

COMMUNITY IMPROVEMENT CORPORATION OF WARREN AND TRUMBULL COUNTY

ANNUAL REPORT

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

**Community Improvement Corporation of Warren and Trumbull County
STATEMENTS OF ACTIVITIES**

	Years ended December 31,			Years ended December 31,		
	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES						
Royalties	\$ 1,018	0	1,018	\$ 1,399	0	1,399
Interest	100	0	100	226	0	226
Interest-TBEIC Loan	1,125	0	1,125	0	0	0
Lease Income	26,200	0	26,200	26,200	0	26,200
Donor Income	0	0	0	0	54,467	54,467
Contributions of Property	0	0	0	1,100,000	0	1,100,000
(Loss) for Warren Commerce Park Realty Co. LTD.	(590)	0	(590)	(3,265)	0	(3,265)
Miscellaneous	3,533	0	3,533	5,269	0	5,269
Net assets released from restriction	54,467	(54,467)	0	0	0	0
TOTAL SUPPORT AND REVENUE	85,854	(54,467)	31,387	1,129,829	54,467	1,184,297
EXPENSES						
Real Estate Taxes	\$ 44,653	0	44,653	\$ 43,953	0	43,953
Insurance	5,643	0	5,643	271	0	271
YWRC Contract	46,750	0	46,750	18,500	0	18,500
Professional Fees	3,154	0	3,154	8,790	0	8,790
Depreciation	32,249	0	32,249	28,410	0	28,410
Electric	14,500	0	14,500	11,202	0	11,202
Gas	5,694	0	5,694	985	0	985
Water	1,510	0	1,510	205	0	205
Maintenance	6,411	0	6,411	4,529	0	4,529
Independent Contractor	943	0	943	1,120	0	1,120
Miscellaneous	708	0	708	1,440	0	1,440
TOTAL EXPENSES	162,214	0	162,214	119,405	0	119,405
CHANGE IN NET ASSETS	(76,360)	(54,467)	(130,827)	1,010,425	54,467	1,064,892
NET ASSETS AT BEGINNING OF YEAR	1,415,022	0	1,415,022	350,130	0	350,130
NET ASSETS AT END OF Y	\$ 1,338,662	(54,467)	1,284,195	\$ 1,360,554	54,467	1,415,022

Community Improvement Corporation of Warren and Trumbull County
STATEMENTS OF FINANCIAL POSITION

	Years ended December 31,	
	2016	2015
ASSETS		
CURRENT ASSETS		
Cash	\$ 41,625	\$ 136,433
Accounts Receivables	1,437	51,017
Prepaid Expenses	2,227	693
TOTAL CURRENT ASSETS	45,288	188,143
PROPERTY AND EQUIPMENT		
Building	\$ 1,100,000	\$ 1,100,000
Land and railroad track	68,344	68,344
Leasehold improvements	15,317	8,912
Total property and equipment	<u>1,183,661</u>	<u>1,177,256</u>
Less accumulated depreciation	60,658	28,410
NET PROPERTY AND EQUIPMENT	1,123,002	1,148,846
OTHER ASSETS		
Investment - Warren Commerce Park	\$ 151,087	\$ 151,677
Loan to Tech Belt Energy Innovation Center	30,000	-
Deposits	4,808	4,808
TOTAL OTHER ASSETS	185,895	156,485
TOTAL ASSETS	1,354,186	1,493,474
LIABILITIES		
Accounts payable	\$ 2,063	\$ 12,679
Accrued expenses	67,427	40,273
Unearned Revenue	500	25,500
TOTAL CURRENT LIABILITIES	69,991	78,452
NET ASSETS - (DEFICIT)		
Unrestricted	1,338,662	1,360,554
Temporarily restricted	(54,467)	54,467
TOTAL NET ASSETS	1,284,195	1,415,022
TOTAL LIABILITIES AND NET ASSETS	\$ 1,354,186	\$ 1,493,474

Community Improvement Corporation of Warren and Trumbull County
STATEMENTS OF CASH FLOWS

	Years ended December 31,	
	2016	2015
CASH FLOWS FOR OPERATING ACTIVITIES		
Change in net assets	\$ (130,827)	\$ 1,064,892
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Depreciation	32,249	28,410
Non-cash donation	0	(1,100,000)
Loss on investment	590	3,265
(Increase) decrease in assets:		
Accounts receivable	49,580	(50,675)
Prepaid expenses	(1,534)	(693)
Deposits	0	26,209
Increase (decrease) in liabilities:		
Accounts payable	1,508	8,729
Accrued expenses	15,030	40,273
Deferred Revenue	(25,000)	25,000
NET CASH FLOWS FROM OPERATING ACTIVITY	(58,404)	45,411
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan - Tech Belt Energy Innovation Center	\$ (30,000)	\$ -
Purchase of property and equipment	(6,405)	(8,912)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(36,405)	(8,912)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(94,808)	36,498
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	136,433	99,935
TOTAL LIABILITIES AND NET ASSETS	\$ 41,625	\$ 136,433

Community Improvement Corporation of Warren and Trumbull County

NOTES TO FINANCIAL STATEMENT

December 31, 2016 and 2015

NOTE A - NATURE OF BUSINESS

The Community Improvement Corporation of Warren and Trumbull County (the Corporation") is a nonprofit community improvement organization which was formed on February 25, 1964, with the primary purpose of advancing, encouraging and promoting industrial and civic development of the Warren and Trumbull County area.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Corporation has prepared its financial statements on the accrual basis in conformity with the accounting principle generally accepted in the United States of America.

Cash and Cash Equivalents

Cash equivalents consist of temporary bank deposits and money market instruments with a maturity of three months or less as of the purchase date.

Accounts Receivable and Accrued Receivables

The Corporation grants credit in the ordinary course of business. The Corporation performs ongoing credit evaluations and requires no collateral.

The Corporation provides for uncollectible trade accounts receivable by the allowance method. Uncollectible accounts are charged to the allowance in the year that they are determined to be uncollectible. Recoveries are credited to the allowance. The allowance for doubtful accounts is determined based on management's estimate of uncollectible accounts whereby management considers the Corporation's historical credit losses and existing economic conditions. At December 31, 2106, management believes all accounts are collectible.

Property and Equipment

The Corporation capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Corporation reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Corporation reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated over their useful lives using primarily the straight-line method.

Equity Investments

The Corporation has a 50% investment in Warren Commerce Park Realty. The equity method of accounting is used and the investment is valued at \$151,087 and \$151,677 as of December 31, 2016 and 2015, respectively. A loss of \$590 and \$3,265 was recorded at December 31, 2016 and 2015, respectively.

NOTES TO FINANCIAL STATEMENT

December 31, 2016 and 2015

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets

The Corporation is required to report information regarding its financial position and activities according to three classes of net assets: Unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Temporarily restricted net assets are those whose use by the Corporation has been limited by donors to a specific time period or purpose. Permanently restricted net assets are restricted by donors to be maintained by the Corporation in perpetuity. Unrestricted net assets are available for use by the Corporation at its discretion. At December 31, 2016 and 2015, there were no permanently restricted net assets.

Income Taxes

The Corporation is a not-for profit corporation as described in Section 501 (c) (4) of the Internal Revenue Code and is exempt from federal income taxes pursuant to Section 501(a) of the Internal Revenue Code.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

NOTE C – LOANS

Loans – Tech Belt Energy Innovation Center

The Corporation loaned the Tech Belt Energy Innovation Center (TBEIC) \$30,000 March 3, 2016. The loan is amortized over eighty-four months. Commencing March 3, 2016 and continuing for thirty six months TBEIC will pay interest only until March 2, 2019. Commencing March 3, 2019 and continuing until March 2, 2023, TBEIC shall pay forty-eight monthly installments of \$690.88. On or before March 2, 2013, TBEIC will pay a balloon payment representing the balance of the remaining principal and interest. The Raymond John Wean Foundation is the guarantor of the loan.

NOTE D – LEASES

Capital Lease

The Corporation leases a building under a lease agreement expiring of December 31, 2017. Annual rent expense on the building is \$1. The Corporation is responsible for paying all real estate taxes and utilities during the term of the lease. At the end of the lease, the Corporation has the option to the purchase the building for \$1.

Sublease

The Corporation subleases office space to a tenant under an operating lease that expires December 31, 2017. Rent for the term of the lease is \$75,000. A payment of \$50,000 was due upon the signing of the lease and was paid in the first quarter of 2016. The \$50,000 is included in accounts receivable at December 31, 2015. The remaining \$25,000 is payable in January 2017.

Community Improvement Corporation of Warren and Trumbull County

NOTES TO FINANCIAL STATEMENT

December 31, 2016 and 2015

NOTE E – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets of \$54,467 at December 31, 2015 are available for use in the maintenance, upkeep and oversight expenses for the leased building. The net assets were released in 2016 from restriction.

NOTE F – RELATED PARTIES

The Corporation conducted transaction with organizations that have trustees who are also trustees of the Corporation including the leasing of the building.

The Corporation paid business advisory fees to the Youngstown/Warren Regional Chamber of \$46,750 and \$18,500 in 2016 and 2015, respectively.

NOTE G – SUBSEQUENT EVENTS

Management evaluated all activity of the Corporation through April 28, 2017, the date the financial statement were available to be issued, and concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements or notes.