

# **Youngstown Central Area Community Improvement Corporation**

Financial Statements

For the Years Ended  
June 30, 2023 and 2022

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# Youngstown Central Area Community Improvement Corporation

## Statements of Financial Position June 30, 2023 and 2022

<b>Assets</b>			
		<b>2023</b>	<b>2022</b>
<b>Current Assets</b>			
Cash and cash equivalents	\$	1,215,047	\$ 1,222,127
State of Ohio DAS Ohio Center Project Trust Fund		936,333	927,598
Accounts receivable		78,388	88,498
Prepaid expenses		5,191	14,822
Total Current Assets		2,234,959	2,253,045
<b>Property and Equipment</b>			
Land		1,616,962	1,616,962
Land improvements		149,168	46,121
Buildings		11,742,198	11,742,198
Building improvements		822,197	767,330
Furniture, fixtures and equipment		31,491	31,491
		14,362,016	14,204,102
Less: accumulated depreciation		(9,182,907)	(8,762,770)
Net Property and Equipment		5,179,109	5,441,332
<b>Total Assets</b>		<b>\$ 7,414,068</b>	<b>\$ 7,694,377</b>

No assurance is provided.

# Youngstown Central Area Community Improvement Corporation

## Statements of Financial Position June 30, 2023 and 2022

	<b>Liabilities and Net Assets</b>	
	<b>2023</b>	<b>2022</b>
<b>Current Liabilities</b>		
Accounts payable	\$ 68,456	\$ 53,036
Current portion of bonds payable	370,000	355,000
Accrued payroll and withholdings	3,370	2,642
Accrued bond interest	57,864	65,999
Accrued real estate taxes	-	905
Unearned rent	1,575,988	1,707,320
Total Current Liabilities	2,075,678	2,184,902
<b>Long-Term Liabilities</b>		
Bonds payable, net of current portion and unamortized bond discount and deferred bond issue costs	2,109,291	2,466,275
Operating deposit	50,000	50,000
Total Long-Term Liabilities	2,159,291	2,516,275
Total Liabilities	4,234,969	4,701,177
<b>Net Assets</b>		
Without donor restriction	3,179,099	2,993,200
<b>Total Liabilities and Net Assets</b>	<b>\$ 7,414,068</b>	<b>\$ 7,694,377</b>

No assurance is provided.

# Youngstown Central Area Community Improvement Corporation

## Statements of Activities For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Revenues and Other Support</b>		
Rental income	\$ 1,257,239	\$ 1,517,568
Building maintenance income	434,777	493,874
Interest income	10,881	1,467
Other	-	24,548
	<u>1,702,897</u>	<u>2,037,457</u>
<b>Total Revenues and Other Support</b>		
	1,702,897	2,037,457
<b>Expenses</b>		
Program	1,410,071	1,488,050
General and administrative	106,927	99,293
	<u>1,516,998</u>	<u>1,587,343</u>
<b>Total Expenses</b>		
	1,516,998	1,587,343
<b>Change in Net Assets</b>	185,899	450,114
<b>Net Assets, Beginning of Year</b>	<u>2,993,200</u>	<u>2,543,086</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 3,179,099</u></u>	<u><u>\$ 2,993,200</u></u>

No assurance is provided.

# Youngstown Central Area Community Improvement Corporation

## Statements of Functional Expenses For the Years Ended June 30, 2023 and 2022

	<u>Program</u>		<u>General and Administrative</u>		<u>Totals</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Depreciation	\$ 420,137	\$ 417,676	\$ -	\$ -	\$ 420,137	\$ 417,676
Payroll and payroll taxes	72,981	86,011	8,108	9,557	81,089	95,568
Legal and professional	-	-	83,879	75,462	83,879	75,462
Office	11,595	8,504	3,573	2,855	15,168	11,359
Occupancy and maintenance	760,363	814,016	10,667	9,727	771,030	823,743
Bond amortization	140,005	157,713	-	-	140,005	157,713
Real estate taxes	1,890	1,630	-	-	1,890	1,630
Other	3,100	2,500	700	1,692	3,800	4,192
<b>Totals</b>	<b><u>\$ 1,410,071</u></b>	<b><u>\$ 1,488,050</u></b>	<b><u>\$ 106,927</u></b>	<b><u>\$ 99,293</u></b>	<b><u>\$ 1,516,998</u></b>	<b><u>\$ 1,587,343</u></b>

No assurance is provided.

# Youngstown Central Area Community Improvement Corporation

## Statements of Cash Flows For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 185,899	\$ 450,114
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	420,137	417,676
Amortization of bond discount	6,309	6,308
Amortization of bond issue costs	6,707	6,707
(Increase) decrease in operating assets:		
Accounts receivable	10,110	114,627
Prepaid expenses	9,631	19,323
Increase (decrease) in operating liabilities:		
Accounts payable	15,420	(43,183)
Accrued payroll and withholdings	728	(609)
Accrued bond interest	(8,135)	(7,677)
Accrued real estate taxes	(905)	(303)
Unearned rent	(131,332)	(131,332)
Net Cash Provided (Used) by Operating Activities	<u>514,569</u>	<u>831,651</u>
<b>Cash Flows from Investing Activities</b>		
Net change in State of Ohio DASOCP Trust Fund	(8,735)	(137,058)
Proceeds from note receivable	-	50,000
Purchase of property and equipment	(157,914)	(11,975)
Net Cash Provided (Used) by Investing Activities	<u>(166,649)</u>	<u>(99,033)</u>
<b>Cash Flows from Financing Activities</b>		
Payments on bonds payable	(355,000)	(335,000)
Net Cash Provided (Used) by Financing Activities	<u>(355,000)</u>	<u>(335,000)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(7,080)	397,618
Beginning Cash and Cash Equivalents	<u>1,222,127</u>	<u>824,509</u>
Ending Cash and Cash Equivalents	<u><u>\$ 1,215,047</u></u>	<u><u>\$ 1,222,127</u></u>
<b>Supplementary Cash Flow Disclosures</b>		
Cash paid for interest	<u><u>\$ 140,005</u></u>	<u><u>\$ 157,713</u></u>

No assurance is provided.

# Youngstown Central Area Community Improvement Corporation

Notes to Financial Statements  
For the Years Ended June 30, 2023 and 2022

## 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

#### Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standard Codification (ASC) 842, Leases to increase transparency and comparability among corporations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

No assurance is provided.



# Youngstown Central Area Community Improvement Corporation

Notes to Financial Statements  
For the Years Ended June 30, 2023 and 2022

## Note A - Summary of Significant Accounting Policies (continued)

### Recently Adopted Accounting Standards (continued)

The Corporation adopted the standard effective July 1, 2022 and recognized and measured leases existing at, or entered into after, July 1, 2022 (the beginning of the period of adoption.) For the year ended June 30, 2023 it was determined the adoption of this standard had no impact to the financial statements of the Corporation. Lease disclosures, if any, for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

The Corporation elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

### 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

Accounts receivables are stated at the amount management expects to collect from balances outstanding at year-end. The potential risk is limited to the amount recorded in the financial statements. Receivables are written off when they are determined to be uncollectible. Based on management's assessment of the credit history with organizations having outstanding balances, it has concluded that all receivables at June 30, 2023 and 2022 are collectible.

### 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, 2023 and 2022 was \$131,332.

No assurance is provided.

# Youngstown Central Area Community Improvement Corporation

Notes to Financial Statements  
For the Years Ended June 30, 2023 and 2022

## Note A - Summary of Significant Accounting Policies (continued)

### 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, 2018 to December 31, 2022.

### 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".

### 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, 2023, 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 2022, 2021, and 2020 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.

No assurance is provided.

# Youngstown Central Area Community Improvement Corporation

Notes to Financial Statements  
For the Years Ended June 30, 2023 and 2022

## 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.

### 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, 2023 and 2022.

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.

	2023		2022	
	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	\$ 936,333	\$ 936,333	\$ 927,598	\$ 927,598

No assurance is provided.

# Youngstown Central Area Community Improvement Corporation

## Notes to Financial Statements For the Years Ended June 30, 2023 and 2022

### 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, 2023 and 2022.

### Note E - Property and Equipment

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, 2023 and 2022

## Note E - Property and Equipment (continued)

Changes in property and equipment for the year ended June 30, 2022 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	1,616,962	-	-	1,616,962
Capital Assets being Depreciated:				
Land Improvements	46,121	-	-	46,121
Buildings	11,742,198	-	-	11,742,198
Building Improvements	755,355	11,975	-	767,330
Furniture and Equipment	31,491	-	-	31,491
Total Capital Assets being Depreciated	12,575,165	11,975	-	12,587,140
Less Accumulated Depreciated:				
Land Improvements	(30,879)	(2,489)	-	(33,368)
Buildings	(7,762,934)	(391,407)	-	(8,154,341)
Building Improvements	(529,735)	(19,526)	-	(549,261)
Furniture and Equipment	(21,546)	(4,254)	-	(25,800)
Total Accumulated Depreciation	(8,345,094)	(417,676)	-	(8,762,770)
Capital Assets, Net of Depreciation	\$ 5,847,033	\$ (405,701)	\$ -	\$ 5,441,332

## Note F - Bonds Payable

Bonds payable consisted of the following as of June 30:

	2023	2022
Bond obligations, interest rates from 4.05% to 5.10%, due at various dates until 2028	\$ 2,525,000	\$ 2,880,000
Less: Unamortized Debt	(12,175)	(18,484)
Less: Deferred Bond Issue Costs	(33,534)	(40,241)
Less: Current Portion	(370,000)	(355,000)
Net Bonds Payable	\$ 2,109,291	\$ 2,466,275

Amortization of future debt payments is scheduled as follows:

Year Ending June 30	Amount
2024	\$ 370,000
2025	390,000
2026	410,000
2027	430,000
2028	450,000
Thereafter	475,000
Total	\$ 2,525,000

No assurance is provided.

# Youngstown Central Area Community Improvement Corporation

Notes to Financial Statements  
For the Years Ended June 30, 2023 and 2022

## 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:

Without Donor Restriction:	2023	2022
Designated by the Board for:		
Savings Account for capital purchases and improvements	\$ 641,161	\$ 637,443
Trust Fund for construction and rental of the Voinovich Center	936,333	927,598
Undesignated	1,601,605	1,428,159
Net Assets	<u>\$ 3,179,099</u>	<u>\$ 2,993,200</u>

## 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:

	2023	2022
Cash and cash equivalents	\$ 1,215,047	\$ 1,222,127
State of Ohio DAS Ohio Center Project Trust Fund	936,333	927,598
Accounts receivable	78,338	88,498
Subtotal Financial assets, at year end	<u>2,229,718</u>	<u>2,238,223</u>

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

Note Receivable	-	-
Board designated Savings Account for capital improvements of the Volnovich Center	(641,161)	(637,443)
Board designated Trust Fund for construction and rental of of the Volnovich Center	(936,333)	(927,598)
Financial assets available within one year to meet cash needs for general expenditures within one year	<u>\$ 652,224</u>	<u>\$ 673,182</u>

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, 2023 and 2022, the Corporation did not have any financial assets subject to donor restriction.

No assurance is provided.

# Youngstown Central Area Community Improvement Corporation

Notes to Financial Statements  
For the Years Ended June 30, 2023 and 2022

## 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, 2023 for each of the next five years and in the aggregate are:

<u>Year Ending June 30</u>	<u>Amount</u>
2023	\$ 370,000
2024	390,000
2025	410,000
2026	430,000
2027	450,000
Thereafter	475,000
Total	<u>\$ 2,525,000</u>

## Note J - Subsequent Events

The Company has evaluated subsequent events through October 13, 2023, the date the financial statements were available to be issued.

No assurance is provided.