

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

**AUDIT REPORT**

**For the Year Ended December 31, 2011**

***CHARLES E. HARRIS & ASSOCIATES, INC.***  
**Certified Public Accountants and Government Consultants**





# Dave Yost • Auditor of State

Board of Trustees  
Community Improvement Corporation of Springfield and Clark County  
20 South Limestone Street  
Springfield, Ohio 45502

We have reviewed the *Independent Auditor's Report* of the Community Improvement Corporation of Springfield and Clark County, Clark County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2011 through December 31, 2011. 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 is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

December 10, 2012

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**COMMUNITY IMPROVEMENT CORPORATION OF  
SPRINGFIELD AND CLARK COUNTY, OHIO  
CLARK COUNTY  
AUDIT REPORT  
For the Year Ended December 31, 2011**

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***Charles E. Harris & Associates, Inc.***  
***Certified Public Accountants***

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**INDEPENDENT AUDITOR'S REPORT**

Community Improvement Corporation of  
Springfield and Clark County, Ohio  
20 South Limestone Street  
Springfield, Ohio 45502

The Board of Trustees:

We have audited the accompanying statement of financial position of the Community Improvement Corporation of Springfield and Clark County, Ohio (the Corporation) as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above presently fairly, in all material respects, the financial position of the Community Improvement Corporation of Springfield and Clark County as of December 31, 2011, and the changes in its net assets and cash flows for the year 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 October 5, 2012, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

*Charles E. Harris & Associates*

***Charles E. Harris & Associates, Inc.***  
October 5, 2012

**Community Improvement Corporation of  
Springfield and Clark County, Ohio  
Statement of Financial Position  
As of December 31, 2011**

**ASSETS**

**Current Assets:**

Cash, unrestricted	\$	43,359
Cash, restricted		150,792
Cash, custodial		44,108
Other receivables		60,107
Prepaid expense		3,747
<b>Total Current Assets</b>		<u>302,113</u>

**Fixed Assets:**

Office furniture, equipment, and vehicles		13,751
Accumulated depreciation		(8,308)
<b>Total Fixed Assets, Net</b>		<u>5,443</u>

**Other Assets:**

Land		125,867
Capitalized Project Development Cost, at cost		2,473,211
<b>Total Other Assets</b>		<u>2,599,078</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<u><u>2,906,634</u></u>

**LIABILITIES & NET ASSETS**

**Current Liabilities:**

Accounts payable	\$	243,942
Contract Retainages		100,000
Custodial accounts		36,090
<b>Total Current Liabilities</b>		<u>380,032</u>

**Net Assets:**

Temporarily restricted		2,375,251
Unrestricted		151,351
<b>Total Net Assets</b>		<u>2,526,602</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$</b>	<u><u>2,906,634</u></u>



**Community Improvement Corporation of  
Springfield and Clark County, Ohio  
Statement of Activities  
For the Year Ended December 31, 2011**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES:</b>			
Local government funding	\$ 320,063	\$ -	\$ 320,063
Grants & Contributions	29,000	2,144,469	2,173,469
Contract revenue	58,450	1,541,913	1,600,363
Interest	66	1,960	2,026
Miscellaneous	539	1,275	1,814
Net assets released from restriction	1,996,752	(1,996,752)	-
<b>TOTAL REVENUES</b>	<b>2,404,870</b>	<b>1,692,865</b>	<b>4,097,735</b>
<b>EXPENSES:</b>			
Administrative and general operating	407,034	-	407,034
Economic development	2,000,705	-	2,000,705
Depreciation	2,025	-	2,025
<b>TOTAL EXPENSES</b>	<b>2,409,764</b>	<b>-</b>	<b>2,409,764</b>
Increase (Decrease) in net assets	(4,894)	1,692,865	1,687,971
Net Assets, beginning of year-restated	156,245	682,386	838,631
Net Assets, end of year	<b>\$ 151,351</b>	<b>\$ 2,375,251</b>	<b>\$ 2,526,602</b>

See Accompanying Notes to the Financial Statements

**Community Improvement Corporation of  
Springfield and Clark County, Ohio  
Statement of Cash Flows  
For the Year Ended December 31, 2011**

**Cash Flows from Operating Activities:**

Change in net assets	\$	1,687,971
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		2,025
Effects of change in operating assets and liabilities:		
Decrease in accounts receivable		165,950
Increase in prepaids		(852)
Increase in other assets		(1,866,128)
Decrease in accounts payable		(494,008)
Decrease in deferred revenue		(453,909)
Increase in contract retainages		100,000
Decrease in custodial accounts		(15,047)
		(873,998)
Net Cash Provided by Operating Activities		(873,998)
Cash at Beginning of Year		1,112,257
<b>Cash at End of Year</b>	<b>\$</b>	<b>238,259</b>

Represented by:

Cash, unrestricted	\$	43,359
Cash, restricted		150,792
Cash, custodial		44,108
		\$ 238,259

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

Notes to the Financial Statements  
December 31, 2011

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

The Corporation follows the recommendations of the Financial Accounting Standards Board ASC 958, *Financial Statements of Not-For-Profit Organizations*. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets – Net assets that are not subject to donor or grantor imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Corporation and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets resulting from contributions and other inflows of assets whose use by the Corporation is limited by donor-imposed restrictions that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Corporation.

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)(3) 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.

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

Notes to the Financial Statements  
December 31, 2011

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.

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.

Restricted Cash

Certain cash accounts held by the Corporation are restricted for use in certain capital projects which will occur in the future.

Custodial Cash

The cash accounts reported as custodial cash accounts by the Corporation represent monies held for third-party projects. At December 31, 2011 the funds being held were for the Small Business Development Corporation Revolving Loan Account.

2. Other Assets: Land/Capitalized Development Cost:

The Corporation continues to explore both existing and new sites for industrial parks as well as sites for green space development. Below summarizes current locations and capitalized costs as of December 31, 2011.

Prime Ohio	Columbus Avenue	National Road Commons	Total
<u>\$911,937</u>	<u>\$52,348</u>	<u>\$1,634,793</u>	<u>\$2,599,078</u>

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

Notes to the Financial Statements  
December 31, 2011

3. Temporarily Restricted Net Assets

Net assets in the amount of \$1,996,752 were released from restriction in 2011 as expenses were incurred which satisfied the restricted purposes.

Temporarily restricted net assets at December 31, 2011 represent the results of activities for the following programs that have donor or grantor stipulations:

National Road Commons		\$2,186,503
Project Apple		144,640
SBDC Loan Program		<u>44,108</u>
Total		<u>\$2,375,251</u>

4. 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 \$370,267 for 2011.

5. Concentration of Risk:

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

6. Functional Expenses:

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

7. Economic Dependency:

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

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

Notes to the Financial Statements  
December 31, 2011

8. Property, Facilities and Equipment:

Capital asset activity for the year ended December 31, 2011 is as follows:

	<b>Balance January 1, 2011</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2011</b>
<b>Capital Assets Being Depreciated:</b>				
Office equipment	\$12,186	-	\$(6,261)	\$5,925
Furniture & Fixtures	11,792	-	(3,966)	7,826
Total Capital Assets Being Depreciated	<u>23,978</u>	<u>-</u>	<u>(10,227)</u>	<u>13,751</u>
<b>Less Accumulated Depreciation:</b>				
Office equipment	(10,187)	\$(1,185)	6,261	(5,111)
Furniture & Fixtures	(6,323)	(840)	3,966	(3,197)
Total Accumulated Depreciation	<u>(16,510)</u>	<u>(2,025)</u>	<u>10,227</u>	<u>(8,308)</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>\$7,468</u>	<u>\$(2,025)</u>	<u>\$-</u>	<u>\$5,443</u>

9. Prior Period Adjustment

In 2011 management determined that 2010 development costs associated with the Prime Ohio II Industrial Park should be capitalized as the result of a change in how the park would be operated/managed. Accordingly, costs in the amount of \$649,368 related to the Prime Ohio Industrial Park which were expensed in 2010, were capitalized in 2011. As a result the beginning balance of temporarily restricted net assets at January 1, 2011 was understated by that amount.

<b><u>Temporarily Restricted Net Assets</u></b>	
Beginning Fund Balance Jan 1, 2011- Previously Reported	<u>\$33,018</u>
Beginning Fund Balance Jan 1, 2011-Restated	<u>\$682,386</u>

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

Notes to the Financial Statements  
December 31, 2011

10. Subsequent Events:

The Corporation renewed a \$1,000,000 line of credit with Security National Bank on June 5, 2012 for one year. The interest rate, not to be less than 3.25%, is variable and is set by the Prime Rate as reported by the Wall Street Journal. The balance of the loan at December 31, 2011 was \$0.

Other subsequent events were evaluated through October 5, 2012, which is the date the financial statements were available to be issued.

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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

Community Improvement Corporation of  
Springfield and Clark County, Ohio  
20 South Limestone Street  
Springfield, Ohio 45502

To the Board of Trustees:

We have audited the financial statements of the Community Improvement Corporation of Springfield and Clark County, Ohio (the Corporation), as of and for the year ended December 31, 2011, and have issued our report thereon dated October 5, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the Corporation's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Corporation's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



## Compliance and Other Matters

As part of reasonably assuring whether the Corporation's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 that are required to be reported under *Government Auditing Standards*.

We noted other matters that we have reported to management of the Corporation in a separate letter dated October 5, 2012.

This report is intended solely for the information and use of management, the audit committee, members of the Board of Trustees, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

*Charles E. Harris Associates*

***Charles E. Harris and Associates, Inc.***

October 5, 2012

**COMMUNITY IMPROVEMENT CORPORATION OF  
SPRINGFIELD AND CLARK COUNTY, OHIO  
CLARK COUNTY, OHIO  
SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended December 31, 2011**

The prior report, for the year ending December 31, 2010, reported no material citations or recommendations.



# Dave Yost • Auditor of State

**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  
DECEMBER 20, 2012**