

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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

CHAD D. YANCEY, CPA, FINANCE DIRECTOR



Dave Yost • Auditor of State

Board of Directors
Community Improvement Corporation of Springfield - Clark County
20 S. Limestone Street, Suite 100
Springfield, Ohio 45502

We have reviewed the *Independent Auditor's Report* of the Community Improvement Corporation of Springfield - Clark County, Clark County, prepared by Julian & Grube, Inc., for the audit period January 1, 2015 through December 31, 2015. 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 - 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

June 20, 2016

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

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Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Community Improvement Corporation of Springfield - Clark County
Clark County
20 S. Limestone Street, Suite 100
Springfield, Ohio 45502

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the Community Improvement Corporation of Springfield - Clark County, Clark County, Ohio, (a not-for-profit corporation), which comprise the statement of financial position, the related statements of activities and cash flows, as of and for the year ended December 31, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing these risks of financial statement material misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Community Improvement Corporation of Springfield - Clark County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Community Improvement Corporation of Springfield - Clark County's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Community Improvement Corporation of Springfield - Clark County, Clark County, Ohio, as of December 31, 2015, and the changes in its financial position and its cash flows, for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2016, on our consideration of the Community Improvement Corporation of Springfield - Clark County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine 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 Community Improvement Corporation of Springfield - Clark County's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc." with a stylized flourish at the end.

Julian & Grube, Inc.
May 19, 2016

Community Improvement Corporation of Springfield - Clark County, Ohio
Statement of Financial Position
As of December 31, 2015

ASSETS

Current Assets:

Cash, unrestricted	\$	70,435
Cash, custodial		17,369
Receivables		55,883
Prepaid Expenses		5,380
Total Current Assets		149,067

Property & Equipment:

Office furniture, equipment, and vehicles		198,390
Less: Accumulated Depreciation		(24,192)
Net Property & Equipment		174,198

Other Assets:

Land and land improvements		12,107,100
Total Other Assets		12,107,100

TOTAL ASSETS		\$ 12,430,365
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LIABILITIES & NET ASSETS

Current Liabilities:

Accounts payable	\$	181,555
Accrued Expenses		406,000
Line of credit		1,804,345
Custodial assets		17,369
Total Current Liabilities		2,409,269

Long-Term Liabilities:

Notes payable - long-term portion		1,825,494
Total Long-Term Liabilities		1,825,494

Net Assets:

Temporarily restricted		17,369
Unrestricted		8,178,233
Total Net Assets		8,195,602

TOTAL LIABILITIES & NET ASSETS		\$ 12,430,365
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Community Improvement Corporation of Springfield - Clark County, Ohio
Statement of Activities
For the Year Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>REVENUE:</u>			
Local government funding	\$ 343,623	\$ 176,781	\$ 520,404
Grants & contributions	165,542	832,977	998,519
Reimbursed constructed costs	-	370,000	370,000
Contract revenue	101,430	-	101,430
Interest	-	128	128
Miscellaneous	34,997	-	34,997
Net gain on sale of land	1,038,941	-	1,038,941
Net assets released from restriction	5,122,521	(5,122,521)	-
TOTAL REVENUE	<u>6,807,054</u>	<u>(3,742,635)</u>	<u>3,064,419</u>
<u>EXPENSES:</u>			
Administrative and general operating	482,155		482,155
Economic development	265,327	89,054	354,381
Depreciation	3,678		3,678
TOTAL EXPENSES	<u>751,160</u>	<u>89,054</u>	<u>840,214</u>
Increase/(Decrease) in net assets	6,055,894	(3,831,689)	2,224,205
Net Assets, beginning of year	<u>2,122,339</u>	<u>3,849,058</u>	<u>5,971,397</u>
Net Assets, end of year	<u>\$ 8,178,233</u>	<u>\$ 17,369</u>	<u>\$ 8,195,602</u>

Community Improvement Corporation of Springfield - Clark County, Oh
Statement of Cash Flows
For the Year Ended December 31, 2015

Cash Flows from Operating Activities	
Change in net assets	\$ 2,224,205
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	12,224
(Increase)/Decrease in Accounts Receivable	929,643
(Increase)/Decrease in Prepaid Expenses	1,365
(Increase)/Decrease in Other Assets	(2,718,871)
Increase/(Decrease) in Accounts Payable	434,774
Increase/(Decrease) in Contracts Retainages	
Increase/(Decrease) in Deferred Revenue	(571,679)
Increase/(Decrease) in Custodial Assets	(29,436)
Total Adjustments	<u>(1,941,980)</u>
Net Cash Provided by Operating Activities	<u>282,225</u>
Cash Flows from Financing Activities	
Proceeds of line of credit	2,251,845
Payments of line of credit	(2,682,586)
Payments of notes	(40,000)
Proceeds of notes	<u>46,407</u>
Net Cash Used in Financing Activities	<u>(424,334)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(142,109)
Cash & Cash Equivalents at Beginning of Year	<u>229,913</u>
Cash and Cash Equivalents at End of Year	<u>\$ 87,804</u>
Cash Represented By:	
Cash, unrestricted	\$ 70,435
Cash, custodial	17,369
	<u>\$ 87,804</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 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.

A. Organization

The Community Improvement Corporation of Springfield - Clark County, Ohio (the "Corporation") is a not-for-profit corporation whose purpose is to promote industrial and economic development in the City of Springfield and Clark County, Ohio.

B. 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 Corporation 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.

C. 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.

D. 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.

E. 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. 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 fifty years) of the respective assets.

G. Restricted Cash

Restricted cash accounts are monies held by the Corporation which are restricted for use. The Corporation had no restricted cash at December 31, 2015.

H. Custodial Cash

The cash accounts reported as custodial cash accounts by the Corporation represent monies held for third-party projects. At December 31, 2015, the funds being held were for the Small Business Development Corporation Revolving Loan Account.

NOTE 2 - TEMPORARILY RESTRICTED NET ASSETS

Net assets in the amount of \$5,122,521 were released from restriction in 2015 as expenses were incurred which satisfied the restricted purposes.

Temporarily restricted net assets at December 31, 2015 represent the results of activities for the following programs that have donor or grantor stipulations:

SBDC Loan Program	\$ <u>17,369</u>
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NOTE 3 - ADMINISTRATIVE EXPENSES

The Springfield Clark County Chamber of Commerce (the "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 \$472,829 for 2015.

NOTE 4 - CONCENTRATION OF RISK

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

NOTE 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 - CLARK COUNTY, OHIO
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 6 - ECONOMIC DEPENDENCY

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

NOTE 7 - PROPERTY, FACILITIES AND EQUIPMENT

Capital asset activity for the year ended December 31, 2015 is as follows:

	Balance <u>1/1/15</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/15</u>
<i>Capital Assets Being Depreciated:</i>				
Office Equipment	\$ 4,734	\$ -	\$ (3,195)	\$ 1,539
Furniture and Fixtures	7,826	-	-	7,826
Equipment	<u>189,026</u>	<u>-</u>	<u>-</u>	<u>189,026</u>
<i>Total Capital Assets Being Depreciated</i>	<u>201,586</u>	<u>-</u>	<u>(3,195)</u>	<u>198,391</u>
<i>Less Accumulated Depreciation:</i>				
Office Equipment	(4,117)	(308)	3,195	(1,230)
Furniture and Fixtures	(5,545)	(783)	-	(6,328)
Equipment	<u>(5,501)</u>	<u>(11,133)</u>	<u>-</u>	<u>(16,634)</u>
<i>Total Accumulated Depreciation</i>	<u>(15,163)</u>	<u>(12,224)</u> *	<u>3,195</u>	<u>(24,192)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 186,423</u>	<u>\$ (12,224)</u>	<u>\$ -</u>	<u>\$ 174,199</u>

* Includes restricted asset depreciation of \$8,546, which was released during 2015.

NOTE 8 - NOTES PAYABLE

The Corporation had the following outstanding notes:

	Outstanding <u>Balance</u>	Interest <u>Rate</u>	Maturity <u>Date</u>
Security National Bank	\$ 1,153,132	3.25%	10/5/2017
Security National Bank	116,410	3.25%	6/5/2018
Harry M. & Violet Turner 95 Charitable Trust	555,952	0.00%	N/A

NOTE 10 - LINE OF CREDIT

In addition, the Corporation had one line of credit outstanding with Security National Bank in the amount of \$1,804,345.



Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Community Improvement Corporation of Springfield - Clark County
Clark County
20 S. Limestone Street, Suite 100
Springfield, Ohio 45502

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Community Improvement Corporation of Springfield - Clark County, Clark County, Ohio, (a not-for-profit corporation) as of and for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise the Community Improvement Corporation of Springfield - Clark County financial statements and have issued our report thereon dated May 19, 2016.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Community Improvement Corporation of Springfield - Clark County's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Community Improvement Corporation of Springfield - Clark County's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Community Improvement Corporation of Springfield - Clark County's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Board of Directors
Community Improvement Corporation of Springfield - Clark County

Compliance and Other Matters

As part of reasonably assuring whether the Community Improvement Corporation of Springfield - Clark County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Community Improvement Corporation of Springfield - Clark County's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Community Improvement Corporation of Springfield - Clark County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
May 19, 2016



Dave Yost • Auditor of State

**COMMUNITY IMPROVEMENT CORPORATION OF SPRINGFIELD 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
JUNE 30, 2016**