

Youngstown Central Area Community Improvement Corporation

Financial Statements

For the Years Ended
June 30, 2024 and 2023

Table of Contents

Financial Statements

Certification Letter.....	1
Statements of Financial Position.....	2
Statements of Activities.....	4
Statements of Functional Expenses.....	5
Statements of Cash Flows.....	6
Notes to Financial Statements.....	7

Youngstown Central Area Community Improvement Corporation

Statements of Financial Position June 30, 2024 and 2023

	Assets	
	2024	2023
Current Assets		
Cash and cash equivalents	\$ 1,760,165	\$ 1,215,047
State of Ohio DAS Ohio Center Project Trust Fund	952,192	936,333
Accounts receivable	88,934	78,388
Prepaid expenses	5,510	5,191
Total Current Assets	2,806,801	2,234,959
 Property and Equipment		
Land	78,074	1,616,962
Land improvements	121,763	149,168
Buildings	11,742,198	11,742,198
Building improvements	835,990	822,197
Furniture, fixtures and equipment	26,075	31,491
	12,804,100	14,362,016
Less: accumulated depreciation	(9,600,895)	(9,182,907)
Net Property and Equipment	3,203,205	5,179,109
 Total Assets	 \$ 6,010,006	 \$ 7,414,068

No assurance is provided.

Youngstown Central Area Community Improvement Corporation

Statements of Financial Position June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 76,383	\$ 68,456
Current portion of bonds payable	390,000	370,000
Accrued payroll and withholdings	3,350	3,370
Accrued bond interest	49,385	57,864
Unearned rent	1,444,655	1,575,988
Total Current Liabilities	<u>1,963,773</u>	<u>2,075,678</u>
Long-Term Liabilities		
Bonds payable, net of current portion and unamortized bond discount and deferred bond issue costs	1,728,432	2,109,291
Operating deposit	50,000	50,000
Total Long-Term Liabilities	<u>1,778,432</u>	<u>2,159,291</u>
 Total Liabilities	 3,742,205	 4,234,969
Net Assets		
Without donor restriction	<u>2,267,801</u>	<u>3,179,099</u>
Total Liabilities and Net Assets	<u>\$ 6,010,006</u>	<u>\$ 7,414,068</u>

No assurance is provided.

Youngstown Central Area Community Improvement Corporation

Statements of Activities For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues and Other Support		
Rental income	\$ 1,297,321	\$ 1,257,239
Building maintenance income	465,740	434,777
Interest income	19,148	10,881
Gain (loss) on sale of property	<u>(1,064,333)</u>	<u>-</u>
Total Revenues and Other Support	717,876	1,702,897
Expenses		
Program	1,422,901	1,410,071
General and administrative	<u>206,273</u>	<u>106,927</u>
Total Expenses	<u>1,629,174</u>	<u>1,516,998</u>
Change in Net Assets	(911,298)	185,899
Net Assets, Beginning of Year	<u>3,179,099</u>	<u>2,993,200</u>
Net Assets, End of Year	<u>\$ 2,267,801</u>	<u>\$ 3,179,099</u>

No assurance is provided.

Youngstown Central Area Community Improvement Corporation

Statements of Functional Expenses For the Years Ended June 30, 2024 and 2023

	Program		General and Administrative		Totals	
	2024	2023	2024	2023	2024	2023
Depreciation	425,364	\$ 420,137	-	\$ -	\$ 425,364	\$ 420,137
Payroll and payroll taxes	76,710	72,981	8,522	8,108	85,232	81,089
Legal and professional	-	-	133,636	83,879	133,636	83,879
Office	11,353	11,595	3,737	3,573	15,090	15,168
Occupancy and maintenance	788,448	760,363	10,178	10,667	798,626	771,030
Bond amortization	117,663	140,005	-	-	117,663	140,005
Real estate taxes	863	1,890	-	-	863	1,890
Other	2,500	3,100	50,200	700	52,700	3,800
Totals	<u>\$ 1,422,901</u>	<u>\$ 1,410,071</u>	<u>\$ 206,273</u>	<u>\$ 106,927</u>	<u>\$ 1,629,174</u>	<u>\$ 1,516,998</u>

No assurance is provided.

Youngstown Central Area Community Improvement Corporation

Statements of Cash Flows For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	\$ (911,298)	\$ 185,899
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	425,364	420,137
Amortization of bond discount	2,435	6,309
Amortization of bond issue costs	6,707	6,707
(Gain) loss on sale of property	1,064,333	-
(Increase) decrease in operating assets:		
Accounts receivable	(10,546)	10,110
Prepaid expenses	(319)	9,631
Increase (decrease) in operating liabilities:		
Accounts payable	7,927	15,420
Accrued payroll and withholdings	(20)	728
Accrued bond interest	(8,479)	(8,135)
Accrued real estate taxes	-	(905)
Unearned rent	(131,333)	(131,332)
Net Cash Provided (Used) by Operating Activities	444,770	514,569
Cash Flows from Investing Activities		
Net change in State of Ohio DASOCP Trust Fund	(15,859)	(8,735)
Purchase of property and equipment	(13,793)	(157,914)
Proceeds on sale of property	500,000	-
Net Cash Provided (Used) by Investing Activities	470,348	(166,649)
Cash Flows from Financing Activities		
Payments on bonds payable	(370,000)	(355,000)
Net Cash Provided (Used) by Financing Activities	(370,000)	(355,000)
Net Increase (Decrease) in Cash and Cash Equivalents	545,118	(7,080)
Beginning Cash and Cash Equivalents	1,215,047	1,222,127
Ending Cash and Cash Equivalents	\$ 1,760,165	\$ 1,215,047
Supplementary Cash Flow Disclosures		
Cash paid for interest	\$ 117,663	\$ 140,005

No assurance is provided.

Youngstown Central Area Community Improvement Corporation

Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

Note A - Summary of Significant Accounting Policies

Organization and Business Activity

The Youngstown Central Area Community Improvement Corporation (the "Corporation") is a nonprofit community improvement organization, which was formed on April 25, 1988, with the primary purpose of promoting industrial and economic development within the central area of the City of Youngstown.

Basis of Accounting

The Corporation has prepared its financial statements on the accrual basis in conformity with accounting principles generally accepted in the United States of America. Accrual basis accounting allows for revenue to be recognized when earned and expenses to be recognized when goods or services are received, without regard to the receipt or payment of cash.

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, and the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Financial Statement Presentation

The Corporation follows Financial Accounting Standards Board Accounting Standards Codification (ASC) No. 958-210, Presentation of Financial Statements. Under ASC 958-210, the Corporation is required to report 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.

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Corporation has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

Net assets with voluntary designations by the governing board of the organization are considered to be without donor restrictions under the guidelines of FASB ASC 958-205-45-2.

Recently Adopted Accounting Standards

Allowance for Credit Losses

On July 1, 2023, the Company adopted Accounting Standards Update (ASU) 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, and all subsequent amendments to the ASU (collectively, CECL). The ASU replaces the previous incurred loss model for measuring credit losses on financial assets measured at amortized cost, such as trade receivables, with an expected loss model that requires the recognition of credit losses expected over the life of the asset at each reporting date. The adoption of CECL did not have a material impact on the Company's financial position, results of operations, or cash flows as of and for the year ended June 30, 2024.

No assurance is provided.

Youngstown Central Area Community Improvement Corporation

Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

Note A - Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Corporation considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Investments

The Corporation accounts for its investments in marketable securities at their stated fair value in the statements of financial position.

Accounts Receivables

The Company's receivables consist of amounts due from rentals and are presented net of an allowance for credit losses, if any. The Company estimates the allowance for credit losses based on historical loss experience, current conditions, and reasonable and supportable forecasts. The Company considers various factors, such as the credit quality of its customers, the aging of its receivables, the economic environment, and the collectability of its receivables, in estimating the expected credit losses. The Company determined that as of June 30, 2024 and 2023 there was no allowance for credit.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond the end of the fiscal year are recorded as prepaid items by using the consumption method.

Property and Equipment

Property and equipment purchased, and real estate given by or transferred from the City of Youngstown to the Corporation are recorded at cost. Donated assets are recorded at fair market value at the date of the gift. Property and equipment are depreciated on the straight-line method over their estimated useful lives of 5 to 30 years. Maintenance and repairs are charged to expense when incurred. Assets with a useful life beyond one year or repairs and maintenance that extend the useful life of an asset beyond one year are capitalized and depreciated over the asset's useful life.

Contract Obligations

Certain payments received, such as insurance proceeds and tenant renovations, are deferred and are not recognized as revenue until damages have been repaired or renovations have been completed.

Unearned Rent

The Corporation has a rent agreement with the County of Mahoning for the 7th District Court of Appeals (COA) for a 30-year period. The COA has the option to purchase the building for \$1 at any time during the lease period. Rent was prepaid in 2006. The rent will be recognized over the period of the agreement. Rental income received during the years ended June 30, 2024 and 2023 was \$131,332.

Operating Deposit

The Corporation has a five (5) year agreement with the County of Mahoning for the operation and maintenance of the Children Services Board Building, wherein the County provided a one-time deposit of \$50,000 to assist with cash flow issues. In the event the agreement is terminated, the Corporation will return the deposit to the County or the deposit will be applied to the final payment due from the County. The agreement is in effect from January 1, 2023 to December 31, 2028.

Restriction Policy

The Corporation has no donor-imposed restrictions which need to be classified as net assets with donor restriction.

Net assets with voluntary designations by the governing board are without donor restriction under the guidelines of FASB ASC 958-205-45-2. The Corporation has funds designated for the purpose of transactions related to the construction and rental of the Voinovich Center. These funds are shown on the statements of financial position as "State of Ohio DAS Ohio Center Project Trust Fund".

No assurance is provided.

Youngstown Central Area Community Improvement Corporation

Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

Note A - Summary of Significant Accounting Policies (continued)

Program Services

For financial statement purposes, the Corporation is involved with one program service, which is to promote industrial and economic development within the central business district of the City of Youngstown.

Functional Allocation of Expenses

The costs of providing the program and related activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Advertising Expense

Advertising costs are expensed as incurred.

Federal Income Taxes

The Corporation is a nonprofit organization and is exempt from federal income taxes under section 501 (c)(3) of the Internal Revenue Code. By virtue of Ohio law, the Corporation is not subject to Ohio income taxes.

Accounting principles generally accepted in the United States require management to evaluate tax positions taken by the Corporation and recognize a tax liability (or asset) if the Corporation has taken an uncertain position that more likely than not would be sustained upon examination by the Internal Revenue Service (IRS). Management has analyzed the tax positions taken by the Corporation, and has concluded that as of June 30, 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Corporation is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The Corporation's Federal Return of Organization Exempt from Income Tax (federal Form 990) for 2023, 2022, and 2021 are subject to examination by the IRS, generally for three years after they were filed.

Note B - Commitments and Contingencies

Credit Risk from Cash Deposits in Excess of Insurance Limits

The Corporation maintains its cash balances in one financial institution. The balance in bank is insured by the Federal Deposit Insurance Corporation up to a maximum amount of \$250,000 per institution. Balances in excess of the \$250,000 level are considered a contingent risk under generally accepted accounting principles and may occur from time to time with the Corporation. The Corporation had not experienced any losses on such accounts and does not believe it is exposed to any significant risk with respect to such cash.

Note C - Investments at Fair Value Measurements (State of Ohio DAS Ohio Center Project Trust Fund)

FASB ASC Topic 820 *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of value hierarchy under FASB ASC Topic 820 are described as follows:

Level 1 Fair Value Measurements

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

No assurance is provided.

Youngstown Central Area Community Improvement Corporation

Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

Note C - Investments at Fair Value Measurements (State of Ohio DAS Ohio Center Project Trust Fund) (continued)

Level 2 Fair Value Measurements

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 delivered principally from or corroborated by correlation or other means.

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 Fair Value Measurements

Inputs to the valuation methodology are unobservable and significant to the fair value measurements.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used to maximize the use of observable inputs and minimize the use of unobservable measurements.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at June 30, 2024 and 2023.

Money market: Valued at closing prices reported on actively traded exchanges.

The preceding method described may produce fair value calculations that may not be indicative of net realizable value or reflective of future values. Furthermore, although the plan believes its valuation is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value could result in a different fair value measurement at the reporting date.

	2024		2023	
	Quotes Prices in Active markets for Identical Assets (Level 1) Fair Market Value	Cost	Quotes Prices in Active markets for Identical Assets (Level 1) Fair Market Value	Cost
U.S. Treasury Money Market	\$ 952,192	\$ 952,192	\$ 936,333	\$ 936,333

Note D - Line of Credit

The Corporation entered into a line of credit with a local bank on April 4, 2018. The line of credit is secured with a first lien and security interest in the Corporation's accounts, chattel paper, general intangibles, equipment, and documents acquired with the proceeds. No assets of the Corporation are pledged. The line of credit has a maximum principal of \$125,000 and bears interest at the Wall Street Journal prime rate or any successor publication applicable rate. The balance on the line of credit was \$0 as of June 30, 2024 and 2023.

No assurance is provided.

Youngstown Central Area Community Improvement Corporation

Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

Note E - Property and Equipment

Changes in property and equipment for the year ended June 30, 2024 consisted of the following:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Non - Depreciable				
Land	\$ 1,616,962	\$ -	\$(1,538,888)	\$ 78,074
Total Non-Depreciable Capital Assets	<u>1,616,962</u>	<u>-</u>	<u>(1,538,888)</u>	<u>78,074</u>
Capital Assets being Depreciated:				
Land Improvements	149,168	-	(27,405)	121,763
Buildings	11,742,198	-	-	11,742,198
Building Improvements	822,197	13,793	-	835,990
Furniture and Equipment	31,491	-	(5,416)	26,075
Total Capital Assets being Depreciated	<u>12,745,054</u>	<u>13,793</u>	<u>(32,821)</u>	<u>12,726,026</u>
Less Accumulated Depreciated:				
Land Improvements	(37,196)	(8,446)	2,592	(43,050)
Buildings	(8,545,748)	(391,407)	-	(8,937,155)
Building Improvements	(570,366)	(24,537)	-	(594,903)
Furniture and Equipment	(29,597)	(974)	4,784	(25,787)
Total Accumulated Depreciation	<u>(9,182,907)</u>	<u>(425,364)</u>	<u>-</u>	<u>(9,600,895)</u>
Capital Assets, Net of Depreciation	<u>\$ 5,179,109</u>	<u>\$ (411,571)</u>	<u>\$(1,564,333)</u>	<u>\$ 3,203,205</u>

Changes in property and equipment for the year ended June 30, 2023 consisted of the following:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Non - Depreciable				
Land	\$ 1,616,962	\$ -	\$ -	\$ 1,616,962
Total Non-Depreciable Capital Assets	<u>1,616,962</u>	<u>-</u>	<u>-</u>	<u>1,616,962</u>
Capital Assets being Depreciated:				
Land Improvements	46,121	103,047	-	149,168
Buildings	11,742,198	-	-	11,742,198
Building Improvements	767,330	54,867	-	822,197
Furniture and Equipment	31,491	-	-	31,491
Total Capital Assets being Depreciated	<u>12,587,140</u>	<u>157,914</u>	<u>-</u>	<u>12,745,054</u>
Less Accumulated Depreciated:				
Land Improvements	(33,368)	(3,828)	-	(37,196)
Buildings	(8,154,341)	(391,407)	-	(8,545,748)
Building Improvements	(549,261)	(21,105)	-	(570,366)
Furniture and Equipment	(25,800)	(3,797)	-	(29,597)
Total Accumulated Depreciation	<u>(8,762,770)</u>	<u>(420,137)</u>	<u>-</u>	<u>(9,182,907)</u>
Capital Assets, Net of Depreciation	<u>\$ 5,441,332</u>	<u>\$ (262,223)</u>	<u>\$ -</u>	<u>\$ 5,179,109</u>

No assurance is provided.

Youngstown Central Area Community Improvement Corporation

Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

Note F - Bonds Payable

Bonds payable consisted of the following as of June 30:

	2024	2023
Bond obligations, interest rates from 4.05% to 5.10%, due at various dates until 2028	\$ 2,155,000	\$ 2,525,000
Less: Unamortized Debt	(9,740)	(12,175)
Less: Deferred Bond Issue Costs	(26,828)	(33,534)
Less: Current Portion	(390,000)	(370,000)
Net Bonds Payable	\$ 1,728,432	\$ 2,109,291

Amortization of future debt payments is scheduled as follows:

Year Ending June 30	Amount
2025	\$ 390,000
2026	410,000
2027	430,000
2028	450,000
Thereafter	475,000
Total	\$ 2,155,000

Note G - Board Designated Net Assets

Net assets without donor restriction consist of assets available for operating purposes and amounts designated by the Board of Trustees for a specific purpose. The board designated net assets are comprised of the following:

	2024	2023
Without Donor Restriction:		
Designated by the Board for:		
Savings Account for capital purchases and improvements	\$ 644,888	\$ 641,161
Trust Fund for construction and rental of the Voinovich Center	952,192	936,333
Undesignated	670,721	1,601,605
Net Assets	\$ 2,267,801	\$ 3,179,099

No assurance is provided.

Youngstown Central Area Community Improvement Corporation

Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

Note H - Liquidity and Availability of Resources

The Corporation's financial assets available within one year of the statement of financial position date for general expenditure are as follows as of June 30:

Financial assets, at year end:

	2024	2023
Cash and cash equivalents	\$ 1,760,165	\$ 1,215,047
State of Ohio DAS Ohio Center Project Trust Fund	952,192	936,333
Accounts receivable	88,934	78,388
Subtotal Financial assets, at year end	2,801,291	2,229,768

Less those unavailable for general expenditure within one year due to:

Note Receivable	-	-
Board designated Savings Account for capital improvements of the Volnovich Center	(644,888)	(641,161)
Board designated Trust Fund for construction and rental of the Volnovich Center	(952,192)	(936,333)
Financial assets available within one year to meet cash needs for general expenditures within one year	\$1,204,211	\$ 652,274

As part of the Corporation'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. Cash and cash Equivalents are held in checking, business checking, and business money market accounts. Investments are held in trust accounts. Financial assets that are subject to restriction make them unavailable for general expenditure within one year of the statement of financial position date. As of June 30, 2024 and 2023, the Corporation did not have any financial assets subject to donor restriction.

Note I - Rentals Under Operating Leases

The Corporation is the lessor of office space under operating leases with the State of Ohio with renewal options extending through June 30, 2029. that fall under Accounting Standards Codification (ASC) 842, Leases. The Organization has elected the lessor practical expedient within ASC 842 and recognizes revenue for services under the Organization's agreements based upon the predominant component, either the lease or non-lease component, of the contracts. Management has determined the predominant component is an operating lease.

The State of Ohio is able to exercise its option to purchase the building for \$1 at any time after the certificates of participation have been completed pursuant to the provisions of the trust agreement Management expects these leases will be renewed. Including renewals, minimum future rentals to be received on these noncancelable leases as of June 30, 2024 for each of the next five years and in the aggregate are:

Year Ending June 30	Amount
2025	390,000
2026	410,000
2027	430,000
2028	450,000
2029	475,000
Total	\$ 2,155,000

No assurance is provided.

Youngstown Central Area Community Improvement Corporation

Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

Note J - Subsequent Events

The Company has evaluated subsequent events through September 13, 2024, the date the financial statements were available to be issued.

No assurance is provided.