



**SPECIAL IMPROVEMENTS DISTRICT
PUBLIC SERVICE ASSOCIATION
FRANKLIN COUNTY
Regular Audit
For the Years Ended December 31, 2018 and 2017**

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Vienna, WV 26105
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OHIO AUDITOR OF STATE
KEITH FABER



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Board of Directors
Special Improvements District Public Service Association
23 North Fourth Street
Columbus, Ohio 43215

We have reviewed the *Independent Auditor's Report* of the Special Improvements District Public Service Association, Franklin County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2018 through December 31, 2018. 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 Improvements District Public Service Association is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

June 4, 2019

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**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICES ASSOCIATION
Franklin County**

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INDEPENDENT AUDITOR'S REPORT

May 15, 2019

Special Improvement District Public Services Association
Franklin County
23 North Fourth Street
Columbus, OH 43215

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the **Special Improvement District Public Services Association**, Franklin County, Ohio (the Association), (a not-for-profit organization) which comprise the statements of financial position as of December 31, 2018 and 2017, 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 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 Association'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 Association'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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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Special Improvement District Public Service Association, Franklin County, Ohio as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the District has implemented FASB ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* for the year ended December 31, 2018. Our opinion is not modified with respect to this matter.

Other Matters

The financial statements of the Association for the year ended December 31, 2017, were audited by Perry & Associates CPA's A.C. who expressed an unmodified opinion on those statements on February 23, 2018.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplemental information on pages 12-17 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 audit 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 as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2019, on our consideration of the Association'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 Association's internal control over financial reporting and compliance.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**SPECIAL IMPROVEMENTS DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018 AND 2017**

	2018	2017
ASSETS		
Current Assets		
Cash and Cash Equivalents:		
Cash-undesignated	\$ 856,168	\$ 696,191
Cash-right of way	-	8,320
Total cash and equivalents	856,168	704,511
Accounts Receivable	290,381	525,451
Prepaid expenses	155,642	170,339
Total Current Assets	1,302,191	1,400,301
Fixed Assets:		
Equipment and vehicles, at cost	610,334	821,861
Accumulated depreciation	(429,644)	(628,054)
Net Fixed Assets	180,690	193,807
Other Assets:		
Beneficial interest in assets held by others	1,018,037	935,704
Total Assets	\$ 2,500,918	\$ 2,529,812
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 247,901	\$ 99,530
Accounts payable-related party	1,991,000	2,013,438
Accrued expenses	38,220	28,958
Deferred revenue	91,222	5,047
Deposits	7,575	7,839
Total Current Liabilities	2,375,918	2,154,812
Net Assets:		
Without donor restrictions	(35,500)	(16,486)
With donor restrictions	160,500	391,486
Total Net Assets	125,000	375,000
Total Liabilities and Net Assets	\$ 2,500,918	\$ 2,529,812

The accompanying notes to the financial statements are an integral part of this statement.

**SPECIAL IMPROVEMENTS DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
Change in Net Assets without Donor Restrictions:		
Revenue:		
Assessments	\$ 2,342,561	\$ 2,338,505
Contributions	647,873	629,049
Promotions	45,257	58,214
Contracted income	60,838	73,158
Employee Pass Program	782,701	-
Grants	2,500	-
Interest	585	633
Miscellaneous	2,768	4,478
Right of way improvements	24,489	99,259
Gain/loss on investment held by others	(54,180)	73,234
Other income (expense)	22,438	(115,259)
Net assets released from restrictions	385,519	552,755
Total revenue without donor restrictions	4,263,349	3,714,027
Expenses:		
Clean and safe	2,119,909	1,916,604
Landscaping and maintenance	537,530	511,597
Promotions and research	332,293	480,026
General and administrative	409,351	410,214
Employee pass program	862,028	96,708
Right of way improvements	21,177	188,362
Total Expenses	4,282,288	3,603,511
Change in Net Assets without Donor Restrictions	(18,939)	110,516
Change in Net Assets with Donor Restrictions:		
Grant revenue	154,458	192,239
Net assets released from restrictions	(385,519)	(552,755)
Change in Net Assets with Donor Restrictions	(231,061)	(360,516)
Change in Net Assets	(250,000)	(250,000)
Net Assets-Beginning of Year	375,000	625,000
Net Assets-End of Year	\$ 125,000	\$ 375,000

The accompanying notes to the financial statements are an integral part of this statement.

**SPECIAL IMPROVEMENTS DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Clean and Safe	Landscaping and Maintenance	Promotions and Research	Employee Pass Program	Right of Way Improvements	General and Administrative	Total
Expenses:							
Professional Services	\$ 1,842,406	\$ 450,378	\$ 111,141	\$ 53,589	\$ 12,500	\$ 42,188	\$ 2,512,202
Salaries, Taxes and Benefits	95,606	31,172	169,249	107,470	8,624	278,573	690,694
Bus Passes	-	-	-	694,631	-	-	694,631
Occupancy and Equipment	72,534	-	1,075	-	-	37,727	111,336
Depreciation	35,112	16,350	20,932	-	-	11,351	83,745
Supplies	23,304	24,064	17,079	4,397	-	6,234	75,078
Communications	30,153	7,766	1,387	172	-	10,833	50,311
Insurance	5,099	7,063	750	679	-	16,321	29,912
Meetings and Travel	7,976	20	5,010	1,090	53	2,794	16,943
Training and Support	6,484	94	65	-	-	-	6,643
Other	1,235	623	5,605	-	-	3,330	10,793
Total Expenses	\$ 2,119,909	\$ 537,530	\$ 332,293	\$ 862,028	\$ 21,177	\$ 409,351	\$ 4,282,288

The accompanying notes to the financial statements are an integral part of this statement.

**SPECIAL IMPROVEMENTS DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (250,000)	\$ (250,000)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	83,745	55,811
Loss on disposal of asset	5,556	-
(Increase) decrease in assets:		
Accounts receivable	235,070	243,633
Prepaid expenses	14,697	(27,277)
Beneficial interest in assets held by others	32,667	(73,149)
Increase (decrease) in liabilities:		
Accounts payable	148,371	(56,617)
Accounts payable-related party	(22,437)	115,259
Accrued expenses	9,262	3,260
Deferred revenue	86,175	(10,321)
Deposits	(264)	7,839
	<u>342,842</u>	<u>8,438</u>
 Cash Flows from Investing Activities:		
Purchase of fixed assets	(76,185)	(62,261)
Net transfers (to) from beneficial interest in assets held by others	<u>(115,000)</u>	<u>-</u>
 Net Cash Provided (Used) by Investing Activities	<u>(191,185)</u>	<u>(62,261)</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	151,657	(53,823)
 Cash and Cash Equivalents at Beginning of Year	<u>704,511</u>	<u>758,334</u>
 Cash and Cash Equivalents at End of Year	<u>\$ 856,168</u>	<u>\$ 704,511</u>

The accompanying notes to the financial statements are an integral part of this statement.

**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICES ASSOCIATION
Franklin County
For the Years Ended December 31, 2018 and 2017**

Notes to the Financial Statements

- 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 2018 and 2017, 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.

- 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 two classes of net assets: without donor restrictions and with donor restrictions. With donor restrictions are those who have a restriction placed on them by a donor. As of December 31, 2018, and 2017, the Association had net assets with donor restrictions and without donor restrictions (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 all 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 risk on cash and cash equivalents.

**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICES ASSOCIATION
Franklin County
For the Years Ended December 31, 2018 and 2017**

Notes to the Financial Statements

2- Summary of Significant Accounting Policies: New accounting pronouncements: On August 18, 2016, the Financial Accounting Standard Board (FASB) issued Accounting Standards Update 2016-14 (ASU 2016-14), Presentation of Financial Statements of Not-for-Profit Entities, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. Among other changes, ASU 2016-14 replaces the three current classes of net assets with two new classes, “net assets with donor restrictions” and “net assets without donor restrictions,” and expands disclosures about the nature and amount of any donor restrictions. ASU 2016-14 is effective on a retrospective basis for annual reporting periods beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018, with early adoption permitted. The District has implemented this standard in its 2018 financial statements. Retroactive application for comparative statements is not required.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers, to supersede nearly all existing revenue recognition guidance under U.S. GAAP. ASU 2014-09 requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. The District has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on the financial statements and related disclosures.

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, 2018 and 2017 were as follows:

		2018	2017
Money Market Cash Funds	Level 1	\$ 715,190	\$ 596,640
Beneficial interest in assets held by others	Level 2	1,018,037	935,704
Total		<u>\$ 1,733,227</u>	<u>\$ 1,532,344</u>

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

**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICES ASSOCIATION
Franklin County
For the Years Ended December 31, 2018 and 2017**

Notes to the Financial Statements

4- Designated Funds: During 2017, the Association had cash in checking and money market accounts that were designated by the Board of Directors for use relating to the Right of Way program only. This cash was transferred to the investment held at the Columbus Foundation in 2018.

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, 2018 and 2017 are as follows:

	2018	2017
Cash and investments at beginning of year (at market)	\$ 935,704	\$ 862,555
Transfers to (from) Columbus Foundation	115,000	(16,537)
Net interest and dividend income	24,489	19,246
Net realized and unrealized gains	(54,180)	73,234
Administrative fees	(2,977)	(2,794)
Cash and investments at end of year (at market)	\$ 1,018,036	\$ 935,704

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 \$83,745 and \$55,811 for the years ended December 31, 2018 and 2017, respectively.

7- Line of Credit: The Association has a \$300,000 line of credit available with a bank bearing interest at prime plus 1.5% (7% and 6% at December 31, 2018 and 2017, respectively). The outstanding balance on the line of credit was \$0 at both December 31, 2018 and 2017. The line of credit is secured by substantially all of the Association's assets, including cash and accounts receivable.

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 \$80,865 and \$80,752 for the years ending December 31, 2018 and 2017, respectively.

Future minimum lease payments under these operating leases are as follows for the year ended December 31:

2019	\$ 77,972
2020	75,870
2021	60,638
Total	\$ 214,480

**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICES ASSOCIATION
Franklin County
For the Years Ended December 31, 2018 and 2017**

Notes to the Financial Statements

9- Net Assets with Donor Restrictions: Net assets with donor restrictions by purpose consist of the following at December 31:

	2018	2017
Pearl Public Art	\$ -	\$ 923
Summer Pearl Market	-	7,063
Gay Street Medians	30,000	-
Bike Share	125,000	375,000
Transit Pass	5,500	8,500
Total	\$ 160,500	\$ 391,486

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 \$3,214,355 and \$2,542,074 for the periods ended December 31, 2018 and 2017, respectively. The statement of financial position includes a payable to Capital Crossroads of \$1,708,798 and \$1,758,958 as of December 31, 2018 and 2017, 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 \$817,932 and \$811,438 for the periods ended December 31, 2018 and 2017, respectively. The statement of financial position includes a payable to Discovery of \$282,203 and \$254,480 as of December 31, 2018 and 2017, respectively.

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, 2018 and 2017 was \$15,970 and \$13,961, respectively.

12- Liquidity and Availability of Resources: The Associations' financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash and cash equivalents	\$ 856,168
Accounts Receivable	290,381
Beneficial interest in assets held by others	1,018,037
Total financial assets	2,164,586
Less those unavailable for general expenditures within one year, due to:	
Board designated endowment fund used primarily for long-term investing	(1,018,037)
Financial assets available within one year	\$ 1,146,549

**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICES ASSOCIATION
Franklin County
For the Years Ended December 31, 2018 and 2017**

Notes to the Financial Statements

12- Liquidity and Availability of Resources (Continued): As part of the Association's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. This is primarily accomplished through monthly budgeting of cash inflows and outflows. The Association maintains excess cash on hand in the event of unexpected outflows. In the event this cash is insufficient to cover unanticipated liquidity needs, the Associations could draw upon \$300,000 of available lines of credit.

**SPECIAL IMPROVEMENTS DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018**

	<u>Capital Crossroads</u>	<u>Discovery</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents:			
Cash-undesignated	\$ 599,355	\$ 256,813	\$ 856,168
Total cash and equivalents	<u>599,355</u>	<u>256,813</u>	<u>856,168</u>
Accounts Receivable	253,509	36,872	290,381
Prepaid expenses	<u>134,615</u>	<u>21,027</u>	<u>155,642</u>
Total Current Assets	<u>987,479</u>	<u>314,713</u>	<u>1,302,191</u>
Fixed Assets:			
Equipment and vehicles, at cost	527,811	82,523	610,334
Accumulated depreciation	<u>(366,949)</u>	<u>(62,695)</u>	<u>(429,644)</u>
Net Fixed Assets	<u>160,863</u>	<u>19,828</u>	<u>180,690</u>
Other Assets:			
Beneficial interest in assets held by others	<u>1,018,037</u>	<u>-</u>	<u>1,018,037</u>
Total Assets	<u><u>\$ 2,166,378</u></u>	<u><u>\$ 334,541</u></u>	<u><u>\$ 2,500,918</u></u>
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts payable	\$ 202,478	\$ 45,423	\$ 247,901
Accounts payable-related party	1,708,798	282,203	1,991,000
Accrued expenses	31,305	6,915	38,220
Deferred revenue	91,222	-	91,222
Deposits	<u>7,575</u>	<u>-</u>	<u>7,575</u>
Total Current Liabilities	<u>2,041,378</u>	<u>334,541</u>	<u>2,375,918</u>
Net Assets:			
Without donor restrictions	(35,500)	-	(35,500)
With donor restrictions	<u>160,500</u>	<u>-</u>	<u>160,500</u>
Total Net Assets	<u>125,000</u>	<u>-</u>	<u>125,000</u>
Total Liabilities and Net Assets	<u><u>\$ 2,166,378</u></u>	<u><u>\$ 334,541</u></u>	<u><u>\$ 2,500,918</u></u>

**SPECIAL IMPROVEMENTS DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017**

	<u>Capital Crossroads</u>	<u>Discovery</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents:			
Cash-undesignated	\$ 492,117	\$ 204,074	\$ 696,191
Cash-right of way	8,320	-	8,320
Total cash and equivalents	<u>500,437</u>	<u>204,074</u>	<u>704,511</u>
Accounts Receivable	500,510	24,941	525,451
Prepaid expenses	<u>133,961</u>	<u>36,378</u>	<u>170,339</u>
Total Current Assets	<u>1,134,908</u>	<u>265,393</u>	<u>1,400,301</u>
Fixed Assets:			
Equipment and vehicles, at cost	716,164	105,696	821,861
Accumulated depreciation	<u>(544,905)</u>	<u>(83,149)</u>	<u>(628,054)</u>
Net Fixed Assets	171,260	22,547	193,807
Other Assets:			
Beneficial interest in assets held by others	<u>935,704</u>	<u>-</u>	<u>935,704</u>
Total Assets	<u><u>\$ 2,241,871</u></u>	<u><u>\$ 287,941</u></u>	<u><u>\$ 2,529,812</u></u>
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts payable	\$ 72,561	\$ 26,969	\$ 99,530
Accounts payable-related party	1,758,958	254,480	2,013,438
Accrued expenses	22,467	6,491	28,958
Deferred revenue	5,047	-	5,047
Deposits	<u>7,839</u>	<u>-</u>	<u>7,839</u>
Total Current Liabilities	<u>1,866,871</u>	<u>287,941</u>	<u>2,154,812</u>
Net Assets:			
Without donor restrictions	(16,486)	-	(16,486)
With donor restrictions	<u>391,486</u>	<u>-</u>	<u>391,486</u>
Total Net Assets	<u>375,000</u>	<u>-</u>	<u>375,000</u>
Total Liabilities and Net Assets	<u><u>\$ 2,241,871</u></u>	<u><u>\$ 287,941</u></u>	<u><u>\$ 2,529,812</u></u>

**SPECIAL IMPROVEMENTS DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018**

	<u>Capital Crossroads</u>	<u>Discovery</u>	<u>Total</u>
Change in Net Assets without Donor Restrictions:			
Revenue:			
Assessments	\$ 1,678,169	\$ 664,393	\$ 2,342,561
Contributions	477,319	170,554	647,873
Promotions	38,467	6,790	45,257
Contracted income	60,838	-	60,838
Employee Pass Program	782,701	-	782,701
Grants	-	2,500	2,500
Interest	377	207	585
Miscellaneous	1,558	1,210	2,768
Right of way improvements	24,489	-	24,489
Gain/loss on investment held by others	(54,180)	-	(54,180)
Other income (expense)	50,160	(27,722)	22,438
Net assets released from restrictions	385,519	-	385,519
	<u>3,445,417</u>	<u>817,932</u>	<u>4,263,349</u>
Total revenue without donor restrictions		-	
Expenses:			
Clean and safe	1,467,101	652,808	2,119,909
Landscaping and maintenance	534,721	2,810	537,530
Promotions and research	287,164	45,129	332,293
General and administrative	310,365	98,986	409,351
Employee pass program	862,028	-	862,028
Right of way improvements	2,977	18,199	21,176
	<u>3,464,355</u>	<u>817,932</u>	<u>4,282,288</u>
Total Expenses			
Change in Net Assets without Donor Restrictions	<u>(18,939)</u>	<u>-</u>	<u>(18,939)</u>
Change in Net Assets with Donor Restrictions:			
Grant revenue	154,458	-	154,458
Net assets released from restrictions	<u>(385,519)</u>	<u>-</u>	<u>(385,519)</u>
Change in Net Assets with Donor Restrictions	<u>(231,061)</u>	<u>-</u>	<u>(231,061)</u>
Change in Net Assets	<u>(250,000)</u>	<u>-</u>	<u>(250,000)</u>
Net Assets-Beginning of Year	<u>375,000</u>	<u>-</u>	<u>375,000</u>
Net Assets-End of Year	<u>\$ 125,000</u>	<u>\$ -</u>	<u>\$ 125,000</u>

**SPECIAL IMPROVEMENTS DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2017**

	<u>Capital Crossroads</u>	<u>Discovery</u>	<u>Total</u>
Change in Net Assets without Donor Restrictions:			
Revenue:			
Assessments	\$ 1,678,148	\$ 660,357	\$ 2,338,505
Contributions	458,745	170,304	629,049
Promotions	51,752	6,462	58,214
Contracted income	73,158	-	73,158
Interest	440	193	633
Miscellaneous	4,478	-	4,478
Right of way improvements	99,259	-	99,259
Gain/loss on investment held by others	73,234	-	73,234
Other income (expense)	(89,380)	(25,879)	(115,259)
Net assets released from restrictions	552,755	-	552,755
	<hr/>	<hr/>	<hr/>
Total revenue without donor restrictions	2,902,590	811,438	3,714,027
		-	
Expenses:			
Clean and safe	1,334,467	582,137	1,916,604
Landscaping and maintenance	506,718	4,879	511,597
Promotions and research	425,710	54,316	480,026
General and administrative	311,452	98,762	410,214
Employee pass program	96,708	-	96,708
Right of way improvements	117,019	71,343	188,362
	<hr/>	<hr/>	<hr/>
Total Expenses	2,792,074	811,438	3,603,511
	<hr/>	<hr/>	<hr/>
Change in Net Assets without Donor Restrictions	110,516	-	110,516
Change in Net Assets with Donor Restrictions:			
Grant revenue	192,239	-	192,239
Net assets released from restrictions	(552,755)	-	(552,755)
	<hr/>	<hr/>	<hr/>
Change in Net Assets with Donor Restrictions	(360,516)	-	(360,516)
Change in Net Assets	(250,000)	-	(250,000)
Net Assets-Beginning of Year	625,000	-	625,000
	<hr/>	<hr/>	<hr/>
Net Assets-End of Year	<u>\$ 375,000</u>	<u>\$ -</u>	<u>\$ 375,000</u>

**SPECIAL IMPROVEMENTS DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018**

	<u>Capital 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 to net cash provided (used) by operating activities:			
Depreciation	72,403	11,342	83,745
Loss on disposal of asset	4,167	1,389	5,556
(Increase) decrease in assets:			
Accounts receivable	247,001	(11,931)	235,070
Prepaid expenses	(654)	15,351	14,697
Beneficial interest in assets held by others	32,667	-	32,667
Increase (decrease) in liabilities:			
Accounts payable	129,917	18,454	148,371
Accounts payable-related party	(50,160)	27,723	(22,437)
Accrued expenses	8,838	424	9,262
Deferred revenue	86,175	-	86,175
Deposits	(264)	-	(264)
 Net Cash Provided (Used) by Operating Activities	 <u>280,090</u>	 <u>62,752</u>	 <u>342,842</u>
 Cash Flows from Investing Activities:			
Purchase of fixed assets	(66,172)	(10,013)	(76,185)
Net transfers (to) from beneficial interest in assets held by others	<u>(115,000)</u>	<u>-</u>	<u>(115,000)</u>
 Net Cash Provided (Used) by Investing Activities	 <u>(181,172)</u>	 <u>(10,013)</u>	 <u>(191,185)</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 98,918	 52,739	 151,657
 Cash and Cash Equivalents at Beginning of Year	 <u>500,437</u>	 <u>204,074</u>	 <u>704,511</u>
 Cash and Cash Equivalents at End of Year	 <u>\$ 599,355</u>	 <u>\$ 256,813</u>	 <u>\$ 856,168</u>

**SPECIAL IMPROVEMENTS DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017**

	<u>Capital 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 to net cash provided (used) by operating activities:			
Depreciation	49,311	6,500	55,811
(Increase) decrease in assets:			
Accounts receivable	209,798	33,835	243,633
Prepaid expenses	908	(28,185)	(27,277)
Beneficial interest in assets held by others	(73,149)	-	(73,149)
Increase (decrease) in liabilities:			
Accounts payable	(17,582)	(39,035)	(56,617)
Accounts payable-related party	89,380	25,879	115,259
Accrued expenses	2,733	527	3,260
Deferred revenue	(10,321)	-	(10,321)
Deposits	7,839	-	7,839
 Net Cash Provided (Used) by Operating Activities	 <u>8,917</u>	 <u>(479)</u>	 <u>8,438</u>
 Cash Flows from Investing Activities:			
Purchase of fixed assets	<u>(50,701)</u>	<u>(11,560)</u>	<u>(62,261)</u>
 Net Cash Provided (Used) by Investing Activities	 <u>(50,701)</u>	 <u>(11,560)</u>	 <u>(62,261)</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 (41,784)	 (12,039)	 (53,823)
 Cash and Cash Equivalents at Beginning of Year	 <u>542,222</u>	 <u>216,112</u>	 <u>758,334</u>
 Cash and Cash Equivalents at End of Year	 <u>\$ 500,438</u>	 <u>\$ 204,073</u>	 <u>\$ 704,511</u>

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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**

May 15, 2019

Special Improvement District Public Services Association
Franklin County
23 North Fourth Street
Columbus, Ohio 43215

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 statements of financial position of the **Special Improvement District Public Services Association**, Franklin County (the Association) (a nonprofit organization) as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated May 15, 2019, wherein we noted the District implemented FASB ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*.

Internal Control Over Financial Reporting

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

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Compliance and Other Matters

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



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

OHIO AUDITOR OF STATE KEITH FABER



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
JUNE 18, 2019**