

Community Improvement Corporation of Geneva

**Financial Statements
December 31, 2007**



Mary Taylor, CPA
Auditor of State

Board of Trustees
Community Improvement Corporation of Geneva
44 North Forest Street
P.O. Box 724
Geneva, Ohio 44041-0724

We have reviewed the *Independent Auditors' Report* of the Community Improvement Corporation of Geneva, Ashtabula County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2007 through December 31, 2007. 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 Geneva is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 8, 2008

This Page is Intentionally Left Blank.

Community Improvement Corporation of Geneva

For the Year Ended December 31, 2007

Table of Contents	Page
Independent Auditors' Report.....	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to the Financial Statements	5
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	8

Independent Auditors' Report

To the Board of Trustees of
Community Improvement Corporation of Geneva

We have audited the accompanying statement of financial position of the Community Improvement Corporation of Geneva (CIC) (a nonprofit organization and component unit of the City of Geneva) as of December 31, 2007, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the CIC'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 the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we 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. 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 the CIC as of December 31, 2007, 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 our report dated June 27, 2008, on our consideration of the CIC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Ciuni & Panichi, Inc.

Cleveland, Ohio
June 27, 2008

Community Improvement Corporation of Geneva

Statement of Financial Position

December 31, 2007

Assets

Assets:

Cash and cash equivalents	\$	61,229
Cash held as fiscal agent		41,995
Accounts receivable		5,946
Capital assets and property held for sale or development, net of accumulated depreciation		<u>226,591</u>
Total assets	\$	<u><u>335,761</u></u>

Liabilities and Net Assets

Liabilities:

Accounts payable	\$	205
Due to other governments		48,316
Funds held as fiscal agent		<u>41,995</u>
Total liabilities		<u>90,516</u>

Net assets:

Unrestricted		<u>245,245</u>
Total liabilities and net assets	\$	<u><u>335,761</u></u>

The accompanying notes are an integral part of these financial statements

Community Improvement Corporation of Geneva

Statement of Activities

For the Year Ended December 31, 2007

	<u>Unrestricted</u>
Public support and revenues:	
Investment income	\$ 3,692
Contributions	12,542
Other	<u>3,909</u>
Total revenue	<u>20,143</u>
Expenses:	
Economic development	32,214
Accounting and auditing	4,805
Depreciation expense	2,733
Other	<u>5,682</u>
Total expenses	<u>45,434</u>
Change in net assets	(25,291)
Net assets at beginning of year, restated	<u>270,536</u>
Net assets at end of year	\$ <u><u>245,245</u></u>

The accompanying notes are an integral part of these financial statements

Community Improvement Corporation of Geneva

Statement of Cash Flows

For the Year Ended December 31, 2007

Cash flows from operating activities:	
Change in net assets	\$ (25,291)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:	
Depreciation	2,733
Increase in operating assets:	
Increase in accounts receivable	(2,946)
Increase in accounts payable	205
Increase in due to other governments	363
Increase in funds held for fiscal agent	<u>21,696</u>
Net change in cash	(3,240)
Cash and cash equivalents at beginning of year	<u>106,464</u>
Cash and cash equivalents at end of year	\$ <u><u>103,224</u></u>

The accompanying notes are an integral part of these financial statements

Community Improvement Corporation of Geneva

Notes to the Financial Statements

For the Year Ended December 31, 2007

Note 1: Summary of Significant Accounting Policies

The summary of significant accounting policies is presented to assist the reader in understanding and evaluating the financial statements of CIC.

Nature of Activities

The Community Improvement Corporation of Geneva (“CIC”) was incorporated in July 1997 by the City of Geneva (“the City”) under Sections 1724.01 et seq. of the Ohio Revised Code. The CIC is a separate body politic having power to act as an individual entity to carry out powers given to it under State statute. The CIC is a legally separate, non-profit organization, served by a sixteen-member board composed of City officials and community representatives.

The CIC was created to advance, encourage, and promote the industrial, economic, commercial, and civic development of Geneva and the territory surrounding Geneva in whatever way and by such means as will improve the normal growth, employment opportunities, and stability of employment in existing industries. The CIC is empowered with the ability to carry out the actions it considers necessary to achieve its mission.

Basis of Accounting

The financial statements of the CIC have been prepared on the accrual basis of accounting principles generally accepted in the United States of America (GAAP) as applied to not-for-profit organizations. The Financial Accounting Standards Board (FASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles for not-for-profit organizations.

Due to the nature and significant of the CIC’s relationship to the City, the CIC is presented as a component unit of the City.

Basis of Presentation

Under Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*, the CIC 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, based upon the existence or absence of donor-imposed restrictions. The CIC does not have any temporarily restricted or permanently restricted net assets.

Contributions

Contributions received are recorded as unrestricted support unless there are any donor imposed restrictions. As of December 31, 2007, the CIC had no restricted contributions.

Community Improvement Corporation of Geneva

Notes to the Financial Statements

For the Year Ended December 31, 2007

Note 1: Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the CIC considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Capital Assets

All capital assets and other property are stated at cost. Donated property is capitalized at estimated fair value at the date of donation. Property valued at \$206,200 at December 31, 2007 was donated by the City of Geneva and outside donors.

The CIC depreciates the capital asset other than land using the straight line method based on the estimated useful life of the asset at 10 years.

Income Taxes

The CIC has qualified for a tax exemption under Section 501c(3) of the Internal Revenue Code and, accordingly, no provision for federal income tax has been recorded in the accompanying financial statements.

Note 2: Concentrations

At December 31, 2007, the carrying amount of CIC's deposits was \$103,224 and the bank balance was \$103,224, which was covered by Federal Depository Insurance.

Note 3: Related Parties

Five of the fifteen trustees serving the CIC are elected or appointed officials of the City of Geneva as mandated by the Ohio Revised Code with only the City Manager being specified.

Community Improvement Corporation of Geneva

Notes to the Financial Statements

For the Year Ended December 31, 2007

Note 4: Capital Assets

The CIC's property and equipment consist of the following at December 31, 2007:

Land	\$	206,200
Equipment		27,330
Less: accumulated depreciation		<u>(6,939)</u>
Total	\$	<u><u>226,591</u></u>

Note 5: Restatement of Net Assets

The December 31, 2006 unrestricted net assets have been restated to properly reflect land values as follows:

Net assets at December 31, 2006	\$	445,237
Restatement of capital assets		<u>(174,701)</u>
Net assets at December 31, 2006, restated	\$	<u><u>270,536</u></u>

**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Trustees of
Community Improvement Corporation of Geneva

We have audited the financial statements of the Community Improvement Corporation of Geneva (the "CIC") as of and for the year ended December 31, 2007, and have issued our report thereon dated June 27, 2008. We conducted our 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the CIC's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CIC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the CIC's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the CIC's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the CIC's financial statements that is more than inconsequential will not be prevented or detected by the CIC's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the CIC's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Board of Trustees
Community Improvement Corporation of Geneva

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CIC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, Auditor of State's Office and Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.

Cini & Panichi, Inc.

Cleveland, Ohio
June 27, 2008



Mary Taylor, CPA
Auditor of State

**COMMUNITY IMPROVEMENT CORPORATION OF GENEVA
ASHTABULA 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
AUGUST 21, 2008**