

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

AUDIT REPORT

For the Year Ended December 31, 2010

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



Dave Yost • 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, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2010 through December 31, 2010. 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 black ink that reads "Dave Yost".

Dave Yost
Auditor of State

December 6, 2011

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**COMMUNITY IMPROVEMENT CORPORATION OF
SPRINGFIELD AND CLARK COUNTY, OHIO
CLARK COUNTY
AUDIT REPORT
For the Year Ended December 31, 2010**

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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, 2010, 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 and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. 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 provides 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, 2010, 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 October 28, 2011 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

Charles E. Harris & Associates, Inc.
October 28, 2011

**Community Improvement Corporation of
Springfield and Clark County, Ohio
Statement of Financial Position
As of December 31, 2010**

ASSETS

Current Assets:

Cash, unrestricted	\$ 127,371
Cash, restricted	926,234
Cash, custodial	58,652
Other receivables	228,700
Prepaid expense	2,895
Total Current Assets	<u>1,343,852</u>

Fixed Assets:

Office furniture, equipment, and vehicles	23,978
Accumulated depreciation	(16,510)
Total Fixed Assets, Net	<u>7,468</u>

Other assets:

Industrial development park land, at cost	80,936
TOTAL ASSETS	<u>\$ 1,432,256</u>

LIABILITIES & NET ASSETS

Current Liabilities:

Accounts payable	\$ 737,947
Deferred revenue	453,909
Custodial accounts	51,137
Total Current Liabilities	<u>1,242,993</u>

Net Assets:

Temporarily restricted	33,018
Unrestricted	156,245
Total Net Assets	<u>189,263</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 1,432,256</u>

**Community Improvement Corporation of
Springfield and Clark County, Ohio
Statement of Activities
For the Year Ended December 31, 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES:			
Local government funding	\$ 228,508	\$ 966,144	\$ 1,194,652
Contributions	126,700	242,661	369,361
Contract revenue	73,602	-	73,602
Gain on sale of property	-	12,459	12,459
Interest	43	954	997
Miscellaneous	25,530	2,925	28,455
Net assets released from restriction	1,223,868	(1,223,868)	-
TOTAL REVENUES	<u>1,678,251</u>	<u>1,275</u>	<u>1,679,526</u>
EXPENSES:			
Administrative and general operating	353,385	-	353,385
Economic development	1,356,968	-	1,356,968
Depreciation	2,025	-	2,025
TOTAL EXPENSES	<u>1,712,378</u>	<u>-</u>	<u>1,712,378</u>
Increase (Decrease) in net assets	(34,127)	1,275	(32,852)
Net Assets, beginning of year	<u>190,372</u>	<u>31,743</u>	<u>222,115</u>
Net Assets, end of year	<u>\$ 156,245</u>	<u>\$ 33,018</u>	<u>\$ 189,263</u>

See Accompanying Notes to the Financial Statements

**Community Improvement Corporation of
Springfield and Clark County, Ohio
Statement of Cash Flows
For the Year Ended December 31, 2010**

Cash Flows from Operating Activities:	
Change in net assets	\$ (32,852)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2,025
Effects of change in operating assets and liabilities:	
Increase in accounts receivable	(129,886)
Decrease in other assets	38,527
Increase in accounts payable	663,919
Increase in deferred revenue	201,761
Increase in custodial accounts	433
	<hr/>
Net Cash Provided by Operating Activities	743,927
Cash at Beginning of Year	368,330
Cash at End of Year	<hr/> \$ 1,112,257 <hr/>
Represented by:	
Cash, unrestricted	\$ 127,371
Cash, restricted	926,234
Cash, custodial	58,652
	<hr/> \$ 1,112,257 <hr/>

See Accompanying Notes to the Financial Statements

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

Notes to the Financial Statements
December 31, 2010

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

The Corporation follows the recommendations of the Financial Accounting Standards Board ASC 958, *Financial Statements of Not-For-Profit Organizations*. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets – Net assets that are not subject to donor or grantor imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Corporation and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets resulting from contributions and other inflows of assets whose use by the Corporation is limited by donor-imposed restrictions that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Corporation.

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)(3) of the Internal Revenue Code on income arising from normal operations. The Corporation has been liable for income tax on its unrelated business income in excess of related expenses in past years. During the current year, the Corporation has no unrelated business income.

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

Notes to the Financial Statements
December 31, 2010

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.

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.

Custodial Cash

The cash accounts reported as custodial cash accounts by the Corporation represent monies held for third-party projects. At December 31, 2010 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, 2010.

Prime Ohio	Columbus Avenue	Total
<u>\$37,519</u>	<u>\$43,417</u>	<u>\$80,936</u>

3. Administrative Expenses:

The Springfield Clark County Chamber of Commerce (Chamber) furnishes services to the Corporation. Costs incurred by the Chamber of behalf of the Corporation include salaries and benefits and other related expenses. The Corporation reimbursed the Chamber for these services in the amount of \$330,027 for 2010.

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

Notes to the Financial Statements
December 31, 2010

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.

6. Economic Dependency:

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

7. Property, Facilities and Equipment:

Capital asset activity for the year ended December 31, 2010 is as follows:

	Balance January 1, 2010	Additions	Deletions	Balance December 31, 2010
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	(9,002)	(1,185)	-	(10,187)
Furniture & Fixtures	(5,483)	(840)	-	(6,323)
Total Accumulated Depreciation	(14,485)	(2,025)	-	(16,510)
Total Capital Assets Being Depreciated, Net	\$9,493	(2,025)	-	\$7,468

8. Subsequent Events:

Subsequent events were evaluated through October 28, 2011, which is the date the financial statements were available to be issued.

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

Community Improvement Corporation of
Springfield and Clark County, Ohio
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, 2010, and have issued our report thereon dated October 28, 2011. We conducted our audit 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.

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 opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Corporation's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented or detected and timely corrected.

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

Compliance and Other Matters

As part of reasonably assuring whether the Corporation's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could directly and materially affect 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 that are required to be reported under *Government Auditing Standards*.

We noted other matters that we have reported to management of the Corporation in a separate letter dated October 28, 2011.

We intend this report solely for the information and use of the audit committee, management, the Board of Trustees and others within the Corporation. We intend it for no one other than these specified parties.

Charles E. Harris and Associates

Charles E. Harris and Associates, Inc.

October 28, 2011

**COMMUNITY IMPROVEMENT CORPORATION OF
SPRINGFIELD AND CLARK COUNTY, OHIO
CLARK COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2010**

The prior report, for the year ending December 31, 2009, reported no material citations or recommendations.



Dave Yost • 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
DECEMBER 20, 2011**