

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

AUDIT REPORT

For the Year Ended December 31, 2007

CHARLES E. HARRIS & ASSOCIATES, INC.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Community Improvement Corporation of Springfield and Clark County, Ohio, Clark County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2007 through December 31, 2007. 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, Ohio is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

November 3, 2008

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**COMMUNITY IMPROVEMENT CORPORATION OF
SPRINGFIELD AND CLARK COUNTY, OHIO
CLARK COUNTY
AUDIT REPORT
For the Year Ended December 31, 2007**

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Cleveland, OH 44113-1306
Office phone - (216) 575-1630
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INDEPENDENT AUDITOR'S REPORT

Community Improvement Corporation of
Springfield and Clark County, Ohio
20 South Limestone Street
Springfield, Ohio 45502

The Board of Trustees:

We have audited the accompanying statement of financial position of the Community Improvement Corporation of Springfield and Clark County (the Corporation), Clark County as of December 31, 2007, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Corporation'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. 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above presently fairly, in all material respects, the financial position of the Community Improvement Corporation of Springfield and Clark County as of December 31, 2007, and the changes in its net assets and cash flows for the year 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 August 31, 2008 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Charles E. Harris & Associates, Inc.

August 31, 2008

**Community Improvement Corporation of
Springfield and Clark County, Ohio
Statement of Financial Position
As of December 31, 2007**

ASSETS

Current Assets:

Cash, unrestricted	\$	236,504
Cash, restricted		234,892
Cash, custodial		14,081
Other Receivables		31,983
Prepaid Expense		3,079
Total Current Assets		<u>520,539</u>

Fixed Assets:

Office furniture, equipment, and vehicles		23,978
Accumulated Depreciation		(9,038)
Total Fixed Assets, Net		<u>14,940</u>

Other assets:

Industrial development park land, at cost		103,260
TOTAL ASSETS	\$	<u><u>638,739</u></u>

LIABILITIES & NET ASSETS

Current Liabilities:

Accounts Payable	\$	73,546
Deferred Revenue		174,161
Custodial Accounts		9,493
Total Current Liabilities		<u>257,200</u>

Net Assets:

Unrestricted		<u>381,539</u>
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TOTAL LIABILITIES & NET ASSETS	\$	<u><u>638,739</u></u>
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**Community Improvement Corporation of
Springfield and Clark County, Ohio
Statement of Activities
For the Year Ended December 31, 2007**

REVENUES:

Federal Grants	\$ 1,262,800
Local Government Funding	446,012
Rent	368,149
Contributions	50,500
Interest	19,138
Gain on Sale of Property	20,464
Other Revenue	1,016
TOTAL REVENUES	<u>2,168,079</u>

EXPENSES:

Administrative and general operating	365,450
Economic development	1,855,227
Depreciation	3,602
Loss on disposal of fixed assets	11,685
TOTAL EXPENSES	<u>2,235,964</u>

Decrease in net assets	(67,885)
Net Assets, beginning of year	<u>449,424</u>
Net Assets, end of year	<u><u>\$ 381,539</u></u>

**Community Improvement Corporation of
Springfield and Clark County, Ohio
Statement of Cash Flows
For the Year Ended December 31, 2007**

Cash Flows from Operating Activities:

Change in net assets	\$	(67,885)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		3,602
Loss on disposal of fixed assets		11,685
Effects of change in operating assets and liabilities:		
Decrease in accounts receivable		11,594
Decrease in other assets		939,492
Increase in accounts payable		68,696
Decrease in pledges payable		(942,444)
Decrease in custodial accounts		(5,452)
Decrease in deferred revenue		(22,100)
		(22,100)
Net Cash Provided by Operating Activities		(2,812)

Cash Flows from Investing Activities:

Purchase of capital assets		(13,751)
Cash at Beginning of Year		502,040
Cash at End of Year	\$	485,477

Represented by:

Cash, unrestricted	\$	236,504
Cash, restricted		234,892
Cash, custodial		14,081
		14,081
	\$	485,477

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

Notes to the Financial Statements
December 31, 2007

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 (the Corporation) 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 Accounting 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.

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.

Industrial development park land

Includes capitalized costs for remaining land and associated expenses at Prime Ohio and the Columbus Avenue project. This asset is decreased as land is sold by the related land and development costs. Periodically, costs are reviewed by management for disposal.

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 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.

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.

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

Notes to the Financial Statements
December 31, 2007

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 eight years) of the respective assets.

Restricted Cash

Certain cash accounts held by the Corporation are restricted for use in certain capital projects which will occur in the future. See note 8 for additional details.

Custodial Cash

The cash accounts reported as custodial cash accounts by the Corporation represent monies held for third-party projects. At December 31, 2007 the funds being held were for the Small Business Development Corporation Revolving Loan Account.

2. Industrial Development Park Land

The Corporation continues to explore both existing and new sites for industrial parks. Below summarizes current locations and capitalized costs as of December 31, 2007.

Prime Ohio	Columbus Avenue	Total
<u>\$37,519</u>	<u>\$37,741</u>	<u>\$103,260</u>

In March of 2007, 2 acres at the Columbus Avenue site was sold for \$30,000. The Corporation had a cost basis of \$9,536 in the property.

3. Administrative Expenses:

The Springfield Clark County Chamber of Commerce (Chamber) furnishes services to the Corporation. Costs incurred by the Chamber on behalf of the Corporation include salaries and benefits and other related expenses. The Corporation reimbursed the Chamber for these services in the amount of \$285,273 for 2007.

4. Concentration of Risk:

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

5. Grant Revenues:

The corporation received an EDI Grant totaling \$1,262,800 from the Department of Housing and Urban Development. These funds were used for the purpose of land acquisition and expansion of the Applied Research and Technology Park located in Springfield, Ohio.

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

Notes to the Financial Statements
December 31, 2007

6. Functional Expenses:

The costs of operations incurred by the Corporation are for programs to promote industrial and economic development.

7. Economic Dependency:

The Corporation is dependent upon continued funding from federal, state and local sources to meet its operational expenses.

8. Deferred Revenue:

In 2005, the Corporation received matching funds from Springfield Township Board of Trustees of \$236,000 and from the Clark County Board of Commissioners of \$31,600 for the purpose of securing an Army Corps of Engineering grant for a drainage project at the Prime Ohio Industrial Park. Amounts of these funds not used as of December 31, 2007 are as follows:

Springfield Township Board of Trustees	\$153,262
Clark County Board of Commissioners	<u>20,899</u>
Total Deferred Revenue	<u>\$174,161</u>

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

Notes to the Financial Statements
December 31, 2007

9. PROPERTY, FACILITIES AND EQUIPMENT

Capital asset activity for the year ended December 31, 2007 is as follows:

	Balance January 1, 2007	Additions	Deletions	Balance December 31, 2007
Capital Assets Being Depreciated:				
Office equipment	\$17,015	\$5,925	\$10,754	\$12,186
Furniture & Fixtures	55,409	7,826	51,443	11,792
Total Capital Assets Being Depreciated	<u>72,424</u>	<u>13,751</u>	<u>62,197</u>	<u>23,978</u>
Less Accumulated Depreciation:				
Office equipment	(14,538)	(1,577)	10,656	(5,459)
Furniture & Fixtures	(41,410)	(2,025)	39,856	(3,579)
Total Accumulated Depreciation	<u>(55,948)</u>	<u>(3,602)</u>	<u>50,512</u>	<u>(9,038)</u>
Total Capital Assets Being Depreciated, Net	<u>\$16,476</u>	<u>-</u>	<u>-</u>	<u>\$14,940</u>

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

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

Federal Grantor/Program Title	Grant #	CFDA #	Program Expenditures
<i><u>U.S. Department of Housing and Urban Development:</u></i>			
Community Development Block Grant/EDI	B-05-SP-OH-0606	14.246	\$ 272,800
Community Development Block Grant/EDI	B-06-SP-OH-0792	14.246	990,000
Total Community Development Block Grant/EDI			<u>1,262,800</u>
Total U.S. Department of Housing and Urban Development			<u>1,262,800</u>
Total Federal Assistance			<u>\$ 1,262,800</u>

See accompanying Note to the Schedule of Federal Awards Expenditures

**COMMUNITY IMPROVEMENT CORPORATION OF
SPRINGFIELD AND CLARK COUNTY
Clark County, Ohio
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007**

1. Significant Accounting Policies

The accompanying schedule of federal awards expenditures is a summary of the activity of the Corporation's federal award programs. The schedule has been prepared on the accrual basis of accounting.

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Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Community Improvement Corporation of
Springfield and Clark County
20 South Limestone Street
Springfield, Ohio 45502

The Board of Trustees:

We have audited the financial statements of the Community Improvement Corporation of Springfield and Clark County, Ohio (the Corporation) as of and for the year ended December 31, 2007 and have issued our report thereon dated August 31, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Corporation's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Corporation's financial statements that is more than inconsequential will not be prevented or detected by the Corporation's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Corporation's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, the Board of Trustees and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Charles E. Harris and Associates, Inc.

August 31, 2008

Charles E. Harris & Associates, Inc.
Certified Public Accountants

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

Community Improvement Corporation of
Springfield and Clark County, Ohio
20 South Limestone Street
Springfield, Ohio 45502

The Board of Trustees:

Compliance

We have audited the compliance of the Community Improvement Corporation of Springfield and Clark County, Ohio (the Corporation) with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2007. The Corporation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Corporation's management. Our responsibility is to express an opinion on the Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Corporation's compliance with those requirements.

In our opinion, the Corporation complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2007.

Internal Control Over Compliance

The management of the Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133*.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Corporation's ability to administer a federal program such that there is more than a remote likelihood that Corporation's internal control will not prevent or detect more than inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the Corporation's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information and use of management, the Board of Trustees and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Charles E. Harris & Associates, Inc.

August 31, 2008

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505**

**COMMUNITY IMPROVEMENT CORPORATION OF
SPRINGFIELD AND CLARK COUNTY, OHIO
CLARK COUNTY
December 31, 2007**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unqualified
(d)(1)(ii)	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any other significant control deficiencies reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510</i>	No
(d)(1)(vii)	<i>Major Programs:</i>	CFDA #14.246 Community Development Block Grant/EDI
(d)(1)(viii)	<i>Dollar Threshold: Type A\B Programs</i>	\$300,000
(d)(1)(ix)	<i>Low Risk Auditee?</i>	No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (continued)
OMB CIRCULAR A-133 SECTION .505

**COMMUNITY IMPROVEMENT CORPORATION OF
SPRINGFIELD AND CLARK COUNTY, OHIO
CLARK COUNTY
December 31, 2007**

**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
CLARK COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2007**

The prior report, for the sixteen months ending December 31, 2006, reported no material citations or recommendations.



Mary Taylor, CPA
Auditor of State

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 13, 2008**