

**YELLOW SPRINGS
DEVELOPMENT CORPORATION**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

YELLOW SPRINGS DEVELOPMENT CORPORATION
YEAR ENDED DECEMBER 31, 2021
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Accountants' Compilation Report

To the Board of Directors
Yellow Springs Development Corporation
Yellow Springs, OH

Management is responsible for the accompanying financial statements of Yellow Springs Development Corporation, which comprise the statement of financial position as of December 31, 2021, and the related statement of activities and functional expenses and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Management has elected to omit the statement of cash flows required by U.S. GAAP. If the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Kentner Sellers, LLP

KENTNER SELLERS, LLP
March 3, 2022

YELLOW SPRINGS DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

CURRENT ASSETS:

Cash and cash equivalents \$ 47,038

TOTAL ASSETS **\$ 47,038**

LIABILITIES AND NET ASSETS

NET ASSETS:

Without donor restriction \$ 47,038

TOTAL LIABILITIES AND NET ASSETS **\$ 47,038**

YELLOW SPRINGS DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES
DECEMBER 31, 2021

	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE:			
Contributions	\$ 19,000	\$ 0	\$ 19,000
Dues	3,000	0	3,000
Interest and dividends	<u>17</u>	<u>0</u>	<u>17</u>
	<u>22,017</u>	<u>0</u>	<u>22,017</u>
NET ASSETS RELEASED FROM RESTRICTION	<u>442,782</u>	<u>(442,782)</u>	<u>0</u>
Total Support and Revenue	<u>464,799</u>	<u>(442,782)</u>	<u>22,017</u>
EXPENSES:			
Program expenses	399,150	0	399,150
Supporting services:			
Management and general	23,749	0	23,749
Fundraising	<u>435</u>	<u>0</u>	<u>435</u>
Total Expenses	<u>423,334</u>	<u>0</u>	<u>423,334</u>
CHANGE IN NET ASSETS	41,465	(442,782)	(401,317)
NET ASSETS - Beginning of Year	<u>5,573</u>	<u>442,782</u>	<u>448,355</u>
NET ASSETS - End of Year	<u>\$ 47,038</u>	<u>\$ 0</u>	<u>\$ 47,038</u>

See Accountants' Compilation Report and Notes to Financial Statements.

YELLOW SPRINGS DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Fire station	\$ 382,520	\$ 0	\$ 0	\$ 382,520
Forgivable loan program	8,979	0	0	8,979
Mills Lawn exploration	4,964	0	0	4,964
Professional fees	0	22,394	0	22,394
Advertising	0	0	435	435
Miscellaneous expenses	<u>2,687</u>	<u>1,355</u>	<u>0</u>	<u>4,042</u>
Total Expenses	<u>\$ 399,150</u>	<u>\$ 23,749</u>	<u>\$ 435</u>	<u>\$ 423,334</u>

See Accountants' Compilation Report and Notes to Financial Statements.

YELLOW SPRINGS DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE A - ORGANIZATION AND OPERATIONS

Yellow Springs Development Corporation (the Organization) is a charitable non-profit corporation established for the purpose of advancing, encouraging, and promoting the industrial, economic, commercial, and civic development of both the Village of Yellow Springs and Miami Township in Greene County, Ohio. It has accomplished this function by acting as a conduit between prospective businesses and the state and local governments. The Organization's funding is provided mainly by administering and operating its ventures, as well as contributions from local government and local businesses and individuals. The Organization also receives annual dues from their voting members and the organizations the members represent.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The basic financial statements of the Organization are prepared using the accrual basis of accounting in conformity with U.S. GAAP. The Organization recognizes revenue in accordance with FASB ASU 2014-09, Revenue from Contracts with Customers, as amended. The Organization has no revenue streams that are impacted by FASB ASU 2014-09. Revenues are recognized when earned, and expenses are recognized when incurred.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. A description of each class as it pertains to the Organization is as follows:

Net assets without donor restrictions – Represents resources that have no restrictions on their use or purpose and are available for operations.

Net assets with donor restrictions – Represents resources resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. When a restriction expires or is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

YELLOW SPRINGS DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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.

Cash and Cash Equivalents

For the purpose of the statement of financial position, all cash in the Organization's checking account is considered to be cash and cash equivalents. All monies received by the Organization are deposited in a pooled funds account.

Income Tax Status

Yellow Springs Development Corporation is an Ohio not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Funds

In 2021, the Organization setup the Mills Lawn Exploration Fund. This fund was created with initial gifts from the Yellow Springs Community Foundation (YSCF). The goal of the fund is to meet with the public in a series of meetings to further understand the potential uses for the school building in the event the building is no longer needed by the Yellow Springs School system.

The Fire Station Fund was created in July 2020 to hold the escrow money for the Yellow Springs Development Corporation as the Organization pursued the acquisition of the a fire station from Miami Township. The fire station was purchased by the Organization for \$1 from Miami Township, with the intention to facilitate a sale to a third party. Once the sale is complete, the Organization will keep 8% of the sale proceeds and convey the remaining balance back to Miami Township. Due to the purchase of the fire station being a bargain purchase, the property was shown at fair market value on the financial statements as of December 31, 2020. The fair value of the fire station as of December 31, 2020, was determined to be \$424,000. The difference between the purchase price and fair market value was recorded as contribution revenue in 2020. The Organization sold the fire station to a third party on March 12, 2021, for \$424,000. Various fees and mitigating items were netted against this gross sales amount. After factoring the various fees and the Organization's fee for facilitating the sale of the station, \$380,000 was returned to Miami Township. This disbursement was recorded as program expense in 2021.

YELLOW SPRINGS DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Funds (Continued)

The YSDC Forgivable Loan Program Fund was created in May 2020 with initial gifts from the Village of Yellow Springs in the amount of \$35,000 and Miami Township in the amount of \$10,000 for the purpose of providing assistance to local businesses in response to the pandemic.

All of these funds are held in separate accounts at the Yellow Springs Credit Union, but all fall under the Yellow Springs Development Corporation purview. These funds have been combined together for presentation of the year-end financial statements.

NOTE C - CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at one financial institution, which insures its customer accounts with the National Credit Union Share Insurance Fund up to \$250,000. As of December 31, 2021, there was no uninsured portion of this balance.

NOTE D - CONTINGENT LIABILITIES

The Organization is not involved in material litigation as either plaintiff or defendant.

NOTE E - LIQUIDITY

The Organization has \$47,038 of financial assets available within one year of the statement of financial position as of December 31, 2021, to meet cash needs for general expenditures consisting of credit union pooled funds.

As part of the Organization'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.

YELLOW SPRINGS DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE F - RELATED PARTY

The Yellow Springs Community Foundation (the Foundation) serves as the fiscal sponsor for the Yellow Springs Development Corporation. The Foundation is entitled to an administrative fee of 5% on all income to the Organization per the fiscal sponsor agreement. The Foundation waives this fee on the majority of transactions.

NOTE G - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through March 3, 2022, the date which the financial statements were available to be issued.