

**COMMUNITY IMPROVEMENT CORPORATION OF  
SPRINGFIELD AND CLARK COUNTY, OHIO**

**Financial Statements**

**August 31, 2005 and 2004**

**with**

**Independent Auditors' Report**





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Community Improvement Corporation of Springfield and Clark County, Ohio  
Springfield, Ohio

We have reviewed the *Independent Auditor's Report* of the Community Improvement Corporation of Springfield and Clark County, Ohio, Clark County, prepared by Clark, Schaefer, Hackett & Co., for the audit period September 1, 2004 through August 31, 2005. 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 Springfield and Clark County, Ohio is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

March 6, 2006

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**COMMUNITY IMPROVEMENT CORPORATION OF  
SPRINGFIELD AND CLARK COUNTY, OHIO**

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Clark, Schaefer, Hackett & Co.  
CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

Independent Auditors' Report

Board of Trustees  
Community Improvement Corporation of  
Springfield and Clark County, Ohio  
Springfield, Ohio

We have audited the accompanying statements of financial position of Community Improvement Corporation of Springfield and Clark County, Ohio as of August 31, 2005 and 2004 and the related statements of activities and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of Community Improvement Corporation of Springfield and Clark County, Ohio's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Improvement Corporation of Springfield and Clark County, Ohio as of August 31, 2005 and 2004 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2005, on our consideration of Community Improvement Corporation of Springfield and Clark County, Ohio'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of general operating expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards are presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

  
Springfield, Ohio  
December 13, 2005

**COMMUNITY IMPROVEMENT CORPORATION OF  
SPRINGFIELD AND CLARK COUNTY, OHIO**

Statements of Financial Position  
August 31, 2005 and 2004

<u>Assets</u>		
	<u>2005</u>	<u>2004</u>
Current assets:		
Cash	\$ 339,681	368,354
Cash, custodial	9,382	80,040
Certificates of deposit	-	116,585
Other receivables	72,669	23,703
Prepaid expenses	<u>4,992</u>	<u>-</u>
Total current assets	<u>426,724</u>	<u>588,682</u>
Property and equipment:		
Office furniture, equipment, and vehicles	75,380	86,901
Less accumulated depreciation	<u>(53,371)</u>	<u>(54,627)</u>
Net property and equipment	<u>22,009</u>	<u>32,274</u>
Other assets:		
Industrial development park land, at cost	<u>100,308</u>	<u>115,214</u>
Total assets	<u>\$ 549,041</u>	<u>736,170</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	\$ 42,548	168,129
Deferred revenue	267,600	-
Other liabilities, custodial accounts	<u>9,382</u>	<u>80,040</u>
Total current liabilities	<u>319,530</u>	<u>248,169</u>
Long-term liabilities:		
Note payable, development property	<u>43,870</u>	<u>43,870</u>
Total liabilities	<u>363,400</u>	<u>292,039</u>
Net assets:		
Unrestricted	<u>185,641</u>	<u>444,131</u>
Total liabilities and net assets	<u>\$ 549,041</u>	<u>736,170</u>

See accompanying notes to the financial statements.

**COMMUNITY IMPROVEMENT CORPORATION OF  
 SPRINGFIELD AND CLARK COUNTY, OHIO**  
 Statements of Activities and Change in Net Assets  
 Years Ended August 31, 2005 and 2004

	2005	2004
Revenues:		
Gain on sale of industrial park land	\$ -	42,146
Advance Springfield	105,000	-
Fees and services	6,766	3,899
Interest	5,825	4,687
Grant revenues	6,954,330	1,207,315
Total revenues	7,071,921	1,258,047
Expenses:		
General operating	88,824	132,485
Disposal of capitalized industrial development costs	21,464	-
Administrative fee for personnel and related expenses	191,662	235,827
Depreciation	6,617	8,939
Industrial development expenses	7,021,844	1,180,323
Total expenses	7,330,411	1,557,574
Change in net assets	(258,490)	(299,527)
Net assets, beginning of year	444,131	743,658
Net assets, end of year	\$ 185,641	444,131

See accompanying notes to the financial statements.



**COMMUNITY IMPROVEMENT CORPORATION OF  
SPRINGFIELD AND CLARK COUNTY, OHIO**

Statements of Cash Flows  
Years Ended August 31, 2005 and 2004

	2005	2004
Cash flows from operating activities:		
Change in net assets	\$ (258,490)	(299,527)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Loss on sale of industrial development park land	-	(42,146)
Disposal of capitalized industrial development costs	21,464	-
Loss on sale of asset	148	-
Depreciation	6,617	8,939
Effects of change in operating assets and liabilities:		
(Increase) decrease in other receivables	(48,966)	4,426
Increase in prepaid expenses	(4,992)	-
(Decrease) increase in accounts payable	(125,581)	137,895
Increase in deferred revenue	267,600	-
(Decrease) increase in other liabilities	(70,658)	31,017
Net cash used by operating activities	(212,858)	(159,396)
 Cash flow from investing activities:		
Redemption (purchase) of certificates of deposit	116,585	(116,585)
Industrial development, at cost	-	115,056
Proceeds from the sale of industrial park land	-	431,161
Proceeds from the sale asset	3,500	-
Development costs related to industrial park	(6,558)	(137,548)
Capital expenditures	-	(4,588)
Net cash provided by investing activities	113,527	287,496
Increase (decrease) in cash	(99,331)	128,100
Cash, beginning of year	448,394	320,294
Cash, end of year	349,063	448,394
Represented by:		
Cash	339,681	368,354
Cash, custodial	9,382	80,040
	\$ 349,063	448,394

See accompanying notes to the financial statements.

**COMMUNITY IMPROVEMENT CORPORATION OF  
SPRINGFIELD AND CLARK COUNTY, OHIO**

Notes to the Financial Statements  
August 31, 2005 and 2004

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1. Summary of Significant Accounting Policies:

The following accounting principles and practices of the Corporation are set forth to facilitate the understanding of data presented in the financial statements.

Organization

Community Improvement Corporation of Springfield and Clark County, Ohio (the Corporation) is a not-for-profit corporation whose purpose is to promote industrial and economic development in Springfield and Clark County, Ohio.

Financial statement presentation

These financial statements have been prepared on the accrual basis of accounting in accordance with Statement of Financial Accounting Standards (SFAS) No. 117 *Financial Statements for Not-For-Profit Organizations*. SFAS No. 117 requires net assets and revenues, expenses, gains and losses to be classified based on the existence or absence of donor-imposed restrictions.

Cash

For purposes of cash flows, the Corporation considers cash on hand and in demand accounts with a maturity of 90 days or less to be cash.

Industrial development park land

Includes capitalized costs for remaining land and associated expenses at Prime Ohio and the Columbus Avenue project. This asset is decreased as land is sold by the related land and development costs. Periodically, costs are reviewed by management for disposal.

Income taxes

The Corporation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code on income arising from normal operations. The Corporation has been liable for income tax on its unrelated business income in excess of related expenses in past years. During the current year, the Corporation has no unrelated business income.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**COMMUNITY IMPROVEMENT CORPORATION OF  
SPRINGFIELD AND CLARK COUNTY, OHIO**

Notes to the Financial Statements  
August 31, 2005 and 2004

Property and depreciation

Property and equipment are recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives (five to eight years) of the respective assets.

2. Cash, Custodial:

Cash on deposit at August 31, 2005 and 2004, held for third-party projects is as follows:

	<u>2005</u>	<u>2004</u>
Clark County - Economic Development Incentive Fund	\$ -	36,892
Small Business Development Corporation Revolving Loan Account	<u>9,382</u>	<u>43,148</u>
	<u>\$ 9,382</u>	<u>80,040</u>

All monies are maintained in segregated interest bearing bank accounts.

3. Industrial Development Park Land:

The Corporation continues to explore both existing and new sites for industrial parks. Below summarizes current locations and capitalized costs.

	<u>Prime Ohio</u>	<u>Columbus Ave</u>	<u>I-235</u>	<u>Total</u>
2005	<u>\$ 34,416</u>	<u>65,892</u>	<u>-</u>	<u>\$ 100,308</u>
2004	<u>\$ 27,858</u>	<u>65,892</u>	<u>21,464</u>	<u>\$ 115,214</u>

The Corporation also holds the deed to 1.5 acres located at 4505 E. National Road, Springfield, Ohio 45505. The Corporation acquired the property in a land swap and has no cost basis. A current appraisal valued the property with a "value in use" of \$260,000 and an "as is" market value of \$77,000 as of December 14, 2005.

**COMMUNITY IMPROVEMENT CORPORATION OF  
SPRINGFIELD AND CLARK COUNTY, OHIO**

Notes to the Financial Statements  
August 31, 2005 and 2004

4. Note Payable:

A summary of note payable at August 31, 2005 and 2004 is as follows:

	<u>2005</u>	<u>2004</u>
Non-interest bearing note payable to City of Springfield, due January 2009.	\$ <u>43,870</u>	<u>43,870</u>

The following is a schedule of the future debt annual obligation:

Fiscal year end August 31, 2010	\$ <u>43,870</u>
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The present value of the loan at a 6% discount is \$35,900. The difference between book value and present value is not material to the financial statements.

5. Administrative Expenses:

The Springfield Clark County Chamber of Commerce (Chamber) furnishes services to the Corporation. Costs incurred by the Chamber on behalf of the Corporation include salaries and benefits and other related expenses. The Corporation reimbursed the Chamber for these services in the amount of \$191,662 and \$235,827 for 2005 and 2004, respectively.

6. Concentration of Risk:

At times throughout the year, the Corporation may have deposits at financial institutions in excess of FDIC limits.

7. Grant Revenues:

The Corporation receives its grant revenue from many sources. The following summarizes grant revenues at August 31, 2005:

Grantor	Description	Revenues
Dept of Energy	Lexis/Nexis	\$ 4,830,000
Clark County	State Route 235/I-70 Commerce Park	25,325
City of Springfield	Brownfield Development	68,113
Turner Foundation	GreenTree Contract	1,227,699
Turner Foundation	Lexis/Nexis Contract	659,247
Various	Other Miscellaneous Grants	<u>143,946</u>
	<b>Totals</b>	<u>\$ 6,954,330</u>

Certain grant revenues are for the general operation of the organization.

**COMMUNITY IMPROVEMENT CORPORATION OF  
SPRINGFIELD AND CLARK COUNTY, OHIO**

Notes to the Financial Statements

August 31, 2005 and 2004

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8. Functional Expenses:

The costs of operations incurred by the Corporation are for programs to promote industrial and economic development.

9. Economic Dependency:

The Corporation is dependent upon continued funding from federal, state and local sources to meet its operational expenses.

10. Deferred Revenue:

The Corporation received funds for a local match needed in order to secure an Army Corps of Engineering grant for a Prime Ohio Drainage project. The agreements require the local match cannot be spent until the Army Corps of Engineering grant is received. The sources of the funds are as follows:

Springfield Township Board of Trustees	\$ 236,000
Board of County Commissioners	\$ <u>31,600</u>
Total Deferred Revenue	\$ <u>267,600</u>

11. Reclassification:

Certain balances in the 2004 financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. These reclassifications have not had any impact on the change in net assets.

**COMMUNITY IMPROVEMENT CORPORATION OF  
 SPRINGFIELD AND CLARK COUNTY, OHIO**  
 Schedule of Expenditures of Federal Awards  
 August 31, 2005

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	<u>CFDA Number</u>	<u>Grant Number</u>		<u>Grant Revenue Received</u>		<u>Expenditures</u>
Received from:						
U.S. Department of Energy	81.xxx	DE-FG02-04CH11223	\$	<u>4,830,000</u>		<u>4,830,000</u>
				\$		<u>4,830,000</u>

The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.

**COMMUNITY IMPROVEMENT CORPORATION OF  
SPRINGFIELD AND CLARK COUNTY, OHIO**

Schedules of General Operating Expenses  
Years Ended August 31, 2005 and 2004

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	<u>2005</u>	<u>2004</u>
General operating:		
Development and options	\$ 9,430	16,273
Bank fees - CIC	245	212
State and national meetings	120	2,864
Auto expenses	100	960
Economic development trips	-	4,193
Dues and periodicals	525	1,700
Miscellaneous economic development	737	-
Marketing	9,653	27,611
Bank fees - Prime Ohio	1,078	1,628
Owners Association fee - Prime Ohio	126	1,257
Utilities	-	82
Interest expense	-	104
Directors & Officers insurance	998	-
Shared general operating expenses	<u>65,664</u>	<u>75,601</u>
	<u>\$ 88,676</u>	<u>132,485</u>

See independent auditor's report.

Clark, Schaefer, Hackett & Co.  
CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

Report On Compliance And On Internal Control Over  
Financial Reporting Based On An Audit of Financial Statements  
Performed In Accordance With *Government Auditing Standards*

Board of Trustees  
Community Improvement Corporation of Springfield  
and Clark County, Ohio  
Springfield, Ohio

We have audited the financial statements of Community Improvement Corporation of Springfield and Clark County, Ohio as of and for the year ended August 31, 2005; and have issued our report thereon dated December 13, 2005. We conducted our audit in accordance with 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Community Improvement Corporation of Springfield and Clark County, Ohio's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Improvement Corporation of Springfield and Clark County, Ohio's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than this specified party.

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
December 13, 2005



**Clark, Schaefer, Hackett & Co.**  
CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

Report on Compliance With Requirements Applicable to  
Each Major Program and on Internal Control Over  
Compliance in Accordance with OMB Circular A-133

Board of Trustees  
Community Improvement Corporation of  
Springfield and Clark County, Ohio  
Springfield, Ohio

Compliance

We have audited the compliance of Community Improvement Corporation of Springfield and Clark County, Ohio with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended August 31, 2005. Community Improvement Corporation of Springfield and Clark County, Ohio's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirement of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Community Improvement Corporation of Springfield and Clark County, Ohio's management. Our responsibility is to express an opinion on Community Improvement Corporation of Springfield and Clark County, Ohio's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Improvement Corporation of Springfield and Clark County, Ohio's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Community Improvement Corporation of Springfield and Clark County, Ohio's compliance with those requirements.

In our opinion, Community Improvement Corporation of Springfield and Clark County, Ohio complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended August 31, 2005.

Internal Control Over Compliance

The management of Community Improvement Corporation of Springfield and Clark County, Ohio is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Community Improvement Corporation of Springfield and Clark County, Ohio's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

*Olson, Schaefer, Hockett & Co.*  
Springfield, Ohio  
December 13, 2005

**Community Improvement Corporation of Springfield and Clark County, Ohio**  
 Schedule of Findings and Questioned Costs  
 August 31, 2005

**1. Summary of Auditors' Results**

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Were there any reported non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § 510?	No
(d)(1)(vii)	Major Programs	DOE Construction Grant, CFDA #81.xxx
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: All others
(d)(1)(ix)	Low Risk Auditee?	No

**2. Findings Related to the Financial Statements Required to be Reported in Accordance with G.A.S.:**

NONE

**3. Findings and Questioned Costs for Federal Awards:**

NONE

**Community Improvement Corporation of Springfield and Clark County, Ohio**

Schedule of Prior Audit Findings and Questioned Costs

OMB Circular A-133 §.315(b)

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NONE



**Auditor of State  
Betty Montgomery**

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**COMMUNITY IMPROVEMENT CORPORATION OF  
SPRINGFIELD AND CLARK COUNTY**

**CLARK COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MARCH 28, 2006**