



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

COMMUNITY IMPROVEMENT CORPORATION OF UNION COUNTY
UNION COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Board of Directors
Community Improvement Corporation of Union County
227 East Fifth Street
Marysville, Ohio 43040

We have reviewed the *Independent Auditor's Report* of the Community Improvement Corporation of Union County, Union County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2021 through December 31, 2022. 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 Community Improvement Corporation of Union County 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

December 13, 2023

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**COMMUNITY IMPROVEMENT CORPORATION OF UNION COUNTY
UNION COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Community Improvement Corporation of Union County
Union County
227 East Fifth Street
Marysville, Ohio 43040

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Community Improvement Corporation of Union County, Union County, Ohio (the Corporation), (a not-for-profit corporation), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation, as of December 31, 2022 and 2021, 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 Opinion

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 Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable).

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 opinion. 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 Corporation'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 Corporation's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2023, 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. 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 Corporation'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 Corporation's internal control over financial reporting and compliance.



BHM CPA Group, Inc.
Piketon, Ohio
August 31, 2023

**COMMUNITY IMPROVEMENT CORPORATION OF UNION COUNTY
UNION COUNTY**

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS	
Cash	\$ 180,895
Accounts Receivable	11,500
Prepaid Expenses	<u>618</u>
Total Assets	<u><u>193,013</u></u>
LIABILITIES	
Accounts Payable	<u>20,045</u>
Total Liabilities	<u>20,045</u>
Net Assets	
Without Donor Restrictions	122,727
With Donor Restrictions	<u>50,241</u>
Total Net Assets	<u>172,968</u>
Total Liabilities and Net Assets	<u><u>\$ 193,013</u></u>

The notes to the financials statements are an integral part of this statement

**COMMUNITY IMPROVEMENT CORPORATION OF UNION COUNTY
UNION COUNTY**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Other Support			
Member dues	\$ 341,884	\$ -	\$ 341,884
Interest Income	112	-	112
Other Income	46,073	-	46,073
Program Revenue	-	18,974	18,974
Net Assets Released from Restrictions	74,468	(74,468)	-
Total Revenues	<u>462,537</u>	<u>(55,494)</u>	<u>407,043</u>
Operating Expenses			
Program	407,723	-	407,723
Management and General	48,126	-	48,126
Total Expenses	<u>455,849</u>	<u>-</u>	<u>455,849</u>
 Change in net assets	 6,688	 (55,494)	 (48,806)
Net assets, beginning of year	<u>116,039</u>	<u>105,735</u>	<u>221,774</u>
Net assests, end of year	<u><u>\$ 122,727</u></u>	<u><u>\$ 50,241</u></u>	<u><u>\$ 172,968</u></u>

The notes to the financials statements are an integral part of this statement

**COMMUNITY IMPROVEMENT CORPORATION OF UNION COUNTY
UNION COUNTY**

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Program</u>	<u>Management & General</u>	<u>Total</u>
Salaries	\$ 95,988	\$ 41,527	\$ 137,515
Marketing	33,230	-	33,230
Subscriptions	574	-	574
Professional Dues	26,305	-	26,305
Operational Fees	90,654	-	90,654
Bank Charges	-	24	24
Transportation	7,736	-	7,736
Consulting Contracts	56,496	-	56,496
Conference Expenses	2,272	-	2,272
Office Expenses	1,815	1,815	3,630
Meals and Entertainment	2,036	-	2,036
Accounting and Legal	857	856	1,713
Program Expenses	78,046	-	78,046
Employee Benefits	3,259	1,086	4,345
Payroll taxes	8,455	2,818	11,273
Total	<u>\$ 407,723</u>	<u>\$ 48,126</u>	<u>\$ 455,849</u>

The notes to the financials statements are an integral part of this statement

**COMMUNITY IMPROVEMENT CORPORATION OF UNION COUNTY
UNION COUNTY**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (48,806)
Adjustments to reconcile change in net assets	
Increase in accounts receivable	7,995
Decrease in prepaid expenses	830
Increase in accounts payable	12,416
Net cash used by operating	<u>(27,565)</u>
 NET DECREASE IN CASH	 (27,565)
 CASH AT BEGINNING OF YEAR	 <u>208,460</u>
 CASH AT END OF YEAR	 <u><u>\$ 180,895</u></u>

Supplemental Disclosures for Cash Flow:

Cash paid for:

Interest	\$ -
Income Taxes	\$ -

The notes to the financials statements are an integral part of this statement

Community Improvement Corporation of Union County

Notes to the Financial Statements

December 31, 2022

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

The Community Improvement Corporation of Union County (the Corporation) was incorporated in 1989. The Corporation is a not-for-profit community improvement corporation which was formed for the purpose of advancing, encouraging and promoting the industrial, economic, commercial, and civic development of Union County, Ohio. A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statement follows.

B. Basis of Accounting

The financial statements of the Corporation have been prepared on an accrual basis of accounting and accordingly reflect all significant assets and liabilities.

C. Income Taxes

The Corporation is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(6) and Chapters 1702 and 1724 of the Ohio Revised Code.

D. Basis of Presentation

The Corporation has adopted the Accounting Standard Codification (ASC) No. 958-205-45, "Financial Statement of Not-For-Profit Organizations". Under ASC 958-205-45, the Corporation is required to report information regarding its financial position and activities according to two class of net assets: net assets without donor restrictions and net assets with donor restrictions. The Corporation is also required to present a statement of cash flows.

Net Assets Without Donor Restrictions – net assets without donor restrictions are available for use at the discretion of the Board of Trustees and/or management for the general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net Assets with Donor Restrictions – net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

See Note 9 for more information on the composition of net assets with donor restrictions.

E. Liquidity Management

The Corporation has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations due. The Corporation invests cash in excess of daily requirements into a savings account. To help manage unanticipated liquidity needs the Corporation has Board Designated net assets without donor restrictions that, while the Corporation does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, if necessary.

Community Improvement Corporation of Union County

Notes to the Financial Statements

December 31, 2022

(Continued)

F. Use of Estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. Accounting Pronouncements Adopted

In August 2016, the Financial Accounting Standards Board (the “FASB”) issued an update to Not-For-Profit accounting to help charities, foundations, universities, and other Not-For-Profit Groups (Organization) better tell their “Financial Story”. The Accounting Standards Update (ASU) No. 2016-14, Not-For-Profit Entities, deals largely with financial statement presentation issues – how organizations convey how they spend and invest their resources. The standard requires an organization to classify their assets into two categories – those with donor restrictions and those with. The update also aims to enhance information about an organization’s expenses through new expenses analysis that shows expenses broken down by nature and function. Further, the update will require organizations to provide information that shows how they manage their access to cash over twelve months and retain liquidity. The update went into effect for the financial statements issues for fiscal years beginning after December 15, 2017. The Corporation implemented ASU 2016-14 as of and for the year ended December 31, 2022.

H. Cash Deposits

At December 31, 2022, the bank balance was \$180,895. Accounts at each institution are insured by Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000.

I. Property and Equipment

Acquisitions of property and equipment are capitalized. Expenditures for maintenance and repairs are charged against operations. Property and equipment are carried at cost or, if donated, at the approximate fair value of the date of donation.

Depreciation is computed using primarily the straight-line method. All reported capital assets are depreciated. Depreciation on the furniture and equipment is calculated over a useful life of 5-7 years.

2. RISK MANAGEMENT

The Corporation is subject to certain types of risk in the performance of its normal functions. The Corporation manages these types of risks through commercial insurance. The amount of settlements has not exceeded coverage for any of the past three years. There has not been a significant reduction of coverage since the prior year in any of the major categories of risk.

Community Improvement Corporation of Union County

Notes to the Financial Statements

December 31, 2022

(Continued)

3. MOBILE LAB PROGRAM

In 2016, the Corporation received \$246,000 in a combined joint contract with Marion Technical College to develop the Mobile Manufacturing Training Lab (MMTL) Program. The program will focus its efforts within an eight-county region surrounding and including Union County, Ohio. Through collaborative efforts of the public sector, private sector, and education institutions, the MMTL program shall actively promote and support hands on fundamental and intermediate level manufacturing skills training for incumbent workers, adult learners, and students in school grades 7 through 12.

4. YEA PROGRAM

Young Entrepreneurs Academy (YEA!) guides middle school and high school students through the process of starting and running a legitimate business or social movement over the course of a full academic year. YEA!'s direct mission is to help students embrace their passion, energy, creativity and talents, launch a venture, and view entrepreneurship and social innovation as synonymous with success and freedom.

5. TEAM MARYSVILLE

Team Marysville is an association of Marysville, Ohio residents, merchants, property owners and elected officials that works to improve the overall economic and civic vitality of Marysville's historic Upton District.

6. NATURAL GAS

The Ohio Gas Access Partnership (OGAP) is a 501(c)(6) coalition of businesses and community stakeholders seeking solutions of West Central Ohio's future energy needs. During its Board of Trustees meeting on April 10, 2019, the CIC took formal action to become the fiduciary agent for OGAP. As such, the CIC is responsible for issuing invoices and collecting payments from OGAP members, making payments on behalf of OGAP, and preparing financial reports. Public sector members of OGAP include Union, Logan, and Madison Counties, City of Marysville, Marysville Union County Port Authority, Union County Community Improvement Corporation, Memorial Health and the Mid-Ohio Regional Planning Commission.

7. RELATED PARTY TRANSACTIONS

Union County, Ohio (the County) provides a material portion of the Corporation's funding. During fiscal year ending December 31, 2022, the County paid the Corporation \$220,935 to promote economic development. This amount is included in membership fees.

8. ACCOUNTS RECEIVABLE

Receivables at December 31, 2022 consisted of uncollected EDAP Dues. All receivables are considered collectible in full and within one year. If amounts are uncollectible, they are written off to bad debt.

Community Improvement Corporation of Union County

Notes to the Financial Statements

December 31, 2022

(Continued)

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods of December 31, 2022 is as follows:

<u>December 31:</u>	<u>2022</u>
Subject to expenditures for specified purpose or period:	
Mobile Lab Program	\$ 42,451
Young Entrepreneurs Academy (YEA)	277
Natural Gas	799
Team Marysville	<u>6,714</u>
Total Subject to expenditures for specified purpose or period	<u>50,241</u>
Total net assets with donor restrictions	<u>\$ 50,241</u>

During 2022, \$74,468 of net assets with specified purpose restrictions, were released from restrictions by incurring expenses satisfying the restricted purpose.

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**COMMUNITY IMPROVEMENT CORPORATION OF UNION COUNTY
UNION COUNTY**

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS	
Cash	\$ 208,460
Accounts Receivable	19,495
Prepaid Expenses	<u>1,448</u>
 Total Assets	 <u><u>229,403</u></u>
 LIABILITIES	
Accounts Payable	<u>7,629</u>
 Total Liabilities	 <u>7,629</u>
 Net Assets	
Without Donor Restrictions	116,039
With Donor Restrictions	<u>105,735</u>
 Total Net Assets	 <u>221,774</u>
 Total Liabilities and Net Assets	 <u><u>\$ 229,403</u></u>

The notes to the financials statements are an integral part of this statement

**COMMUNITY IMPROVEMENT CORPORATION OF UNION COUNTY
UNION COUNTY**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support			
Member dues	\$ 334,017	\$ -	\$ 334,017
Interest Income	63	-	63
Other Income	25,198	-	25,198
Program Revenue	-	15,222	15,222
Net Assets Released from Restrictions	62,510	(62,510)	-
Total Revenues	421,788	(47,288)	374,500
Operating Expenses			
Program	376,973	-	376,973
Management and General	42,677	-	42,677
Total Expenses	419,650	-	419,650
Change in net assets	2,138	(47,288)	(45,150)
Net assets, beginning of year	113,901	153,023	266,924
Net assets, end of year	\$ 116,039	\$ 105,735	\$ 221,774

The notes to the financials statements are an integral part of this statement

**COMMUNITY IMPROVEMENT CORPORATION OF UNION COUNTY
UNION COUNTY**

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Program</u>	<u>Management & General</u>	<u>Total</u>
Salaries	\$ 95,988	\$ 31,996	\$ 127,984
Marketing	22,073	-	22,073
Subscriptions	2,193	-	2,193
Professional Dues	13,646	-	13,646
Operational Fees	85,323	-	85,323
Bank Charges	-	170	170
Transportation	1,436	-	1,436
Consulting Contracts	28,279	-	28,279
Conference Expenses	1,597	-	1,597
Insurance Group	1,756	585	2,341
Office Expenses	2,586	2,586	5,172
Meals and Entertainment	2,593	-	2,593
Accounting and Legal	2,820	2,820	5,640
Program Expenses	62,510	-	62,510
Association Dues	40,609	-	40,609
Employee Benefits	5,990	1,996	7,986
Payroll taxes	7,574	2,524	10,098
Total	<u>\$ 376,973</u>	<u>\$ 42,677</u>	<u>\$ 419,650</u>

The notes to the financials statements are an integral part of this statement

**COMMUNITY IMPROVEMENT CORPORATION OF UNION COUNTY
UNION COUNTY**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (45,150)
Adjustments to reconcile change in net assets	
Increase in accounts receivable	(12,997)
Decrease in prepaid expenses	329
Increase in accounts payable	4,295
Net cash used by operating	<u>(53,523)</u>
 NET DECREASE IN CASH	 (53,523)
 CASH AT BEGINNING OF YEAR	 <u>261,983</u>
 CASH AT END OF YEAR	 <u><u>\$ 208,460</u></u>

Supplemental Disclosures for Cash Flow:

Cash paid for:

Interest	\$ -
Income Taxes	\$ -

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

Community Improvement Corporation of Union County

Notes to the Financial Statements

December 31, 2021

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

The Community Improvement Corporation of Union County (the Corporation) was incorporated in 1989. The Corporation is a not-for-profit community improvement corporation which was formed for the purpose of advancing, encouraging and promoting the industrial, economic, commercial, and civic development of Union County, Ohio. A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statement follows.

B. Basis of Accounting

The financial statements of the Corporation have been prepared on an accrual basis of accounting and accordingly reflect all significant assets and liabilities.

C. Income Taxes

The Corporation is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(6) and Chapters 1702 and 1724 of the Ohio Revised Code.

D. Basis of Presentation

The Corporation has adopted the Accounting Standard Codification (ASC) No. 958-205-45, "Financial Statement of Not-For-Profit Organizations". Under ASC 958-205-45, the Corporation is required to report information regarding its financial position and activities according to two class of net assets: net assets without donor restrictions and net assets with donor restrictions. The Corporation is also required to present a statement of cash flows.

Net Assets Without Donor Restrictions – net assets without donor restrictions are available for use at the discretion of the Board of Trustees and/or management for the general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net Assets with Donor Restrictions – net assets with donor restrictions consist of assets whose Use is limited by donor-imposed, time and/or purpose restrictions.

See Note 9 for more information on the composition of net assets with donor restrictions.

E. Liquidity Management

The Corporation has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations due. The Corporation invests cash in excess of daily requirements into a savings account. To help manage unanticipated liquidity needs the Corporation has Board Designated net assets without donor restrictions that, while the Corporation does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, if necessary.

Community Improvement Corporation of Union County

Notes to the Financial Statements

December 31, 2021

(Continued)

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. Accounting Pronouncements Adopted

In August 2016, the Financial Accounting Standards Board (the "FASB") issued an update to Not-For-Profit accounting to help charities, foundations, universities, and other Not-For-Profit Groups (Organization) better tell their "Financial Story". The Accounting Standards Update (ASU) No. 2016-14, Not-For-Profit Entities, deals largely with financial statement presentation issues – how organizations convey how they spend and invest their resources. The standard requires an organization to classify their assets into two categories – those with donor restrictions and those with. The update also aims to enhance information about an organization's expenses through new expenses analysis that shows expenses broken down by nature and function. Further, the update will require organizations to provide information that shows how they manage their access to cash over twelve months and retain liquidity. The update went into effect for the financial statements issues for fiscal years beginning after December 15, 2017. The Corporation has implemented ASU 2016-14 as of and for the year December 31, 2021.

H. Cash Deposits

At December 31, 2021, the bank balance was \$208,460. Accounts at each institution are insured by Federal Deposit Insurance Corporation ("FDIC") up to \$250,000.

I. Property and Equipment

Acquisitions of property and equipment are capitalized. Expenditures for maintenance and repairs are charged against operations. Property and equipment are carried at cost or, if donated, at the approximate fair value of the date of donation.

Depreciation is computed using primarily the straight-line method. All reported capital assets are depreciated. Depreciation on the furniture and equipment is calculated over a useful life of 5-7 years.

2. RISK MANAGEMENT

The Corporation is subject to certain types of risk in the performance of its normal functions. The Corporation manages these types of risks through commercial insurance. The amount of settlements has not exceeded coverage for any of the past three years. There has not been a significant reduction of coverage since the prior year in any of the major categories of risk.

Community Improvement Corporation of Union County

Notes to the Financial Statements

December 31, 2021

(Continued)

3. MOBILE LAB PROGRAM

In 2016, the Corporation received \$246,000 in a combined joint contract with Marion Technical College to develop the Mobile Manufacturing Training Lab (MRTL) Program. The program will focus its efforts within an eight-county region surrounding and including Union County, Ohio. Through collaborative efforts of the public sector, private sector, and education institutions, the MRTL program shall actively promote and support hands on fundamental and intermediate level manufacturing skills training for incumbent workers, adult learners, and students in school grades 7 through 12.

4. YEA PROGRAM

Young Entrepreneurs Academy (YEA!) guides middle school and high school students through the process of starting and running a legitimate business or social movement over the course of a full academic year. YEA!'s direct mission is to help students embrace their passion, energy, creativity and talents, launch a venture, and view entrepreneurship and social innovation as synonymous with success and freedom.

5. TEAM MARYSVILLE

Team Marysville is an association of Marysville, Ohio residents, merchants, property owners and elected officials that works to improve the overall economic and civic vitality of Marysville's historic Upton District.

6. NATURAL GAS

The Ohio Gas Access Partnership (OGAP) is a 501(c)(6) coalition of businesses and community stakeholders seeking solutions of West Central Ohio's future energy needs. During its Board of Trustees meeting on April 10, 2019, the CIC took formal action to become the fiduciary agent for OGAP. As such, the CIC is responsible for issuing invoices and collecting payments from OGAP members, making payments on behalf of OGAP, and preparing financial reports. Public sector members of OGAP include Union, Logan, and Madison Counties, City of Marysville, Marysville Union County Port Authority, Union County Community Improvement Corporation, Memorial Health and the Mid-Ohio Regional Planning Commission.

7. RELATED PARTY TRANSACTIONS

Union County, Ohio (the County) provides a material portion of the Corporation's funding. During fiscal year ending December 31, 2021, the County paid the Corporation \$243,133 to promote economic development. This amount is included in membership fees.

Community Improvement Corporation of Union County

Notes to the Financial Statements

December 31, 2021

(Continued)

8. ACCOUNTS RECEIVABLE

Receivables at December 31, 2021 consisted of uncollected EDAP Dues. All receivables are considered collectible in full and within one year. If amounts are uncollectible, they are written off to bad debt.

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods of December 31, 2021 is as follows:

<u>December 31:</u>	<u>2021</u>
Subject to expenditures for specified purpose or period:	
Mobile Lab Program	\$ 95,425
Young Entrepreneurs Academy (YEA)	6,271
Natural Gas	3,995
Team Marysville	<u>44</u>
Total Subject to expenditures for specified purpose or period	<u>105,735</u>
Total net assets with donor restrictions	<u><u>\$ 105,735</u></u>

During 2021, \$62,510 of net assets with specified purpose restrictions, were released from restrictions by incurring expenses satisfying the restricted purpose.



**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 Union County
Union County
227 East Fifth Street
Marysville, Ohio 43040

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 Union County, Union County, (the Corporation), (a not-for-profit corporation), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, and have issued our report thereon dated August 31, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation'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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 Corporation'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 Corporation'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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
August 31, 2023

COMMUNITY IMPROVEMENT CORPORATION OF UNION COUNTY
 UNION COUNTY
 DECEMBER 31, 2022 AND 2021

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2020-001	Material Weakness – Sound Financial Reporting	Yes	

OHIO AUDITOR OF STATE KEITH FABER



COMMUNITY IMPROVEMENT CORPORATION OF UNION COUNTY

UNION 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 12/26/2023

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