



OHIO AUDITOR OF STATE
KEITH FABER



**UNION TOWNSHIP, CLERMONT COUNTY
COMMUNITY IMPROVEMENT CORPORATION, INC.
CLERMONT COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Union Township, Clermont County Community Improvement Corporation, Inc.
Clermont County
4350 Aicholtz Road
Cincinnati, Ohio 45245

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Union Township, Clermont County Community Improvement Corporation, Inc., Clermont County, Ohio (the Corporation), (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets and cash flows for the year 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, 2024, and the changes in its net assets and its cash flows for the year 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 June 9, 2025, 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.

A handwritten signature in black ink, reading "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio
June 9, 2025

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**Union Township, Clermont County Community
Improvement Corporation, Inc.**
Clermont County
Statement of Financial Position
December 31, 2024

ASSETS	
CURRENT ASSETS:	
Cash	\$ 3,691,624
Mortgages receivable-current	<u>124,690</u>
Total current assets	<u>3,816,314</u>
NONCURRENT ASSETS:	
Cash-restricted for tenant security deposits	43,565
Cash-restricted for earnest money held in escrow	20,000
Assets held for resale	6,824,574
Mortgages receivable-net of current	<u>1,833,417</u>
Total noncurrent assets	<u>8,721,556</u>
TOTAL ASSETS	<u>\$ 12,537,870</u>
LIABILITIES	
CURRENT LIABILITIES	
Earnest money held in escrow	\$ 20,000
Tenant security deposits	43,565
Contract payable	347,160
Unearned revenue	13,807
Notes payable-current	<u>285,637</u>
Total current liabilities	<u>710,169</u>
NONCURRENT LIABILITIES	
Notes payable-net of current	<u>438,056</u>
Total noncurrent liabilities	<u>438,056</u>
TOTAL LIABILITIES	<u>\$ 1,148,225</u>
NET ASSETS	
With donor restrictions	\$ 63,565
Without donor restrictions	<u>11,326,080</u>
TOTAL NET ASSETS	<u>\$ 11,389,645</u>

See accompanying notes to the financial statements.

**Union Township, Clermont County Community
Improvement Corporation, Inc.**
Clermont County
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Cash contributions from Union Township	\$ -	\$ 1,514,706	\$ 1,514,706
Asset contributions from Union Township	-	461,925	461,925
Other contributions	-	25,900	25,900
Lease revenues	434,076	-	434,076
Mortgage revenues	117,494	-	117,494
Gain on sale of assets held for resale	3,115,423	-	3,115,423
Interest	4,285	-	4,285
Net assets released from restriction	1,986,760	(1,986,760)	-
Total Revenues	5,658,038	15,771	5,673,809
EXPENSES:			
Program services:			
Economic development	309,971	-	309,971
Support services:			
Assets transferred to Union Township	5,120,913	-	5,120,913
Interest expense	38,863	-	38,863
Administrative and general operating expense	9,815	-	9,815
Total Expenses	5,479,562	-	5,479,562
CHANGE IN NET ASSETS	178,476	15,771	194,247
Net assets, beginning of year	11,147,604	47,794	11,195,398
Net assets, end of year	\$ 11,326,080	\$ 63,565	\$ 11,389,645

See accompanying notes to the financial statements.

**Union Township, Clermont County Community
Improvement Corporation, Inc.**

Clermont County

Statement of Cash Flows

For the Year Ended December 31, 2024

Cash flows from operating activities:

Change in net assets	\$ 194,247
Adjustments to reconcile change in net assets to cash provided by (used by) operating activities:	
Assets held for resale provided by Union Township	(461,925)
Other contributions of assets held for resale	(25,900)
Decrease in unearned revenue	(4,943)
Gain on sale of assets held for resale	<u>(3,115,423)</u>
Net cash provided (used) by operating activities	<u>(3,413,944)</u>

Cash flows from investing related activities:

Proceeds from mortgages receivable	120,160
Proceeds from tenant security deposits	5,771
Purchases of assets held for resale	(570,033)
Proceeds from sales of assets held for resale	7,605,303
Proceeds from purchase option deposit	<u>10,000</u>
Net cash provided (used) by investing activities	<u>7,171,201</u>

Cash flows from financing related activities:

Principal retirement on notes	<u>(274,384)</u>
Net cash provided (used) by financing activities	<u>(274,384)</u>

Net increase (decrease) in cash and cash equivalents	3,482,873
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Cash and cash equivalents at beginning of year	<u>272,316</u>
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Cash and cash equivalents at end of year	<u><u>\$ 3,755,189</u></u>
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Other supplemental information:

Cash paid for interest	<u><u>\$ 38,863</u></u>
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See accompanying notes to the financial statements.

**UNION TOWNSHIP, CLERMONT COUNTY
COMMUNITY IMPROVEMENT CORPORATION, INC.**

Clermont County

*Notes to the Financial Statements
For the Year Ended December 31, 2024*

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Union Township, Clermont County Community Improvement Corporation, Inc. (Corporation) is a not-for-profit organization which derives the major source of its revenues from Union Township (Township) in the form of capital and cash contributions. The Corporation is considered a component unit of Union Township. The Corporation began operations in January 2011 for the purpose of fostering economic development in the Township, located in Clermont County, Ohio. The Corporation works with the Township in many aspects of the overall adopted economic development strategy of the Township with its current efforts focused on facilitating industrial and retail development.

On April 26, 2012, the Corporation's Board of Trustees approved Resolution 2012-02 whereby the Corporation agreed to refund any and all proceeds arising from the sale, lease, or transfer, or other contractual agreement, including but not limited to the lease payments, sale payments or other consideration to Union Township in support of its mission as the agency for development of Union Township.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

Financial statement presentation follows the provisions of Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) Presentation of Financial Statements for Not-for-Profit Entities*. These provisions include net asset classification requirements and requires information presented in the financial statements and notes about the Corporation's liquidity, financial performance and cash flows. Accordingly, the net assets of the Corporation and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor-imposed restrictions.

Net assets with donor restrictions: Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Cash and Cash Equivalents

The Corporation considers all short-term investments with an original maturity of three months or less when acquired to be cash equivalents for the cash flows statement.

Revenue Recognition

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and nature of any donor restrictions. All contributions are considered to be without donor restrictions unless specifically restricted by the donor or subject to legal restrictions.

**UNION TOWNSHIP, CLERMONT COUNTY
COMMUNITY IMPROVEMENT CORPORATION, INC.**

Clermont County

*Notes to the Financial Statements
For the Year Ended December 31, 2024*

The Corporation records contributions in the with donor restriction class of net assets if they are received with donor stipulations that limit their use through either purpose or time restrictions or both. When donor restrictions expire – that is, when the purpose restriction is fulfilled or the time restriction expires – net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. It is the Corporation’s policy to record donor-restricted contributions received and expended in the same accounting period as contributions with donor restrictions and as net assets released from restrictions.

Other revenue is recorded when earned.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Donations of property are recorded as contributions at their estimated fair value at the date of the donation.

Allocation of Expenses Among Program and Support Services

The Corporation has program expenses that relate to providing certain program services. Directly identifiable expenses are charged to program services and to support services when appropriate. The Corporation did not incur any costs that require allocation between program services and support services.

Income Taxes

The Corporation is a not-for-profit organization exempt from income taxes under Section 501(c) (3) of the Internal Revenue and is not required to file a Federal Return of Organizations Exempt from Income Tax. Accordingly, no provision for federal income tax is required.

Concentration of Credit Risk

Due to the nature of the Corporation’s activities, cash balances in a financial institution may exceed federally insured limits during limited time periods. The Corporation considers its banks to have a high enough stability that any cash in excess of the limit is at minimal risk. No losses in such accounts have been experienced.

Estimates

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

NOTE 2 – CASH

As of December 31, 2024, the Corporation maintains an interest bearing checking account with a recorded value of \$3,755,189.

**UNION TOWNSHIP, CLERMONT COUNTY
COMMUNITY IMPROVEMENT CORPORATION, INC.**

Clermont County

*Notes to the Financial Statements
For the Year Ended December 31, 2024*

NOTE 3 – MORTGAGES RECEIVABLE

Mortgages receivable consist of the following:

<u>Property</u>	<u>Total</u>
3944 Nine Mile Road	\$ 54,634
Mt. Carmel Brewery Company, LLC	1,903,473
Total	<u>\$1,958,107</u>

During 2012, the Corporation received real property located at 3944 Nine Mile Road valued at \$298,000 from Union Township to be sold for economic development purposes. The Corporation entered into a mortgage agreement to sell the property for \$298,000. The non-interest bearing mortgage is secured by the property with repayment scheduled as equal monthly amounts of \$1,655.55 over 15 years beginning on November 1, 2012.

On February 28, 2017, the Corporation entered into a construction mortgage agreement and a construction leasehold mortgage with a combined value of \$2,500,000 with the Mt. Carmel Brewery Company, LLC and Restle Investments, LLC. The mortgages provided funding to retire the balance on a previously issued mortgage on the real property, funding of various financing activities of the parties and provide funding for construction and leasehold improvements for a property known as the Mt. Carmel Brewery. The mortgages are secured by the Brewery with real property and all renovations and fixtures and other security interests as outlined in the leasehold mortgages. Repayment is scheduled as equal monthly amounts, including interest at 6 percent, of \$18,149.24 over 20 years commencing on October 1, 2017.

NOTE 4 – ASSETS HELD FOR RESALE

Assets held for resale represent properties contributed by Union Township, others or acquired by the Corporation using cash contributions from Union Township. These properties are being held for resale to promote future development within Union Township.

<u>Property</u>	<u>Cost</u>	<u>Property</u>	<u>Cost</u>
4297/4299 Glen Este-Withamsville Road	\$ 124,665	979 Old State Route 74	120,193
4309 Glen Este-Withamsville Road	126,119	989 Old State Route 74	323,259
303 Glen Este-Withamsville Road	106,040	1005 Old State Route 74	392,000
4359 Glen Este-Withamsville Road	102,170	State Route 32 East and Eastgate	75,102
4340 Glen Este-Withamsville Road	152,005	1100 McMann Spur	65,911
4344 Glen Este-Withamsville Road	91,107	Round Bottom Road	9,044
4307 Glen Este-Withamsville Road	176,328	4561 Elmont Drive	260,688
4334 Glen Este-Withamsville Road	90,475	Bach Buxton Road	2,824,515
4328 Glen Este-Withamsville Road	128,601	854-858 Barg Salt Run Rd	25,900
4351 Glen Este-Withamsville Road	159,264	4392 Aicholtz Road	196,625
4355 Glen Este-Withamsville Road	156,270	4482 Aicholtz Road	25,660
4363 Glen Este-Withamsville Road	92,968	4395 Aicholtz Road	230,488
4367 Glen Este-Withamsville Road	144,596	4441 Aicholtz Road	297,000
4311 Glen Este-Withamsville Road	22,364	4446 Aicholtz Road	67,050
4322 Wuebold Lane	140,292	4450 Aicholtz Road	97,875
		Total	<u>\$ 6,824,574</u>

**UNION TOWNSHIP, CLERMONT COUNTY
COMMUNITY IMPROVEMENT CORPORATION, INC.**

Clermont County

*Notes to the Financial Statements
For the Year Ended December 31, 2024*

NOTE 5 – DEBT

Changes in the debt during 2024 were as follows:

	Balance January 1, <u>2024</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2024</u>	Due Within <u>One Year</u>
2017 Park National Bank Loan	<u>\$998,077</u>	<u>\$ -</u>	<u>\$(274,384)</u>	<u>\$723,693</u>	<u>\$285,637</u>
Total	<u>\$998,077</u>	<u>\$ -</u>	<u>\$(274,384)</u>	<u>\$723,693</u>	<u>\$285,637</u>

During 2017, the Corporation obtained a loan from Park National Bank to finance improvements made under a mortgage agreement entered into with the Mt. Carmel Brewery Company, LLC. The 2017 loan was issued on February 28, 2017 in the amount of \$2,500,000 and carries an interest rate of 4.16%. The terms of the loan require equal semi-annual payments of \$156,624 beginning December 1, 2017 through December 1, 2026 with a final payment due of \$141,703 on February 28, 2027. Repayment of the loan is secured by a leasehold mortgage from the Mt. Carmel Brewery Company, LLC, due to the Corporation.

The future principal and interest requirements scheduled to retire the remaining balance of the loan is as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$285,637	\$27,610	\$ 313,247
2026	297,812	15,435	313,247
2027	140,244	1,459	141,703
Total	<u>\$723,693</u>	<u>\$44,504</u>	<u>\$768,197</u>

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of \$63,565 as of December 31, 2024 represents a \$20,000 earnest money deposit for a possible property sale and \$43,565 of tenant security deposits.

**UNION TOWNSHIP, CLERMONT COUNTY
COMMUNITY IMPROVEMENT CORPORATION, INC.**

Clermont County

*Notes to the Financial Statements
For the Year Ended December 31, 2024*

NOTE 7 – RETURN OF PROJECT PROCEEDS

In accordance with the Corporation's Resolution 2012-02, the Corporation has agreed to pay any and all proceeds arising from the sale, lease, transfer, or other contractual agreement, including but not limited to the lease payments, sale payments or other consideration, to Union Township. During 2024 the Corporation returned the following to Union Township:

<u>Item</u>	<u>Amount</u>
<i>Cash items</i>	
Mortgage payments received - 3944 Nine Mile Road	\$ 19,867
Mortgage payments received - Mt. Carmel Brewery Company, LLC	217,787
Lease payments received - 4357 Ferguson Drive	399,416
Cinema box office receipts	15,981
Proceeds from sale of property	4,467,862
Total	<u><u>\$5,120,913</u></u>

NOTE 8 – CONCENTRATION

The Corporation's support is primarily from contributions or revenues derived from projects purchased from funding provided by Union Township. In addition, the Corporation has agreed to refund any and all proceeds arising from the sale, lease, or transfer, or other contractual agreement to Union Township in support of its mission as the agency for development of Union Township.

NOTE 9 – LIQUIDITY

The Corporation is substantially supported by restricted funding provided by Union Township or through contractual agreements with other entities. Because these restrictions require resources to be used in a particular manner or in a future period, the Corporation must maintain sufficient resources to meet those responsibilities. Thus, financial assets may not be available for general expenditure within one year. Financial assets available for general expenditure within one year are as follows as of December 31, 2024:

Cash	\$3,691,624
Mortgages receivable	<u>124,690</u>
Total	<u><u>\$3,816,314</u></u>

NOTE 10 – SUBSEQUENT EVENTS

The Corporation has evaluated subsequent events and transactions that occurred after the date of the statement of net position up to the date that the financial statements were issued. No events have occurred that would require adjustment or disclosure in the financial statements.

OHIO AUDITOR OF STATE KEITH FABER



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

Union Township, Clermont County Community Improvement Corporation, Inc.
Clermont County
4350 Aicholtz Road
Cincinnati, Ohio 45245

To the Board of Trustees:

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 Union Township Clermont County Community Improvement Corporation, Inc., Clermont County, Ohio (the Corporation) as of and for the year ended December 31, 2024, 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 9, 2025.

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.



Keith Faber
Auditor of State
Columbus, Ohio
June 9, 2025

OHIO AUDITOR OF STATE KEITH FABER



UNION TOWNSHIP, CLERMONT COUNTY COMMUNITY IMPROVEMENT CORPORATION, INC.

CLERMONT 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 6/24/2025

65 East State 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