

**COMMUNITY IMPROVEMENT CORPORATION
OF CHAMPAIGN COUNTY**



Prepared Financial Statements

December 31, 2023 and 2022

**COMMUNITY IMPROVEMENT CORPORATION
OF CHAMPAIGN COUNTY**

TABLE OF CONTENTS

	<u>PAGE</u>
FINANCIAL STATEMENTS	
Statements of Financial Position	1
Statements of Activities and Changes in Net Assets	2
Statement of Functional Expenses - 2023	3
Statement of Functional Expenses - 2022	4
Statements of Cash Flows	5
Notes to the Financial Statements	6-9

**Community Improvement Corporation of Champaign County
d.b.a. Champaign Economic Partnership of Champaign County
Statements of Financial Position
As of December 31, 2023 and 2022**

ASSETS	<u>2023</u>	<u>2022</u> as restated - Note 5
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 207,508	\$ 180,228
Prepaid Expenses	850	850
TOTAL CURRENT ASSETS	<u>208,358</u>	<u>181,078</u>
PROPERTY AND EQUIPMENT		
Land - 222 E. Market St	20,400	20,400
Office Equipment	8,662	8,662
Accumulated Depreciation	(8,662)	(8,662)
Net Property and Equipment	<u>20,400</u>	<u>20,400</u>
OTHER ASSETS		
Security Deposit	850	850
TOTAL OTHER ASSETS	<u>21,250</u>	<u>21,250</u>
TOTAL ASSETS	<u><u>\$ 229,608</u></u>	<u><u>\$ 202,328</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Payroll Liabilities	\$ 2,961	\$ 5,012
Accounts Payable	2,432	5,297
Manufacturer's Council Escrow	2,748	4,512
TOTAL CURRENT LIABILITIES	8,141	14,821
NET ASSETS:		
Without Donor Restrictions	212,478	177,525
With Donor Restrictions	8,989	9,982
TOTAL NET ASSETS	<u>221,467</u>	<u>187,507</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 229,608</u></u>	<u><u>\$ 202,328</u></u>

No assurance is provided on financial statements

**Community Improvement Corporation of Champaign County
d.b.a. Champaign Economic Partnership of Champaign County
Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2023 and 2022**

	2023	2022
		as restated - Note 5
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUE:		
Community Support Revenue	\$ 139,500	\$ 133,310
Miscellaneous Income	-	95
Interest Income	814	632
Net Assets Released from Use Restrictions	993	4,780
 TOTAL REVENUE	 141,307	 138,817
Expenses:		
PROGRAM SERVICES:		
Economic Development	60,222	75,437
SUPPORT SERVICES:		
General and Administrative	46,132	40,565
 TOTAL EXPENSES	 106,354	 116,002
 INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	 34,953	 22,815
NET ASSETS WITH DONOR RESTRICTIONS:		
Special Purpose Revenue	-	3,402
Net Assets Released from Use Restrictions	(993)	(4,780)
 DECREASE IN NET ASSETS WITH DONOR RESTRICTIONS	 border-bottom: 1px solid black;">(993)	 border-bottom: 1px solid black;">(1,378)
 TOTAL CHANGE IN NET ASSETS	 33,960	 21,437
 NET ASSETS, BEGINNING OF YEAR	 187,507	 166,070
 NET ASSETS, END OF YEAR	 \$ 221,467	 \$ 187,507

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**Community Improvement Corporation of Champaign County
d.b.a. Champaign Economic Partnership of Champaign County
Statement of Functional Expenses
For the year ended December 31, 2023**

	2023		
	ECONOMIC DEVELOPMENT PROGRAM	GENERAL & ADMIN	TOTAL EXPENSES
Salaries	\$ 36,439	\$ 17,328	\$ 53,767
Payroll Taxes	2,930	1,393	4,323
Dues and Subscriptions	1,745	-	1,745
Liability Insurance & Bonding	1,115	-	1,115
Advertising	7,300	-	7,300
Office Rent/Lease	5,784	4,416	10,200
Professional Fees	-	17,159	17,159
Meeting Expenses	205	-	205
Telecommunications	2,800	-	2,800
Travel	1,164	-	1,164
Program Supplies	740	-	740
Office Supplies	-	5,836	5,836
TOTAL EXPENSES	\$ 60,222	\$ 46,132	\$ 106,354

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**Community Improvement Corporation of Champaign County
d.b.a. Champaign Economic Partnership of Champaign County
Statement of Functional Expenses
For the year ended December 31, 2022**

	2022		
	as restated - Note 5		
	ECONOMIC DEVELOPMENT PROGRAM	GENERAL & ADMIN	TOTAL EXPENSES
Salaries	\$ 47,092	\$ 16,655	\$ 63,747
Payroll Taxes	4,031	1,425	5,456
Dues and Subscriptions	2,071	-	2,071
Liability Insurance & Bonding	1,098	-	1,098
Advertising	8,157	-	8,157
Office Rent/Lease	5,784	4,416	10,200
Professional Fees	613	13,359	13,972
Professional Development	1,766	-	1,766
Meeting Expenses	235	-	235
Telecommunications	3,227	-	3,227
Travel	1,363	-	1,363
Office Supplies	-	4,710	4,710
TOTAL EXPENSES	\$ 75,437	\$ 40,565	\$ 116,002

No assurance is provided on financial statements

**Community Improvement Corporation of Champaign County
d.b.a. Champaign Economic Partnership of Champaign County
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022**

	2023	2022
		as restated - Note 5
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 33,960	\$ 21,437
Increase (Decrease) in Operating Liabilities:		
Manufacturing Council Payable	(1,764)	(9,405)
Accounts Payable	(2,865)	3,412
Payroll Taxes Payable	(2,051)	(2,653)
NET CASH PROVIDED BY OPERATING ACTIVITIES	27,280	12,791
 NET INCREASE IN CASH	 27,280	 12,791
 CASH AT BEGINNING OF YEAR	 180,228	 167,437
 CASH AT END OF YEAR	 \$ 207,508	 \$ 180,228

No assurance is provided on financial statements

Community Improvement Corporation of Champaign County
Notes to Financial Statements
December 31, 2023 and 2022

1. Summary of Significant Accounting Policies:

Nature of Activities

The Community Improvement Corporation (CIC) of Champaign County was incorporated on December 10, 1963. The CIC is a not-for-profit community improvement corporation, as defined by Ohio Revised Code (ORC) section 1724.01. The CIC was designated as the agency of Champaign County for industrial, economic, civic, commercial distribution and research of the county on January 6, 1975 through March 2008.

In 2016, the CIC adopted the trade name, Champaign Economic Partnership, and was re-designated as the economic development agency for Champaign County. The public-private partnership effort is reflected by the CIC Board membership of 60% private and 40% local government. Funding for the partnership comes from a portion of real property conveyance fees designated by the Champaign County commissioners, funding from the City of Urbana, which previously funded economic development through a city-paid economic development coordinator, and sponsorships from private business partners. The CIC, doing business as the Champaign Economic Partnership, employs an Economic Development Director responsible for countywide economic development.

The CIC consists of seventeen board members who serve as the governing board of the corporation. Members are appointed in accord with corporation bylaws and ORC Chapter 1724. Members represent the County Commissioners, City of Urbana, the incorporated villages, the townships, the Chamber of Commerce, local industry and small business.

Basis of Accounting and Financial Statement Presentation

The accompanying financial statements of the CIC have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. FASB Accounting Standards Update (ASU) 2016-14 requires Not-for-Profit entities to report information based on two separate classes of Net Assets (net assets without donor restrictions and net assets with donor restrictions) based on the existence or absence of donor-imposed restrictions. In 2023 and 2022, the CIC had net assets with donor restrictions due to specific use restrictions.

Advertising:

The CIC expenses advertising when incurred. Advertising expenses for the years ended December 31, 2023 and 2022 were \$7,300 and \$8,157, respectively. Advertising expense mainly consists of website content and social media services.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the recorded amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Income Taxes

The CIC is exempt from federal income taxes under Internal Revenue Code Section 501(c)(4). Management believes no tax provision was necessary for the years ended December 31, 2023 and 2022, and no uncertain tax positions exist that would materially impact the financial statements. With few exceptions, the CIC is no longer subject to tax examinations by tax authorities for the years prior to December 31, 2019.

No assurance is provided on financial statements

Community Improvement Corporation of Champaign County
Notes to Financial Statements
December 31, 2023 and 2022

1. Summary of Significant Accounting Policies (continued):

Liquidity and Availability of Resources

The CIC's financial assets available within one year of the balance sheet date for general expenditures are as follows:

	<u>2023</u>	<u>As restated - Note 5 2022</u>
Cash and Cash Equivalents	\$ 207,508	\$ 180,228
Less unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions	<u>(8,989)</u>	<u>(9,982)</u>
Total	<u>\$ 198,519</u>	<u>\$ 170,246</u>

The Company does not have a formal policy regarding a minimum amount of short-term financial assets to have on hand. As of December 31, 2023, the Company has liquid resources available to meet more than one year of normal operating expenses, which are on average \$8,900 per month.

Cash and Cash Equivalents

The CIC considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and certificates of deposit are insured by Federal Depository Insurance Corporation.

Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation. Office equipment assets consist of a copier and computer equipment. The capitalization policy is to capitalize items costing \$1,000 of more, and to depreciate assets over economic lives ranging from 3 to 5 years on a straight-line basis.

The CIC owns undeveloped land carried at cost net of impairment loss, which management estimates approximates fair market value. The CIC leases undeveloped property at 222 E. Market St., Urbana, at \$1 a month for use as a community garden by the Activate Champaign County program of the Champaign Family YMCA.

Depreciation expense for the years ended December 31, 2023 and 2022 was \$0.

Functional Allocation of Expenses

Expenses have been allocated between the program and administrative functions based on specific identification when applicable. Salaries and related expenses are allocated between the program and supporting services based on estimated time and effort employees spent on each function. Occupancy costs are allocated based on space allocation and the remaining expenses are specifically allocated where practical.

Manufacturer's Council Escrow Liability

The CIC facilitates the Champaign County Manufacturers Council, through which local manufacturers address mutual concerns and promote local economic development. As part of assisting them, on a no fee basis, the CIC administers funds belonging to the Council as the Council directs. The balance of unspent Council funds is carried as a liability and none of the activity of the Council is part of CIC's Statement of Activities.

No assurance is provided on financial statements

Community Improvement Corporation of Champaign County
Notes to Financial Statements
December 31, 2023 and 2022

2. Revenue Recognition:

FASB ASC 606, *Revenue from Contracts with Customers*, became effective for 2022. Under ASC 606, revenue is recognized when the Association transfers the promised goods or services to a customer in an amount that reflects consideration that is expected to be received for those goods and services. The Association determined there was no cumulative effect adjustment to net assets upon adoption of the new revenue standard as of January 1, 2022. There are several “practical expedients” and exemptions allowed under ASC 606 impacting the timing of revenue recognition and disclosures. “Practical expedients” are accounting policy elections allowed by FASB to provide partial relief from the complex burden of complying with requirements of an accounting standard. The Association applied practical expedients to (i) account for revenues with similar characteristics as a collective group rather than individually, and (ii) not disclose the transaction price allocated to unsatisfied or partially unsatisfied performance obligations as of the end of the reporting period when the performance obligations relate to contracts with an expected duration of less than one year. The adoption of this update did not materially impact the financial statements.

The CIC derives revenue from multiple sources.

Community Support Revenue is received from governmental units and private businesses in support of the CIC’s operations. Revenue is recognized when the funds are received.

Special Purpose Revenue includes income received from a local university to promote manufacturing employment opportunities in the local schools and businesses to teenagers. Revenue is recognized when the funds are received.

Economic factors can impact the nature, timing, amount, and uncertainty of revenue and cashflow. Such factors for the Company relate to the impact on businesses and individuals by the overall Ohio and City economy, the job market, and the growth or decline of the local area.

3. Subsequent Events:

Management has evaluated subsequent events through April 25, 2024, the date the financial statements were available to be issued. As of such date, there were no material subsequent events affecting the financial statements requiring disclosure.

4. Operating Lease:

Effective for 2022 financial statements, accounting principles generally accepted in the United States of America require operating leases in excess of twelve months be reported in accordance with FASB Accounting Standards Codification (ASC) 842, *Leases*, which requires a subjectively valued asset and a related liability to be computed and recorded, and extensive additional narrative disclosures to be reported. Management has determined it is not beneficial to develop the information needed to comply with the new standard; therefore, financial statements, including the following lease disclosure, follows the prior lease standard of FASB ASC 840, *Leases*.

Community Improvement Corporation of Champaign County
Notes to Financial Statements
December 31, 2023 and 2022

4. Operating Lease (continued):

On December 27, 2021, a non-cancellable three-year operating lease for new office space commenced. The lease calls for monthly rent of \$850 for the term of the lease. At the end of the initial lease term, CIC has the option to extend the lease for two additional one-year terms. Rent expense for the years ended December 31, 2023 and 2022 was \$10,200.

On April 22, 2022, the CIC entered into a 60-month lease agreement for the rental of a copier. The monthly payments are \$120 per month, which includes a predetermined number of copies. Overage amounts will be reconciled annually to allow for variations in monthly usage. Lease expense for the year ended December 31, 2023 and 2022 was \$1,872 and \$976, respectively.

Future minimum lease payments under this non-cancellable operating lease having a remaining term in excess of one year are as follows:

2024	1,440
2025	1,440
2026	1,440
2027	480

5. Restatement of Comparative Financial Statements

The CIC has restated its previously issued 2022 Financial Statements to correct errors of understated manufacturer's council escrow account, overstated net assets with and without donor restrictions, understated economic development expenses, and overstated beginning of year net assets balance. The correction of the 2022 Financial Statements is summarized as follows:

	<u>Previously Reported</u>	<u>Correction of Error</u>	<u>As Restated</u>
Statement of Financial Position:			
Liabilities:			
Manufacturer's Council Escrow	461	4,051	4,512
Equity:			
Net Assets with donor restrictions	10,545	(563)	9,982
Net Assets without donor restrictions	181,013	(3,488)	177,525
Statement of Activities and Changes in Net Assets:			
Expenses:			
Economic Development	71,949	3,488	75,437
Net Assets, Beginning of Year	166,633	(563)	166,070

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