

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

AUDIT REPORT

For the Year Ended December 31, 2008

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
20 South Limestone Street
Springfield, Ohio 45502

We have reviewed the *Independent Auditor's Report* of the Community Improvement Corporation of Springfield and Clark County, Clark County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2008 through December 31, 2008. 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

September 10, 2009

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**COMMUNITY IMPROVEMENT CORPORATION OF
SPRINGFIELD AND CLARK COUNTY, OHIO
CLARK COUNTY
AUDIT REPORT
For the Year Ended December 31, 2008**

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report of Independent Accountants	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to the Basic Financial Statements	5-7
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Required by <i>Government Auditing Standards</i>	8-9
Schedule of Prior Audit Findings	10

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

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, Ohio (the Corporation) as of December 31, 2008, 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, 2008, 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 July 9, 2009 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.

Charles E. Harris & Associates, Inc.
July 9, 2009

**Community Improvement Corporation of
Springfield and Clark County, Ohio
Statement of Financial Position
As of December 31, 2008**

ASSETS

Current Assets:

Cash, unrestricted	\$	145,937
Cash, restricted		189,855
Cash, custodial		30,686
Other Receivables		39,998
Prepaid Expense		2,895
Total Current Assets		<u>409,371</u>

Fixed Assets:

Office furniture, equipment, and vehicles		23,978
Accumulated Depreciation		<u>(12,069)</u>
Total Fixed Assets, Net		<u>11,909</u>

Other assets:

Industrial development park land, at cost		<u>110,904</u>
TOTAL ASSETS	\$	<u>532,184</u>

LIABILITIES & NET ASSETS

Current Liabilities:

Accounts Payable	\$	36,262
Deferred Revenue		174,161
Custodial Accounts		<u>24,755</u>
Total Current Liabilities		<u>235,178</u>

Net Assets:

Unrestricted		<u>297,006</u>
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TOTAL LIABILITIES & NET ASSETS	\$	<u>532,184</u>
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**Community Improvement Corporation of
Springfield and Clark County, Ohio
Statement of Activities
For the Year Ended December 31, 2008**

REVENUES:

Local Government Funding	\$ 415,760
Contributions	30,000
Interest	10,307
Other Revenue	11,421
TOTAL REVENUES	<u>467,488</u>

EXPENSES:

Administrative and general operating	369,884
Economic development	179,106
Depreciation	3,031
TOTAL EXPENSES	<u>552,021</u>

Decrease in net assets	(84,533)
Net Assets, beginning of year	<u>381,539</u>
Net Assets, end of year	<u>\$ 297,006</u>

**Community Improvement Corporation of
Springfield and Clark County, Ohio
Statement of Cash Flows
For the Year Ended December 31, 2008**

Cash Flows from Operating Activities:

Change in net assets	\$	(84,533)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		3,031
Effects of change in operating assets and liabilities:		
Increase in accounts receivable		(8,015)
Decrease in other assets		(7,644)
Decrease in accounts payable		(37,284)
Decrease in prepaids		184
Increase in custodial accounts		15,262
		15,262
Net Cash Provided by Operating Activities		(118,999)
Cash at Beginning of Year		485,477
Cash at End of Year	\$	366,478

Represented by:

Cash, unrestricted	\$	145,937
Cash, restricted		189,855
Cash, custodial		30,686
		30,686
	\$	366,478

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

Notes to the Financial Statements
December 31, 2008

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, 2008

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, 2008 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, 2008.

Prime Ohio	Columbus Avenue	Total
<u>\$37,519</u>	<u>\$73,385</u>	<u>\$110,904</u>

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 \$268,734 for 2008.

4. Concentration of Risk:

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

5. Functional Expenses:

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

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

Notes to the Financial Statements
December 31, 2008

6. Economic Dependency:

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

7. 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, 2008 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>

8. PROPERTY, FACILITIES AND EQUIPMENT

Capital asset activity for the year ended December 31, 2008 is as follows:

	Balance January 1, 2007	Additions	Deletions	Balance December 31, 2008
Capital Assets Being Depreciated:				
Office equipment	\$12,186			\$12,186
Furniture & Fixtures	11,792	-	-	11,792
Total Capital Assets Being Depreciated	23,978	-	-	23,978
Less Accumulated Depreciation:				
Office equipment	(5,459)	(1,967)	-	(7,426)
Furniture & Fixtures	(3,579)	(1,063)	-	(4,642)
Total Accumulated Depreciation	(9,038)	(3,031)	-	(12,069)
Total Capital Assets Being Depreciated, Net	\$14,940	(3,031)	-	\$11,909

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Charles E. Harris & Associates, Inc.
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, 2008 and have issued our report thereon dated July 9, 2009. 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*.

We noted other matters that we have communicated to management in a separate letter dated July 9, 2009.

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

Charles E. Harris and Associates, Inc.

July 9, 2009

**COMMUNITY IMPROVEMENT CORPORATION OF
SPRINGFIELD AND CLARK COUNTY, OHIO
CLARK COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2008**

The prior report, for the year ending December 31, 2007, 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
SEPTEMBER 22, 2009