

COMMUNITY IMPROVEMENT CORPORATION  
OF  
SUMMIT, MEDINA AND PORTAGE  
COUNTIES

FINANCIAL STATEMENTS

DECEMBER 31, 2008 AND 2007







# Mary Taylor, CPA

Auditor of State

Board of Trustees  
Community Improvement Corporation of Summit, Medina and Portage Counties  
One Cascade Plaza  
17th Floor  
Akron, Ohio 44308

We have reviewed the *Independent Auditors' Report* of the Community Improvement Corporation of Summit, Medina and Portage Counties, Summit County, prepared by Apple Growth Partners, for the audit period January 1, 2008 through December 31, 2008. 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 Summit, Medina and Portage Counties is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA  
Auditor of State

April 21, 2009

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**Community Improvement Corporation  
of Summit, Medina and Portage Counties**

**Financial Statements  
December 31, 2008 and 2007**

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## Independent Auditors' Report

To the Board of Trustees of  
Community Improvement Corporation  
of Summit, Medina and Portage Counties  
Akron, Ohio

We have audited the accompanying statements of financial position of Community Improvement Corporation of Summit, Medina, and Portage Counties (a nonprofit organization) as of December 31, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits 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 audits provide 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 Summit, Medina and Portage Counties as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years 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 February 12, 2009, on our consideration of the Corporation's internal control over financial reporting and 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 read in conjunction with this report in considering the results of our audit.

*Apple Growth Partners*

February 12, 2009

Healthy Growth.

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**Community Improvement Corporation**  
**Statements of Financial Position**

	December 31,	
	2008	2007
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 270,863	\$ 256,035
TOTAL CURRENT ASSETS	270,863	256,035
FIXED ASSETS:		
Furniture and fixtures	416	416
Less accumulated depreciation	416	416
	-	-
TOTAL ASSETS	\$ 270,863	\$ 256,035
NET ASSETS:		
Unrestricted:		
Designated by the board for economic development - CAPP - NOTE B	\$ 47,836	\$ 47,836
Undesignated	223,027	208,199
	270,863	256,035
TOTAL NET ASSETS	270,863	256,035
TOTAL LIABILITIES AND NET ASSETS	\$ 270,863	\$ 256,035

**Community Improvement Corporation**  
**Statements of Activities**

	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007
	<u>                    </u>	<u>                    </u>
<b>REVENUE:</b>		
Project fees	\$ 10,400	\$ 8,335
Interest income	7,908	9,613
TOTAL REVENUE	<u>18,308</u>	<u>17,948</u>
<b>EXPENSES:</b>		
Administrative	-	23
Professional fees	3,444	3,379
Miscellaneous	36	29
Bank service charge	-	150
TOTAL EXPENSES	<u>3,480</u>	<u>3,581</u>
INCREASE IN NET ASSETS	14,828	14,367
NET ASSETS AT BEGINNING OF YEAR	<u>256,035</u>	<u>241,668</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 270,863</u></u>	<u><u>\$ 256,035</u></u>

**Community Improvement Corporation**  
**Statements of Cash Flows**

	For the Years Ended December 31,	
	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 14,828	\$ 14,367
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Decrease in accounts receivable	-	5,000
Decrease in interest receivable	-	1,611
Decrease in account payable and accrued expenses	-	(2,526)
Net cash provided by operating activities	14,828	18,452
NET INCREASE IN CASH AND CASH EQUIVALENTS	14,828	18,452
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	256,035	237,583
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 270,863	\$ 256,035

**Community Improvement Corporation  
of Summit, Medina and Portage Counties**  
**Notes to the Financial Statements**  
December 31, 2008 and 2007

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF ORGANIZATION

The Community Improvement Corporation (the Corporation) was organized to promote the industrial, commercial, civic and economic development of Summit, Medina and Portage Counties.

FINANCIAL STATEMENT PRESENTATION

Under Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*, the Corporation 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. A description of these categories follows:

Unrestricted net assets represent the operations of the Corporation, including net assets designated by the Board of Trustees.

Temporarily restricted net assets represent amounts received that were restricted by the donor or grantor or other outside party for a specific purpose. On December 9, 2003 the Corporation assigned its certificate of deposit accounts along with the interest accrued, as collateral to secure a loan payable to the Greater Akron Chamber of Commerce.

Permanently restricted net assets represent amounts received for which the principal must be preserved and only the income is available for use. The Corporation has no permanently restricted net assets at this time.

CASH EQUIVALENTS

For purposes of the statements of cash flows, the Corporation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

ACCOUNTS RECEIVABLE

Accounts receivable represent amounts due during the next fiscal year. No allowance for uncollectible amounts is deemed necessary.

FIXED ASSETS

Fixed assets are recorded at cost. Depreciation is computed by the straight-line method based on the estimated useful lives of the related assets. Expenditures for repairs and maintenance are charged to expense as incurred, whereas major betterments are capitalized.

**Community Improvement Corporation  
of Summit, Medina and Portage Counties**  
**Notes to the Financial Statements**  
December 31, 2008 and 2007

INCOME TAXES

The Community Improvement Corporation is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code.

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. RELATED PARTY TRANSACTIONS

The Greater Akron Chamber, related through common officers, provides all administrative services necessary to carry out the operations of the Community Improvement Corporation. Because of the drop in activity of the Corporation, the Chamber did not charge the Corporation an administrative fee in 2008 or 2007.

During 1992, the Community Improvement Corporation entered into a loan agreement with Greater Akron Chamber, whereby the Community Improvement Corporation will lend up to \$200,000 to the Chamber for the Capital Access Plus Program that promotes economic development. The loan will be drawn in advances, as needed until the aggregate principal amount of all the advances totals the \$200,000 for a period of ninety-nine years. A forgiveness of debt clause exists for a dollar-for-dollar reduction in principal balance whenever the Capital Access Plus Program experiences any claims out of its loan loss reserve account. The activity for the CAPP program is as follows:

Initial agreement	\$200,000
Advances made December 31, 1992	(17,830)
Advances made December 31, 1993	(37,733)
Advances made December 31, 1994	(31,081)
Advances made December 31, 1995	(13,720)
Advances made December 31, 1996	(17,550)
Advances made December 31, 1997	(5,000)
Advances made December 31, 1998	(15,250)
Advances made December 31, 1999	(5,000)
Advances made December 31, 2000	(9,000)
Advances made December 31, 2001	-
Advances made December 31, 2002	-
Advances made December 31, 2003	-
Advances made December 31, 2004	-
Advances made December 31, 2005	-
Advances made December 31, 2006	-
Advances made December 31, 2007	-
Advances made December 31, 2008	-
	<hr/>
Balance available	<u>\$ 47,836</u>

**Community Improvement Corporation  
of Summit, Medina and Portage Counties**  
**Notes to the Financial Statements**  
December 31, 2008 and 2007

The \$152,164 previously loaned has been forgiven and written off as a result of the forgiveness of debt clause mentioned above. The remaining \$47,836 may not be used to fund the loan loss reserve account for loans already paid off by the Chamber.

C. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist principally of temporary cash investments. The Corporation places its temporary cash investments with financial institutions and other companies. At December 31, 2008 and 2007, there were no uninsured cash balances maintained in financial institutions. Additionally, the Corporation had approximately \$104,000 and \$54,000 invested in money market accounts at financial institutions at December 31, 2008 and 2007, respectively, which is not insured by the Federal Deposit Insurance Corporation.

D. MAJOR CUSTOMER

During 2008, the Corporation had one customer who accounted for project fees of \$10,000.

During 2007, the Corporation had one customer who accounted for project fees of \$7,535.



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*

To the Board of Trustees of  
Community Improvement Corporation of  
Summit, Medina and Portage Counties  
Akron, Ohio

We have audited the financial statements of Community Improvement Corporation of Summit, Medina and Portage Counties (a nonprofit organization) as of and for the year ended December 31, 2008, and have issued our report thereon dated February 12, 2009. 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 Community Improvement Corporation of Summit, Medina and Portage Counties' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Improvement Corporation of Summit, Medina and Portage Counties' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 affect the organization'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 organization's financial statements that is more than inconsequential will not be prevented or detected by the organization'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 organization's internal control.

Our consideration of internal control over financial reporting was for the limited purposed 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.

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### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Improvement Corporation of Summit, Medina and Portage Counties' 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, the audit committee, Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Apple Growth Partners*

Akron, Ohio  
February 12, 2009



**Mary Taylor, CPA**  
Auditor of State

**COMMUNITY IMPROVEMENT CORPORATION OF SUMMIT, MEDINA AND PORTAGE COUNTIES**

**SUMMIT 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  
MAY 7, 2009**