



OHIO AUDITOR OF STATE
KEITH FABER



**COMMUNITY IMPROVEMENT CORPORATION OF SPRINGFIELD & CLARK COUNTY, OHIO
CLARK COUNTY
DECEMBER 31, 2020**

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OHIO AUDITOR OF STATE KEITH FABER



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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, (the Corporation), (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2020, the related statements of financial activities and cash flows for the year then 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 Corporation, as of December 31, 2020, 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.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Corporation. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

May 6, 2021

Community Improvement Corporation of Springfield & Clark County, Ohio
Statement of Financial Position
As of December 31, 2020

ASSETS

Current Assets:

Cash, unrestricted	\$ 201,074
Cash, segregated	\$ 6,309
Cash, custodial	\$ 29,456
Receivables	\$ 75,320
Prepaid Expenses	\$ 21,465
Total Current Assets	<u>\$ 333,624</u>

Property & Equipment

Office furniture and equipment	\$ 197,780
Less: Accumulated Depreciation	\$ (75,768)
Net Property & Equipment	<u>\$ 122,012</u>

Other Assets:

Land and land improvements	\$ 12,164,098
Total Other Assets	<u>\$ 12,164,098</u>

TOTAL ASSETS

\$ 12,619,734

LIABILITIES & NET ASSETS

Current Liabilities:

Accounts Payable	\$ 135,388
Deferred Revenue	\$ 25,500
Line of Credit	\$ 2,098,928
Note Payable - Current Portion	\$ 1,153,334
Custodial Assets	\$ 29,456
Total Current Liabilities	<u>\$ 3,442,606</u>

Long-Term Liabilities:

Note Payable - long -term portion	\$ 756,296
Total Long-Term Liabilities	<u>\$ 756,296</u>

Net Assets:

Without Donor Restrictions	\$ 8,391,376
With Donor Restrictions	\$ 29,456
Total Net Assets	<u>\$ 8,420,832</u>

Total Liabilities & Net Assets

\$ 12,619,734

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, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Contributions	\$ 332,650	\$ 41,500	\$ 374,150
Foundation Grants	\$ 15,087	\$ 5,000	\$ 20,087
State and Federal Grants	\$ -	\$ 700,000	\$ 700,000
Local Government Funding	\$ 299,400	\$ 30,200	\$ 329,600
Contract Revenue	\$ 179,625	\$ -	\$ 179,625
Project Management Fees	\$ 52,808	\$ -	\$ 52,808
Rent	\$ 161,883	\$ -	\$ 161,883
Perpetual lease income	\$ 215,000	\$ -	\$ 215,000
Total Revenue	\$ 1,256,453	\$ 776,700	\$ 2,033,153
EXPENSES			
Administration and Operations	\$ 504,067	\$ -	\$ 504,067
Economic Development and Project Related	\$ 300,229	\$ -	\$ 300,229
Workforce Development	\$ 180,719	\$ -	\$ 180,719
Property Taxes	\$ 33,867	\$ -	\$ 33,867
Fundraising	\$ 184,974	\$ -	\$ 184,974
Interest	\$ 123,222	\$ -	\$ 123,222
Grants and donations	\$ -	\$ 776,700	\$ 776,700
Depreciation	\$ 12,969	\$ -	\$ 12,969
Total Expenses	\$ 1,340,047	\$ 776,700	\$ 2,116,747
Change in Net Assets	\$ (83,594)	\$ -	\$ (83,594)
Net Assets Released from Restrictions	\$ 26,042	\$ (26,042)	\$ -
Net Assets, Beginning of Year	\$ 8,448,928	\$ 55,498	\$ 8,504,426
Net Assets, End Of Year	\$ 8,391,376	\$ 29,456	\$ 8,420,832

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, 2020

Cash Flows from Operating Activities	
Change in net assets	\$ (83,594)
Adjustment to reconcile change in net assets to net cash provided by operations:	
Depreciation	\$ 12,969
Changes in operating assets and liabilities:	
Increase in Accounts receivable	\$ (36,760)
Decrease in Prepaid expenses	\$ 3,154
Decrease in Accounts payable	\$ (40,610)
Increase in Deferred Revenue	\$ 25,500
Decrease in Custodial Assets	\$ (26,042)
Net cash provided by operating activities	<u>\$ (145,383)</u>
Cash Flows from Investing Activities	
Investment in capital assets	\$ (6,085)
Investment in Land	\$ (15,707)
Net cash used in investing activities	<u>\$ (21,792)</u>
Cash Flows from Capital and related Financing Activities	
Increase in Notes Payable & Line of credit	\$ 288,657
Net cash provided by Capital and related financing activities	<u>\$ 288,657</u>
Net increase in cash, cash equivalents and restricted cash	\$ 121,482
Cash, cash equivalents and restricted cash at beginning of year	\$ 115,357
Cash, cash equivalents and restricted cash at end of year	<u><u>\$ 236,839</u></u>
Cash Represented By:	
Cash, unrestricted	\$ 201,074
Cash, segregated	\$ 6,309
Cash, custodial	\$ 29,456
Total	<u><u>\$ 236,839</u></u>

See accompanying notes to the financial statements

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COMMUNITY IMPROVEMENT CORPORATION OF SPRINGFIELD & CLARK COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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 financial 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, 2020

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. The Corporation has established \$1,000 as the threshold amount for capitalization.

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 statement of financial activities as net assets released from restrictions.

NOTE 2– SEGREGATED CASH

In 2019, the Corporation entered into an agreement with Turner Property Services Group (“TPSG”) to manage the property at 4170 Allium Court, Springfield Ohio where the Corporation is presently a lessee under a Master Lease Agreement with Advance Technical Intelligence Center for Human Capital Development (“AVETEC”). TPSG opened a checking account in the Corporation’s name which is controlled by TPSG in order to pay monthly building expenses. As of December 31, 2020, the balance of that checking account was \$6,309. If the agreement with TPSG is terminated, any funds in

COMMUNITY IMPROVEMENT CORPORATION OF SPRINGFIELD & CLARK COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

that checking account would become the property of the Corporation and is therefore shown as Segregated Cash on the Statement of Financial Position.

NOTE 3 – DONOR RESTRICTED NET ASSETS

Donor restricted net assets at December 31, 2020 represent the results of activities for the following programs that have donor or grantor stipulations:

SBDC Loan Program - \$29,456

NOTE 4 - ADMINISTRATIVE EXPENSES

The Springfield Clark County Chamber of Commerce (the “Chamber”) shares costs with 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 shared expenses in the amount of \$444,570 for 2020.

NOTE 5 - CONCENTRATION OF RISK

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

NOTE 6 - 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 7 – 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

COMMUNITY IMPROVEMENT CORPORATION OF SPRINGFIELD & CLARK COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

the City of Springfield and Clark County, Ohio since the Corporation is the economic development arm of the City and County.

NOTE 8 - PROPERTY, FACILITIES AND EQUIPMENT

Capital asset activity for the year ended December 31, 2020 is as follows:

	Balance			Balance
	12/31/2019	Additions	Deletions	12/31/2020
<i>Capital Assets Being Depreciated</i>				
Office Equipment	\$ 2,669	\$ 6,085	\$ -	\$ 8,754
Equipment	\$ 189,026	\$ -	\$ -	\$ 189,026
<i>Total Capital Assets Being Depreciated</i>	<u>\$ 191,695</u>	<u>\$ 6,085</u>	<u>\$ -</u>	<u>\$ 197,780</u>
<i>Less Accumulated Depreciation</i>				
Office Equipment	\$ (1,631)	\$ (1,835)	\$ -	\$ (3,466)
Equipment	\$ (61,168)	\$ (11,134)	\$ -	\$ (72,302)
<i>Total Accumulated Depreciation</i>	<u>\$ (62,799)</u>	<u>\$ (12,969)</u>	<u>\$ -</u>	<u>\$ (75,768)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 128,896</u>	<u>\$ (6,884)</u>	<u>\$ -</u>	<u>\$ 122,012</u>

NOTE 9 - NOTES PAYABLE

The Corporation had the following outstanding notes:

	<u>Balance</u>	<u>Rate</u>	<u>Maturity Date</u>
Security National Bank	\$ 1,153,334	3.00%	1/5/2021
Harry M. & Violet Turner 95 Charitable Trust	\$ 756,296	0.00%	N/A

COMMUNITY IMPROVEMENT CORPORATION OF SPRINGFIELD & CLARK COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 10 - LINE OF CREDIT

In addition, the Corporation had one line of credit outstanding with Park National Bank in the amount of \$2,098,928.

NOTE 11- 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>12/31/2020</u>
Cash	\$ 236,839
Receivables	<u>\$ 75,320</u>
Total financial assets	\$ 312,159
Receivables scheduled to be collected in more than one year	\$ -
Contractual or donor-imposed restrictions:	
SBDC Loan Funds	\$ (29,456)
Board designations	<u>\$ -</u>
Financials assets available to meet cash needs for general expenditures within one year	<u>\$ 282,703</u>

NOTE 12 – COVID-19 PANDEMIC

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Corporation. The impact on the Corporation's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

COMMUNITY IMPROVEMENT CORPORATION OF SPRINGFIELD & CLARK COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 13 – SUBSEQUENT EVENTS

On December 14, 2020, the Corporation signed a Broadband Infrastructure Grant Agreement with Spectrum Mid-America, LLC, to implement a broadband infrastructure buildout project in Clark County, Ohio. Pursuant to the agreement, the Corporation agreed to submit a payment of \$2,954,669 not later than January 13, 2021. The payment was made on January 7, 2021 and was funded by an agreement signed on December 14, 2020 between the Corporation and the Board of County Commissioners of Clark County, Ohio, in which the County made available \$2,954,669 for the broadband infrastructure buildout project. The Corporation received payment from the County on January 5, 2021.

On January 5, 2021, the Corporation refinanced the \$1,153,334 notes payable with Park National Bank, formerly Security National Bank, with a variable interest rate of 3% and a maturity date of January 5, 2022.

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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, (the Corporation) as of and for the year ended December 31, 2020, and the related notes to the financial statements, and have issued our report thereon dated May 6, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Corporation.

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 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 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

May 6, 2021

OHIO AUDITOR OF STATE KEITH FABER



COMMUNITY IMPROVEMENT CORPORATION OF SPRINGFIELD & CLARK COUNTY, OHIO

CLARK 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 5/25/2021

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