

CITY OF LOVELAND
COMMUNITY IMPROVEMENT CORPORATION

BASIC FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2023**

UNAUDITED

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CITY OF LOVELAND
COMMUNITY IMPROVEMENT CORPORATION

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CITY OF LOVELAND
COMMUNITY IMPROVEMENT CORPORATION

Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2023

The discussion and analysis of the Loveland Community Improvement Corporation (the CIC) financial performance provides an overall review of the CIC's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the CIC's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the CIC's financial performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- ❑ Total net position at December 31, 2023 was \$111,165.
- ❑ In total, net position decreased \$33,791 from 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of various financial statements and notes to those statements as well as the management's discussion and analysis. The basic financial statements include the *Statement of Net Position*, *Statement of Revenues, Expenses and Changes in Net Position*, and *Statement of Cash Flows*. These statements provide information about the financial activities of the CIC.

CITY OF LOVELAND
COMMUNITY IMPROVEMENT CORPORATION

Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2023

FINANCIAL ANALYSIS OF THE CIC

The following table provides a comparison of the CIC's net position at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Current and Other Assets	\$111,165	\$144,956
Land Held for Resale	<u>83,000</u>	<u>83,000</u>
Total Assets	194,165	227,956
Long-term Liabilities	<u>83,000</u>	<u>83,000</u>
Total Liabilities	83,000	83,000
Net Position		
Unrestricted	<u>111,165</u>	<u>144,956</u>
Total Net Position	<u><u>\$111,165</u></u>	<u><u>\$144,956</u></u>

Changes in Net Position – The following table provides a comparison of the changes in net position for 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Operating Revenues:		
Other Revenue	<u>\$0</u>	<u>\$747</u>
Total Operating Revenues	<u>0</u>	<u>747</u>
Operating Expenses:		
General Operating Expenses	<u>33,791</u>	<u>24,447</u>
Total Operating Expenses	<u>33,791</u>	<u>24,447</u>
Change in Net Position	(33,791)	(23,700)
Beginning Net Position	<u>144,956</u>	<u>168,656</u>
Ending Net Position	<u><u>\$111,165</u></u>	<u><u>\$144,956</u></u>

CITY OF LOVELAND
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Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2023

LAND HELD FOR RESALE

At the end of 2023 the CIC had \$83,000 of land held for resale. The following table shows 2023 and 2022 balances:

	2023	2022	Increase (Decrease)
Land Held for Resale	\$83,000	\$83,000	\$0
Totals	\$83,000	\$83,000	\$0

Additional information on the CIC's land held for resale can be found in Note 4.

DEBT

The CIC has no debt.

ECONOMIC FACTORS

The CIC is responsible for research and development of the City of Loveland, including the assurance that mortgage payments will be made to foster such development, the acquisition, construction, equipment and improvement of buildings, structures and other properties, the acquisition of sites for such development, the lease, sale and subdivision of such sites and incurring of debt in order to carry out such development, and to make loans to any individual or business entity in order to carry out such development purpose for the City. Funding to finance the CIC comes from the sale of properties owned by the CIC and contributions from the City, County and private sources.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, investors, and creditors with a general overview of the CIC's finances and to reflect the CIC's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to the Department of Finance, City of Loveland, 120 West Loveland Ave., Loveland, Ohio 45140.

CITY OF LOVELAND
COMMUNITY IMPROVEMENT CORPORATION

Statement of Net Position
December 31, 2023

Assets

Current Assets:

Cash and Cash Equivalents	\$ 111,165
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Total Current Assets	<u>111,165</u>
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Noncurrent Assets:

Land	<u>83,000</u>
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Total Assets	<u><u>194,165</u></u>
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Liabilities

Noncurrent Liabilities:

Due to City	<u>83,000</u>
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Total Liabilities	<u><u>83,000</u></u>
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Net Position

Unrestricted	<u>111,165</u>
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Total Net Position	<u><u>\$ 111,165</u></u>
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See accompanying notes to the basic financial statements

CITY OF LOVELAND
COMMUNITY IMPROVEMENT CORPORATION

Statement of Revenues, Expenses and Changes in Net Position
For The Year Ended December 31, 2023

Operating Revenues:	
Total Operating Revenues	\$ 0
Operating Expenses:	
General Operating Expenses	<u>33,791</u>
Total Operating Expenses	<u>33,791</u>
Change in Net Position	(33,791)
Net Position Beginning of Year	<u>144,956</u>
Net Position End of Year	<u>\$ 111,165</u>

See accompanying notes to the basic financial statements

CITY OF LOVELAND
COMMUNITY IMPROVEMENT CORPORATION

Statement of Cash Flows
For the Year Ended December 31, 2023

<u>Cash Flows from Operating Activities:</u>	
Cash Payments for Services and Fees	(\$33,791)
Net Cash Used by Operating Activities	<u>(33,791)</u>
Net Decrease in Cash and Cash Equivalents	(33,791)
Cash and Cash Equivalents at Beginning of Year	<u>144,956</u>
Cash and Cash Equivalents at End of Year	<u><u>\$111,165</u></u>
<u>Reconciliation of Operating Loss to Net Cash</u>	
<u>Used by Operating Activities:</u>	
Operating Loss	(\$33,791)
Adjustments to Reconcile Operating Loss to	
Net Cash Used by Operating Activities:	
Total Adjustments	<u>0</u>
Net Cash Used by Operating Activities	<u><u>(\$33,791)</u></u>
See accompanying notes to the basic financial statements	

CITY OF LOVELAND
COMMUNITY IMPROVEMENT CORPORATION

Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Unaudited

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Loveland Community Improvement Corporation (the "CIC") was formed pursuant to passage of City of Loveland Ordinance 1974-39, passed August 27, 1974 and incorporated as a not-for-profit corporation under Title XVII, Chapters 1702 and 1724 of the Ohio Revised Code for the purpose of advancing, encouraging and promoting the industrial, commercial, distribution and research development in the City of Loveland.

The CIC Board of Trustees is a five member board comprised of two City of Loveland officials and three community representatives. All Board members are appointed by the Mayor and confirmed by Council.

The CIC is included as part of the City of Loveland for financial reporting purposes. Although it is legally separate from the City of Loveland, the CIC is reported as if it were part of the City due to the fact that debts of the CIC are repaid entirely or almost entirely with resources provided by the City of Loveland. The CIC is responsible for research and development of the City, including the assurance that mortgage payments will be made to foster such development, the acquisition, construction, equipment and improvement of buildings, structures and other properties, the acquisition of sites for such development, the lease, sale and subdivision of such sites and incurring of debt in order to carry out such development, and to make loans to any individual or business entity in order to carry out such development purpose for the City. Funding to finance the CIC comes from the sale of properties owned by the CIC and contributions from the City and private sources.

The financial statements are presented as of December 31, 2023 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

CITY OF LOVELAND
COMMUNITY IMPROVEMENT CORPORATION

Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Unaudited

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Accounting

The basic financial statements of the CIC are prepared using the accrual basis of accounting in conformity with GAAP.

B. Basis of Presentation

The CIC's basic financial statements consist of a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows.

The CIC distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the CIC's principal ongoing operation. The principal operating revenues of the CIC are contributions from the City and County. Operating expenses for the CIC primarily include professional fees and service contract fees. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

C. Federal Income Tax

The City of Loveland Community Improvement Corporation is exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code.

D. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, all cash in the CIC's checking account is considered to be cash and cash equivalents. All monies received by the CIC are deposited in a demand deposit account.

E. Land Held for Resale

Land held for resale consists of various properties purchased by the City of Loveland and held by the CIC. Proceeds from the sale of land are required to be remitted to the City of Loveland unless legislation has been passed stating otherwise.

CITY OF LOVELAND
COMMUNITY IMPROVEMENT CORPORATION

Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Unaudited

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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 has no restricted net position.

G. Estimates

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

NOTE 2 – DEPOSITS

As of December 31, 2023, the carrying amount of the CIC's deposits was in the amount of \$111,165. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosure", as of December 31, 2023 the entire bank balance was covered by the Federal Deposit Insurance Corporation. There are no significant statutory restrictions regarding the deposits and investments of funds held by the not-for-profit corporation.

NOTE 3 - RISK MANAGEMENT

The CIC has obtained comprehensive property and general liability insurance as part of the City's policy through a private carrier.

CITY OF LOVELAND
COMMUNITY IMPROVEMENT CORPORATION

Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Unaudited

NOTE 4 – LAND HELD FOR RESALE

Summary of changes in land held for resale at December 31, 2023:

<i>Historical Cost:</i> Class	December 31, 2022	Additions	Deletions	December 31, 2023
Land Held for Resale	\$83,000	\$0	\$0	\$83,000
Total Cost	\$83,000	\$0	\$0	\$83,000

NOTE 5 –DUE TO/FROM CITY

Balances due to/from the City of Loveland at December 31, 2023 are summarized below:

	Due to the City of Loveland	Due from the City of Loveland
Land Held for Resale	\$83,000	\$0
Totals	\$83,000	\$0

At December 31, 2023 the CIC reported \$83,000 as due to the City of Loveland. This balance represents land held by the CIC for which future sale proceeds are due to the City of Loveland.