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Short North Special Improvement District
Franklin County
Regular Audit
For the Years Ended December 31, 2015 and 2014

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Association of Certified Anti - Money Laundering Specialists



Board of Trustees Short North Special Improvement District 21 E. 5th Ave Suite 103 Columbus, Ohio 43201

We have reviewed the *Independent Auditor's Report* of the Short North Special Improvement District, Franklin County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2014 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 Short North Special Improvement District is responsible for compliance with these laws and regulations.

Dave Yost Auditor of State

November 4, 2016



SHORT NORTH SPECIAL IMPROVEMENT DISTRICT FRANKLIN COUNTY

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INDEPENDENT AUDITOR'S REPORT

July 27, 2016

Short North Special Improvement District Franklin County 21 East 5th Avenue Columbus, Ohio 43201

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of **Short North Special Improvement District**, Franklin County, Ohio (the District), (a not-for-profit organization) which comprise the statements of financial position, and the related statements of activities and cash flows as of and for the years ended December 31, 2015 and 2014, 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 the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District'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 District'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 opinion.



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Short North Special Improvement District Franklin County Independent Auditor's Report Page 2

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Short North Special Improvement District, Franklin County as of December 31, 2015 and 2014, and the changes in its financial position and its cash flows for the years 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 July 27, 2016, on our consideration of the District'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 District's internal control over financial reporting and compliance.

Perry and Associates

Certified Public Accountants, A.C.

Lerry & associates CAP'S A. C.

Marietta, Ohio

SHORT NORTH SPECIAL IMPROVEMENT DISTRICT STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2015 AND 2014

	2015		2014	
ASSETS				
Current Assets				
Cash- Checking Huntington	\$	7,228	\$	16,016
Columbus Foundation		4,180		4,198
Accounts Receivable		32,646		36,812
Total Current Assets		44,054		57,026
Noncurrent Assets				
Capital Assets:				
Artwork		87,389		87,389
Furniture, Fixtures and Equipment		37,947		37,947
Less: Accumulated Depreciation		(22,768)		(18,974)
Total Capital Assets, Net of Depreciation		102,568		106,362
Total Noncurrent Assets		102,568		106,362
TOTAL ASSETS	\$	146,622	\$	163,388
NET ASSETS				
Unrestricted (Restated - See Note 8)		146,622		163,388
TOTAL NET ASSETS		146,622		163,388
TOTAL LIABILITIES AND NET ASSETS	\$	146,622	\$	163,388

SHORT NORTH SPECIAL IMPROVEMENT DISTRICT STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

		2015	2014	
OPERATING INCOME				
City's Annual Contribution	\$	1,563	\$	_
Interest	Ψ	1,505	Ψ	_
Property Owner Assessment		334,493		423,159
TOTAL OPERATING INCOME		336,058		423,159
EXPENSES				
Dues & Subscriptions		50		-
Penalties		200		-
Contracted Maintenance		338,157		385,654
Equipment Maintenance		480		-
Insurance, Phone & Mileage		1,027		1,027
Professional Services		8,484		6,046
Interest Expense		-		(275)
Miscellaneous		250		-
Depreciation		3,795		3,795
Printing, Copying, Publication				380
TOTAL EXPENSES		352,443		396,627
NET OPERATING INCOME		(16,385)		26,532
OTHER INCOME (EXPENSES)				
Donations for Parks & Kiosks		-		4
Bank Fees		(21)		-
Streetscape Improvements		(360)		
TOTAL OTHER INCOME (EXPENSES)		(381)		4
NET INCOME		(16,766)		26,536
BEGINNING UNRESTRICTED NET ASSETS		163,388		136,852
ENDING UNRESTRICTED NET ASSETS	<u>\$</u>	146,622	\$	163,388

SHORT NORTH SPECIAL IMPROVEMENT DISTRICT STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015		2014	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income (Loss)	\$	(16,766)	\$	26,536
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:				
Decrease (Increase) in Operating Assets: Columbus Foundation Depreciation Expense Accounts Receivable		19 3,795 4,164		(280) 3,795 (36,478)
Total Adjustments		7,978		(32,963)
Net Cash Provided (Used) by Operating Activities		(8,788)		(6,427)
Net Change in Cash and Cash Equivalents		(8,788)		(6,427)
Cash and Cash Equivalents, Beginning of Year		16,016		22,443
Cash and Cash Equivalents, End of Year	\$	7,228	\$	16,016

SHORT NORTH SPECIAL IMPROVEMENT DISTRICT NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

Short North Special Improvement District (the District), is an Ohio non-profit organization created in 2000 for the purpose of advancing, encouraging, and promoting the industrial, economic, commercial and civic development of the City of Columbus and the surrounding community and county.

Management believes the financial statements included in this report represent all of the activities over which the District is financially accountable.

B. BASIS OF ACCOUNTING

The financial statements of the District have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

C. BASIS OF PRESENTATION

The District has adopted Financial Accounting Standards Board Accounting Standards Codification (ASC) No. 958-210, *Presentation of Financial Statements*. Under ASC 958-210. The District is required to report 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.

D. REVENUE RECOGNITION

Income from membership dues, fees, and land sales is recognized over the period to which the dues, fees, and land sales relate.

E. CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash and cash equivalents include all highly liquid investments with initial maturities of three months or less.

F. EQUIPMENT

Equipment is stated at cost and is depreciated over the estimated useful lives by the straight-line method for financial reporting purposes. Repairs and maintenance are charged to operations when incurred and improvements and additions are capitalized. When equipment is sold, or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

G. DONATED PROPERTY

Donations of property are recorded as contributions at their estimated fair value at the date of the donation.

H. FEDERAL INCOME TAX

The District was incorporated as a nonprofit entity and is exempt from federal income taxes under Section 501(c) (6) of the Internal Revenue Code.

SHORT NORTH SPECIAL IMPROVEMENT DISTRICT NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015 AND 2014 (CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FEDERAL INCOME TAX (Continued)

Accounting principles generally accepted in the United States require management to evaluate tax positions taken and recognize a tax liability (or asset) if an uncertain tax position has been taken that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). Management has concluded that as of December 31, 2015, there are no uncertain positions taken or expected to be taken The District that would require recognition of a liability (or asset) or disclosure in the financial statements. The District is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The District's Federal Return of Organization Exempt from Income Tax (Form 990) for 2012, 2013 and 2014 are subject to examination by the IRS, generally for three years after they were filed.

I. ESTIMATES

Management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

2. DEPOSITS WITH FINANCIAL INSTITUTIONS

At December 31, 2015 and 2014 cash and cash equivalents consisted of the following:

	2015	2014
Demand Deposits	\$7,228	\$16,016
Total Deposits	\$7,228	\$16,016

At the end of the year, the bank balance of the District's deposits was insured by the Federal Depository Insurance Corporation.

5. FURNITURE AND EQUIPMENT

Furniture and equipment consists of:

	 2015	 2014
Cost	\$ 125,336	\$ 125,336
Less: Accumulated Depreciation	 (22,768)	 (18,974)
Net Furniture and Equipment	\$ 102,568	\$ 106,362

6. INSURANCE

The District maintains property insurance through a private insurance carrier. There has been no significant change in coverage in the past four years. There have been no claims that exceeded coverage in the past four years.

SHORT NORTH SPECIAL IMPROVEMENT DISTRICT NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015 AND 2014 (CONTINUED)

7. SUBSEQUENT EVENTS

The District has evaluated subsequent events through July 27, 2016, the date which the financial statements were available to be issued. No events occurred subsequent to July 27, 2016 that would require adjustment or disclosure in the financial statements.

8. RESTATEMENT OF BEGINNING BALANCES

The District changed their basis of accounting from cash to accrual basis for the years ended December 31, 2015 and 2014. This required the District to restate their beginning balances for December 31, 2013:

	Unrestricted		
Net Assets at December 31, 2013	\$	26,695	
Adjustment for prior period capital asset		440.457	
and depreciation		110,157	
Beginning Balance at January 1, 2014	\$	136,852	





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

July 27, 2016

Short North Special Improvement District Franklin County 21 East 5th Avenue Columbus. Ohio 43201

To the Board of Trustees:

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 **Short North Special Improvement District**, Franklin County (the District) (a nonprofit organization) as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated July 27, 2016.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District'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 District'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 District'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.









Short North Special Improvement District
Franklin County
Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Required by Government Auditing Standards
Page 2

Compliance and Other Matters

As part of reasonably assuring whether the District'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 that we must report under *Government Auditing Standard*s.

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 District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Perry and Associates

Certified Public Accountants, A.C.

Lery & associates CAB'S A. C.

Marietta, Ohio



SHORT NORTH SPECIAL IMPROVEMENT DISTRICT 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.

CLERK OF THE BUREAU

Susan Babbitt

CERTIFIED NOVEMBER 17, 2016