

Community Improvement Corporation of Jackson County

Financial Statements

December 31, 2004

Adams, Tope & Associates, Inc.
Certified Public Accountants
210 Pearl St.
Jackson, OH 45640



**Auditor of State
Betty Montgomery**

Board of Trustees
Community Improvement Corporation of Jackson County
408 Redondo Drive
Jackson, Ohio 45640

We have reviewed the *Independent Auditor's Report* of the Community Improvement Corporation of Jackson County, prepared by Adams, Tope & Associates, Inc., for the audit period January 1, 2004 through December 31, 2004. 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 Jackson County is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

October 16, 2006

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ADAMS, TOPE & ASSOCIATES, INC.

Certified Public Accountants

210 Pearl Street • Jackson, OH 45640 • office (740) 286-1063 • fax (740) 286-1052
52 E. Mulberry St., Suite 1 • Lebanon, OH 45036 • office (513) 932-8813 • fax (513) 933-9996

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Community Corporation of Jackson County
Jackson, OH 45640

We have audited the accompanying balance sheet of Community Improvement Corporation of Jackson County (a nonprofit corporation) as of December 31, 2004, and the related statement of activities and net assets and statement of cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain a 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Improvement Corporation of Jackson County at December 31, 2004, 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*, we have also issued a report dated November 7, 2005, on our consideration of Community Improvement Corporation of

Jackson County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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 our audit.

Adams, Tope, & Associates, Inc.
November 7, 2005

COMMUNITY IMPROVEMENT CORPORATION OF JACKSON COUNTY

Balance Sheet
As of December 31, 2004

ASSETS

Current Assets:

Cash on Hand	0	
Cash In Bank (Checking Acct, National City Bank)	<u>7,573</u>	7,573
Certificate of Deposit (National City Bank)		5,000
Accounts Receivable		<u>833</u>
Total Current Assets		13,406

Fixed Assets:

Land	95,999	
Building (Meridian)	2,354,832	
Railroad Siding	16,763	
Paved Road & Lots	99,534	
Air Compressor & Boiler	63,621	
Meridian Fuel Storage		132,000
Less Reserve for Depreciation	<u>(2,036,518)</u>	
Total Fixed Assets		<u>726,231</u>

Total Assets		<u>739,637</u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

4% Bonds Payable	650	
Accrued Interest on Bonds	<u>103</u>	753
Accounts Payable		<u>0</u>
Total Current Liabilities		<u>753</u>

Total Liabilities		753
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Net Assets:

Unrestricted Net Assets		<u>738,884</u>
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Total Liabilities & Net Assets		<u>739,637</u>
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See Independent Auditor's Report

The accompanying notes are an integral part of these financial statements.

COMMUNITY IMPROVEMENT CORPORATION OF JACKSON COUNTY
Statement of Activities and Accumulated Net Assets
For the year ended December 31, 2004

Revenue:

Rent Income – Meridian Automotive Systems	10,000
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Operating Expenses:

Depreciation	22,022
State Audit Fee	55
Bank Charges	21
Accounting/Audit Fee	<u>300</u>

Total Operating Expenses	<u>22,398</u>
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Net Operating Income	(12,398)
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Other Income & Expenses:

Interest Income	1,697
Donation: Jackson Area YMCA	<u>(220,000)</u>

Net Other Income (Expenses)	<u>(218,303)</u>
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Change in Unrestricted Net Assets	(230,701)
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Beginning of Year Unrestricted Net Assets	<u>969,585</u>
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End of Year Unrestricted Net Assets	<u>738,884</u>
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See Independent Auditor's Report
The accompanying notes are an integral part of these financial statements.

COMMUNITY IMPROVEMENT CORPORATION OF JACKSON COUNTY
Statement of Cash Flows
For the Year Ended December 31, 2004

Cash Flows from Operating Activities:	
(Decrease) Increase in Net Assets	(230,701)
Adjustments to reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	22,022
(Increase) Decrease in Certificate of Deposit	125,206
(Increase) Decrease in Accounts Receivable	(833)
Increase (Decrease) in Accounts Payable	<u>(250)</u>
Net Cash Provided by (Used by) Operating Activities	<u>(84,556)</u>
Cash Flows from Investing Activities:	<u>(None)</u>
Net Increase (Decrease) in Cash	(84,556)
Cash at Beginning of Year	<u>92,129</u>
Cash at End of Year	<u><u>7,573</u></u>

See Independent Auditor's Report
The accompanying notes are an integral part of these financial statements.

COMMUNITY IMPROVEMENT CORPORATION OF JACKSON COUNTY

Notes to the Financial Statements

Note 1.

Summary of Significant Accounting Policies and Organizational Information:

Nature of Activities:

Community Improvement Corporation of Jackson County is a nonprofit corporation incorporated to improve the community by helping to create jobs for the County of Jackson Ohio. It does this through ownership and rental of business property to employers who otherwise would not be employers.

Fiscal Year:

The fiscal year begins January 1 of each year and the income and expense accounts are closed on an annual basis.

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 these estimates.

Property and Depreciation:

All property is recorded at cost and depreciation of fixed assets is determined over the useful life of the individual asset by either the straight-line or declining balance methods. For acquisitions and disposals the actual number of months is used.

Accounting Method:

The accrual basis of accounting is employed which recognizes revenue and the related assets when earned rather than when received, and expenses and liabilities when incurred rather than when the obligations are paid.

Federal Income Tax:

The corporation is a tax-exempt corporation under Section 501 (c) (6) of the Internal Revenue Code. The corporation is classified as an organization other than a private foundation.

Cash and Cash Equivalents:

Cash and Cash Equivalents include cash accounts and highly liquid investments with an initial maturity of three months or less. Fair value approximates carrying amounts.

COMMUNITY IMPROVEMENT CORPORATION OF JACKSON COUNTY

Notes to Financial Statements (continued)

Note 2. Certificate of Deposit:

This account represents a certificate of deposit that is summarized below:

<u>Issuer</u>	<u>Original Issue Date</u>	<u>Current Amount</u>	<u>APY Rate</u>	<u>Maturity Date</u>
National City Bank	08-21-02	5,000	2.30%	02-21-05

Note 3. 4% Bonds Payables:

This account consists of three unpaid debentures from the 4% Series issued August 14, 1964. They are unpaid because the holders cannot be reached and they have not presented the bonds for payment. Their maturity dates and values are as follows:

12/15/65 - \$100; 12/15/68 - \$500; 12/15/69 - \$50. Total = \$650

Note 4. 2004 Donations:

On May 20, 2004, a donation of \$220,000 was made to the Jackson Area YMCA. These funds are to be used for capital improvements to the YMCA. The Board of Trustees of the Community Improvement Corporation of Jackson County must first approve any other use of these funds by the YMCA.

Note 5. Long-term Lease:

In 1965 the organization entered into a long-term lease arrangement with Goodyear Tire & Rubber Company to construct a building on East Main Street, Jackson, OH. The lease became effective with completion of the building (June 1, 1966). The lease calls for an initial term of 5 years with up to 9 renewals of 5 years each. The final maturity date of the lease is May 31, 2016. The lease has been assigned a number of times and Meridian Automotive Systems is the present lessee. The lease calls for annual rental payments of \$ 10,000. From now until final maturity lessee has the option to purchase the property for the sum of \$ 200,000 plus the unamortized costs of any additions made to the plant subsequent to the initial construction. The organization has been informed by the lessee that it has no plans to exercise its option to purchase.

Note 6. Unrestricted Net Assets:

There are no limits on the organizations use of unrestricted net assets for loan covenants or board designated endowments. The assets may be used in any manner consistent with the purposes of the organization, which are to improve the community.

COMMUNITY IMPROVEMENT CORPORATION OF JACKSON COUNTY
FEIN 31-6057329

OFFICERS & TRUSTEES 12/31/2004

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<u>Name</u>	<u>Employed By</u>	<u>Position</u>
Harold A. Howe (Pres. & Treas.)	Ohio Valley Fin. Services	President
Alan Stockmeister (V. Pres.)	Self	Contractor
Barry L. Smith (Secretary)	Self	Attorney
Greg Fields	Dallas Automotive Group	Owner
Dan Morrow	Coll Auto Sales	Manager
Phyllis Handley	Retired	Deputy Recorder
John Jones	Milton Banking Co.	Vice President
Dwight S. Shumate	Self	Dentist
John T. Evans	Self	Vending Business
Jimmie L. Moore	Self	CPA
John E. Roderick, Jr. (R.S.V.P.)	Retired	Director

THE ABOVE LISTED OFFICERS AND TRUSTEES ARE ALL RESIDENTS OF JACKSON, OHIO 45640.



ADAMS, TOPE & ASSOCIATES, INC.

Certified Public Accountants

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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 Jackson County
Jackson, OH 45640

We have audited the financial statements of Community Improvement Corporation of Jackson County (a nonprofit organization) as of and for the year ended December 31, 2004, and issued our report thereon dated November 7, 2005. We conducted our audit in accordance with generally accepted auditing standards 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 Community Improvement Corporation of Jackson County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of 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 our audit, and accordingly, we do not express such an opinion. The results of our 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 our audit, we considered Community Improvement Corporation of Jackson County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might

be a 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Adams, Tope, & Associates, Inc.
Jackson, OH 45640
November 7, 2005



**Auditor of State
Betty Montgomery**

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COMMUNITY IMPROVEMENT CORPORATION OF JACKSON COUNTY

JACKSON 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
NOVEMBER 9, 2006**