

Financial Statements  
And  
Independent Auditor's Report

**Community Improvement Corporation of Greene County**

December 31, 2002





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Community Improvement Corporation of Greene County

We have reviewed the Independent Auditor's Report of the Community Improvement Corporation of Greene County prepared by Harvey L. Harris, CPA for the audit period January 1, 2002 through December 31, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Community Improvement Corporation of Greene County is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

June 16, 2003

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Community Improvement Corporation of Greene County  
OFFICERS AND TRUSTEES  
December 31, 2002

OFFICERS

President - John Finlay	Attorney
Vice-President - Thomas Koogler	Business Executive
Treasurer - Ralph Harper	County Commissioner
Secretary - Patricia Hobbs	Greene Co. Department of Development

TRUSTEES

Julia Ables	Business Executive
Dale F. Grimes	Economic Growth Corporation Chairman
Mark Guess	Agriculture
Kathryn Hagler	County Commissioner
W. Reed Madden	County Commissioner
Steve Stapleton	Greene County Administrator

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**Harvey L. Harris**  
**Certified Public Accountant**  
**808 East Franklin Street**  
**Dayton, Ohio 45459**  
**(937)436-9557**

INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Community Improvement Corporation of Greene County

I have audited the accompanying statement of financial position of the Community Improvement Corporation of Greene County (a nonprofit organization) as of December 31, 2002 and the related statements of activities and cash flows for the year then ended. The financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of the Community Improvement Corporation of Greene County as of December 31, 2002 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated February 13, 2003 on my consideration of the Community Improvement Corporation of Greene County's internal control structure and its compliance with laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

Harvey L. Harris, CPA

February 13, 2003

Community Improvement Corporation of Greene County  
STATEMENT OF FINANCIAL POSITION  
December 31, 2002

ASSETS

Cash		\$ 293,168
Notes receivable		15,995
Accounts receivable		20,951
Accrued interest receivable		3,002
Restricted cash		150,000
Computer equipment - at cost	\$ 6,524	
Less accumulated depreciation	<u>6,524</u>	<u>-</u>
		<u>\$ 483,116</u>

LIABILITIES AND NET ASSETS

Unearned rent income		\$ 400
Net assets		
Unrestricted	\$ 410,172	
Temporarily restricted	<u>72,544</u>	<u>482,716</u>
		<u>\$ 483,116</u>

The accompanying notes are an integral part of this statement.

Community Improvement Corporation of Greene County  
 STATEMENT OF ACTIVITIES  
 Year ended December 31, 2002

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
Grants received	\$ -	\$ 163,239	\$ 163,239
Rents received	10,216	-	10,216
Interest income	6,660	1,924	8,584
Other income	-	70	70
Net assets released from restrictions	<u>163,239</u>	<u>(163,239)</u>	<u>-</u>
 Total revenue	 180,115	 1,994	 182,109
 Program and administrative expenses			
Image promotion	102,486	-	102,486
Support services and staff development	61,042	-	61,042
Administration	7,136	-	7,136
Development projects	396	-	396
Rental property expenses	6,139	-	6,139
Depreciation	<u>166</u>	<u>-</u>	<u>166</u>
 Total expenses	 <u>177,365</u>	 <u>-</u>	 <u>177,365</u>
 Change in net assets	 2,750	 1,994	 4,744
 Net assets at January 1, 2002	 <u>407,422</u>	 <u>70,550</u>	 <u>477,972</u>
 Net assets at December 31, 2002	 <u>\$ 410,172</u>	 <u>\$ 72,544</u>	 <u>\$ 482,716</u>

The accompanying notes are an integral part of this statement.

Community Improvement Corporation of Greene County  
STATEMENT OF CASH FLOWS  
Year ended December 31, 2002

CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Change in net assets	\$ 4,744
Adjustments to reconcile increase in net assets to net cash used by operating activities	
Depreciation	166
(Increase) decrease in operating assets	
Accounts receivable	(5,151)
Accrued interest receivable	(1,294)
Increase (decrease) in operating liabilities	
Unearned rent income	<u>400</u>
Net cash used by operating activities	(1,135)
CASH PROVIDED (USED) BY INVESTING ACTIVITIES	
Collections on notes receivable	<u>8,478</u>
Increase in cash	7,343
Cash at January 1, 2002	<u>285,825</u>
Cash at December 31, 2002	<u>\$ 293,168</u>

The accompanying notes are an integral part of this statement.

Community Improvement Corporation of Greene County  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2002

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization was formed for the purpose of advancing, encouraging and promoting the industrial, economic, commercial and civic development of the community. The Organization makes loans to companies located in Greene County, Ohio. A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

2. Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Organization 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. As permitted by the statement, the Organization does not use fund accounting.

3. Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all short-term debt securities with a maturity of three months or less to be cash equivalents.

4. Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives by the straight-line method.

5. Income Taxes

The Organization is an agency of Greene County, Ohio and is, therefore, exempt from income taxes under Internal Revenue Code Section 501(c)(4).

6. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Community Improvement Corporation of Greene County  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2002

NOTE B - CONCENTRATION OF CREDIT RISK

The Agency maintains cash balances at several local financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 2002, the Agency's uninsured cash balances total \$157,739. It is the opinion of management that the solvency of these financial institutions is not a concern at this time.

NOTE C - NOTES RECEIVABLE

The Organization has five loans made during 2000 and 2001 under the Greene County Microenterprise Loan Program. The program is intended to provide loans to low to moderate income business owners for use in acquiring facilities and equipment, paying start-up costs and providing working capital. The loans made range from \$350 to \$10,800 and are all payable over 36 months with interest at 10%. The loans are secured by the equipment purchased and certain personal assets of the borrowers. At December 31, 2002, the borrowers were delinquent in their payments on all of these loans and the Organization was pursuing collection by various methods.

NOTE D - GREENE COUNTY COMMUNITY FOUNDATION

During 2001 and 2002, the Organization loaned a total of \$35,951 to the Greene County Community Foundation to fund an economic development feasibility study and to provide start-up funding. The loans are non-interest bearing and have no set repayment terms. The Foundation repaid \$15,000 of the loans in 2002.

NOTE E - RESTRICTED CASH

In conjunction with the Greene County Board of Commissioners, the Organization has established a deposit account with a local financial institution in the amount of \$150,000 to guarantee a loan made by the institution to Snow Aviation International, Inc., a local company. The Organization contributed \$75,000 of the funds with the balance received from a grant from Greene County. The Organization has a second lien position on Snow Aviation International, Inc.'s assets as collateral for the deposit. The loan was for one year and was payable in October, 2002. As of December 31, 2002, Snow Aviation was in the process of renegotiating and extending the term of this loan.

Community Improvement Corporation of Greene County  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2002

NOTE F - RESTRICTIONS ON NET ASSETS

Grant revenues are reported as temporarily restricted support if they are received with stipulations that limit the use of the revenue. Temporarily restricted net assets at December 31, 2002 consist of funds received from a State of Ohio Community Development Block Grant and for the Greene County Microenterprise Loan Program.

NOTE G - GRANT REVENUE

During 2002, the Greene County Board of Commissioners utilized the Community Improvement Corporation of Greene County as a pass-through agency for the County's support of the Celebrity Champions Classic golf tournament. In this capacity, the Organization received \$100,000 of grant revenue from the County, and in turn disbursed the funds to the event.

Also during 2002, \$50,000 was received from the Greene County Board of Commissioners which was paid by the Organization to the Greene County Community Foundation to fund the position of Executive Director of the Foundation. The Greene County Community Foundation paid the Organization \$13,239 in reimbursement of the Executive Director's benefits; this amount was then remitted by the Organization to the Greene County Board of Commissioners which had originally paid the benefits.

NOTE H - RENTS RECEIVED

The Greene County Board of Commissioners has assigned the rents from two tenants of a building owned by the County to the Organization. The leases are on a month-to-month basis and provide for rents of \$400 and \$410 per month on the property. The Organization pays the real estate taxes and other expenses associated with the leased property.

NOTE I - DONATED SERVICES

The Organization has no paid employees; time spent on its activities by the Officers and Trustees of the Organization is donated by local businesses, Greene County and the individuals themselves. The value of the donated services has not been recorded in the financial statements at December 31, 2002.

SUPPLEMENTAL INFORMATION



## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

Board of Trustees  
Community Improvement Corporation of Greene County

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole of the Community Improvement Corporation of Greene County for the year ended December 31, 2002, which are presented in the preceding section of this report. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards* issued by the Comptroller General of the United States. The supplemental information presented hereinafter is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Harvey L. Harris, CPA

February 13, 2003

Community Improvement Corporation of Greene County  
SCHEDULE OF FINANCIAL POSITION BY ACCOUNT  
December 31, 2002

	<u>CIC accounts</u>	<u>Campaign for Greene County accounts</u>	<u>CDBG Revolving Loan Fund account</u>	<u>Micro- enterprise Loan Fund account</u>
<b>ASSETS</b>				
Cash	\$ 85,750	\$ 153,537	\$ 42,466	\$ 11,415
Note receivable	-	-	-	15,995
Accounts receivable	3,451	17,500	-	-
Accrued interest receivable	271	63	-	2,668
Restricted cash	-	150,000	-	-
Computer equipment - at cost	-	6,524	-	-
Less accumulated depreciation	-	6,524	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 89,472</u>	<u>\$ 321,100</u>	<u>\$ 42,466</u>	<u>\$ 30,078</u>
 <b>LIABILITIES AND NET ASSETS</b>				
Unearned rent income	\$ 400	\$ -	\$ -	\$ -
Net assets				
Unrestricted	89,072	321,100	-	-
Temporarily restricted	-	-	42,466	30,078
	<u>89,072</u>	<u>321,100</u>	<u>42,466</u>	<u>30,078</u>
	<u>\$ 89,472</u>	<u>\$ 321,100</u>	<u>\$ 42,466</u>	<u>\$ 30,078</u>

Community Improvement Corporation of Greene County  
SCHEDULE OF ACTIVITIES BY ACCOUNT  
Year ended December 31, 2002

	<u>CIC accounts</u>	<u>Campaign for Greene County accounts</u>	<u>CDBG Revolving Loan Fund account</u>	<u>Micro- enterprise Loan Fund account</u>
Grants received	\$ -	\$ 163,239	\$ -	\$ -
Rents received	10,216	-	-	-
Interest income	1,055	5,605	304	1,620
Other income	<u>-</u>	<u>-</u>	<u>70</u>	<u>-</u>
	11,271	168,844	374	1,620
 Program and administrative expenses				
Image promotion	-	102,486	-	-
Support services and staff development	-	61,042	-	-
Administration	6,249	887	-	-
Development projects	-	396	-	-
Rental property expenses	6,139	-	-	-
Depreciation	<u>-</u>	<u>166</u>	<u>-</u>	<u>-</u>
 Total expenses	<u>12,388</u>	<u>164,977</u>	<u>-</u>	<u>-</u>
 Increase (decrease) in net assets	(1,117)	3,867	374	1,620
 Net assets at January 1, 2002	<u>90,189</u>	<u>317,233</u>	<u>42,092</u>	<u>28,458</u>
 Net assets at December 31, 2002	<u>\$ 89,072</u>	<u>\$ 321,100</u>	<u>\$ 42,466</u>	<u>\$ 30,078</u>

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees  
Community Improvement Corporation of Greene County

I have audited the financial statements of the Community Improvement Corporation of Greene County (a nonprofit organization) as of and for the year ended December 31, 2002, and have issued my report thereon dated February 13, 2003. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Community Improvement Corporation of Greene County's financial statements are free of material misstatement, I performed tests of its compliance with certain laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing my audit, I considered the Community Improvement Corporation of Greene County's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Trustees, management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Harvey L. Harris, CPA

February 13, 2003



**Auditor of State  
Betty Montgomery**

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**COMMUNITY IMPROVEMENT CORPORATION OF GREENE COUNTY**

**GREENE COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 1, 2003**