



**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICE ASSOCIATION
FRANKLIN COUNTY
Regular Audit
For the Years Ended December 31, 2019 and 2018**

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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, 2019 through December 31, 2019. 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 cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

April 10, 2020

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

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INDEPENDENT AUDITOR'S REPORT

March 31, 2020

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, 2019 and 2018, and the related statements of activities, functional expenses 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 such 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, 2019, 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.

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 March 31, 2020, 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 IMPROVEMENT DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019 AND 2018**

	2019	2018
ASSETS		
Current Assets		
Cash and Cash Equivalents:		
Cash-undesignated	\$ 688,409	\$ 856,168
Accounts Receivable	174,976	290,381
Prepaid expenses	10,309	155,642
Total Current Assets	873,694	1,302,191
Fixed Assets:		
Equipment and vehicles, at cost	667,289	610,334
Accumulated depreciation	(507,712)	(429,644)
Net Fixed Assets	159,577	180,690
Other Assets:		
Beneficial interest in assets held by others	1,153,887	1,018,037
Total Assets	2,187,158	2,500,918
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	74,231	247,901
Accounts payable-related party	1,949,373	1,991,001
Accrued expenses	40,496	38,219
Deferred revenue	106,248	91,222
Capital lease obligation, current portion	2,787	-
Deposits	6,994	7,575
Total Current Liabilities	2,180,129	2,375,918
Noncurrent Liabilities:		
Capital lease obligation, less current portion	7,029	-
Total Noncurrent Liabilities	7,029	-
Total Liabilities	2,187,158	2,375,918
Net Assets:		
Without donor restrictions	(14,100)	(35,500)
With donor restrictions	14,100	160,500
Total Net Assets	-	125,000
Total Liabilities and Net Assets	\$ 2,187,158	\$ 2,500,918

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

**SPECIAL IMPROVEMENT DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
Change in Net Assets without Donor Restrictions:		
Revenue:		
Assessments	\$ 2,338,914	\$ 2,342,561
Contributions	679,118	647,873
Promotions	32,355	45,257
Contracted income	53,813	60,837
Employee Pass Program	787,905	782,701
Grants	3,000	2,500
Interest	529	585
Miscellaneous	600	2,768
Right of way improvements	27,934	24,489
Gain/loss on investment held by others	111,126	(54,180)
Other income (expense)	41,627	22,438
Net assets released from restrictions	221,520	385,519
	4,298,441	4,263,348
Expenses:		
Clean and safe	2,110,551	2,119,909
Landscaping and maintenance	472,283	537,530
Promotions and research	302,851	332,293
Employee pass program	812,987	862,028
Right of way improvements	171,004	21,176
General and administrative	407,365	409,351
	4,277,041	4,282,287
Change in Net Assets without Donor Restrictions	21,400	(18,939)
Change in Net Assets with Donor Restrictions:		
Grant revenue	75,120	154,458
Net assets released from restrictions	(221,520)	(385,519)
Change in Net Assets with Donor Restrictions	(146,400)	(231,061)
Change in Net Assets	(125,000)	(250,000)
Net Assets-Beginning of Year	125,000	375,000
Net Assets-End of Year	\$ -	\$ 125,000

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

**SPECIAL IMPROVEMENT DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Clean and Safe	Landscaping and Maintenance	Promotions and Research	Employee Pass Program	Right of Way Improvements	Total Program Services	General and Administrative	Total
Expenses:								
Professional Services	\$ 1,805,510	\$ 404,466	\$ 95,594	\$ 30,618	\$ 161,239	\$ 2,497,427	\$ 41,877	\$ 2,539,304
Salaries, Taxes and Benefits	105,816	23,321	150,841	141,768	9,765	431,511	277,152	708,663
Bus Passes	-	-	-	635,575	-	635,575	-	635,575
Occupancy and Equipment	75,370	3,507	4,821	100	-	83,798	35,623	119,421
Depreciation	35,476	16,674	18,216	-	-	70,366	7,703	78,069
Supplies	32,995	9,153	20,931	423	-	63,502	6,570	70,072
Communications	26,958	6,799	2,477	379	-	36,613	10,704	47,317
Insurance	6,154	7,063	600	1,673	-	15,490	17,774	33,264
Meetings and Travel	3,820	536	8,513	2,451	-	15,320	6,297	21,617
Training and Support	15,624	200	358	-	-	16,182	-	16,182
Other	2,826	564	500	-	-	3,890	3,666	7,556
Total Expenses	<u>\$ 2,110,549</u>	<u>\$ 472,283</u>	<u>\$ 302,851</u>	<u>\$ 812,987</u>	<u>\$ 171,004</u>	<u>\$ 3,869,674</u>	<u>\$ 407,366</u>	<u>\$ 4,277,040</u>

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

**SPECIAL IMPROVEMENT 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	Total Program Services	General and Administrative	Total
Expenses:								
Professional Services	\$ 1,842,406	\$ 450,378	\$ 111,141	\$ 53,589	\$ 12,500	\$ 2,470,014	\$ 42,188	\$ 2,512,202
Salaries, Taxes and Benefits	95,606	31,172	169,249	107,470	8,623	412,120	278,573	690,693
Bus Passes	-	-	-	694,631	-	694,631	-	694,631
Occupancy and Equipment	72,534	-	1,075	-	-	73,609	37,727	111,336
Depreciation	35,112	16,350	20,932	-	-	72,394	11,351	83,745
Supplies	23,304	24,064	17,079	4,397	-	68,844	6,234	75,078
Communications	30,153	7,766	1,387	172	-	39,478	10,833	50,311
Insurance	5,099	7,063	750	679	-	13,591	16,321	29,912
Meetings and Travel	7,976	20	5,010	1,090	53	14,149	2,794	16,943
Training and Support	6,484	94	65	-	-	6,643	-	6,643
Other	1,235	624	5,606	-	-	7,465	3,331	10,796
Total Expenses	<u>\$ 2,119,909</u>	<u>\$ 537,531</u>	<u>\$ 332,294</u>	<u>\$ 862,028</u>	<u>\$ 21,176</u>	<u>\$ 3,872,938</u>	<u>\$ 409,352</u>	<u>\$ 4,282,290</u>

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

**SPECIAL IMPROVEMENT DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (125,000)	\$ (250,000)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	78,069	83,745
Loss on disposal of asset	-	5,556
(Increase) decrease in assets:		
Accounts receivable	115,405	235,070
Prepaid expenses	145,334	14,697
Beneficial interest in assets held by others	(135,850)	32,667
Increase (decrease) in liabilities:		
Accounts payable	(173,671)	148,371
Accounts payable-related party	(41,627)	(22,437)
Accrued expenses	2,276	9,262
Deferred revenue	15,026	86,175
Deposits	(581)	(264)
 Net Cash Provided (Used) by Operating Activities	 (120,619)	 342,842
 Cash Flows from Investing Activities:		
Purchase of fixed assets	(45,105)	(76,185)
Net transfers (to) from beneficial interest in assets held by others	-	(115,000)
 Net Cash Provided (Used) by Investing Activities	 (45,105)	 (191,185)
 Cash Flows from Financing Activities:		
Principal payments of capital lease obligation	(2,035)	-
 Net Cash Provided (Used) by Financing Activities	 (2,035)	 -
 Net Increase (Decrease) in Cash and Cash Equivalents	 (167,759)	 151,657
 Cash and Cash Equivalents at Beginning of Year	 856,168	 704,511
 Cash and Cash Equivalents at End of Year	 <u>\$ 688,409</u>	 <u>\$ 856,168</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, 2019 and 2018**

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 2019 and 2018, the Association derived most of its revenues from these agreements. The funding for these agreements is primarily 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 for 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: net assets without donor restrictions, and net assets with donor restrictions. Contributions with donor restrictions whose restrictions are fulfilled in the same time period in which the contribution is received are reported as contributions without restrictions. As of December 31, 2019, and 2018, the Association had net assets without donor restrictions and net assets with donor restrictions (see Note 10).

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.

The Association has elected to apply early implementation of Accounting Standards Update No. 2016-02, *Leases (Topic 842)* for capital lease reporting but has not yet applied the requirements of the standard for operating lease reporting.

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.

**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICES ASSOCIATION
Franklin County
For the Years Ended December 31, 2019 and 2018**

Notes to the Financial Statements

2- Summary of Significant Accounting Policies (Continued):

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.

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, 2019 and 2018 were as follows:

		<u>2019</u>	<u>2018</u>
Money Market Cash Funds	Level 1	346,452	715,190
Beneficial interest in assets held by others	Level 2	<u>1,153,887</u>	<u>1,018,037</u>
Total		1,500,339	1,733,227

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

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 endowment held at the Columbus Foundation in 2018.

**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICES ASSOCIATION
Franklin County
For the Years Ended December 31, 2019 and 2018**

Notes to the Financial Statements

- 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, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Cash and investments at beginning of year (at market)	\$ 1,018,037	\$ 935,704
Transfers to (from) Columbus Foundation	-	115,000
Net interest and dividend income	27,934	24,489
Net realized and unrealized gains	111,126	(54,180)
Administrative fees	<u>(3,210)</u>	<u>(2,976)</u>
 Cash and investments at end of year (at market)	 \$ 1,153,887	 \$1,018,037

- 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 \$78,069 and \$83,745 for the years ended December 31, 2019 and 2018, 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% (6.25% and 7% at December 31, 2019 and 2018, respectively). The outstanding balance on the line of credit was \$0 at both December 31, 2019 and 2018. 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 and storage space, 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 \$77,972 and \$80,865 for the years ending December 31, 2019 and 2018, respectively.

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

2020	75,870	
2021	<u>60,638</u>	
Total	\$136,508	

The Association has not yet implemented Accounting Standards Update No. 2016-02, *Leases (Topic 842)* for operating lease reporting.

- 9- Capital Leases:** Effective April 5, 2019, the Association entered into a four year finance lease for a copier expiring March 5, 2023 at a monthly rental of \$475. The lease has a 7% annual interest rate with a bargain purchase option at the expiration of the lease. The monthly rental expense is comprised of a \$193 service expense with the remaining \$282 split between principal and interest. Rental expense charged to 2019 operations under this lease amounted to \$4,275, of which \$2,035 went to principal and \$504 went to interest. Future amortization of the lease obligation can be seen below:

**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICES ASSOCIATION
Franklin County
For the Years Ended December 31, 2019 and 2018**

Notes to the Financial Statements

9- Capital Leases (Continued):

Year	Principal	Interest	Service	Total
2020	\$2,787	\$ 598	\$2,315	\$ 5,700
2021	2,988	397	2,315	5,700
2022	3,204	181	2,315	5,700
2023	837	9	579	1,425
Total	<u>\$9,815</u>	<u>\$1,186</u>	<u>\$7,524</u>	<u>\$18,525</u>

The Association has implemented Accounting Standards Update No. 2016-02, *Leases (Topic 842)* for capital lease reporting.

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

	<u>2019</u>	<u>2018</u>
Gay Street Medians	\$ 14,100	\$ 30,000
Bike Share	-	125,000
Transit Pass	-	<u>5,500</u>
Total	<u>\$ 14,100</u>	<u>\$ 160,500</u>

11- 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 \$3,173,186 and \$3,214,355 for the periods ended December 31, 2019 and 2018, respectively. The statement of financial position includes a payable to Capital Crossroads of \$1,802,326 and \$1,708,798 as of December 31, 2019 and 2018, 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 \$978,854 and \$817,932 for the periods ended December 31, 2019 and 2018, respectively. The statement of financial position includes a payable to Discovery of \$147,048 and \$282,203 as of December 31, 2019 and 2018, respectively.

12- 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, 2019 and 2018 was \$14,527 and \$15,970, respectively.

**SPECIAL IMPROVEMENT DISTRICT
PUBLIC SERVICES ASSOCIATION
Franklin County
For the Years Ended December 31, 2019 and 2018**

Notes to the Financial Statements

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

Cash and cash equivalents	\$ 688,409
Accounts receivable	174,976
Beneficial interest in assets held by others	<u>1,153,887</u>
Total financial assets	<u>2,017,272</u>
Less those unavailable for general expenditures within one year, due to:	
Board designated endowment fund used primarily for long-term investing	<u>(1,153,887)</u>
Financial assets available within one year	<u>\$ 863,385</u>

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 Association could draw upon \$300,000 of available lines of credit.

**SPECIAL IMPROVEMENT DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019**

	<u>Capital Crossroads</u>	<u>Discovery</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents:			
Cash-undesignated	\$ 598,279	\$ 90,130	\$ 688,409
Total cash and equivalents	<u>598,279</u>	<u>90,130</u>	<u>688,409</u>
Accounts Receivable	123,994	50,982	174,976
Prepaid expenses	5,745	4,563	10,308
Total Current Assets	<u>728,018</u>	<u>145,675</u>	<u>873,693</u>
Fixed Assets:			
Equipment and vehicles, at cost	571,953	95,336	667,289
Accumulated depreciation	(435,473)	(72,239)	(507,712)
Net Fixed Assets	<u>136,480</u>	<u>23,097</u>	<u>159,577</u>
Other Assets:			
Beneficial interest in assets held by others	1,153,887	-	1,153,887
Total Assets	<u>2,018,385</u>	<u>168,772</u>	<u>2,187,157</u>
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts payable	63,802	10,428	74,230
Accounts payable-related party	1,802,326	147,047	1,949,373
Accrued expenses	31,753	8,743	40,496
Deferred revenue	106,248	-	106,248
Capital lease obligation, current portion	2,062	725	2,787
Deposits	6,994	-	6,994
Total Current Liabilities	<u>2,013,185</u>	<u>166,943</u>	<u>2,180,128</u>
Noncurrent Liabilities:			
Capital lease obligation, less current portion	5,200	1,829	7,029
Total Noncurrent Liabilities	<u>5,200</u>	<u>1,829</u>	<u>7,029</u>
Total Liabilities	<u>2,018,385</u>	<u>168,772</u>	<u>2,187,157</u>
Net Assets:			
Without donor restrictions	(14,100)	-	(14,100)
With donor restrictions	14,100	-	14,100
Total Net Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 2,018,385</u>	<u>\$ 168,772</u>	<u>\$ 2,187,157</u>

**SPECIAL IMPROVEMENT DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENT 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	134,615	21,027	155,642
Total Current Assets	<u>987,479</u>	<u>314,712</u>	<u>1,302,191</u>
Fixed Assets:			
Equipment and vehicles, at cost	527,811	82,523	610,334
Accumulated depreciation	(366,949)	(62,695)	(429,644)
Net Fixed Assets	<u>160,862</u>	<u>19,828</u>	<u>180,690</u>
Other Assets:			
Beneficial interest in assets held by others	1,018,037	-	1,018,037
Total Assets	<u><u>2,166,378</u></u>	<u><u>334,540</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	1,991,001
Accrued expenses	31,305	6,914	38,219
Deferred revenue	91,222	-	91,222
Deposits	7,575	-	7,575
Total Current Liabilities	<u>2,041,378</u>	<u>334,540</u>	<u>2,375,918</u>
Net Assets:			
Without donor restrictions	(35,500)	-	(35,500)
With donor restrictions	160,500	-	160,500
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>\$ 334,540</u></u>	<u><u>\$ 2,500,918</u></u>

**SPECIAL IMPROVEMENT DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Capital Crossroads</u>	<u>Discovery</u>	<u>Total</u>
Change in Net Assets without Donor Restrictions:			
Revenue:			
Assessments	\$ 1,677,812	\$ 661,102	\$ 2,338,914
Contributions	502,210	176,909	679,119
Promotions	28,654	3,700	32,354
Contracted income	53,813	-	53,813
Employee Pass Program	787,905	-	787,905
Grants	1,500	1,500	3,000
Interest	340	189	529
Miscellaneous	300	300	600
Right of way improvements	27,934	-	27,934
Gain/loss on investment held by others	111,126	-	111,126
Other income (expense)	(93,528)	135,155	41,627
Net assets released from restrictions	221,520	-	221,520
	-	-	-
Total revenue without donor restrictions	<u>3,319,586</u>	<u>978,855</u>	<u>4,298,441</u>
Expenses:			
Clean and safe	1,458,473	652,078	2,110,551
Landscaping and maintenance	465,156	7,127	472,283
Promotions and research	269,158	33,693	302,851
Employee pass program	812,987	-	812,987
Right of way improvements	-	171,004	171,004
General and administrative	292,412	114,953	407,365
	-	-	-
Total Expenses	<u>3,298,186</u>	<u>978,855</u>	<u>4,277,041</u>
Change in Net Assets without Donor Restrictions	<u>21,400</u>	<u>-</u>	<u>21,400</u>
Change in Net Assets with Donor Restrictions:			
Grant revenue	75,120	-	75,120
Net assets released from restrictions	(221,520)	-	(221,520)
Change in Net Assets with Donor Restrictions	<u>(146,400)</u>	<u>-</u>	<u>(146,400)</u>
Change in Net Assets	<u>(125,000)</u>	<u>-</u>	<u>(125,000)</u>
Net Assets-Beginning of Year	125,000	-	125,000
Net Assets-End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SPECIAL IMPROVEMENT DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEAR 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	\$ 2,342,562
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	584
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
	-	-	-
Total revenue without donor restrictions	<u>3,445,417</u>	<u>817,932</u>	<u>4,263,349</u>
Expenses:			
Clean and safe	1,467,101	652,808	2,119,909
Landscaping and maintenance	534,721	2,810	537,531
Promotions and research	287,164	45,129	332,293
Employee pass program	862,028	-	862,028
Right of way improvements	2,977	18,199	21,176
General and administrative	310,365	98,986	409,351
Total Expenses	<u>3,464,356</u>	<u>817,932</u>	<u>4,282,288</u>
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	(385,519)	-	(385,519)
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	375,000	-	375,000
Net Assets-End of Year	<u>\$ 125,000</u>	<u>\$ -</u>	<u>\$ 125,000</u>

**SPECIAL IMPROVEMENT DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Capital Crossroads</u>	<u>Discovery</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in net assets	\$ (125,000)	\$ -	\$ (125,000)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:			
Depreciation	68,525	9,544	78,069
(Increase) decrease in assets:			
Accounts receivable	129,515	(14,110)	115,405
Prepaid expenses	128,869	16,464	145,333
Beneficial interest in assets held by others	(135,850)	-	(135,850)
Increase (decrease) in liabilities:			
Accounts payable	(138,675)	(34,996)	(173,671)
Accounts payable-related party	93,528	(135,155)	(41,627)
Accrued expenses	448	1,828	2,276
Deferred revenue	15,026	-	15,026
Deposits	(581)	-	(581)
 Net Cash Provided (Used) by Operating Activities	 <u>35,805</u>	 <u>(156,425)</u>	 <u>(120,620)</u>
 Cash Flows from Investing Activities:			
Purchase of fixed assets	(35,375)	(9,730)	(45,105)
 Net Cash Provided (Used) by Financing Activities	 <u>(35,375)</u>	 <u>(9,730)</u>	 <u>(45,105)</u>
 Cash Flows from Financing Activities:			
Principal payments of capital lease obligation	(1,505)	(529)	(2,034)
 Net Cash Provided (Used) by Financing Activities	 <u>(1,505)</u>	 <u>(529)</u>	 <u>(2,034)</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 <u>(1,075)</u>	 <u>(166,684)</u>	 <u>(167,759)</u>
 Cash and Cash Equivalents at Beginning of Year	 599,355	 256,813	 856,168
 Cash and Cash Equivalents at End of Year	 <u>\$ 598,280</u>	 <u>\$ 90,129</u>	 <u>\$ 688,409</u>

**SPECIAL IMPROVEMENT DISTRICT PUBLIC SERVICE ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR 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	(115,000)	-	(115,000)
 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	 <u>98,918</u>	 <u>52,739</u>	 <u>151,657</u>
 Cash and Cash Equivalents at Beginning of Year	 500,437	 204,074	 704,511
 Cash and Cash Equivalents at End of Year	 <u>\$ 599,355</u>	 <u>\$ 256,813</u>	 <u>\$ 856,168</u>



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749 Wheeling Ave., Suite 300
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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**

March 31, 2020

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, 2019, 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 March 31, 2020.

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.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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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.

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

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
APRIL 28, 2020**