



OHIO AUDITOR OF STATE  
**KEITH FABER**





**COMMUNITY IMPROVEMENT CORPORATION OF SPRINGFIELD & CLARK COUNTY, OHIO  
CLARK COUNTY  
DECEMBER 31, 2018**

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## 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, 2018, and 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, 2018, 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 State of America.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2019, 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. 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.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 6, 2019

**Community Improvement Corporation of Springfield & Clark County Ohio**  
**Statement of Financial Position**  
**As of December 31, 2018**

**ASSETS**

**Current Assets:**

Cash, unrestricted	\$ 54,364
Cash, custodial	\$ 51,934
Receivables	\$ 54,039
Prepaid Expenses	\$ 23,449
<b>Total Current Assets</b>	<b><u>\$ 183,786</u></b>

**Property & Equipment**

Office furniture and equipment	\$ 191,695
Less: Accumulated Depreciation	\$ (50,776)
<b>Net Property &amp; Equipment</b>	<b><u>\$ 140,919</u></b>

**Other Assets:**

Land and land improvements	\$ 12,136,277
<b>Total Other Assets</b>	<b><u>\$ 12,136,277</u></b>

**TOTAL ASSETS**

**\$ 12,460,982**

**LIABILITIES & NET ASSETS**

**Current Liabilities:**

Accounts Payable	\$ 201,520
Due to Affiliate	\$ 1,000
Line of Credit	\$ 1,898,178
Custodial Assets	\$ 51,934
<b>Total Current Liabilities</b>	<b><u>\$ 2,152,632</u></b>

**Long-Term Liabilities:**

Note Payable - long -term portion	\$ 1,820,771
<b>Total Long-Term Liabilities</b>	<b><u>\$ 1,820,771</u></b>

**Net Assets:**

Without Donor Restrictions	\$ 8,435,645
With Donor Restrictions	\$ 51,934
<b>Total Net Assets</b>	<b><u>\$ 8,487,579</u></b>

**Total Liabilities & Net Assets**

**\$ 12,460,982**

See accompanying notes to the financial statements.

**Community Improvement Corporation of Springfield & Clark County Ohio**  
**Statement of Financial Activities**  
**For the Year Ended December 31, 2018**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE</b>			
Contributions	\$ 168,383	\$ 51,467	\$ 219,850
Foundation Grants	\$ 7,054	\$ 10,000	\$ 17,054
Local Government Funding	\$ 349,320	\$ 28,000	\$ 377,320
Contract Revenue	\$ 114,611	\$ -	\$ 114,611
Project Management Fees	\$ 168,533	\$ -	\$ 168,533
Rent	\$ 121,348	\$ -	\$ 121,348
Other	\$ 43,432	\$ -	\$ 43,432
<b>Total Revenue</b>	<b>\$ 972,681</b>	<b>\$ 89,467</b>	<b>\$ 1,062,148</b>
<b>EXPENSES</b>			
Administration and Operations	\$ 457,335	\$ -	\$ 457,335
Economic Development and Project Related	\$ 393,772	\$ -	\$ 393,772
Property Taxes	\$ 34,498	\$ -	\$ 34,498
Interest	\$ 139,420	\$ -	\$ 139,420
Grants and donations	\$ 11,400	\$ 57,750	\$ 69,150
Depreciation	\$ 11,874	\$ -	\$ 11,874
<b>Total Expenses</b>	<b>\$ 1,048,299</b>	<b>\$ 57,750</b>	<b>\$ 1,106,049</b>
Increase/Decrease in Net Assets	\$ (75,618)	\$ 31,717	\$ (43,901)
Net Assets, Beginning of Year	\$ 8,511,263	\$ 20,217	\$ 8,531,480
<b>Net Assets, End Of Year</b>	<b>\$ 8,435,645</b>	<b>\$ 51,934</b>	<b>\$ 8,487,579</b>

See accompanying notes to the financial statements.



**Community Improvement Corporation of Springfield & Clark County Ohio**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2018**

**Cash Flows from Operating Activities**

Change in net assets	\$ (43,901)
Adjustment to reconcile change in net assets to net cash provided by operations:	
Depreciation	\$ 11,874
Changes in operating assets and liabilities:	
Increase in Accounts receivable	\$ (12,863)
Decrease in Prepaid expenses	\$ 18,287
Increase in Accounts payable/due to affiliate	\$ 33,662
Increase in Custodial Assets	\$ 31,717
<b>Net cash provided by operating activities</b>	<b><u>\$ 38,776</u></b>

**Cash Flows from Investing Activities**

Investment in Equipment	\$ (2,669)
Investment in Land	\$ (13,835)
<b>Net cash used in investing activities</b>	<b><u>\$ (16,504)</u></b>

**Cash Flows from Capital and related Financing Activities**

Payments on notes payable	\$ (36,411)
Proceeds of notes payable	\$ 41,904
<b>Net cash provided by financing activities</b>	<b><u>\$ 5,493</u></b>

Net increase in cash, cash equivalents and restricted cash	\$ 27,765
Cash, cash equivalents and restricted cash at beginning of year	\$ 78,533
<b>Cash, cash equivalents and restricted cash at end of year</b>	<b><u><u>\$ 106,298</u></u></b>

**Cash Represented By:**

Cash, unrestricted	\$ 54,364
Cash, custodial	\$ 51,934
<b>Total</b>	<b><u><u>\$ 106,298</u></u></b>

See accompanying notes to the financial statements.

COMMUNITY IMPROVEMENT CORPORATION OF SPRINGFIELD & CLARK COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**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 two classes of net assets:

*Net Assets without Donor Restrictions* - Net assets that are not subject to donor or grantor-imposed stipulations.

*Net Assets with Donor Restrictions* - 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.

**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.

**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.

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**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. Contributions**

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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.

**NOTE 2 – DONOR RESTRICTED NET ASSETS**

Donor restricted net assets at December 31, 2018 represent the results of activities for the following programs that have donor or grantor stipulations:

SBDC Loan Program - \$51,934

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**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 \$422,042 for 2018.

**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. The Corporation does not allocate expenses between supporting services and program services.

**NOTE 6 – INFORMATION ABOUT LIQUIDITY**

The Corporation is dependent upon continued funding from local private and public sources to meet its operational expenses and does not currently have an operating reserve.

In the event of an unanticipated liquidity need, the Corporation would rely on support of the City of Springfield and Clark County Ohio since the Corporation is the economic development arm of the City and County.

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 7 - PROPERTY, FACILITIES AND EQUIPMENT**

Capital asset activity for the year ended December 31, 2018 is as follows:

	<u>Balance</u>			<u>Balance</u>	
	12/31/2017	Additions	Deletions	12/31/2018	
<i>Capital Assets Being Depreciated</i>					
Office Equipment	\$ -	\$ 2,669	\$ -	\$ 2,669	
Furniture and Fixtures	\$ 7,826	\$ -	\$ (7,826)	\$ -	
Equipment	\$ 189,026	\$ -	\$ -	\$ 189,026	
<i>Total Capital Assets Being Depreciated</i>	<u>\$ 196,852</u>	<u>\$ 2,669</u>	<u>\$ (7,826)</u>	<u>\$ 191,695</u>	
 <i>Less Accumulated Depreciation</i>					
Office Equipment	\$ -	\$ (741)	\$ -	\$ (741)	
Furniture and Fixtures	\$ (7,826)	\$ -	\$ 7,826	\$ -	
Equipment	\$ (38,902)	\$ (11,133)	\$ -	\$ (50,035)	
<i>Total Accumulated Depreciation</i>	<u>\$ (46,728)</u>	<u>\$ (11,874)</u>	<u>\$ 7,826</u>	<u>\$ (50,776)</u>	
 Total Capital Assets Being Depreciated, Net	<u>\$ 150,124</u>	<u>\$ (9,205)</u>	<u>\$ -</u>	<u>\$ 140,919</u>	

**NOTE 8 - NOTES PAYABLE**

The Corporation had the following outstanding notes:

	<u>Balance</u>	<u>Rate</u>	<u>Date</u>
Security National Bank	\$ 1,153,132	5.25%	10/5/2020
Harry M. & Violet Turner 95 Charitable Trust	\$ 667,639	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.

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 10- AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Corporation's financial assets of the balance sheet date, reduced by the amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions or internal designations. Amounts not available, if any, would include amounts set aside for long-term investing in the operating and capital reserves that could be drawn upon if the governing board approves such action.

	<u>12/31/2018</u>
Cash	\$ 106,298
Receivables	<u>\$ 54,039</u>
Total financial assets	\$ 160,337
Receivables scheduled to be collected in more than one year	\$ -
Contractual or donor-imposed restrictions:	
SBDC Loan Funds	<u>\$ (51,934)</u>
Board designations	\$ -
Financials assets available to meet cash needs for general expenditures within one year	<u>\$ 108,403</u>

**NOTE 11 – CHANGE IN ACCOUNTING PRINCIPLE**

The Corporation implemented Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, during 2018. The changes have been incorporated into the Corporation's statements and notes; however, there were not significant changes and no impact on beginning net assets.



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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**

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) as of and for the year ended December 31, 2018, and the related notes to the financial statements and have issued our report thereon dated December 6, 2019.

***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.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 6, 2019



# OHIO AUDITOR OF STATE KEITH FABER



**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  
DECEMBER 26, 2019**