

**SID PUBLIC SERVICES  
ASSOCIATION**

**FINANCIAL STATEMENTS**

**December 31, 2016 and 2015**





# 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 John Gerlach & Company, LLP, for the audit period January 1, 2016 through December 31, 2016. 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

May 18, 2017

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Board of Trustees  
SID Public Services Association

### Independent Auditor's Report

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the SID Public Services Association which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended and the related notes to the financial statements.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the SID Public Services Association as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying 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 audits 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 taken as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2017, on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and 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 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.

A handwritten signature in black ink that reads "John Gerlach & Company LLP". The signature is written in a cursive, flowing style.

Columbus, Ohio  
February 22, 2017

SID PUBLIC SERVICES ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2016 and 2015

|  | <u>2016</u>         | <u>2015</u>         |
|--|---------------------|---------------------|
| <u>ASSETS</u>                                |                     |                     |
| Current Assets:                              |                     |                     |
| Cash and Cash Equivalents:                   |                     |                     |
| Cash - undesignated                          | \$ 661,939          | \$ 644,406          |
| Cash - right of way                          | 96,395              | 901,006             |
| Total cash and equivalents                   | <u>758,334</u>      | <u>1,545,412</u>    |
| Accounts receivable                          | 769,084             | 909,674             |
| Prepaid expenses                             | 143,062             | 150,863             |
| Total Current Assets                         | <u>1,670,480</u>    | <u>2,605,949</u>    |
| Fixed Assets:                                |                     |                     |
| Equipment and vehicles, at cost              | 759,600             | 681,883             |
| Accumulated depreciation                     | (572,243)           | (524,098)           |
| Net Fixed Assets                             | <u>187,357</u>      | <u>157,785</u>      |
| Other Assets:                                |                     |                     |
| Beneficial interest in assets held by others | 862,555             | 82,276              |
| Total Assets                                 | <u>\$ 2,720,392</u> | <u>\$ 2,846,010</u> |
| <u>LIABILITIES AND NET ASSETS</u>            |                     |                     |
| Current Liabilities:                         |                     |                     |
| Accounts payable                             | \$ 156,147          | \$ 118,010          |
| Accounts payable - related party             | 1,898,179           | 1,814,855           |
| Accrued expenses                             | 25,698              | 26,777              |
| Deferred revenue                             | 15,368              | 11,368              |
| Total Current Liabilities                    | <u>2,095,392</u>    | <u>1,971,010</u>    |
| Net Assets:                                  |                     |                     |
| Unrestricted                                 | (127,002)           | (121,696)           |
| Temporarily restricted                       | 752,002             | 996,696             |
| Total Net Assets                             | <u>625,000</u>      | <u>875,000</u>      |
| Total Liabilities and Net Assets             | <u>\$ 2,720,392</u> | <u>\$ 2,846,010</u> |

See Notes to Financial Statements

SID PUBLIC SERVICES ASSOCIATION

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2016 and 2015

|   | 2016         | 2015         |
|---|--------------|--------------|
| Unrestricted Net Assets:                      |              |              |
| Revenue:                                      |              |              |
| Contract                                      | \$ 3,150,776 | \$ 2,941,958 |
| Net assets released from restrictions         | 354,621      | 354,627      |
| Total Revenue                                 | 3,505,397    | 3,296,585    |
| Expenses:                                     |              |              |
| Contracted services                           | 2,180,426    | 2,141,185    |
| Right of way                                  | 139,847      | 3,904        |
| Promotions                                    | 420,070      | 405,966      |
| General and administrative                    | 394,597      | 382,314      |
| Landscaping and capital maintenance           | 332,188      | 338,624      |
| Research                                      | 42,725       | 55,974       |
| Outreach                                      | 850          | 1,354        |
| Total Expenses                                | 3,510,703    | 3,329,321    |
| Change in Unrestricted Net Assets             | (5,306)      | (32,736)     |
| Changes in Temporarily Restricted Net Assets: |              |              |
| Grant revenue                                 | 109,927      | 137,363      |
| Net assets released from restrictions         | (354,621)    | (354,627)    |
| Change in Temporarily Restricted Net Assets   | (244,694)    | (217,264)    |
| Change in Net Assets                          | (250,000)    | (250,000)    |
| Net Assets - Beginning of Year                | 875,000      | 1,125,000    |
| Net Assets - End of Year                      | \$ 625,000   | \$ 875,000   |

See Notes to Financial Statements



SID PUBLIC SERVICES ASSOCIATION

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2016 and 2015

|   | 2016         | 2015         |
|---|--------------|--------------|
| Cash Flows from Operating Activities:   |              |              |
| Change in net assets  | \$ (250,000) | \$ (250,000) |
| Adjustments to reconcile change in net assets<br>to net cash provided (used) by operating activities: |              |              |
| Depreciation  | 48,145       | 55,846       |
| (Increase) decrease in assets:  |              |              |
| Accounts receivable   | 140,590      | 275,371      |
| Prepaid expenses  | 7,801        | 8,480        |
| Beneficial interest in assets held by others  | (30,279)     | 407          |
| Increase (decrease) in liabilities:   |              |              |
| Accounts payable  | 38,137       | 53,999       |
| Accounts payable - related party  | 83,324       | 74,005       |
| Accrued expenses  | (1,079)      | (9,854)      |
| Deferred revenue  | 4,000        | -            |
| Net Cash Provided (Used) by Operating Activities  | 40,639       | 208,254      |
| Cash Flows from Investing Activities:   |              |              |
| Purchase of fixed assets  | (77,717)     | (128,465)    |
| Net transfers (to) from beneficial interest in assets<br>held by others                               | (750,000)    | -            |
| Net Cash Provided (Used) by Investing Activities  | (827,717)    | (128,465)    |
| Net Increase (Decrease) in Cash and Cash Equivalents  | (787,078)    | 79,789       |
| Cash and Cash Equivalents at Beginning of Year  | 1,545,412    | 1,465,623    |
| Cash and Cash Equivalents at End of Year  | \$ 758,334   | \$ 1,545,412 |

See Notes to Financial Statements

SID PUBLIC SERVICES ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

**Note 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 2016 and 2015, 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.

**Note 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, 2016 and 2015, 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 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 credit risk on cash and cash equivalents.

SID PUBLIC SERVICES ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

**Note 2 - Summary of Significant Accounting Policies (Continued):**

*Recent Accounting Pronouncements:* In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2019. A modified retrospective transition approach is required for leases for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. We are currently evaluating the impact of our pending adoption of the new standard on our financial statements.

**Note 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, 2016 and 2015 were as follows:

| Description                                  | 2016                |                     |                   |             |
|--|---------------------|---------------------|-------------------|-------------|
|  | Total               | Level 1             | Level 2           | Level 3     |
| Money Market Cash Funds                      | \$ 561,224          | \$ 561,224          | \$ -              | \$ -        |
| Beneficial interest in assets held by others | 862,555             | -                   | 862,555           | -           |
|  | <u>\$ 1,423,779</u> | <u>\$ 561,224</u>   | <u>\$ 862,555</u> | <u>\$ -</u> |
| Description                                  | 2015                |                     |                   |             |
|  | Total               | Level 1             | Level 2           | Level 3     |
| Money Market Cash Funds                      | \$ 1,257,908        | \$ 1,257,908        | \$ -              | \$ -        |
| Beneficial interest in assets held by others | 82,276              | -                   | 82,276            | -           |
|  | <u>\$ 1,340,184</u> | <u>\$ 1,257,908</u> | <u>\$ 82,276</u>  | <u>\$ -</u> |

SID PUBLIC SERVICES ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

**Note 3 - Fair Value Measurements (Continued):**

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

**Note 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.

**Note 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, 2016 and 2015 are as follows:

|   | 2016       | 2015      |
|---|------------|-----------|
| Cash and investments at beginning of year (at market) | \$ 82,276  | \$ 82,683 |
| Transfers to The Columbus Foundation                  | 750,000    | -         |
| Net interest and dividend income                      | 14,388     | 1,653     |
| Net realized and unrealized gains (losses)            | 16,299     | (1,651)   |
| Administration fees                                   | (408)      | (409)     |
| Cash and investments at end of year (at market)       | \$ 862,555 | \$ 82,276 |

**Note 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 \$48,145 and \$55,846 for the years ended December 31, 2016 and 2015, respectively.

**Note 7 - Line of Credit:**

The Association has a \$300,000 line of credit available with a bank bearing interest at prime plus 1.5% (5.25% and 5% at December 31, 2016 and 2015, respectively). The outstanding balance on the line of credit was \$-0- at both December 31, 2016 and 2015. The line of credit is secured by substantially all of the Association's assets, including cash and accounts receivable.

**Note 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 \$77,770 and \$77,586 for the years ending December 31, 2016 and 2015, respectively.

SID PUBLIC SERVICES ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

**Note 8 - Operating Leases (Continued):**

Future minimum lease payments under these operating leases are as follows:

| For the Year Ended December 31: | Amount     |
|---------------------------------|------------|
| 2017                            | \$ 80,550  |
| 2018                            | 80,550     |
| 2019                            | 62,198     |
| 2020                            | 60,638     |
| 2021                            | 60,638     |
| Total                           | \$ 344,574 |

**Note 9 - Temporarily Restricted Net Assets:**

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

|                     | 2016       | 2015       |
|---------------------|------------|------------|
| Columbus Public Art | \$ 21,548  | \$ 23,573  |
| Pearl Public Art    | 32,251     | -          |
| Summer Pearl Market | 20,578     | 19,532     |
| Parking Booths      | 52,625     | 78,591     |
| Bike Share          | 625,000    | 875,000    |
| Total               | \$ 752,002 | \$ 996,696 |

**Note 10 - 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 \$2,419,523 and \$2,309,997 for the periods ended December 31, 2016 and 2015, respectively. The statement of financial position includes a payable to Capital Crossroads of \$1,669,578 and \$1,580,187 as of December 31, 2016 and 2015, respectively.

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 \$841,180 and \$769,324 for the year periods ended December 31, 2016 and 2015, respectively. The statement of financial position includes a payable to Discovery of \$228,601 and \$234,668 as of December 31, 2016 and 2015, respectively.

SID PUBLIC SERVICES ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

**Note 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, 2016 and 2015 was \$14,828 and \$12,936, respectively.

**Note 12 - Promises To Give:**

The Association received the following conditional promises to give that are not recognized as assets in the statement of financial position:

|   | <u>2016</u>      | <u>2015</u>      |
|---|------------------|------------------|
| Promise to give conditional upon securing a long-term lease at 44 N High St Columbus, OH. | \$ 70,000        | \$ 70,000        |
| Total   | <u>\$ 70,000</u> | <u>\$ 70,000</u> |

**Note 13 - Subsequent Events:**

Subsequent events have been evaluated through February 22, 2017, which is the date that the financial statements were available to be issued.

SID PUBLIC SERVICES ASSOCIATION

SCHEDULE OF FINANCIAL POSITION BY MEMBER

As of December 31, 2016

|  | Capital<br>Crossroads | Discovery  | Total        |
|--|-----------------------|------------|--------------|
| <u>ASSETS</u>                                |                       |            |              |
| 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 equivalents                   | 542,222               | 216,112    | 758,334      |
| Accounts receivable                          | 710,308               | 58,776     | 769,084      |
| Prepaid expenses                             | 134,869               | 8,193      | 143,062      |
| Total Current Assets                         | 1,387,399             | 283,081    | 1,670,480    |
| Fixed Assets:                                |                       |            |              |
| Equipment and vehicles, at cost              | 665,464               | 94,136     | 759,600      |
| Accumulated depreciation                     | (495,595)             | (76,648)   | (572,243)    |
| Net Fixed Assets                             | 169,869               | 17,488     | 187,357      |
| Other Assets:                                |                       |            |              |
| Beneficial interest in assets held by others | 862,555               | -          | 862,555      |
| Total Assets                                 | \$ 2,419,823          | \$ 300,569 | \$ 2,720,392 |
| <u>LIABILITIES AND NET ASSETS</u>            |                       |            |              |
| 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                    | 1,794,823             | 300,569    | 2,095,392    |
| Net Assets:                                  |                       |            |              |
| Unrestricted                                 | (127,002)             | -          | (127,002)    |
| Temporarily restricted                       | 752,002               | -          | 752,002      |
| Total Net Assets                             | 625,000               | -          | 625,000      |
| Total Liabilities and Net Assets             | \$ 2,419,823          | \$ 300,569 | \$ 2,720,392 |

See Auditor's Report

SID PUBLIC SERVICES ASSOCIATION

SCHEDULE OF FINANCIAL POSITION BY MEMBER

As of December 31, 2015

|  | Capital<br>Crossroads | Discovery  | Total        |
|--|-----------------------|------------|--------------|
| <u>ASSETS</u>                                |                       |            |              |
| Current Assets:                              |                       |            |              |
| Cash and Cash Equivalents:                   |                       |            |              |
| Cash - undesignated                          | \$ 457,238            | \$ 187,168 | \$ 644,406   |
| Cash - right of way                          | 901,006               | -          | 901,006      |
| Total cash and equivalents                   | 1,358,244             | 187,168    | 1,545,412    |
| Accounts receivable                          | 857,009               | 52,665     | 909,674      |
| Prepaid expenses                             | 133,430               | 17,433     | 150,863      |
| Total Current Assets                         | 2,348,683             | 257,266    | 2,605,949    |
| Fixed Assets:                                |                       |            |              |
| Equipment and vehicles, at cost              | 595,942               | 85,941     | 681,883      |
| Accumulated depreciation                     | (454,716)             | (69,382)   | (524,098)    |
| Net Fixed Assets                             | 141,226               | 16,559     | 157,785      |
| Other Assets:                                |                       |            |              |
| Beneficial interest in assets held by others | 82,276                | -          | 82,276       |
| Total Assets                                 | \$ 2,572,185          | \$ 273,825 | \$ 2,846,010 |
| <u>LIABILITIES AND NET ASSETS</u>            |                       |            |              |
| Current Liabilities:                         |                       |            |              |
| Accounts payable                             | \$ 86,849             | \$ 31,161  | \$ 118,010   |
| Accounts payable - related party             | 1,580,187             | 234,668    | 1,814,855    |
| Accrued expenses                             | 18,781                | 7,996      | 26,777       |
| Deferred revenue                             | 11,368                | -          | 11,368       |
| Total Current Liabilities                    | 1,697,185             | 273,825    | 1,971,010    |
| Net Assets:                                  |                       |            |              |
| Unrestricted                                 | (121,696)             | -          | (121,696)    |
| Temporarily restricted                       | 996,696               | -          | 996,696      |
| Total Net Assets                             | 875,000               | -          | 875,000      |
| Total Liabilities and Net Assets             | \$ 2,572,185          | \$ 273,825 | \$ 2,846,010 |

See Auditor's Report



SID PUBLIC SERVICES ASSOCIATION  
SCHEDULE OF ACTIVITIES BY MEMBER

For the Year Ended December 31, 2016

|   | <u>Capital<br/>Crossroads</u> | <u>Discovery</u> | <u>Total</u>      |
|---|-------------------------------|------------------|-------------------|
| Unrestricted Net Assets:                      |                               |                  |                   |
| Revenue:                                      |                               |                  |                   |
| Assessments                                   | \$ 1,741,261                  | \$ 658,982       | \$ 2,400,243      |
| Right of way                                  | 78,795                        | -                | 78,795            |
| Contributions                                 | 459,281                       | 163,596          | 622,877           |
| Promotions                                    | 65,684                        | 4,260            | 69,944            |
| Contracted income                             | 35,783                        | 7,882            | 43,665            |
| Grants  | -                             | -                | -                 |
| Interest                                      | 378                           | 213              | 591               |
| Miscellaneous                                 | 1,505                         | 181              | 1,686             |
| 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           |
|   | <u>2,664,217</u>              | <u>841,180</u>   | <u>3,505,397</u>  |
| Expenses:                                     |                               |                  |                   |
| Contracted services                           | 1,550,643                     | 629,783          | 2,180,426         |
| Right of way                                  | 64,310                        | 75,537           | 139,847           |
| Promotions                                    | 387,620                       | 32,450           | 420,070           |
| General and administrative                    | 299,811                       | 94,786           | 394,597           |
| Landscaping and capital maintenance           | 332,170                       | 18               | 332,188           |
| Research                                      | 34,544                        | 8,181            | 42,725            |
| Outreach                                      | 425                           | 425              | 850               |
|   | <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                          | <u>(250,000)</u>              | <u>-</u>         | <u>(250,000)</u>  |
| Net Assets - Beginning of Year                | 875,000                       | -                | 875,000           |
| Net Assets - End of Year                      | <u>\$ 625,000</u>             | <u>\$ -</u>      | <u>\$ 625,000</u> |

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SID PUBLIC SERVICES ASSOCIATION  
SCHEDULE OF ACTIVITIES BY MEMBER

For the Year Ended December 31, 2015

|   | <u>Capital<br/>Crossroads</u> | <u>Discovery</u> | <u>Total</u>      |
|---|-------------------------------|------------------|-------------------|
| Unrestricted Net Assets:                          |                               |                  |                   |
| Revenue:  |                               |                  |                   |
| Assessments                                       | \$ 1,735,328                  | \$ 547,554       | \$ 2,282,882      |
| Right of way                                      | 2,284                         | -                | 2,284             |
| Contributions                                     | 462,568                       | 156,888          | 619,456           |
| Promotions  | 53,364                        | 2,250            | 55,614            |
| Contracted income                                 | 41,291                        | -                | 41,291            |
| Grants  | 15,000                        | -                | 15,000            |
| Interest  | 339                           | 228              | 567               |
| Miscellaneous                                     | 400                           | 121              | 521               |
| Gain/loss on investment held by others            | (1,651)                       | -                | (1,651)           |
| Other income (expense)                            | (136,289)                     | 62,283           | (74,006)          |
| Net assets released from restrictions             | 354,627                       | -                | 354,627           |
| <br>Total Revenue                                 | <u>2,527,261</u>              | <u>769,324</u>   | <u>3,296,585</u>  |
| <br>Expenses:                                     |                               |                  |                   |
| Contracted services                               | 1,528,088                     | 613,097          | 2,141,185         |
| Right of way                                      | 1,977                         | 1,927            | 3,904             |
| Promotions  | 369,291                       | 36,675           | 405,966           |
| General and administrative                        | 278,756                       | 103,558          | 382,314           |
| Landscaping and capital maintenance               | 338,624                       | -                | 338,624           |
| Research  | 42,225                        | 13,749           | 55,974            |
| Outreach  | 1,036                         | 318              | 1,354             |
| <br>Total Expenses                                | <u>2,559,997</u>              | <u>769,324</u>   | <u>3,329,321</u>  |
| <br>Change in Unrestricted Net Assets             | <u>(32,736)</u>               | <u>-</u>         | <u>(32,736)</u>   |
| <br>Changes in Temporarily Restricted Net Assets: |                               |                  |                   |
| Grant revenue                                     | 137,363                       | -                | 137,363           |
| Net assets released from restrictions             | (354,627)                     | -                | (354,627)         |
| <br>Change in Temporarily Restricted Net Assets   | <u>(217,264)</u>              | <u>-</u>         | <u>(217,264)</u>  |
| <br>Change in Net Assets                          | <u>(250,000)</u>              | <u>-</u>         | <u>(250,000)</u>  |
| <br>Net Assets - Beginning of Year                | 1,125,000                     | -                | 1,125,000         |
| <br>Net Assets - End of Year                      | <u>\$ 875,000</u>             | <u>\$ -</u>      | <u>\$ 875,000</u> |

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SID PUBLIC SERVICES ASSOCIATION

SCHEDULE OF CASH FLOWS BY MEMBER

For the Year Ended December 31, 2016

|   | Capital<br>Crossroads | Discovery      | Total          |
|---|-----------------------|----------------|----------------|
| Cash Flows from Operating Activities:   |                       |                |                |
| Change in net assets  | \$ (250,000)          | \$ -           | \$ (250,000)   |
| Adjustments to reconcile change in net assets<br>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          |
| <br>Net Cash Provided (Used) by Operating Activities  | <br>3,500             | <br>37,139     | <br>40,639     |
| <br>Cash Flows from Investing Activities:   |                       |                |                |
| Purchase of fixed assets  | (69,522)              | (8,195)        | (77,717)       |
| Net transfers (to) from beneficial interest in assets<br>held by others                               | (750,000)             | -              | (750,000)      |
| <br>Net Cash Provided (Used) by Investing Activities  | <br>(819,522)         | <br>(8,195)    | <br>(827,717)  |
| <br>Net Increase (Decrease) in Cash and Cash Equivalents  | <br>(816,022)         | <br>28,944     | <br>(787,078)  |
| <br>Cash and Cash Equivalents at Beginning of Year  | <br>1,358,244         | <br>187,168    | <br>1,545,412  |
| <br>Cash and Cash Equivalents at End of Year  | <br>\$ 542,222        | <br>\$ 216,112 | <br>\$ 758,334 |

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SID PUBLIC SERVICES ASSOCIATION

SCHEDULE OF CASH FLOWS BY MEMBER

For the Year Ended December 31, 2015

|   | <u>Capital<br/>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<br>to net cash provided (used) by operating activities: |                               |                   |                     |
| Depreciation  | 43,964                        | 11,882            | 55,846              |
| (Increase) decrease in assets:  |                               |                   |                     |
| Accounts receivable   | 289,408                       | (14,037)          | 275,371             |
| Prepaid expenses  | (197)                         | 8,677             | 8,480               |
| Beneficial interest in assets held by others  | 407                           | -                 | 407                 |
| Increase (decrease) in liabilities:   |                               |                   |                     |
| Accounts payable  | 32,640                        | 21,359            | 53,999              |
| Accounts payable - related party  | 136,287                       | (62,282)          | 74,005              |
| Accrued expenses  | (6,184)                       | (3,670)           | (9,854)             |
| Deferred revenue  | -                             | -                 | -                   |
| Net Cash Provided (Used) by Operating Activities  | <u>246,325</u>                | <u>(38,071)</u>   | <u>208,254</u>      |
| Cash Flows from Investing Activities:   |                               |                   |                     |
| Purchase of fixed assets  | (119,928)                     | (8,537)           | (128,465)           |
| Net Cash Provided (Used) by Investing Activities  | <u>(119,928)</u>              | <u>(8,537)</u>    | <u>(128,465)</u>    |
| Net Increase (Decrease) in Cash and Cash Equivalents  | <u>126,397</u>                | <u>(46,608)</u>   | <u>79,789</u>       |
| Cash and Cash Equivalents at Beginning of Year  | 1,231,847                     | 233,776           | 1,465,623           |
| Cash and Cash Equivalents at End of Year  | <u>\$ 1,358,244</u>           | <u>\$ 187,168</u> | <u>\$ 1,545,412</u> |

See Auditor's Report

To the Board of Trustees  
and Management of  
SID Public Services Association

**Report On Internal Control Over Financial Reporting and on Compliance and Other  
Matters Based on an Audit Of Financial Statements Performed In Accordance With  
Government Auditing Standards**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of SID Public Services Association (the Association), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended and the related notes to the financial statements, and have issued our report thereon dated February 22, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of Association's internal control.

*A deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Association's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "John Gerlach & Company LLP". The signature is written in a cursive, flowing style.

Columbus, Ohio  
February 22, 2017



# Dave Yost • Auditor of State

**SPECIAL IMPROVEMENT DISTRICT 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 30, 2017**