program | CARES Program | Total Program Services | General and Administrative | Total |
|------------------------------|----------------------------|--------------------------------|----------------------------|--------------------------|----------------------------|----------------------------|-------------------------------|----------------------------|
| Expenses: | | | | | | | | |
| Professional Services | \$ 1,916,251 | \$ 236,705 | \$ 52,327 | \$ 13,348 | \$ 8,060 | \$ 2,226,691 | \$ 42,022 | \$ 2,268,713 |
| Salaries, Taxes and Benefits | 131,632 | 22,462 | 175,264 | 97,325 | 5,417 | 432,100 | 238,715 | 670,815 |
| Bus Passes | - | - | - | 209,902 | - | 209,902 | - | 209,902 |
| Occupancy and Equipment | 74,515 | 12,081 | 3,693 | - | - | 90,289 | 55,043 | 145,332 |
| Depreciation | 39,105 | 9,907 | 17,841 | - | - | 66,853 | 8,495 | 75,348 |
| Supplies | 69,280 | 681 | 12,212 | - | 195 | 82,368 | 1,400 | 83,768 |
| Communications | 19,962 | 6,429 | 10 | - | - | 26,401 | - | 26,401 |
| Insurance | 6,526 | 777 | 620 | 1,687 | - | 9,610 | 18,063 | 27,673 |
| Meetings and Travel | 4,026 | - | 264 | - | - | 4,290 | 1,382 | 5,672 |
| Training and Support | 20,050 | - | 335 | 50 | - | 20,435 | - | 20,435 |
| Other | 350 | 749 | 115 | - | 1,986,328 | 1,987,542 | 9,231 | 1,996,773 |
| Total Expenses | <u>\$ 2,281,697</u> | <u>\$ 289,791</u> | <u>\$ 262,681</u> | <u>\$ 322,312</u> | <u>\$ 2,000,000</u> | <u>\$ 5,156,481</u> | <u>\$ 374,351</u> | <u>\$ 5,530,832</u> |

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

**SPECIAL IMPROVEMENTS DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

| | 2021 | 2020 |
|---|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ - | \$ - |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Depreciation | 61,034 | 75,348 |
| Loss on disposal of asset | - | - |
| (Increase) decrease in assets: | | |
| Accounts receivable | (179,846) | (31,299) |
| Prepaid expenses | (18,421) | (42,745) |
| Beneficial interest in assets held by others | (91,271) | (80,319) |
| Increase (decrease) in liabilities: | | |
| Accounts payable | 241,002 | 121,393 |
| Accounts payable-related party | 313,965 | 155,734 |
| Accrued expenses | (3,082) | 36,626 |
| Deferred revenue | 84,427 | (88,156) |
| Deposits | 95 | (359) |
| Net Cash Provided (Used) by Operating Activities | 407,903 | 146,223 |
| Cash Flows from Investing Activities: | | |
| Purchase of fixed assets | (18,410) | (39,781) |
| Net transfers (to) from beneficial interest in assets held by others | - | 310,000 |
| Net Cash Provided (Used) by Investing Activities | (18,410) | 270,219 |
| Cash Flows from Financing Activities: | | |
| Principal payments of capital lease obligation | (2,988) | (2,787) |
| Net Cash Provided (Used) by Financing Activities | (2,988) | (2,787) |
| Net Increase (Decrease) in Cash and Cash Equivalents | 386,505 | 413,655 |
| Cash and Cash Equivalents at Beginning of Year | 1,102,064 | 688,409 |
| Cash and Cash Equivalents at End of Year | \$ 1,488,569 | \$ 1,102,064 |

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

**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICES ASSOCIATION
Franklin County
For the Years Ended December 31, 2021 and 2020**

Notes to the Financial Statements

- 1- Organization and Operation:** SID Public Services Association (the Association) is a non-profit organization created by its sole members, Capital Crossroads Special Improvement District of Columbus, Inc. (Capital Crossroads) and Discovery Special Improvement District of Columbus, Inc. (Discovery), for the purpose of executing the charitable functions of Capital Crossroads and Discovery within their respective Districts. The Association is also authorized to operate the charitable functions of or to carry out the charitable purposes of other Ohio special improvement districts that are admitted members of the Association.

The Association has agreements to provide services to Capital Crossroads and Discovery. During 2021 and 2020, the Association derived most of its revenues from these agreements. The funding for these agreements is primarily from property assessments that Capital Crossroads and Discovery received from property owners that are in their respective special improvement districts. Property owners must periodically "reauthorize" these property assessments. The property assessments for both Capital Crossroads and Discovery are currently authorized through December 31, 2025.

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

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial Statement Presentation: The Association reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions. Contributions with donor restrictions whose restrictions are fulfilled in the same time period in which the contribution is received are reported as contributions without restrictions. As of December 31, 2021 and 2020, the Association had net assets without donor restrictions and net assets with donor restrictions (see Note 10).

Cash and Cash Equivalents: The Association considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable: The Association considers all accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is necessary.

The Association has elected to apply early implementation of Accounting Standards Update No. 2016-02, *Leases (Topic 842)* for capital lease reporting but has not yet applied the requirements of the standard for operating lease reporting.

Income Taxes: The Association is recognized as exempt from Federal income tax under Section 501(C)(3) of the Internal Revenue Code.

The Association has adopted the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) relating to uncertain tax positions. The Association does not believe its financial statements include any uncertain tax positions.

**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICES ASSOCIATION
Franklin County
For the Years Ended December 31, 2021 and 2020**

Notes to the Financial Statements

2- Summary of Significant Accounting Policies (Continued):

Concentration of Credit Risk: The Association maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts and does not believe it is exposed to any significant risk on cash and cash equivalents.

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

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

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

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

Assets measured at fair value on a recurring basis at December 31, 2021 and 2020 were as follows:

| | | <u>2021</u> | <u>2020</u> |
|--|---------|---------------------|---------------------|
| Money Market Cash Funds | Level 1 | \$ 1,373,267 | \$ 772,743 |
| Beneficial interest in assets held by others | Level 2 | <u>1,015,477</u> | <u>924,206</u> |
| Total | | <u>\$ 2,388,744</u> | <u>\$ 1,696,949</u> |

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

4- Designated Funds: During 2017, the Association had cash in checking and money market accounts that were designated by the Board of Directors for use relating to the Right of Way program only. This cash was transferred to the endowment held at the Columbus Foundation in 2018.

**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICES ASSOCIATION
Franklin County
For the Years Ended December 31, 2021 and 2020**

Notes to the Financial Statements

5- Funds Held by the Columbus Foundation: The Association has funds held at The Columbus Foundation for the unrestricted use of the Association. These funds are subject to the variance power of the Board of Trustees of The Columbus Foundation. The variance power permits The Columbus Foundation's Board of Trustees, in its sole discretion, to redirect all or part of the funds' income and/or assets to another organization. The activity of the funds held at The Columbus Foundation for the years ended December 31, 2021 and 2020 are as follows:

| | <u>2021</u> | <u>2020</u> |
|---|-------------------------|-----------------------|
| Cash and investments at beginning of year (at market) | \$ 924,206 | \$ 1,153,887 |
| Transfers to (from) Columbus Foundation | - | (310,000) |
| Net interest and dividend income | 15,160 | 18,923 |
| Net realized and unrealized gains | 79,057 | 64,876 |
| Administrative fees | <u>(2,946)</u> | <u>(3,480)</u> |
| Cash and investments at end of year (at market) | <u>\$ 1,015,477</u> | <u>\$ 924,206</u> |

6- Property and Equipment: Property and equipment is recorded at original cost. Depreciation of property and equipment is provided using the straight-line method over the estimated lives of the assets ranging from 3 to 5 years. Expenditures for additions, major renewals and improvements are capitalized, where expenditures for maintenance and repairs are charged to expense as incurred. The cost of assets retired or disposed of and the related accumulated depreciation is recorded in the year of disposal. Depreciation expense was \$61,034 and \$75,348 for the years ended December 31, 2021 and 2020, respectively.

7- Lines of Credit: The Association has a \$300,000 line of credit and a \$150,000 line of credit available with a bank bearing interest at prime plus 1.5% (4.75% and 4.75% at December 31, 2021 and 2020, respectively). The outstanding balances on the lines of credit were \$0 at both December 31, 2021 and 2020. The lines of credit are secured by substantially all of the Association's assets, including cash and accounts receivable.

8- Operating Leases: The Association entered into operating lease agreements for office and storage space, which expire at various dates through 2026. Rental expense under operating leases including operational fees totaled \$75,870 and \$75,870 for the years ending December 31, 2021 and 2020, respectively.

Future minimum lease payments under these operating leases are as follows for the year ended December 31:

| | |
|-------|-------------------|
| 2022 | \$ 78,902 |
| 2023 | 63,670 |
| 2024 | 63,670 |
| 2025 | 63,670 |
| 2026 | <u>63,670</u> |
| Total | <u>\$ 333,582</u> |

The Association has not yet implemented Accounting Standards Update No. 2016-02, *Leases (Topic 842)* for operating lease reporting.

**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICES ASSOCIATION
Franklin County
For the Years Ended December 31, 2021 and 2020**

Notes to the Financial Statements

9- Capital Leases: Effective April 5, 2019, the Association entered into a four year finance lease for a copier expiring March 5, 2023 at a monthly rental of \$475. The lease has a 7% annual interest rate with a bargain purchase option at the expiration of the lease. The monthly rental expense is comprised of a \$193 service expense with the remaining \$282 split between principal and interest. Rental expense charged to 2021 operations under this lease amounted to \$5,700, of which \$2,988 went to principal and \$397 went to interest. Future amortization of the lease obligation can be seen below:

| Year | Principal | Interest | Service | Total |
|-------|-----------------|---------------|-----------------|-----------------|
| 2022 | \$ 3,204 | \$ 181 | \$ 2,315 | 5,700 |
| 2023 | 837 | 9 | 579 | 1,425 |
| Total | <u>\$ 4,041</u> | <u>\$ 190</u> | <u>\$ 2,894</u> | <u>\$ 7,125</u> |

10- Net Assets with Donor Restrictions: Net assets with donor restrictions by purpose consist of the following at December 31:

| | <u>2021</u> | <u>2020</u> |
|---------------------------------|------------------|------------------|
| Warming Stations | \$ 19,367 | \$ 22,100 |
| PortaJohns | 43,469 | 10,783 |
| Gay Street Landscaping | 3,303 | 6,340 |
| High and Nationwide Landscaping | 6,340 | 0 |
| Gay Street Medians | <u>10,700</u> | <u>14,100</u> |
| Total | <u>\$ 83,179</u> | <u>\$ 53,323</u> |

11- Related Parties: The Association is related to Capital Crossroads through common management. In addition, four members of the Association's eight member board of directors are appointed by Capital Crossroads. Capital Crossroads and the Association entered into an agreement whereby the Association provides certain program and administrative services to Capital Crossroads. Total revenue recognized by the Association under this agreement was \$3,172,761 and \$4,786,367 for the periods ended December 31, 2021 and 2020, respectively. The statement of financial position includes a payable to Capital Crossroads of \$1,880,262 and \$1,854,493 as of December 31, 2021 and 2020, respectively.

The Association is related to Discovery through common management. In addition, four members of the Association's eight member board of directors are appointed by Discovery. Discovery and the Association entered into an agreement whereby the Association provides certain program and administrative services to Discovery. Total revenue recognized by the Association under this agreement was \$728,762 and \$744,464 for the periods ended December 31, 2021 and 2020, respectively. The statement of financial position includes a payable to Discovery of \$538,811 and \$250,614 as of December 31, 2021 and 2020, respectively.

12- Retirement Plan: The Association participates in a 401(k) defined contribution plan which allows eligible employees to contribute up to the legal limit into the participant's choice of investment accounts. The Association contributes a matching of up to 3% of employee contributions. In addition, the plan allows for the Association to make discretionary contributions. The Association's contribution for the year ended December 31, 2021 and 2020 was \$13,845 and \$15,194, respectively.

**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICES ASSOCIATION
Franklin County
For the Years Ended December 31, 2021 and 2020**

Notes to the Financial Statements

13- Liquidity and Availability of Resources: The Association's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

| | |
|--|--------------------|
| Cash and cash equivalents | \$ 1,488,569 |
| Accounts receivable | 386,120 |
| Beneficial interest in assets held by others | <u>1,015,477</u> |
| Total financial assets | <u>2,890,166</u> |
| Less those unavailable for general expenditures within one year, due to: | |
| Board designated endowment fund used primarily for long-term investing | <u>(1,015,477)</u> |
| Financial assets available within one year | <u>\$1,874,689</u> |

As part of the Association's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. This is primarily accomplished through monthly budgeting of cash inflows and outflows. The Association maintains excess cash on hand in the event of unexpected outflows. In the event this cash is insufficient to cover unanticipated liquidity needs, the Association could draw upon \$450,000 of available lines of credit.

14- Huntington Bank Payroll Protection Program: On March 22, 2021, the Association received loan proceeds in the amount of \$129,382 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four-week period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Association has used the proceeds for purposes consistent with the PPP. The Association's PPP loan has been forgiven, so the Association has recorded proceeds as contribution revenue in accordance with FASB ASC 958-605.

**SPECIAL IMPROVEMENTS DISTRICT PUBLIC SERVICE ASSOCIATION
COMBINING SCHEDULES OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021**

| | <u>Capital Crossroads</u> | <u>Discovery</u> | <u>Total</u> |
|--|----------------------------|--------------------------|----------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents: | | | |
| Cash-undesignated | \$ 1,050,282 | \$ 438,287 | \$ 1,488,569 |
| Cash-right of way | - | - | - |
| Total cash and equivalents | <u>1,050,282</u> | <u>438,287</u> | <u>1,488,569</u> |
| Accounts Receivable | 312,517 | 73,603 | 386,120 |
| Prepaid expenses | 31,751 | 39,723 | 71,474 |
| Total Current Assets | <u>1,394,550</u> | <u>551,613</u> | <u>1,946,163</u> |
| Fixed Assets: | | | |
| Equipment and vehicles, at cost | 622,998 | 102,482 | 725,480 |
| Accumulated depreciation | (553,814) | (90,280) | (644,094) |
| Net Fixed Assets | <u>69,184</u> | <u>12,202</u> | <u>81,386</u> |
| Other Assets: | | | |
| Beneficial interest in assets held by others | 1,015,477 | - | 1,015,477 |
| Total Assets | <u><u>2,479,211</u></u> | <u><u>563,815</u></u> | <u><u>3,043,026</u></u> |
| LIABILITIES AND NET ASSETS | | | |
| Current Liabilities: | | | |
| Accounts payable | 418,295 | 18,330 | 436,625 |
| Accounts payable-related party | 1,880,262 | 538,811 | 2,419,073 |
| Accrued expenses | 68,417 | 5,622 | 74,039 |
| Deferred revenue | 102,518 | - | 102,518 |
| Capital lease obligation, current portion | 2,370 | 834 | 3,204 |
| Deposits | 6,730 | - | 6,730 |
| Total Current Liabilities | <u>2,478,592</u> | <u>563,597</u> | <u>3,042,189</u> |
| Noncurrent Liabilities: | | | |
| Capital lease obligation, less current portion | 619 | 218 | 837 |
| Total Noncurrent Liabilities | <u>619</u> | <u>218</u> | <u>837</u> |
| Total Liabilities | <u><u>2,479,211</u></u> | <u><u>563,815</u></u> | <u><u>3,043,026</u></u> |
| Net Assets: | | | |
| Without donor restrictions | (83,179) | - | (83,179) |
| With donor restrictions | 83,179 | - | 83,179 |
| Total Net Assets | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities and Net Assets | <u><u>\$ 2,479,211</u></u> | <u><u>\$ 563,815</u></u> | <u><u>\$ 3,043,026</u></u> |

**SPECIAL IMPROVEMENTS DISTRICT PUBLIC SERVICE ASSOCIATION
COMBINING SCHEDULES OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020**

| | <u>Capital Crossroads</u> | <u>Discovery</u> | <u>Total</u> |
|--|----------------------------|--------------------------|----------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents: | | | |
| Cash-undesignated | \$ 900,078 | \$ 201,987 | \$ 1,102,065 |
| Cash-right of way | - | - | - |
| Total cash and equivalents | <u>900,078</u> | <u>201,987</u> | <u>1,102,065</u> |
| Accounts Receivable | 164,243 | 42,031 | 206,274 |
| Prepaid expenses | 23,939 | 29,114 | 53,053 |
| Total Current Assets | <u>1,088,260</u> | <u>273,132</u> | <u>1,361,392</u> |
| Fixed Assets: | | | |
| Equipment and vehicles, at cost | 610,473 | 96,597 | 707,070 |
| Accumulated depreciation | (501,687) | (81,373) | (583,060) |
| Net Fixed Assets | <u>108,786</u> | <u>15,224</u> | <u>124,010</u> |
| Other Assets: | | | |
| Beneficial interest in assets held by others | 924,206 | - | 924,206 |
| Total Assets | <u><u>2,121,252</u></u> | <u><u>288,356</u></u> | <u><u>2,409,608</u></u> |
| LIABILITIES AND NET ASSETS | | | |
| Current Liabilities: | | | |
| Accounts payable | 165,018 | 30,605 | 195,623 |
| Accounts payable-related party | 1,854,493 | 250,614 | 2,105,107 |
| Accrued expenses | 71,815 | 5,307 | 77,122 |
| Deferred revenue | 18,092 | - | 18,092 |
| Capital lease obligation, current portion | 2,210 | 778 | 2,988 |
| Deposits | 6,635 | - | 6,635 |
| Total Current Liabilities | <u>2,118,263</u> | <u>287,304</u> | <u>2,405,567</u> |
| Noncurrent Liabilities: | | | |
| Capital lease obligation, less current portion | 2,989 | 1,052 | 4,041 |
| Total Noncurrent Liabilities | <u>2,989</u> | <u>1,052</u> | <u>4,041</u> |
| Total Liabilities | <u><u>2,121,252</u></u> | <u><u>288,356</u></u> | <u><u>2,409,608</u></u> |
| Net Assets: | | | |
| Without donor restrictions | (53,323) | - | (53,323) |
| With donor restrictions | 53,323 | - | 53,323 |
| Total Net Assets | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities and Net Assets | <u><u>\$ 2,121,252</u></u> | <u><u>\$ 288,356</u></u> | <u><u>\$ 2,409,608</u></u> |

**SPECIAL IMPROVEMENTS DISTRICT PUBLIC SERVICE ASSOCIATION
COMBINING SCHEDULES OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021**

| | <u>Capital Crossroads</u> | <u>Discovery</u> | <u>Total</u> |
|---|---------------------------|------------------|------------------|
| Change in Net Assets without Donor Restrictions: | | | |
| Revenue: | | | |
| Assessments | \$ 1,666,570 | \$ 775,741 | \$ 2,442,311 |
| Contributions | 479,844 | 182,891 | 662,735 |
| Promotions | 41,548 | 7,966 | 49,514 |
| Contracted income | 65,706 | - | 65,706 |
| Employee Pass Program | 509,900 | - | 509,900 |
| Grants | - | - | - |
| Interest | 433 | 123 | 556 |
| Miscellaneous | 131,302 | 50,238 | 181,540 |
| Right of way improvements | 15,160 | - | 15,160 |
| Gain/loss on investment held by others | 79,057 | - | 79,057 |
| Other income (expense) | (25,769) | (288,196) | (313,965) |
| Net assets released from restrictions | 179,155 | - | 179,155 |
| | - | - | - |
| Total revenue without donor restrictions | <u>3,142,906</u> | <u>728,763</u> | <u>3,871,669</u> |
| Expenses: | | | |
| Clean and safe | 1,874,295 | 571,695 | 2,445,990 |
| Landscaping and maintenance | 210,070 | 14,108 | 224,178 |
| Communications and research | 277,778 | 60,072 | 337,850 |
| Employee pass program | 509,900 | - | 509,900 |
| Right of way improvements | - | - | - |
| CARES program | - | - | - |
| Public Restrooms program | 65,774 | - | 65,774 |
| General and administrative | 234,945 | 82,888 | 317,833 |
| Total Expenses | <u>3,172,762</u> | <u>728,763</u> | <u>3,901,525</u> |
| Change in Net Assets without Donor Restrictions | <u>(29,856)</u> | <u>-</u> | <u>(29,856)</u> |
| Change in Net Assets with Donor Restrictions: | | | |
| Grant revenue | 209,011 | - | 209,011 |
| Net assets released from restrictions | (179,155) | - | (179,155) |
| Change in Net Assets with Donor Restrictions | <u>29,856</u> | <u>-</u> | <u>29,856</u> |
| Change in Net Assets | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Assets-Beginning of Year | - | - | - |
| Net Assets-End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**SPECIAL IMPROVEMENTS DISTRICT PUBLIC SERVICE ASSOCIATION
COMBINING SCHEDULES OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2020**

| | <u>Capital Crossroads</u> | <u>Discovery</u> | <u>Total</u> |
|---|---------------------------|------------------|------------------|
| Change in Net Assets without Donor Restrictions: | | | |
| Revenue: | | | |
| Assessments | \$ 1,674,330 | \$ 624,919 | \$ 2,299,249 |
| Contributions | 509,774 | 180,758 | 690,532 |
| Promotions | 19,939 | 250 | 20,189 |
| Contracted income | 38,019 | - | 38,019 |
| Employee Pass Program | 322,313 | - | 322,313 |
| Grants | 2,030,210 | 7,553 | 2,037,763 |
| Interest | 289 | 52 | 341 |
| Miscellaneous | 84,879 | 34,500 | 119,379 |
| Right of way improvements | 18,923 | - | 18,923 |
| Gain/loss on investment held by others | 64,876 | - | 64,876 |
| Other income (expense) | (52,168) | (103,567) | (155,735) |
| Net assets released from restrictions | 35,760 | - | 35,760 |
| | - | - | - |
| Total revenue without donor restrictions | <u>4,747,144</u> | <u>744,465</u> | <u>5,491,609</u> |
| Expenses: | | | |
| Clean and safe | 1,680,787 | 600,910 | 2,281,697 |
| Landscaping and maintenance | 281,075 | 8,716 | 289,791 |
| Communications and research | 226,666 | 36,015 | 262,681 |
| Employee pass program | 322,312 | - | 322,312 |
| Right of way improvements | - | - | - |
| CARES program | 2,000,000 | - | 2,000,000 |
| General and administrative | 275,527 | 98,824 | 374,351 |
| Total Expenses | <u>4,786,367</u> | <u>744,465</u> | <u>5,530,832</u> |
| Change in Net Assets without Donor Restrictions | <u>(39,223)</u> | <u>-</u> | <u>(39,223)</u> |
| Change in Net Assets with Donor Restrictions: | | | |
| Grant revenue | 74,983 | - | 74,983 |
| Net assets released from restrictions | (35,760) | - | (35,760) |
| Change in Net Assets with Donor Restrictions | <u>39,223</u> | <u>-</u> | <u>39,223</u> |
| Change in Net Assets | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Assets-Beginning of Year | - | - | - |
| Net Assets-End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**SPECIAL IMPROVEMENTS DISTRICT PUBLIC SERVICE ASSOCIATION
COMBINING SCHEDULES OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021**

| | <u>Capital Crossroads</u> | <u>Discovery</u> | <u>Total</u> |
|---|---------------------------|-----------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Change in net assets | \$ - | \$ - | \$ - |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | | |
| Depreciation | 52,126 | 8,908 | 61,034 |
| Loss on disposal of asset | - | - | - |
| (Increase) decrease in assets: | | | |
| Accounts receivable | (148,274) | (31,572) | (179,846) |
| Prepaid expenses | (7,813) | (10,608) | (18,421) |
| Beneficial interest in assets held by others | (91,271) | - | (91,271) |
| Increase (decrease) in liabilities: | | | |
| Accounts payable | 253,277 | (12,276) | 241,001 |
| Accounts payable-related party | 25,769 | 288,196 | 313,965 |
| Accrued expenses | (3,397) | 314 | (3,083) |
| Deferred revenue | 84,427 | - | 84,427 |
| Deposits | 94 | - | 94 |
| Net Cash Provided (Used) by Operating Activities | <u>164,938</u> | <u>242,962</u> | <u>407,900</u> |
| Cash Flows from Investing Activities: | | | |
| Purchase of fixed assets | (12,525) | (5,885) | (18,410) |
| Net transfers (to) from beneficial interest in assets held by others | - | - | - |
| Net Cash Provided (Used) by Financing Activities | <u>(12,525)</u> | <u>(5,885)</u> | <u>(18,410)</u> |
| Cash Flows from Financing Activities: | | | |
| Principal payments of capital lease obligation | (2,211) | (778) | (2,989) |
| Net Cash Provided (Used) by Financing Activities | <u>(2,211)</u> | <u>(778)</u> | <u>(2,989)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | <u>150,202</u> | <u>236,299</u> | <u>386,501</u> |
| Cash and Cash Equivalents at Beginning of Year | 900,078 | 201,987 | 1,102,065 |
| Cash and Cash Equivalents at End of Year | <u>\$ 1,050,280</u> | <u>\$ 438,286</u> | <u>\$ 1,488,566</u> |

**SPECIAL IMPROVEMENTS DISTRICT PUBLIC SERVICE ASSOCIATION
COMBINING SCHEDULES OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020**

| | <u>Capital Crossroads</u> | <u>Discovery</u> | <u>Total</u> |
|---|---------------------------|-----------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Change in net assets | \$ - | \$ - | \$ - |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | | |
| Depreciation | 66,213 | 9,135 | 75,348 |
| Loss on disposal of asset | - | - | - |
| (Increase) decrease in assets: | | | |
| Accounts receivable | (40,249) | 8,950 | (31,299) |
| Prepaid expenses | (18,193) | (24,552) | (42,745) |
| Beneficial interest in assets held by others | (80,319) | - | (80,319) |
| Increase (decrease) in liabilities: | | | |
| Accounts payable | 101,215 | 20,178 | 121,393 |
| Accounts payable-related party | 52,168 | 103,566 | 155,734 |
| Accrued expenses | 40,061 | (3,435) | 36,626 |
| Deferred revenue | (88,156) | - | (88,156) |
| Deposits | (359) | - | (359) |
| Net Cash Provided (Used) by Operating Activities | <u>32,381</u> | <u>113,842</u> | <u>146,223</u> |
| Cash Flows from Investing Activities: | | | |
| Purchase of fixed assets | (38,520) | (1,261) | (39,781) |
| Net transfers (to) from beneficial interest in assets held by others | 310,000 | - | 310,000 |
| Net Cash Provided (Used) by Financing Activities | <u>271,480</u> | <u>(1,261)</u> | <u>270,219</u> |
| Cash Flows from Financing Activities: | | | |
| Principal payments of capital lease obligation | (2,062) | (725) | (2,787) |
| Net Cash Provided (Used) by Financing Activities | <u>(2,062)</u> | <u>(725)</u> | <u>(2,787)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | <u>301,799</u> | <u>111,856</u> | <u>413,655</u> |
| Cash and Cash Equivalents at Beginning of Year | 598,279 | 90,130 | 688,409 |
| Cash and Cash Equivalents at End of Year | <u>\$ 900,078</u> | <u>\$ 201,986</u> | <u>\$ 1,102,064</u> |

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Marletta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

150 West Main St.
St. Clairsville, OH 43950
740.695.1569

1310 Market Street, Suite 300
Wheeling, WV 26003
304.232.1358

749 Wheeling Ave., Suite 300
Cambridge, OH 43725
740.435.3417

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

Special Improvement District Public Services Association
Franklin County
23 North Fourth Street
Columbus, Ohio 43215

To the Board of Directors:

We have audited, in accordance with 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, the financial statements of the Special Improvement District Public Services Association, Franklin County, (the Association) (a nonprofit organization) which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated April 29, 2022.

Report on Internal Control Over Financial Reporting

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

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association'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 Association'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 Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

April 29, 2022

OHIO AUDITOR OF STATE KEITH FABER



SPECIAL IMPROVEMENT DISTRICT (SID) PUBLIC SERVICE ASSOCIATION

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 6/2/2022

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