

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

**Financial Statements**

**August 31, 2001 and 2000**

**with**

**Independent Auditors' Report**





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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Boards of Trustees  
Community Improvement Corporation  
of Springfield and Clark County  
333 Limestone Street, Suite 201  
Springfield, Ohio 45503-4292

We have reviewed the Independent Auditor's Report of the Community Improvement Corporation of Springfield and Clark County, prepared by Clark, Schaefer, Hackett & Company, for the audit period September 1, 2000 through August 31, 2001. 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, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

October 7, 2002

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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

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

We have audited the accompanying statements of financial position of Community Improvement Corporation of Springfield and Clark County, Ohio as of August 31, 2001 and 2000 and the related statements of activities 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 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the 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 present fairly, in all material respects, the financial position of Community Improvement Corporation of Springfield and Clark County, Ohio, at August 31, 2001 and 2000, 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 October 30, 2001, on our consideration of Community Improvement Corporation of Springfield and Clark County, Ohio internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Audit Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying schedules of program activities and changes in net assets and general operating and administration expense are presented for purposes of additional analysis and is not a required part of the financial statements of Community Improvement Corporation of Springfield and Clark County, Ohio. The information in these schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

*Clark Schaefer Hackett & Co.*

Springfield, Ohio  
October 30, 2001

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

Combined Statements of Financial Position

August 31, 2001 and 2000

<u>Assets</u>		
	<u>2001</u>	<u>2000</u>
<b>Current assets:</b>		
Cash	\$ 769,499	890,160
Cash designated for projects	52,941	47,373
Certificates of deposit	490,488	339,996
Other receivables	<u>24,474</u>	<u>18,711</u>
Total current assets	<u>1,337,402</u>	<u>1,296,240</u>
 <b>Property and equipment:</b>		
Office furniture, equipment and vehicles	110,865	104,211
 Less accumulated depreciation	 <u>66,257</u>	 <u>59,016</u>
Net fixed assets	<u>44,608</u>	<u>45,195</u>
 <b>Other assets:</b>		
Long term investments	274,055	256,998
Industrial Park Development	1,176,656	1,474,608
Other assets	<u>-</u>	<u>4,000</u>
	<u>1,450,711</u>	<u>1,735,606</u>
 Total assets	 \$ <u>2,832,721</u>	 <u>3,077,041</u>
 <u>Liabilities</u>		
Accounts payable	\$ 56,472	48,729
Notes payable, development property	43,870	43,870
Other liabilities	254,055	226,998
Estimated costs to complete development	<u>-</u>	<u>305,000</u>
 Total liabilities	 <u>354,397</u>	 <u>624,597</u>
 <u>Net Assets</u>		
Unrestricted	<u>2,478,324</u>	<u>2,452,444</u>
 Total liabilities and net assets	 \$ <u>2,832,721</u>	 <u>3,077,041</u>

See accompanying notes to the financial statements.



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

Combined Statements of Activities  
Years Ended August 31, 2001 and 2000

	<u>2001</u>	<u>2000</u>
<b>Revenue:</b>		
Gain (loss) on sale of land and building	\$ 435,426	(490,746)
Rental income	-	282,218
Fees and services	25,028	24,690
Interest	144,626	88,929
Prime Ohio, fees	<u>368,519</u>	<u>315,015</u>
	<u>973,599</u>	<u>220,106</u>
<b>Expenses:</b>		
General operating	314,340	355,582
Administration	264,860	267,274
Prime Ohio, services	<u>368,519</u>	<u>315,015</u>
Total expenses	<u>947,719</u>	<u>937,871</u>
Increase (decrease) in net assets	25,880	(717,765)
Net assets, beginning of year	<u>2,452,444</u>	<u>3,170,209</u>
Net assets, end of year	\$ <u>2,478,324</u>	<u>2,452,444</u>

See accompanying notes to the financial statements.

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

Combined Statements of Cash Flows  
Years Ended August 31, 2001 and 2000

	2001	2000
Cash flows from operating activities:		
Change in net assets	\$ 25,880	(717,765)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Loss (gain) on sale of land and building	(435,426)	490,746
Depreciation	7,241	33,061
Effects of change in operating assets and liabilities:		
(Increase) decrease in other receivables	(5,763)	5,297
Decrease in other assets	4,000	-
Increase in accounts payable	7,743	13,051
Increase in other liabilities	27,057	34,173
Net cash used by operating activities	(369,268)	(141,437)
 Cash flows from investing activities:		
Increase in investments	(17,057)	(24,498)
Purchase of certificates of deposit	(392,163)	(462,204)
Purchase of land	(299,574)	-
Proceeds from sale of building	-	1,584,500
Proceeds from land sales	735,000	-
Proceeds from certificate of deposits	241,671	700,318
Development costs related to industrial park	(7,048)	(9,544)
Purchase of equipment	(6,654)	(27,500)
Net cash provided by investing activities	254,175	1,761,072
 Cash flows from financing activities:		
Decrease in note payable	-	(1,706,781)
 Decrease in cash	(115,093)	(87,146)
Cash, beginning of year	937,533	992,909
 Cash, end of year	\$ 822,440	905,763
 Represented by:		
Cash	\$ 769,499	890,160
Cash designated for projects	52,941	47,373
	\$ 822,440	937,533
 Income taxes paid	\$ -	-
 Interest paid	\$ -	158,755

See accompanying notes to the financial statements.

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

Notes to the Financial Statements  
August 31, 2001 and 2000

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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 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 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. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Unrestricted, temporarily restricted and permanently restricted. The Corporation has only unrestricted net assets at August 31, 2001 and 2000.*

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 Organization 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.

Property and depreciation

Property and equipment and rental property are recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets.

Cash

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

Interest costs

Interest costs incurred during the development of the industrial park are capitalized. There were no interest costs during fiscal year 2001 or 2000.

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

Notes to the Financial Statements  
August 31, 2001 and 2000

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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.

Restatement of prior year balances change in accounting principle

The Corporation has changed its method of accounting from the income tax basis to accounting principles generally accepted in the United States of America (GAAP). The reason for the change was adoption of Senate Bill 265 of the 123<sup>rd</sup> General Assembly of the State of Ohio. The financial statements have been restated to apply the new method retroactively. (See Note 12)

2. Cash Designated for Projects:

Cash on deposit at August 31, 2001 and 2000, held for projects is as follows:

	<u>2001</u>	<u>2000</u>
Due to Clark County - Economic Development Incentive Fund	\$ 35,121	31,770
Small Business Development Corporation	<u>17,820</u>	<u>15,603</u>
	\$ <u>52,941</u>	<u>47,373</u>

All monies are maintained in segregated interest bearing bank accounts.

3. Industrial Park Development:

The Corporation has entered into an agreement with Clark County and the City of Springfield regarding the development of PrimeOhio Industrial Park. The Corporation received \$2,550,000 from Clark County in annual installments of \$425,000 beginning December 20, 1984. In return the Corporation is to acquire prescribed property in Springfield Township, develop and construct the industrial park, and market tracts within the park to business firms for the purpose of economic development. All funds shall be used only for the economic development activities within Clark County, Ohio, both within and outside the corporate limits of the City of Springfield.

At August 31, 2001 and 2000, the Corporation expended funds, as reported below, for development and construction costs relating to the industrial park which have been capitalized.

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

Notes to the Financial Statements  
August 31, 2001 and 2000

The following is a historical summary of the account:

	<u>2001</u>	<u>2000</u>
Land acquisition (including easements, surveying, legal fees, taxes and options)	\$ 1,823,089	1,816,356
Development and construction expenses	4,138,494	4,138,179
Interest	<u>103,933</u>	<u>103,933</u>
	6,065,515	6,058,468
Less amount recorded as cost of land and building sold or transferred	<u>(4,888,860)</u>	<u>(4,583,860)</u>
	<u>\$ 1,176,656</u>	<u>1,474,608</u>

4. Long-Term Investments:

The Corporation has purchased annuities on the lives of key staff to fund the contractual obligation as described in Note 6. The present value of the annuities is reported in the financial statements as Long-Term Investments.

5. Contractual Obligation:

The Corporation is obligated to pay the above annuities to the participants in the program. At August 31, 2001, the net obligation to the participants is the present value of the annuity (\$274,055) less a repayment amount of \$20,000.

The repayment amount is reduced by \$10,000 annually, if the staff remain employed with the corporation.

6. Notes Payable:

A summary of notes payable at August 31, 2001 and 2000 is as follows:

	<u>2001</u>	<u>2000</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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**COMMUNITY IMPROVEMENT CORPORATION OF  
SPRINGFIELD AND CLARK COUNTY, OHIO**

Notes to the Financial Statements  
August 31, 2001 and 2000

7. Estimated Costs to Complete:

To determine the cost of the Industrial Park lots sold, management estimated the costs to complete Park Development. During fiscal year 2001, the Project was completed. The following summarizes the estimate:

	<u>2001</u>	<u>2000</u>
Original estimate	\$ 305,000	305,000
Change in additional estimated costs to complete	<u>(305,000)</u>	<u>-</u>
Balance	\$ <u>-</u>	<u>305,000</u>

8. Administrative Expenses:

The Springfield Clark County Chamber of Commerce (Chamber) furnishes administrative services to the Corporation. Costs incurred by the Chamber on behalf of the Corporation include salaries and benefits and occupancy and other related office expenses. The Corporation reimbursed the Chamber for these services in the amount of \$257,619 and \$234,213 for 2001 and 2000, respectively.

9. Other Assets:

Other assets consisted of options to purchase approximately 89 acres of land in southeastern Clark County. The options expired in August 2001.

10. Concentration of Risk:

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

The Corporation's operations are dependent upon the general economic conditions of Springfield and Clark County, Ohio.

11. Continuing Options Obligations:

The Corporation continues to renew several purchase option agreements that are charged to operations currently, subsequent to August 31, 2001. The options are for 386 acres with a purchase price of \$3,522,664. These options may be terminated at managements' discretion.

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

Notes to the Financial Statements  
August 31, 2001 and 2000

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12. Restatement of Net Assets:

The Corporation changed its financial statement report to full accrual as required by the Ohio Revised Code. The following summarizes the restatement:

Net assets as previously recorded at August 31, 2000:	
Net assets as restated August 31, 2000	\$ 2,679,442
Other liabilities not previously recorded	<u>(226,998)</u>
 Net assets as restated August 31, 2000	 \$ <u>2,452,444</u>

**COMMUNITY IMPROVEMENT CORPORATION OF SPRINGFIELD**

**CLARK COUNTY, OHIO**

Schedules of Program Activities and Changes in Net Assets  
Years Ended August 31, 2001 and 2000

	Industrial Park Fund		2001 Total		Industrial Park Fund		2000 Total	
	Operating		Operating		Operating		Operating	
<b>Revenues:</b>								
Interest income	\$ 80,151		7,014	144,626	81,915		88,929	
Miscellaneous	-		6,081	23,303	16,883		22,964	
Rental income	-		282,218	-	-		282,218	
Prime Ohio, fees	368,519		315,015	368,519	-		315,015	
Sale of building	-		(490,746)	-	-		(490,746)	
Land sales	-	435,426	-	-	-		-	
Farm lease	-	1,725	-	1,725	1,726		1,726	
Reimbursement - Pentaflex	-	-	-	-	-		-	
Reimbursement - Add ons	-	-	-	-	-		-	
<b>Total revenues</b>	<u>448,670</u>	<u>524,929</u>	<u>119,582</u>	<u>973,599</u>	<u>100,524</u>		<u>220,106</u>	
<b>Expenses:</b>								
General	187,831	126,509	233,082	312,340	122,500		355,582	
Prime Ohio, services	-	368,519	-	368,519	315,015		315,015	
	<u>187,831</u>	<u>495,028</u>	<u>233,082</u>	<u>680,859</u>	<u>437,515</u>		<u>670,597</u>	
Administration	257,619	-	234,213	257,619	-		234,213	
Depreciation	6,038	1,203	32,274	7,241	787		33,061	
Total expenses	<u>451,488</u>	<u>496,231</u>	<u>499,569</u>	<u>945,719</u>	<u>438,302</u>		<u>937,871</u>	
Increase (decrease) in net assets	(2,818)	28,698	(379,987)	25,880	(337,778)		(717,765)	
Net assets, beginning of year	<u>240,502</u>	<u>2,211,942</u>	<u>620,489</u>	<u>2,452,444</u>	<u>2,549,720</u>		<u>3,170,209</u>	
Net assets, end of year	\$ <u>237,684</u>	<u>2,240,640</u>	<u>240,502</u>	<u>2,478,324</u>	<u>2,211,942</u>		<u>2,452,444</u>	

See independent auditors' report on additional information.  
See accompanying notes to the financial statements.



**COMMUNITY IMPROVEMENT CORPORATION OF  
SPRINGFIELD AND CLARK COUNTY, OHIO**  
Schedules of General Operating and Administration Expenses  
August 31, 2001 and 2000

	2001	2000
<b>General operating:</b>		
Development and options	\$ 157,067	69,700
Project expenses	6,786	-
Bank fees - CIC	180	192
Spec VI - debt structure interest	-	158,755
Spec VI - expenses	175	856
I-675 project	4,875	-
State and national meetings	1,214	1,699
Staff training development, and retreats	10,000	-
Employee benefits	27,057	34,498
Auto expenses	4,980	5,867
Economic development trips	4,391	1,689
Due and periodicals	427	228
Miscellaneous economic development	6,059	965
Miscellaneous	-	1,666
Marketing	15,778	16,654
Bank fees - Prime Ohio	15	-
Investment fees	389	390
Professional fees	369	811
Maintenance and storage	2,144	2,639
Owners Association expenses - Prime Ohio	22,004	13,526
Owners Association fee - Prime Ohio	2,530	897
Operations	47,900	44,550
	\$ 314,340	355,582
<b>Administration:</b>		
Administration fee	\$ 257,619	234,213
Depreciation	7,241	33,061
	\$ 264,860	267,274

See independent auditors' report on additional information.

See accompanying notes to the financial statements.

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

Independent Auditors' 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

We have audited the financial statements of Community Improvement Corporation of Springfield and Clark County, Ohio, as of and for the years ended August 31, 2001 and 2000, and have issued our report thereon dated October 30, 2001. We conducted our audits in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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 of the determination of financial statement amounts. However, providing an opinion of 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*.

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 over financial reporting that might be material weaknesses. A material weakness is a 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 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

This report is intended solely for the information and use of the Board of Trustees, management, others within the Agency and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Clark Schaefer Hackett & Co.*

Springfield, Ohio  
October 30, 2001

**COMMUNITY IMPROVEMENT CORPORATION OF SPRINGFIELD AND  
CLARK COUNTY, OHIO**  
Schedule of Findings and Questioned Costs  
August 31, 2001 and 2000

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?	N/A
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	N/A
(d)(1)(v)	Type of Major Programs' Compliance Opinion	N/A
(d)(1)(vi)	Are there any reportable findings under § 510?	No
(d)(1)(vii)	Major Programs	None
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: All others
(d)(1)(ix)	Low Risk Auditee?	Yes

**2. Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS**

- 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  
August 31, 2001 and 2000

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- NONE -





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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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  
NOVEMBER 7, 2002**