



OHIO AUDITOR OF STATE
KEITH FABER



**OHIO CITY IMPROVEMENT CORPORATION
CUYAHOGA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Statement of Net Assets – June 30, 2019 and 2018	3
Statement of Revenues, Expenses and Changes in Fund Net Assets – For the Fiscal Years Ended June 30, 2019 and 2018	4
Statement of Cash Flows – For the Fiscal Years Ended June 30, 2019 and 2018	5
Notes to the Financial Statements – For the Year Ended June 30, 2019	6
Statement of Net Assets – June 30, 2018 and 2017	9
Statement of Revenues, Expenses and Changes in Fund Net Assets – For the Fiscal Years Ended June 30, 2018 and 2017	10
Statement of Cash Flows – For the Fiscal Years Ended June 30, 2018 and 2017	11
Notes to the Financial Statements – For the Year Ended June 30, 2018	12
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	15

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113-1801
(216) 787-3665 or (800) 626-2297
NortheastRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Ohio City Improvement Corporation
Cuyahoga County
3308 Lorain Avenue
Cleveland, Ohio 44113

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the Ohio City Improvement Corporation, Cuyahoga County, Ohio (the Corporation), (a not-for-profit Corporation), as of and for the years ended June 30, 2019, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation, as of June 30, 2019, 2018 and 2017, and the changes in its financial position and its cash flows for the years 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 June 4, 2021, 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

June 4, 2021

Ohio City Improvement Corporation

Statement of Net Assets

June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
<i>Current Assets:</i>		
Equity in Pooled Cash and Cash Equivalents	\$53,118	\$66,786
Accounts Receivable	2,000	0
Prepaid Expenses	1,201	882
	<u>56,319</u>	<u>67,668</u>
<i>Total Current Assets</i>		
	<u>56,319</u>	<u>67,668</u>
Liabilities		
<i>Current Liabilities:</i>		
Accounts Payable	12,342	26,925
	<u>12,342</u>	<u>26,925</u>
<i>Total Current Liabilities</i>		
	<u>12,342</u>	<u>26,925</u>
<i>Long-Term Liabilities:</i>		
Notes Payable	0	20,000
	<u>0</u>	<u>20,000</u>
<i>Total Long-Term Liabilities</i>		
	<u>0</u>	<u>20,000</u>
<i>Total Liabilities</i>	<u>12,342</u>	<u>46,925</u>
Net Assets		
Net Assets	20,743	8,829
Net Income	23,234	11,914
	<u>43,977</u>	<u>20,743</u>
<i>Total Net Assets</i>		
	<u>43,977</u>	<u>20,743</u>
<i>Total Liabilities and Net Assets</i>	<u>\$56,319</u>	<u>\$67,668</u>

See accompanying notes to the basic financial statements

Ohio City Improvement Corporation
*Statement of Revenues,
Expenses and Changes in Fund Net Assets*

For the Fiscal Years Ended June 30, 2019 and 2018

	2019	2018
Revenue		
Revenue Assessments	\$240,870	\$248,319
Other Income	2,000	0
<i>Total Revenue</i>	<u>242,870</u>	<u>248,319</u>
Operating Expenses		
Travel	1,200	1,211
General - Overhead	22,479	22,308
Contractual	184,973	203,077
Other Operating Expenses	10,984	9,809
<i>Total Operating Expenses</i>	<u>219,636</u>	<u>236,405</u>
<i>Operating Income (Loss)</i>	<u>23,234</u>	<u>11,914</u>
<i>Change in Net Assets</i>	23,234	11,914
<i>Net Assets Beginning of Year</i>	<u>20,743</u>	<u>8,829</u>
<i>Net Assets End of Year</i>	<u><u>\$43,977</u></u>	<u><u>\$20,743</u></u>

See accompanying notes to the basic financial statements

Ohio City Improvement Corporation
Statement of Cash Flows

For the Fiscal Years Ended June 30, 2019 and 2018

	2019	2018
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash Received from Assessments	\$240,870	\$248,319
Cash Payments for Goods and Services	(234,538)	(226,057)
	6,332	22,262
<i>Net Cash Provided by (Used in) Operating Activities</i>		
Cash Flows from Noncapital Financing Activities		
Payment of Notes	(20,000)	(10,000)
	(20,000)	(10,000)
<i>Net Cash Provided by (Used in) Noncapital Financing Activities</i>		
	(13,668)	12,262
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>		
	66,786	54,524
<i>Cash and Cash Equivalents Beginning of Year</i>		
	\$53,118	\$66,786
<i>Cash and Cash Equivalents End of Year</i>		
	2019	2018
Reconciliation of Operating Gain (Loss) to Net Cash Provided by (Used in) Operating Activities		
Net Income (Loss)	\$23,234	\$11,914
(Increase) Decrease in Assets:		
Prepaid Expenses	(318)	(304)
Accounts Receivable	(2,000)	0
Increase (Decrease) in Liabilities:		
Accounts Payable	(14,584)	10,652
	\$6,332	\$22,262
<i>Net Cash Provided by (Used in) Operating Activities</i>		

See accompanying notes to the basic financial statements

Ohio City Improvement Corporation

Cuyahoga County

Notes to the Financial Statements

For the Year Ended June 30, 2019

Note 1 - Reporting Entity

The Ohio City Improvement Corporation, Cuyahoga County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected 9-member Governing Board directs the Corporation. The Corporation provides safety, maintenance, and cleaning services through a contract with Downtown Cleveland Alliance and Block by Block. These Ambassadors sweep the street and sidewalks, remove litter, and gum stains, abate graffiti on public property, and maintain a level of cleanliness in the District. Additionally, the Ambassadors provide walking and bike patrols, safety escorts, and neighborhood assistance to provide an additional level of security in the District. The Ohio City Ambassadors operate up to seven days a week through the year maintaining a clean, safe, and welcoming environment.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Corporation's financial statements consist of a statement of net assets, a statement of revenues, expenses and changes in fund net assets and a statement of cash flows.

Fund Accounting

The Corporation uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Corporation are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Corporation for any purpose provided it is expended or transferred according to the general laws of Ohio.

Basis of Accounting

The financial statements of the Corporation have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to not-for-profit corporations. Financial statements follow the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958: Financial Statements of Not-for-Profit Organizations. The most significant of the Corporation's accounting policies are described in the footnotes. 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, temporarily restricted net assets and permanently restricted net assets.

Ohio City Improvement Corporation
Cuyahoga County
Notes to the Financial Statements
For the Year Ended June 30, 2019

Note 3 – Deposits and Investments

The Corporation maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at June 30, 2019 was as follows:

	<u>2019</u>
Demand deposits	\$53,118
Total deposits	<u>53,118</u>

Deposits

Deposits are insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Corporation. At June 30, 2019, \$0 of deposits were not insured or collateralized.

Note 4 – Long Term Debt

The Corporation received a \$30,000 loan from Ohio City Incorporated on July 22, 2016. The loan has a 0.0% interest rate and was due on March 1, 2017. The Corporation and Ohio City Inc. agreed to a three year extension on the long term debt note on December 6, 2017. The note payable at 0.0% will be repayable in \$10,000 increments with payments due annually on December 15, 2017, 2018, and the final payment due on December 15, 2019. The Corporation repaid the debt in full on May 31, 2019. The balance on the loan as of June 30, 2019 and 2018 was \$0 and \$20,000 respectively.

This page intentionally left blank.

Ohio City Improvement Corporation
Statement of Net Assets

June 30, 2018 and 2017

	2018	2017
Assets		
<i>Current Assets:</i>		
Equity in Pooled Cash and Cash Equivalents	\$66,786	\$54,524
Prepaid Expenses	882	579
<i>Total Current Assets</i>	67,668	55,103
<i>Total Assets</i>	67,668	55,103
Liabilities		
<i>Current Liabilities:</i>		
Accounts Payable	26,925	16,274
<i>Total Current Liabilities</i>	26,925	16,274
<i>Long-Term Liabilities:</i>		
Notes Payable	20,000	30,000
<i>Total Long-Term Liabilities</i>	20,000	30,000
<i>Total Liabilities</i>	46,925	46,274
Net Assets		
Net Assets	8,829	36,089
Net Income	11,914	(27,260)
<i>Total Net Assets</i>	20,743	8,829
<i>Total Liabilities and Net Assets</i>	\$67,668	\$55,103

See accompanying notes to the basic financial statements

Ohio City Improvement Corporation
*Statement of Revenues,
Expenses and Changes in Fund Net Assets*

For the Fiscal Years Ended June 30, 2018 and 2017

	2018	2017
Revenue		
Revenue Assessments	\$248,319	\$130,632
Contributions	0	1,038
<i>Total Revenue</i>	248,319	131,670
Operating Expenses		
Travel	1,211	2,544
General - Overhead	22,308	19,426
Contractual	203,077	129,116
Other Operating Expenses	9,809	7,844
<i>Total Operating Expenses</i>	236,405	158,930
<i>Operating Income (Loss)</i>	11,914	(27,260)
<i>Change in Net Assets</i>	11,914	(27,260)
<i>Net Assets Beginning of Year</i>	8,829	36,089
<i>Net Assets End of Year</i>	\$20,743	\$8,829

See accompanying notes to the basic financial statements

Ohio City Improvement Corporation
Statement of Cash Flows

For the Fiscal Years Ended June 30, 2018 and 2017

	2018	2017
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash Received from Assessments	\$248,319	\$131,670
Cash Payments for Goods and Services	(226,057)	(110,669)
<i>Net Cash Provided by (Used in) Operating Activities</i>	22,262	21,001
Cash Flows from Noncapital Financing Activities		
Payment of Notes	(10,000)	0
Issuance of Notes	0	30,000
<i>Net Cash Provided by (Used in) Noncapital Financing Activities</i>	(10,000)	30,000
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	12,262	51,001
<i>Cash and Cash Equivalents Beginning of Year</i>	54,524	3,523
<i>Cash and Cash Equivalents End of Year</i>	\$66,786	\$54,524
	2018	2017
Reconciliation of Operating Gain (Loss) to Net Cash Provided by (Used in) Operating Activities		
Net Income (Loss)	\$11,914	(\$27,260)
(Increase) Decrease in Assets:		
Prepaid Expenses	(304)	172
Accounts Receivable	0	68,856
Increase (Decrease) in Liabilities:		
Accounts Payable	10,652	(20,767)
<i>Net Cash Provided by (Used in) Operating Activities</i>	\$22,262	\$21,001

See accompanying notes to the basic financial statements

Ohio City Improvement Corporation

Cuyahoga County

Notes to the Financial Statements

For the Year Ended June 30, 2018

Note 1 - Reporting Entity

The Ohio City Improvement Corporation, Cuyahoga County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected 9-member Governing Board directs the Corporation. The Corporation provides safety, maintenance, and cleaning services through a contract with Downtown Cleveland Alliance and Block by Block. These Ambassadors sweep the street and sidewalks, remove litter, and gum stains, abate graffiti on public property, and maintain a level of cleanliness in the District. Additionally, the Ambassadors provide walking and bike patrols, safety escorts, and neighborhood assistance to provide an additional level of security in the District. The Ohio City Ambassadors operate up to seven days a week through the year maintaining a clean, safe, and welcoming environment.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Corporation's financial statements consist of a statement of net assets, a statement of revenues, expenses and changes in fund net assets and a statement of cash flows.

Fund Accounting

The Corporation uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Corporation are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Corporation for any purpose provided it is expended or transferred according to the general laws of Ohio.

Basis of Accounting

The financial statements of the Corporation have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to not-for-profit corporations. Financial statements follow the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958: Financial Statements of Not-for-Profit Organizations. The most significant of the Corporation's accounting policies are described in the footnotes. 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, temporarily restricted net assets and permanently restricted net assets.

Ohio City Improvement Corporation
Cuyahoga County
Notes to the Financial Statements
For the Year Ended June 30, 2018

Note 3 – Deposits and Investments

The Corporation maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at June 30, 2018 was as follows:

	<u>2018</u>
Demand deposits	\$66,786
Total deposits	<u>66,786</u>

Deposits

Deposits are insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Corporation. At June 30, 2018, \$0 of deposits were not insured or collateralized.

Note 4 – Long Term Debt

The Corporation received a \$30,000 loan from Ohio City Incorporated on July 22, 2016. The loan has a 0.0% interest rate and was due on March 1, 2017. The Corporation and Ohio City Inc. agreed to a three year extension on the long term debt note on December 6, 2017. The note payable at 0.0% will be repayable in \$10,000 increments with payments due annually on December 15, 2017, 2018, and the final payment due on December 15, 2019. The balance on the loan as of June 30, 2018 and 2017 was \$30,000 and \$20,000 respectively.

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113-1801
(216) 787-3665 or (800) 626-2297
NortheastRegion@ohioauditor.gov

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

Ohio City Improvement Corporation
Cuyahoga County
3308 Lorain Avenue
Cleveland, Ohio 44113

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 Ohio City Improvement Corporation, Cuyahoga County, (the Corporation) as of and for the years ended June 30, 2019, 2018 and 2017, and the related notes to the financial statements, and have issued our report thereon dated June 4, 2021.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions 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 financial statements. 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

June 4, 2021

OHIO AUDITOR OF STATE KEITH FABER



OHIO CITY IMPROVEMENT CORPORATION

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 6/17/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov