

**Pickerington Community Improvement Corporation
Fairfield County, Ohio**

**General Purpose External Financial Statements
For the Year Ended December 31, 2022**

Pickerington Community Improvement Corporation

Management's Discussion and Analysis

For the Year Ended December 31, 2022

Unaudited

The discussion and analysis of the Pickerington Community Improvement Corporation's (the "CIC") financial performance provides an overall review of the CIC's financial activities for the year ended December 31, 2022. 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 2022 are as follows:

- The CIC had operating revenues and expenses of \$1,968. The operating revenues represent on-behalf payments from the City of Pickerington (the "City") for professional liability insurance.

Using this Annual Financial Report

This annual report consists of the Statement of Revenues, Expenses, and Changes in Net Position and notes to the basic financial statements. The statement is organized so the reader can understand the CIC's financial activities.

Reporting the CIC's Financial Activities

Statement of Revenues, Expenses, and Changes in Net Position

This document looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2022?" The Statement of Revenues, Expenses, and Changes in Net Position answers this question. The statement includes all revenues and expenses using the accrual basis of accounting similar to the accounting used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

This statement reports the CIC's net position and changes in the position. This change in net position is important because it tells the reader whether, for the CIC as a whole, the financial position of the CIC has improved or diminished. The cause of this change may be the result of many factors, some financial, some not. The statement can be found on page 3 of this report.

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the basic financial statements can be found on page 4 of this report.

During 2022, the CIC received on-behalf payments in the amount of \$1,968 from the City for professional liability insurance.

Current Financial Related Activities

The CIC is sponsored by the City of Pickerington. The CIC is reliant upon on-behalf payments from the City.

Pickerington Community Improvement Corporation

Management's Discussion and Analysis

For the Year Ended December 31, 2022

Unaudited

The CIC is the City of Pickerington's agent and instrument for industrial, commercial, distribution and research development. The CIC's plan is to advance, encourage, and promote the industrial, commercial, distribution, and research development of the City in a manner which creates and preserves jobs, improves economic welfare of the people of the City, encourages expansion and modernization of equipment and facilities for industrial and commercial research activities within the City, and maintains and increases tax valuation of property within the City.

Requests for Information

This financial report is designed to provide our clients and creditors with a general overview of the CIC's finances and to show the CIC's accountability for the money it receives. If you have any questions about this report or need additional financial information please contact Chris Schornack, Director of Finance, Pickerington Community Improvement Corporation, 100 Lockville Road, Pickerington, Ohio 43147.

Pickerington Community Improvement Corporation
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2022

	<u>Unrestricted</u>
Operating Revenues	
On-behalf Payments from the City	\$1,968
Operating Expenses	
Contractual Services	<u>1,968</u>
<i>Change in Net Position</i>	0
Net Position Beginning of Year	<u>0</u>
<i>Net Position End of Year</i>	<u><u>\$0</u></u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

Pickerington Community Improvement Corporation

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

NOTE 1 – REPORTING ENTITY

The Pickerington Community Improvement Corporation (CIC) was formed pursuant to Ordinance 2018-31 passed November 6, 2018. The CIC was designated as a nonprofit organization of the City of Pickerington (the “City”) under Ohio Revised Code Section 1724.10; authorizing the execution of an agreement and plan for industrial, commercial, distribution and research development. The CIC is governed by a five member board, three are appointed by the City, including: the Mayor, the City Manager, a member of City Council, and the remaining two seats by citizens recommended by those appointed. The CIC does not operate with substantively the same governing body as the primary government. The CIC through its economic development activities exists to benefit the citizens of Pickerington.

The City is a charter municipal corporation incorporated under the laws of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39, The Financial Reporting Entity, and GASB Statement No. 61, The Financial Reporting Entity: Omnibus, the City’s primary government and basic financial statements include component units which are defined as legally separate organizations for which the City is financially accountable. Financial accountability is defined as the appointment of a voting majority of the organization’s board and either 1) the City’s ability to impose its will over the organization, or 2) the possibility that the organization will provide a financial benefit or impose a financial burden to the City. The CIC is a legally separate entity and is reported by the City as a discretely presented component unit in the City’s basic financial statements. The CIC is reported as a component unit of the City due to the City’s ability to impose its will on the operations of the CIC. The CIC does not have any component units and does not include any other organizations in its presentation. The CIC’s management believes these basic financial statements present all activities for which the CIC is financially accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the CIC have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The CIC’s significant accounting policies are described below.

Basis of Accounting

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

Basis of Presentation

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

The CIC distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the CIC’s principal ongoing operation. The principal operating revenues of the CIC are on-behalf payments from the City. Operating expenses for the CIC include professional liability insurance. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses. The CIC did not have any nonoperating revenues and expenses in 2022.

Pickerington Community Improvement Corporation

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Federal Income Tax

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

Estimates

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

NOTE 3 – RELATED PARTY TRANSACTIONS

The CIC, a discretely presented component unit of the City, received on-behalf payments from the City for professional liability insurance costs. The on-behalf payments are reflected as operating revenues in the basic financial statements in the amount of \$1,968.

NOTE 4 – CONTINGENT LIABILITIES

The CIC believes there is no pending claims or lawsuits.

NOTE 5 – RISK MANAGEMENT

The CIC is subjected to certain types of risk related to torts and errors and omissions in the performance of its normal functions. The CIC has in place Director's and Officer's liability insurance coverage of up to \$1,000,000 per occurrence and \$1,000,000 in aggregate. Settlements did not exceed insurance coverage in the past two years. There was no reduction in insurance coverage from the prior year.