



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

**POWELL COMMUNITY IMPROVEMENT CORPORATION (A
COMPONENT UNIT OF THE CITY OF POWELL, OHIO)**

DELAWARE COUNTY

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2022

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Board of Directors
Powell Community Improvement Corporation
47 Hall Street
Powell, Ohio 43065

We have reviewed the *Independent Auditor's Report* of the Powell Community Improvement Corporation, Delaware County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2022 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 Powell Community Improvement Corporation 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

September 13, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Powell Community Improvement Corporation
Powell, Ohio:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Powell Community Improvement Corporation (the "Corporation"), a component unit of the City of Powell, Ohio, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Corporation'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 financial position of the Corporation as of December 31, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 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.

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. The 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 GAAS, 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 June 30, 2023 on our consideration of the Corporation's internal control over financial reporting and on 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.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
June 30, 2023

Powell Community Improvement Corporation
(A Component Unit of City of Powell, Ohio)
Delaware County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
(Unaudited)

This discussion and analysis is to provide users of the Powell Community Improvement Corporation's (the CIC) basic financial statements with a narrative introduction, overview, and analysis of those statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the CIC during 2022 are as follows:

- Total net position of the CIC at year-end was \$476,212, an increase of \$301,043 in comparison with the same balance at December 31, 2021.
- Total assets increased by \$306,363 and total liabilities increased by \$5,320 in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements.

The Statement of Net Position and Statement of Activities use the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting includes all assets, liabilities, revenues and expenses of the CIC regardless of when cash is received or paid.

The Statement of Activities reports the change in net position. The change in net position is important because it tells the reader whether the financial position of the CIC has improved or diminished.

All of the CIC's activities are classified as business-type activities.

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Powell Community Improvement Corporation
(A Component Unit of City of Powell, Ohio)
Delaware County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
(Unaudited)

The table below shows the CIC's net position for 2022 compared to 2021.

	2022	2021	Change
Assets:			
Current Assets			
Cash and cash equivalents	\$ 471,314	\$ 166,921	182.4%
Accounts receivable	-	17,790	-100.0%
Loans Receivable	20,000	-	100.0%
Prepaid items	495	735	-32.7%
Total Current Assets	491,809	185,446	165.2%
Total Assets	491,809	185,446	165.2%
Liabilities:			
Current Liabilities			
Accounts payable	12,897	2,496	416.7%
Refundable deposits	2,700	2,200	22.7%
Unearned revenue	-	5,581	100.0%
Total Current Liabilities	15,597	10,277	51.8%
Total Liabilities	15,597	10,277	51.8%
Net Position:			
Unrestricted	476,212	175,169	171.9%
Total Net Position	\$ 476,212	\$ 175,169	171.9%

Cash and cash equivalents increased significantly in comparison with prior fiscal year-end. This increase is due to the contributions related to the City of Powell's new CIP funding policy, in which up to 5% of the municipal income tax is available to the CIC for economic development activities.

Accounts payable increased in comparison with the prior fiscal year-end. This increase is primarily the result of the Camoin Associates contractual commitment for economic development consulting services. See Note 7 in the note disclosures relating to the contractual commitment.

Powell Community Improvement Corporation
(A Component Unit of City of Powell, Ohio)
Delaware County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
(Unaudited)

The table below shows the changes in net position for the year ended December 31, 2022 compared with December 31, 2021.

Changes in Net Position

	2022	2021	Change
Operating Revenues:			
Intergovernmental	\$ 5,581	\$ -	100.0%
Contributions	319,210	-	100.0%
Rental income	24,050	27,501	-12.5%
Total Operating Revenues	<u>348,841</u>	<u>27,501</u>	1168.5%
Operating Expenses:			
Community support	26,872	-	100.0%
Administrative charges	20,926	7,191	191.0%
Total Operating Expenses	<u>47,798</u>	<u>7,191</u>	564.7%
Change in Net Position	301,043	20,310	1382.2%
Beginning Net Position	175,169	154,859	70.6%
Ending Net Position	<u>\$ 476,212</u>	<u>\$ 175,169</u>	88.4%

Contributions increased in comparison to prior year. The increase is the result of contributions from the City related to the City's new CIP funding policy.

Community Support increased significantly in comparison with the prior fiscal year-end. This increase is primarily the result of the Camoin Associates contract, as previously discussed.

Contacting the CIC

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the CIC's finances and to demonstrate the CIC's accountability for the money and property it administers. If you have any questions about this report or need additional financial information, contact the Finance Director for the City of Powell, Ohio, 47 Hall Street, Powell, Ohio, 43065-8357.

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Powell Community Improvement Corporation
(A Component Unit of City of Powell, Ohio)
Delaware County, Ohio
Statement of Net Position
December 31, 2022

Assets	
Current Assets	
Cash and cash equivalents	\$ 471,314
Loans Receivable	20,000
Prepaid items	495
Total Current Assets	<u>491,809</u>
Total Assets	<u>491,809</u>
Liabilities	
Current Liabilities	
Accounts payable	12,897
Refundable deposits	2,700
Total Current Liabilities	<u>15,597</u>
Total Liabilities	<u>15,597</u>
Net Position	
Unrestricted	476,212
Total Net Position	<u>\$ 476,212</u>

See accompanying notes to the basic financial statements.

Powell Community Improvement Corporation
(A Component Unit of City of Powell, Ohio)
Delaware County, Ohio

Statement of Revenues, Expenses and Change in Net Position
For the Year Ended December 31, 2022

Operating Revenues	
Contributions	\$ 319,210
Rental income	24,050
Total Operating Revenues	<u>343,260</u>
Operating Expenses	
Community support	26,872
Administrative charges	20,926
Total Operating Expenses	<u>47,798</u>
Operating Income	295,462
Non-operating Revenues (Expenses)	
Grants	5,581
Total Non-Operating Revenues (Expenses)	<u>5,581</u>
Operating Income and Change in net position	301,043
Net Position, Beginning of Year	175,169
Net Position, End of Year	<u>\$ 476,212</u>

See accompanying notes to the basic financial statements.

Powell Community Improvement Corporation
(A Component Unit of City of Powell, Ohio)
Delaware County, Ohio
Statement of Cash Flows
For the Year Ended December 31, 2022

Cash Flows from Operating Activities	
Cash received from contributions	\$ 337,000
Cash received from renters	24,550
Cash payments for community support	(46,872)
Cash payments for administrative expenses	(10,285)
Net Cash Flows Used for Operating Activities	304,393
 Net Change in Cash	 304,393
 Cash and Cash Equivalents, Beginning of Year	 166,921
Cash and Cash Equivalents, End of Year	\$ 471,314
 Reconciliation of Operating Income to Net Cash Provided By Operating Activities:	
Operating Income	\$ 295,462
 Decrease in Current Assets	
Accounts Receivable	17,790
Loans Receivable	(20,000)
Prepaid items	240
Increase (Decrease) in Current Liabilities	
Accounts Payable	10,401
Refundable Deposit Payable	500
 Net Cash Flows Provided By Operating Activities	 \$ 304,393

See accompanying notes to the basic financial statements.

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Powell Community Improvement Corporation
(A Component Unit of City of Powell, Ohio)
Delaware County, Ohio

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

NOTE 1 – DESCRIPTION OF THE ENTITY

The Powell Community Improvement Corporation (CIC) was formed pursuant to Ordinance 2010-19 passed on May 5, 2010 and incorporated as a CIC not-for-profit under Section 1702 and 1724 of the Ohio Revised Code. The CIC was created to assist the City in the revitalization and enhancement of property, and to advance, encourage, and promote industrial, economic, commercial and civic development of the City of Powell. The CIC has been designated as the City of Powell’s agent for economic development.

The CIC is also considered a blended component unit of the City of Powell for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 80, Blending Requirement for Certain Component Units – An Amendment of GASB Statement No. 14, GASB Statement No. 14, The Financial Reporting Entity as amended by GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnibus.

The CIC has received Internal Revenue Service approval of its tax-exempt status. Therefore, the accompanying financial statements contain no provision for income taxes.

The reporting entity is composed of the CIC, component units, and other organizations that are included to ensure that the financial statements of the CIC are not misleading.

Component units are legally separate organizations for which the CIC is financially accountable. The CIC is financially accountable for an organization if the CIC appoints a voting majority of the organization’s governing board and the CIC is able to significantly influence the programs or services performed or provided by the organization; or the CIC is legally entitled to or can otherwise access the organization’s resources; or the CIC is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization; or the CIC is obligated for the debt of the organization. Component units may also include organizations for which the CIC approves the budget, the issuance of debt, or the levying of taxes. Currently, the CIC does not have any component units.

The Board of Trustees believes these financial statements present all activities for which the CIC is financially responsible.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Measurement focus, basis of accounting, and financial statement presentation

The significant accounting policies following in the preparation of these financial statements conform to generally accepted accounting principles for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

Powell Community Improvement Corporation
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Delaware County, Ohio

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

The CIC has created a single proprietary enterprise fund to account for its activities. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the CIC's enterprise fund are contributions from the City of Powell and rental income. Operating expenses for the CIC include community support, administrative expenses, and other costs associated with its mission. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the CIC's policy to use restricted resources first, then unrestricted resources as they are needed.

B. Cash and Cash Equivalents

The CIC's cash and cash equivalents include cash on hand and demand deposits. For purposes of the Statement of Cash Flows and presentation on the Statement of Net Position, all cash in checking accounts is considered to be cash and cash equivalents.

C. Accounts Receivable

The CIC uses the allowance method of accounting for doubtful accounts. All accounts were considered to be fully collectible as of December 31, 2022. Therefore, no allowance for doubtful accounts has been recorded in these financial statements.

D. Prepayments

Payments made to vendors for services that will benefit periods beyond the current fiscal year are recorded as prepayments by recording a current asset for the prepaid amount at the time of the purchase and the expense in the year in which services are consumed.

E. Unearned Revenue

Unearned revenue recorded represents resources that have been received, but not yet earned as of fiscal year-end. The CIC did not have any unearned revenue at year-end.

Powell Community Improvement Corporation
(A Component Unit of City of Powell, Ohio)
Delaware County, Ohio

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

F. Net Position

Net position represents the difference between assets and liabilities. Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation, less any outstanding capital related debt. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The CIC applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The CIC did not have any investments in capital assets nor any net position restrictions at December 31, 2022.

G. Use of Estimates

The preparation of financial statements 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 3 – DEPOSITS

At December 31, 2022, the bank balance was \$488,510. Of this amount, 250,000 was covered by FDIC and the remaining amount was uninsured and collateralized.

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. The CIC has general liability insurance and not-for-profit organizational policies. Settlements have not exceeded coverage in any of the last three fiscal years. There has been no significant reduction in coverage from the prior year.

NOTE 6 – CONTRACTUAL AND OTHER COMMITMENTS

At December 31, 2022 the CIC had contractual commitments as follows:

Company	Contract Amount	Amount Remaining On Contract
Camion Associates	\$ 85,983	\$ 51,590

Powell Community Improvement Corporation
(A Component Unit of City of Powell, Ohio)
Delaware County, Ohio

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

NOTE 7 – SUBSEQUENT EVENT

In 2023 the CIC changed its name to Powell Development Corporation. The name change was effective as of January 5th, 2023.

In addition, the CIC closed on a land purchase agreement in 2023 for a 2.053 acre tract of land located at 4630 W. Powell Rd. the purchase price of the property was \$1,185,000.

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Powell Community Improvement Corporation
City of Powell, Ohio:

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 Powell Community Improvement Corporation (the "Corporation"), a component unit of the City of Powell, Ohio, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated June 30, 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 have not been 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 grants 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.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
June 30, 2023

OHIO AUDITOR OF STATE KEITH FABER



POWELL COMMUNITY IMPROVEMENT CORPORATION

DELAWARE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/26/2023

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