

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

Financial Statements

August 31, 2003 and 2002

with

Independent Auditors' Report



**Auditor of State
Betty Montgomery**

Board of Trustees
Community Improvement Corporation of Springfield and Clark County

We have reviewed the Independent Auditor's Report of the Community Improvement Corporation of Springfield and Clark County, Clark County, prepared by Clark, Schaefer, Hackett & Co. for the audit period September 1, 2002 through August 31, 2003. 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.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

February 9, 2004

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

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Cash Flows	4
Notes to the Financial Statements	5-7
Additional Information:	
Schedules of Program Activities and Changes in Net Assets	8
Schedules of General Operating and Administration Expenses	9
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10
Schedule of Reportable Conditions	11
Schedule of Reportable Conditions of Prior Audits	12

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Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Independent Auditors' Report

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

We have audited the accompanying combined statements of financial position of Community Improvement Corporation of Springfield and Clark County, Ohio as of August 31, 2003 and 2002 and the related combined statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of Community Improvement Corporation of Springfield and Clark County, Ohio's management. 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. 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Improvement Corporation of Springfield and Clark County, Ohio, at August 31, 2003 and 2002, and the changes in its net assets and its cash flows for the years 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 November 7, 2003, on our consideration of Community Improvement Corporation of Springfield and Clark County, Ohio internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Audit Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying schedules of program activities and changes in net assets and general operating and administration expenses are presented for purposes of additional analysis and are not a required part of the financial statements of Community Improvement Corporation of Springfield and Clark County, Ohio. The information in these schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.



Springfield, Ohio
November 7, 2003

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

Statements of Financial Position

August 31, 2003 and 2002

	<u>Assets</u>		<u>2003</u>	<u>2002</u>
Current assets:				
Cash	\$	271,271	672,396	
Cash designated for projects		49,023	75,790	
Certificates of deposit		115,056	112,438	
Other receivables		<u>28,129</u>	<u>11,747</u>	
Total current assets		<u>463,479</u>	<u>872,371</u>	
Property and equipment:				
Office furniture, equipment and vehicles		82,313	99,143	
Less accumulated depreciation		<u>(45,688)</u>	<u>(53,391)</u>	
Net property and equipment		<u>36,625</u>	<u>45,752</u>	
Other assets:				
Long term investments		-	292,325	
Industrial park development, at cost basis		<u>366,681</u>	<u>358,403</u>	
		<u>366,681</u>	<u>650,728</u>	
Total assets	\$	<u>866,785</u>	<u>1,568,851</u>	
	<u>Liabilities and Net Assets</u>			
Current liabilities:				
Accounts payable	\$	79,257	77,819	
Other liabilities		<u>-</u>	<u>292,325</u>	
		<u>79,257</u>	<u>370,144</u>	
Long-term liabilities:				
Note payable, development property		<u>43,870</u>	<u>43,870</u>	
Total liabilities		<u>123,127</u>	<u>414,014</u>	
Net assets:				
Unrestricted		<u>743,658</u>	<u>1,154,837</u>	
Total liabilities and net assets	\$	<u>866,785</u>	<u>1,568,851</u>	

See accompanying notes to the financial statements.

**COMMUNITY IMPROVEMENT CORPORATION OF
 SPRINGFIELD AND CLARK COUNTY, OHIO**
 Statements of Activities and Changes in Net Assets
 Years Ended August 31, 2003 and 2002

	2003	2002
Revenues:		
Gain on sale of property and equipment	\$ 450	5,720
Fees and services	5,381	19,284
Interest	71,203	111,705
Prime Ohio, fees	355,733	364,845
Total revenues	432,767	501,554
Expenses:		
General operating	228,330	360,474
Administration and depreciation	259,883	281,469
Prime Ohio, services	355,733	364,845
Total expenses	843,946	1,006,788
Decrease in net assets	(411,179)	(505,234)
Net assets, beginning of year	1,154,837	1,660,071
Net assets, end of year	\$ 743,658	1,154,837

See accompanying notes to the financial statements.

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

Statements of Cash Flows
Years Ended August 31, 2003 and 2002

	2003	2002
Cash flows from operating activities:		
Change in net assets	\$ (411,179)	(505,234)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Gain on sale of property and equipment	(450)	(5,720)
Depreciation	9,127	9,474
Effects of change in operating assets and liabilities:		
Decrease (increase) in other receivables	(16,382)	12,727
Increase in accounts payable	1,438	21,347
Increase (decrease) in other liabilities	-	38,270
Net cash used by operating activities	(417,446)	(429,136)
Cash flows from investing activities:		
(Increase) decrease in long-term investments	-	(18,270)
Purchase of certificates of deposit	(114,392)	(112,438)
Proceeds from the sale of fixed assets	450	6,623
Proceeds from certificate of deposits	111,774	490,488
Development costs related to industrial park	(8,278)	-
Capital expenditure	-	(11,521)
Net cash provided by investing activities	(10,446)	354,882
Decrease in cash	(427,892)	(74,254)
Cash, beginning of year	748,186	822,440
Cash, end of year	\$ 320,294	748,186
Represented by:		
Cash	\$ 271,271	672,396
Cash designated for projects	49,023	75,790
	\$ 320,294	748,186
Non cash items:		
Other liabilities	\$ 292,325	-
Long-term investments	(292,325)	-
	\$ -	-

See accompanying notes to the financial statements.

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

Notes to the Financial Statements

August 31, 2003 and 2002

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.

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.

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. Depreciation for fiscal year 2003 and 2002 was \$9,127 and \$9,474, respectively.

Cash

For purposes of the statement of cash flows, the Corporation considers cash on hand and in demand accounts with a maturity of 90 days or less to be cash.

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
August 31, 2003 and 2002

2. Cash Designated for Projects:

Cash on deposit at August 31, 2003 and 2002, held for projects is as follows:

	<u>2003</u>	<u>2002</u>
Due to Clark County - Economic Development Incentive Fund	\$ 36,593	36,036
Small Business Development Corporation	12,380	24,852
National trails and Parks Recreation Department	<u>50</u>	<u>14,902</u>
	\$ <u>49,023</u>	<u>75,790</u>

All monies are maintained in segregated interest bearing bank accounts.

3. Long-term Investments:

The Corporation has purchased annuities on the lives of key staff to fund the contractual obligation as described in Note 4. The present value of the annuities is reported in the financial statements as Long-term Investments.

As of August 31, 2003, the key staff has left the employment of the Corporation and has begun receiving payments from the annuities. Therefore, the Corporation no longer has any rights or obligations to the investments, and subsequently the cost and the related liability have been removed from the Corporation's records.

4. Contractual Obligation:

The Corporation was obligated to pay the above annuities to the participants in the program. At August 31, 2003, the participants have begun receiving payments and therefore, the Corporation no longer has any contractual obligations.

5. Note Payable:

A summary of note payable at August 31, 2003 and 2002 is as follows:

	<u>2003</u>	<u>2002</u>
Non-interest bearing note payable to City of Springfield, due January 2009.	\$ <u>43,870</u>	<u>43,870</u>

The following is a schedule of the future debt annual obligation:

Fiscal year end August 31, 2010	\$ <u>43,870</u>
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**COMMUNITY IMPROVEMENT CORPORATION OF
SPRINGFIELD AND CLARK COUNTY, OHIO**

Notes to the Financial Statements
August 31, 2003 and 2002

6. Administrative Expenses:

The Springfield Clark County Chamber of Commerce (Chamber) furnishes administrative services to the Corporation. Costs incurred by the Chamber on behalf of the Corporation include salaries and benefits and occupancy and other related office expenses. The Corporation reimbursed the Chamber for these services in the amount of \$250,756 and \$271,995 for 2003 and 2002, respectively.

7. Concentration of Risk:

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

The Corporation's operations are dependent upon the general economic conditions of Springfield and Clark County, Ohio.

8. Continuing Options Obligations:

The Corporation continues to renew several purchase option agreements that are charged to operations. The options are for the purchase of 351 acres of land and may be terminated at managements' discretion.

9. Functional Allocation of Expenses:

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting service benefited.

Additional Information

**COMMUNITY IMPROVEMENT CORPORATION OF
SPRINGFIELD AND CLARK COUNTY, OHIO**
Schedules of Program Activities and Changes in Net Assets
Years Ended August 31, 2003 and 2002

	2003			2002		
	Operating	Industrial Park Fund	Total	Operating	Industrial Park Fund	Total
Revenues:						
Interest income	\$ 63,643	7,560	71,203	66,193	45,512	111,705
Miscellaneous	-	3,656	3,656	-	17,559	17,559
Prime Ohio, fees	355,733	-	355,733	364,845	364,845	364,845
Sale of property and equipment	-	450	450	-	5,720	5,720
Farm lease	-	1,725	1,725	-	1,725	1,725
Total revenues	<u>419,376</u>	<u>13,391</u>	<u>432,767</u>	<u>431,038</u>	<u>70,516</u>	<u>501,554</u>
Expenses:						
General	152,490	75,840	228,330	234,186	126,288	360,474
Prime Ohio, services	-	355,733	355,733	-	364,845	364,845
Administration	250,756	-	250,756	271,995	-	271,995
Depreciation	8,758	369	9,127	8,758	716	9,474
Total expenses	<u>412,004</u>	<u>431,942</u>	<u>843,946</u>	<u>514,939</u>	<u>491,849</u>	<u>1,006,788</u>
Decrease in net assets	7,372	(418,551)	(411,179)	(83,901)	(421,333)	(505,234)
Net assets, beginning of year	<u>153,783</u>	<u>1,001,054</u>	<u>1,154,837</u>	<u>237,684</u>	<u>1,422,387</u>	<u>1,660,071</u>
Net assets, end of year	<u>\$ 161,155</u>	<u>582,503</u>	<u>743,658</u>	<u>153,783</u>	<u>1,001,054</u>	<u>1,154,837</u>

**COMMUNITY IMPROVEMENT CORPORATION OF
SPRINGFIELD AND CLARK COUNTY, OHIO**
Schedules of General Operating and Administration Expenses
Years Ended August 31, 2003 and 2002

	2003	2002
General operating:		
Development and options	\$ 116,801	121,645
Project expenses	5,100	10,000
Real estate taxes and insurance	5,155	3,340
Bank fees - CIC	60	190
I-675 project	2,591	(2,531)
State and national meetings	1,714	2,030
Employee benefits	-	38,270
Auto expenses	685	1,529
Economic development trips	3,967	1,906
Dues and periodicals	2,124	200
Miscellaneous economic development	6,101	894
Severance expense	-	100,000
Marketing	9,902	13,723
Bank fees - Prime Ohio	1,388	254
Investment fees	117	249
Maintenance and storage	2,042	1,189
Owners Association expenses - Prime Ohio	1,743	16,845
Owners Association fee - Prime Ohio	2,336	3,641
Operations	66,504	47,100
	\$ 228,330	360,474
Administration:		
Administration fee	\$ 250,756	271,995
Depreciation	9,127	9,474
	\$ 259,883	281,469

See independent auditors' report.

Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Independent Auditors' Report on Compliance and on Internal Control
Over Financial Reporting Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*

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

We have audited the financial statements of Community Improvement Corporation of Springfield and Clark County, Ohio, as of and for the years ended August 31, 2003 and 2002, and have issued our report thereon dated November 7, 2003. We conducted our audits in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Community Improvement Corporation of Springfield and Clark County, Ohio's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses

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


Springfield, Ohio
November 7, 2003

**COMMUNITY IMPROVEMENT CORPORATION OF
 SPRINGFIELD AND CLARK COUNTY, OHIO**
 Schedule of Reportable Conditions
 Year Ended August 31, 2003

1. Summary of Auditors' Results

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Were there any reported non-compliance at the financial statement level (GAGAS)?	No

2. Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

- NONE -

**COMMUNITY IMPROVEMENT CORPORATION OF
SPRINGFIELD AND CLARK COUNTY, OHIO**
Schedule of Reportable Conditions of Prior Audits
Year Ended August 31, 2003

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**Auditor of State
Betty Montgomery**

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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
MARCH 4, 2004**