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**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICES ASSOCIATION
FRANKLIN COUNTY
Regular Audit**

For the Years Ended December 31, 2017 and 2016

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- Association of Certified Anti - Money Laundering Specialists •



Dave Yost • Auditor of State

Board of Trustees
Special Improvement District Public Services Association
23 N. Fourth St
Columbus, OH 43215

We have reviewed the *Independent Auditor's Report* of the Special Improvement District Public Services Association, Franklin County, prepared by Perry & Associates, Certified Public Accountants, A.C, for the audit period January 1, 2017 through December 31, 2017. 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 Special Improvement District Public Services Association is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

April 13, 2018

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**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICES ASSOCIATION
Franklin County**

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INDEPENDENT AUDITOR'S REPORT

February 23, 2018

Special Improvement District Public Services Association
Franklin County
23 North Fourth Street
Columbus, OH 43215

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the **Special Improvement District Public Services Association**, Franklin County, Ohio (the Association), (a not-for-profit organization) which comprise the statements of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended as of December 31, 2017, 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 Association'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 Association's internal control. Accordingly, we express no 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 opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Special Improvement District Public Service Association, Franklin 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 Matters

The financial statements of the Association for the year ended December 31, 2016, were audited by another auditor who expressed an unmodified opinion on the those statements on February 22, 2017.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2018, on our consideration of the Association'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 Association's internal control over financial reporting and compliance.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**SPECIAL IMPROVEMENT DISTRICT PUBLIC SERVICES ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017 AND 2016**

	2017	2016
ASSETS		
Current Assets		
Cash and cash equivalents:		
Cash-undesignated	\$ 696,191	\$ 661,939
Cash-right of way	8,320	96,395
Total cash and cash equivalents	704,511	758,334
Accounts receivable	525,451	769,084
Prepaid expenses	170,339	143,062
Total Current Assets	1,400,301	1,670,480
Fixed Assets:		
Equipment and vehicles, at cost	821,861	759,600
Accumulated depreciation	(628,054)	(572,243)
Net Fixed Assets	193,807	187,357
Other Assets:		
Beneficial interest in assets held by others	935,704	862,555
Total Assets	\$ 2,529,812	\$ 2,720,392
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 99,530	\$ 156,147
Accounts payable-related party	2,013,438	1,898,179
Accrued expenses	28,958	25,698
Deferred revenue	5,047	15,368
Deposits	7,839	-
Total Current Liabilities	2,154,812	2,095,392
Net Assets:		
Unrestricted (Deficit)	(16,486)	(127,002)
Temporarily restricted	391,486	752,002
Total Net Assets	375,000	625,000
Total Liabilities and Net Assets	\$ 2,529,812	\$ 2,720,392

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

**SPECIAL IMPROVEMENT DISTRICT PUBLIC SERVICES ASSOCIATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	(Restated) 2016
	<u>2017</u>	<u>2016</u>
Unrestricted Net Assets:		
Revenue:		
Assessments	\$ 2,338,505	\$ 2,400,243
Contributions	629,049	622,877
Promotions	58,214	69,944
Contracted income	73,158	43,665
Interest	633	591
Miscellaneous	4,478	1,686
Right of way improvements	99,259	78,795
Gain on investment held by others	73,234	16,299
Other (expense)	(115,259)	(83,324)
Net assets released from restrictions	552,755	354,621
Total revenue	<u>3,714,026</u>	<u>3,505,397</u>
Expenses:		
Clean and safe	1,916,604	1,984,275
Landscaping and maintenance	511,597	483,937
Promotions and research	480,026	445,016
General and administrative	410,214	425,979
Employee pass program	96,708	31,648
Right of way improvements	188,362	139,847
Total Expenses	<u>3,603,511</u>	<u>3,510,703</u>
Change in Unrestricted Net Assets	<u>110,515</u>	<u>(5,306)</u>
Changes in Temporarily Restricted Net Assets:		
Grant revenue	192,240	109,927
Net assets released from restrictions	(552,755)	(354,621)
Change in Temporarily Restricted Net Assets	<u>(360,515)</u>	<u>(244,694)</u>
Change in Net Assets	(250,000)	(250,000)
Net Assets-Beginning of Year	<u>625,000</u>	<u>875,000</u>
Net Assets-End of Year	<u>\$ 375,000</u>	<u>\$ 625,000</u>

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

**SPECIAL IMPROVEMENT DISTRICT PUBLIC SERVICES ASSOCIATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (250,000)	\$ (250,000)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	55,811	48,145
(Increase) decrease in assets:		
Accounts receivable	243,633	140,590
Prepaid expenses	(27,277)	7,801
Beneficial interest in assets held by others	(73,149)	(30,279)
Increase (decrease) in liabilities:		
Accounts payable	(56,617)	38,137
Accounts payable-related party	115,259	83,324
Accrued expenses	3,260	(1,079)
Deferred revenue	(10,321)	4,000
Deposits	7,839	-
Net Cash Provided (Used) by Operating Activities	8,438	40,639
 Cash Flows from Investing Activities:		
Purchase of fixed assets	(62,261)	(77,717)
Net transfers (to) from beneficial interest in assets held by others	-	(750,000)
Net Cash Provided (Used) by Investing Activities	(62,261)	(827,717)
 Net Increase (Decrease) in Cash and Cash Equivalents	(53,823)	(787,078)
 Cash and Cash Equivalents at Beginning of Year	758,334	1,545,412
 Cash and Cash Equivalents at End of Year	\$ 704,511	\$ 758,334

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

**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICES ASSOCIATION
Franklin County
For the Years Ended December 31, 2017 and 2016**

Notes to the Financial Statements

- 1- Organization and Operation:** SID Public Services Association (the Association) is a non-profit organization created by its sole members, Capital Crossroads Special Improvement District of Columbus, Inc. (Capital Crossroads) and Discovery Special Improvement District of Columbus, Inc. (Discovery), for the purpose of executing the charitable functions of Capital Crossroads and Discovery within their respective Districts. The Association is also authorized to operate the charitable functions of or to carry out the charitable purposes of other Ohio special improvement districts that are admitted members of the Association.

The Association has agreements to provide services to Capital Crossroads and Discovery. During 2017 and 2016, the Association derived substantially all of its revenues from these agreements. The funding for these agreements is almost entirely from property assessments that Capital Crossroads and Discovery receive from property owners that are in their respective special improvement districts. Property owners must periodically "reauthorize" these property assessments. The property assessments for Capital Crossroads and Discovery are currently authorized through December 31, 2021 and December 31, 2020, respectively.

- 2- Summary of Significant Accounting Policies:** The financial statements of the Association conform to accounting principles generally accepted in the United States of America applicable to not-for-profit organizations. They are prepared in accordance with the accrual basis of accounting, and reflect all significant receivables, payables, and other liabilities.

Use of 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 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.

Financial Statement Presentation: The Association reports 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. Temporarily restricted contributions whose restrictions are fulfilled in the same time period in which the contribution is received are reported as unrestricted contributions. As of December 31, 2017 and 2016, the Association had unrestricted and temporarily restricted net assets (see Note 9).

Cash and Cash Equivalents: The Association considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable: The Association considers all accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is necessary.

Income Taxes: The Association is recognized as exempt from Federal income tax under Section 501(C)(3) of the Internal Revenue Code.

The Association has adopted the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) relating to uncertain tax positions. The Association does not believe its financial statements include any uncertain tax positions.

Concentration of Credit Risk: The Association maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts and does not believe it is exposed to any significant risk on cash and cash equivalents.

**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICES ASSOCIATION
Franklin County
For the Years Ended December 31, 2017 and 2016**

Notes to the Financial Statements

- 3- Fair Value Measurements:** In accordance with the Fair Value Measurements and Disclosures Topic of the FASB ASC, all financial instruments that are being measured and reported on a fair value basis must be classified and disclosed in one of the following three categories:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2: Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, inputs that are derived principally from or corroborated by observable market data by correlation or other means, and if the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Assets measured at fair value on a recurring basis at December 31, 2017 and 2016 were as follows:

		<u>2017</u>	<u>2016</u>
Money Market Cash Funds	Level 1	\$ 596,640	\$ 561,224
Beneficial interest in assets held by others	Level 2	935,704	862,555
Total		<u>\$ 1,532,344</u>	<u>\$ 1,423,779</u>

The level 2 assets listed above were valued using the market approach and were determined using quoted market prices of similar assets.

- 4- Designated Funds:** The Association has cash in checking and money market accounts that are designated by the Board of Directors for use relating to the Right of Way program only.
- 5- Funds Held by the Columbus Foundation:** The Association has funds held at The Columbus Foundation for the unrestricted use of the Association. These funds are subject to the variance power of the Board of Trustees of The Columbus Foundation. The variance power permits The Columbus Foundation's Board of Trustees, in its sole discretion, to redirect all or part of the funds' income and/or assets to another organization. The activity of the funds held at The Columbus Foundation for the years ended December 31, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Cash and investments at beginning of year (at market)	\$ 862,555	\$ 82,276
Transfers to (from) Columbus Foundation	(16,537)	750,000
Net interest and dividend income	19,246	14,388
Net realized and unrealized gains	73,234	16,299
Administrative fees	(2,794)	(408)
Cash and investments at end of year (at market)	<u>\$ 935,704</u>	<u>\$ 862,555</u>

**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICES ASSOCIATION
Franklin County
For the Years Ended December 31, 2017 and 2016**

Notes to the Financial Statements

- 6- Property and Equipment:** Property and equipment is recorded at original cost. Depreciation of property and equipment is provided using the straight-line method over the estimated lives of the assets ranging from 3 to 5 years. Expenditures for additions, major renewals and improvements are capitalized, where expenditures for maintenance and repairs are charged to expense as incurred. The cost of assets retired or disposed of and the related accumulated depreciation is recorded in the year of disposal. Depreciation expense was \$55,811 and \$48,145 for the years ended December 31, 2017 and 2016, respectively.
- 7- Line of Credit:** The Association has a \$300,000 line of credit available with a bank bearing interest at prime plus 1.5% (6% and 5.25% at December 31, 2017 and 2016, respectively). The outstanding balance on the line of credit was \$0 at both December 31, 2017 and 2016. The line of credit is secured by substantially all of the Association's assets, including cash and accounts receivable.
- 8- Operating Leases:** The Association entered into operating lease agreements for office space, storage and office equipment, which expire at various dates through 2021. The office space lease has two options to renew for five year periods. Rental expense under operating leases including operational fees totaled \$80,752 and \$77,770 for the years ending December 31, 2017 and 2016, respectively.

Future minimum lease payments under these operating leases are as follows for the year ended December 31:

2018	\$	80,794
2019		62,690
2020		60,638
2021		60,638
Total	\$	<u>264,760</u>

Temporarily Restricted Net Assets: Temporarily restricted net assets restricted by purpose consist of the following at December 31:

	2017	2016
Columbus Public Art	\$ -	\$ 21,548
Pearl Public Art	923	32,251
Summer Pearl Market	7,063	20,578
Parking Booths	-	52,625
Bike Share	375,000	625,000
Transit Pass	8,500	-
Total	<u>\$ 391,486</u>	<u>\$ 752,002</u>

- 9- Related Parties:** The Association is related to Capital Crossroads through common management. In addition, four members of the Association's eight member board of directors are appointed by Capital Crossroads. Capital Crossroads and the Association entered into an agreement whereby the Association provides certain program and administrative services to Capital Crossroads. Total revenue recognized by the Association under this agreement was \$2,542,074 and \$2,419,523 for the periods ended December 31, 2017 and 2016, respectively. The statement of financial position includes a payable to Capital Crossroads of \$1,758,958 and \$1,669,578 as of December 31, 2017 and 2016, respectively.

**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICES ASSOCIATION
Franklin County
For the Years Ended December 31, 2017 and 2016**

Notes to the Financial Statements

- 10- Related Parties (Continued):** The Association is related to Discovery through common management. In addition, four members of the Association's eight member board of directors are appointed by Discovery. Discovery and the Association entered into an agreement whereby the Association provides certain program and administrative services to Discovery. Total revenue recognized by the Association under this agreement was \$811,438 and \$841,180 for the periods ended December 31, 2017 and 2016, respectively. The statement of financial position includes a payable to Discovery of \$254,480 and \$228,601 as of December 31, 2017 and 2016, respectively.
- 11- Retirement Plan:** The Association participates in a 401(k) defined contribution plan which allows eligible employees to contribute up to the legal limit into the participant's choice of investment accounts. The Association contributes a matching of up to 3% of employee contributions. In addition, the plan allows for the Association to make discretionary contributions. The Association's contribution for the year ended December 31, 2017 and 2016 was \$13,961 and \$14,828, respectively.
- 12- Restatement:** To make the financial statements more user friendly the Association has reclassified their revenue and expense line items. In doing so we have restated the 2016 revenue and expense line items to match the new 2017 revenue and expense line items. Management believes the new revenue and expense classes will be more useful to readers of the financial statements.

**SPECIAL IMPROVEMENT DISTRICT PUBLIC SERVICES ASSOCIATION
SUPPLEMENTAL SCHEDULE OF FINANCIAL POSITION BY MEMBER
AS OF DECEMBER 31, 2017**

	<u>Capital Crossroads</u>	<u>Discovery</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and cash equivalents:			
Cash-undesignated	\$ 492,117	\$ 204,074	\$ 696,191
Cash-right of way	8,320	-	8,320
Total cash and cash equivalents	<u>500,437</u>	<u>204,074</u>	<u>704,511</u>
Accounts receivable	500,510	24,941	525,451
Prepaid expenses	133,961	36,378	170,339
Total Current Assets	<u>1,134,908</u>	<u>265,393</u>	<u>1,400,301</u>
Fixed Assets:			
Equipment and vehicles, at cost	716,165	105,696	821,861
Accumulated depreciation	(544,905)	(83,149)	(628,054)
Net Fixed Assets	<u>171,260</u>	<u>22,547</u>	<u>193,807</u>
Other Assets:			
Beneficial interest in assets held by others	935,704	-	935,704
Total Assets	<u>\$ 2,241,872</u>	<u>\$ 287,940</u>	<u>\$ 2,529,812</u>
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts payable	\$ 72,561	\$ 26,969	\$ 99,530
Accounts payable-related party	1,758,958	254,480	2,013,438
Accrued expenses	22,467	6,491	28,958
Deferred revenue	5,047	-	5,047
Deposits	7,839	-	7,839
Total Current Liabilities	<u>1,866,872</u>	<u>287,940</u>	<u>2,154,812</u>
Net Assets:			
Unrestricted (Deficit)	(16,486)	-	(16,486)
Temporarily restricted	391,486	-	391,486
Total Net Assets	<u>375,000</u>	<u>-</u>	<u>375,000</u>
Total Liabilities and Net Assets	<u>\$ 2,241,872</u>	<u>\$ 287,940</u>	<u>\$ 2,529,812</u>

**SPECIAL IMPROVEMENT DISTRICT PUBLIC SERVICES ASSOCIATION
SUPPLEMENTAL SCHEDULE OF FINANCIAL POSITION BY MEMBER
AS OF DECEMBER 31, 2016**

	<u>Capital Crossroads</u>	<u>Discovery</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and cash equivalents:			
Cash-undesignated	\$ 445,827	\$ 216,112	\$ 661,939
Cash-right of way	96,395	-	96,395
Total cash and cash equivalents	<u>542,222</u>	<u>216,112</u>	<u>758,334</u>
Accounts receivable	710,308	58,776	769,084
Prepaid expenses	134,869	8,193	143,062
Total Current Assets	<u>1,387,399</u>	<u>283,081</u>	<u>1,670,480</u>
Fixed Assets:			
Equipment and vehicles, at cost	665,464	94,136	759,600
Accumulated depreciation	(495,595)	(76,648)	(572,243)
Net Fixed Assets	<u>169,869</u>	<u>17,488</u>	<u>187,357</u>
Other Assets:			
Beneficial interest in assets held by others	862,555	-	862,555
Total Assets	<u>\$ 2,419,823</u>	<u>\$ 300,569</u>	<u>\$ 2,720,392</u>
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts payable	\$ 90,143	\$ 66,004	\$ 156,147
Accounts payable-related party	1,669,578	228,601	1,898,179
Accrued expenses	19,734	5,964	25,698
Deferred revenue	15,368	-	15,368
Total Current Liabilities	<u>1,794,823</u>	<u>300,569</u>	<u>2,095,392</u>
Net Assets:			
Unrestricted (Deficit)	(127,002)	-	(127,002)
Temporarily restricted	752,002	-	752,002
Total Net Assets	<u>625,000</u>	<u>-</u>	<u>625,000</u>
Total Liabilities and Net Assets	<u>\$ 2,419,823</u>	<u>\$ 300,569</u>	<u>\$ 2,720,392</u>

**SPECIAL IMPROVEMENT DISTRICT PUBLIC SERVICES ASSOCIATION
SUPPLEMENTAL SCHEDULE OF ACTIVITIES BY MEMBER
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Capital Crossroads</u>	<u>Discovery</u>	<u>Total</u>
Unrestricted Net Assets:			
Revenue:			
Assessments	\$ 1,678,148	\$ 660,357	\$ 2,338,505
Contributions	458,745	170,304	629,049
Promotions	51,752	6,462	58,214
Contracted income	73,158	-	73,158
Interest	440	193	633
Miscellaneous	4,478	-	4,478
Right of way improvements	99,259	-	99,259
Gain/(loss) on investment held by others	73,234	-	73,234
Other income (expense)	(89,380)	(25,879)	(115,259)
Net assets released from restrictions	552,755	-	552,755
Total revenue	<u>2,902,589</u>	<u>811,437</u>	<u>3,714,026</u>
Expenses:			
Clean and safe	1,334,467	582,137	1,916,604
Landscaping and maintenance	506,718	4,879	511,597
Promotions and research	425,710	54,316	480,026
General and administrative	311,452	98,762	410,214
Employee pass program	96,708	-	96,708
Right of way improvements	117,019	71,343	188,362
Total Expenses	<u>2,792,074</u>	<u>811,437</u>	<u>3,603,511</u>
Change in Unrestricted Net Assets	<u>110,515</u>	<u>-</u>	<u>110,515</u>
Changes in Temporarily Restricted Net Assets:			
Grant revenue	192,240	-	192,240
Net assets released from restrictions	(552,755)	-	(552,755)
Change in Temporarily Restricted Net Assets	<u>(360,515)</u>	<u>-</u>	<u>(360,515)</u>
Change in Net Assets	(250,000)	-	(250,000)
Net Assets-Beginning of Year	<u>625,000</u>	<u>-</u>	<u>625,000</u>
Net Assets-End of Year	<u>\$ 375,000</u>	<u>\$ -</u>	<u>\$ 375,000</u>

**SPECIAL IMPROVEMENT DISTRICT PUBLIC SERVICES ASSOCIATION
SUPPLEMENTAL SCHEDULE OF ACTIVITIES BY MEMBER
FOR THE YEAR ENDED DECEMBER 31, 2016**

	(Restated) Capital Crossroads	(Restated) Discovery	Total
Unrestricted Net Assets:			
Revenue:			
Assessments	\$ 1,741,261	\$ 658,982	\$ 2,400,243
Contributions	459,281	163,596	622,877
Promotions	65,684	4,260	69,944
Contracted income	35,783	7,882	43,665
Interest	378	213	591
Miscellaneous	1,505	181	1,686
Right of way improvements	78,795	-	78,795
Gain/loss on investment held by others	16,299	-	16,299
Other income (expense)	(89,390)	6,066	(83,324)
Net assets released from restrictions	354,621	-	354,621
Total revenue	<u>2,664,217</u>	<u>841,180</u>	<u>3,505,397</u>
Expenses:			
Clean and safe	1,373,024	611,251	1,984,275
Landscaping and maintenance	476,948	6,989	483,937
Promotions and research	404,386	40,631	445,016
General and administrative	319,207	106,772	425,979
Employee pass program	31,648	-	31,648
Right of way improvements	64,310	75,537	139,847
Total Expenses	<u>2,669,523</u>	<u>841,180</u>	<u>3,510,703</u>
Change in Unrestricted Net Assets	<u>(5,306)</u>	<u>-</u>	<u>(5,306)</u>
Changes in Temporarily Restricted Net Assets:			
Grant revenue	109,927	-	109,927
Net assets released from restrictions	(354,621)	-	(354,621)
Change in Temporarily Restricted Net Assets	<u>(244,694)</u>	<u>-</u>	<u>(244,694)</u>
Change in Net Assets	(250,000)	-	(250,000)
Net Assets-Beginning of Year	<u>875,000</u>	<u>-</u>	<u>875,000</u>
Net Assets-End of Year	<u>\$ 625,000</u>	<u>\$ -</u>	<u>\$ 625,000</u>

**SPECIAL IMPROVEMENT DISTRICT PUBLIC SERVICES ASSOCIATION
SUPPLEMENTAL SCHEDULE OF CASH FLOWS BY MEMBER
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Capital Crossroads</u>	<u>Discovery</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in net assets	\$ (250,000)	\$ -	\$ (250,000)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:			
Depreciation	49,311	6,500	55,811
(Increase) decrease in assets:			
Accounts receivable	209,798	33,835	243,633
Prepaid expenses	908	(28,185)	(27,277)
Beneficial interest in assets held by others	(73,149)	-	(73,149)
Increase (decrease) in liabilities:			
Accounts payable	(17,582)	(39,035)	(56,617)
Accounts payable-related party	89,380	25,879	115,259
Accrued expenses	2,733	527	3,260
Deferred revenue	(10,321)	-	(10,321)
Deposits	7,839	-	7,839
Net Cash Provided (Used) by Operating Activities	<u>8,917</u>	<u>(479)</u>	<u>8,438</u>
Cash Flows from Investing Activities:			
Purchase of fixed assets	(50,701)	(11,560)	(62,261)
Net Cash Provided (Used) by Investing Activities	<u>(50,701)</u>	<u>(11,560)</u>	<u>(62,261)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(41,784)</u>	<u>(12,039)</u>	<u>(53,823)</u>
Cash and Cash Equivalents at Beginning of Year	<u>542,222</u>	<u>216,112</u>	<u>758,334</u>
Cash and Cash Equivalents at End of Year	<u>\$ 500,438</u>	<u>\$ 204,073</u>	<u>\$ 704,511</u>

**SPECIAL IMPROVEMENT DISTRICT PUBLIC SERVICES ASSOCIATION
SUPPLEMENTAL SCHEDULE OF CASH FLOWS BY MEMBER
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Capital Crossroads</u>	<u>Discovery</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in net assets	\$ (250,000)	\$ -	\$ (250,000)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:			
Depreciation	40,879	7,266	48,145
(Increase) decrease in assets:			
Accounts receivable	146,701	(6,111)	140,590
Prepaid expenses	(1,439)	9,240	7,801
Beneficial interest in assets held by others	(30,279)	-	(30,279)
Increase (decrease) in liabilities:			
Accounts payable	3,294	34,843	38,137
Accounts payable-related party	89,391	(6,067)	83,324
Accrued expenses	953	(2,032)	(1,079)
Deferred revenue	4,000	-	4,000
Deposits	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>3,500</u>	<u>37,139</u>	<u>40,639</u>
 Cash Flows from Investing Activities:			
Purchase of fixed assets	(69,522)	(8,195)	(77,717)
Net transfers (to) from beneficial interest in assets held by others	<u>(750,000)</u>	<u>-</u>	<u>(750,000)</u>
Net Cash Provided (Used) by Investing Activities	<u>(819,522)</u>	<u>(8,195)</u>	<u>(827,717)</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	<u>(816,022)</u>	<u>28,944</u>	<u>(787,078)</u>
 Cash and Cash Equivalents at Beginning of Year	1,358,244	187,168	1,545,412
 Cash and Cash Equivalents at End of Year	<u>\$ 542,222</u>	<u>\$ 216,112</u>	<u>\$ 758,334</u>



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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**

February 23, 2018

Special Improvement District Public Services Association
Franklin County
23 North Fourth Street
Columbus, Ohio 43215

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 statements of financial position of the **Special Improvement District Public Services Association**, Franklin County (the Association) (a nonprofit organization) as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated February 23, 2018.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Association'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 Association'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 Association'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.

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Compliance and Other Matters

As part of reasonably assuring whether the Association'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 that 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 Association's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

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Dave Yost • Auditor of State

SPECIAL IMPROVEMENT DISTRICT (SID) PUBLIC SERVICE ASSOCIATION

FRANKLIN 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
MAY 10, 2018**