



Dave Yost • Auditor of State

**COMMUNITY IMPROVEMENT CORPORATION OF SPRINGFIELD & CLARK COUNTY, OHIO
CLARK COUNTY
DECEMBER 31, 2017**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Community Improvement Corporation of Springfield & Clark County, Ohio
Clark County
20 S. Limestone Street, Suite 100
Springfield, Ohio 45502

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the Community Improvement Corporation of Springfield & Clark County, Ohio, Clark County, Ohio (the Corporation), (a not-for-profit corporation), which comprise the statement of financial position as of and for the year ended December 31, 2017, the related statements of financial activities and cash flows for the year ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Community Improvement Corporation of Springfield & Clark County, Ohio, Clark County, Ohio as of December 31, 2017, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2018, 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 internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.



Dave Yost
Auditor of State
Columbus, Ohio

October 23, 2018

Community Improvement Corporation of Springfield & Clark County Ohio
Statement of Financial Position
As of December 31, 2017

ASSETS

Current Assets:

Cash, unrestricted	\$ 58,316
Cash, custodial	\$ 20,217
Receivables	\$ 41,176
Prepaid Expenses	\$ 41,736
Total Current Assets	<u>\$ 161,445</u>

Property & Equipment

Office furniture and equipment	\$ 196,852
Less: Accumulated Depreciation	\$ (46,728)
Net Property & Equipment	<u>\$ 150,124</u>

Other Assets:

Land and land improvements	\$ 12,122,442
Total Other Assets	<u>\$ 12,122,442</u>

TOTAL ASSETS

\$ 12,434,011

LIABILITIES & NET ASSETS

Current Liabilities:

Accounts Payable	\$ 168,858
Line of Credit	\$ 1,898,178
Custodial Assets	\$ 20,217
Note Payable - current portion	\$ 36,411
Total Current Liabilities	<u>\$ 2,123,664</u>

Long-Term Liabilities:

Note Payable - long -term portion	\$ 1,778,867
Total Long-Term Liabilities	<u>\$ 1,778,867</u>

Net Assets:

Temporarily restricted	\$ 20,217
Unrestricted	\$ 8,511,263
Total Net Assets	<u>\$ 8,531,480</u>

Total Liabilities & Net Assets

\$ 12,434,011

The notes to the financial statements are an integral part of the statements.

Community Improvement Corporation of Springfield & Clark County Ohio
Statement of Financial Activities
For the Year Ended December 31, 2017

REVENUE

Contributions	\$ 161,475
Foundation Grants	\$ 21,456
Local Government Funding	\$ 375,150
Contract Revenue	\$ 93,001
Project Management Fees	\$ 118,478
Rent	<u>\$ 112,873</u>
Total Revenue	<u>\$ 882,433</u>

EXPENSES

Administration and Operations	\$ 390,684
Economic Development and Project Related	\$ 282,802
Property Taxes	\$ 31,099
Interest	\$ 114,525
Grants and donations	\$ 48,000
Depreciation	<u>\$ 11,851</u>
Total Expenses	<u>\$ 878,961</u>

Increase/Decrease in Net Assets	\$ 3,472
Net Assets, Beginning of Year	<u>\$ 8,528,008</u>
Net Assets, End Of Year	<u>\$ 8,531,480</u>

The notes to the financial statements are an integral part of the statements.

Community Improvement Corporation of Springfield & Clark County Ohio
Statement of Cash Flows
For the Year Ended December 31, 2017

Cash Flows from Operating Activities		
Change in assets		\$ 3,472
Adjustment to reconcile #	to net cash provided by operations:	
Depreciation		\$ 11,851
(Increase)/Decrease in Accounts Receivable		\$ 22,213
(Increase)/Decrease in Prepaid Expenses		\$ (31,534)
Increase/(Decrease) in Accounts Payable		\$ 46,556
Increase/(Decrease) in Accrued Expense		\$ (41,514)
Increase/(Decrease) in Custodial Assets		\$ (7,572)
Net cash provided by operating activities		<u>\$ 3,472</u>
Cash Flows from Investing Activities		
Investment in Land		\$ (12,166)
Net cash used in financing activities		<u>\$ (12,166)</u>
Cash Flows from Capital and related Financing Activities		
Payments on notes payable		\$ (40,000)
Proceeds of notes payable		\$ 53,840
Net cash provided by financing activities		<u>\$ 13,840</u>
Net increase in cash and cash equivalents		\$ 5,146
Cash & cash equivalents at beginning of year		\$ 73,387
Cash & cash equivalents at end of year		<u>\$ 78,533</u>
Cash Represented By:		
Cash, unrestricted		\$ 58,316
Cash, custodial		\$ 20,217
Total		<u>\$ 78,533</u>

The notes to the financial statements are an integral part of the statements.

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COMMUNITY IMPROVEMENT CORPORATION OF SPRINGFIELD & CLARK COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 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.

A. Organization

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

B. 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 Corporation 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. The Corporation has no permanently restricted net assets.

C. 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.

COMMUNITY IMPROVEMENT CORPORATION OF SPRINGFIELD & CLARK COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

D. 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.

E. 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

F. 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 fifty years) of the respective assets.

G. Restricted Cash

Restricted cash accounts are monies held by the Corporation which are restricted for use. The Corporation had no restricted cash at December 31, 2017.

H. Custodial Cash

The cash accounts reported as custodial cash accounts by the Corporation represent monies held for third-party projects. At December 31, 2017, the funds being held were for the Small Business Development Corporation Revolving Loan Account.

NOTE 2 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2017 represent the results of activities for the following programs that have donor or grantor stipulations:

SBDC Loan Program - \$20,217

COMMUNITY IMPROVEMENT CORPORATION OF SPRINGFIELD & CLARK COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 3 - ADMINISTRATIVE EXPENSES

The Springfield Clark County Chamber of Commerce (the “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 \$426,454 for 2017.

NOTE 4 - CONCENTRATION OF RISK

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

NOTE 5 - FUNCTIONAL EXPENSES

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

NOTE 6 - ECONOMIC DEPENDENCY

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

NOTE 7 - PROPERTY, FACILITIES AND EQUIPMENT

Capital asset activity for the year ended December 31, 2017 is as follows:

	Balance			Balance
	12/31/2016	Additions	Deletions	12/31/2017
<i>Capital Assets Being Depreciated</i>				
Office Equipment	\$ 1,539	\$ -	\$ (1,539)	\$ -
Furniture and Fixtures	\$ 7,826	\$ -	\$ -	\$ 7,826
Equipment	\$ 189,026	\$ -	\$ -	\$ 189,026
<i>Total Capital Assets Being Depreciated</i>	<u>\$ 198,391</u>	<u>\$ -</u>	<u>\$ (1,539)</u>	<u>\$ 196,852</u>
 <i>Less Accumulated Depreciation</i>				
Office Equipment	\$ (1,539)	\$ -	\$ 1,539	\$ -
Furniture and Fixtures	\$ (7,110)	\$ (716)	\$ -	\$ (7,826)
Equipment	\$ (27,767)	\$ (11,135)	\$ -	\$ (38,902)
<i>Total Accumulated Depreciation</i>	<u>\$ (36,416)</u>	<u>\$ (11,851)</u>	<u>\$ 1,539</u>	<u>\$ (46,728)</u>
 Total Capital Assets Being Depreciated, Net	<u>\$ 161,975</u>	<u>\$ (11,851)</u>	<u>\$ -</u>	<u>\$ 150,124</u>

COMMUNITY IMPROVEMENT CORPORATION OF SPRINGFIELD & CLARK COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 8 - NOTES PAYABLE

The Corporation had the following outstanding notes:

	<u>Outstanding Balance</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Security National Bank	\$ 1,153,132	4.50%	10/5/2020
Security National Bank	\$ 36,411	3.25%	6/5/2018
Harry M. & Violet Turner 95 Charitable Trust	\$ 625,735	0.00%	N/A

NOTE 9 - LINE OF CREDIT

In addition, the Corporation had one line of credit outstanding with Security National Bank in the amount of \$1,898,178.



Dave Yost • Auditor of State

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

Community Improvement Corporation of Springfield & Clark County, Ohio
Clark County
20 S. Limestone Street, Suite 100
Springfield, Ohio 45502

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Community Improvement Corporation of Springfield & Clark County, Ohio, Clark County, (the Corporation), (a not-for-profit corporation), as of and for the year ended December 31, 2017, and the related notes to the financial statements and have issued our report thereon dated October 23, 2018.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Corporation's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Corporation's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

October 23, 2018



Dave Yost • Auditor of State

COMMUNITY IMPROVEMENT CORPORATION OF SPRINGFIELD AND CLARK COUNTY, OHIO

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
NOVEMBER 15, 2018**