

**COMMUNITY IMPROVEMENT CORPORATION
OF BELMONT COUNTY
ST. CLAIRSVILLE, OHIO**

**AUDIT REPORT
DECEMBER 31, 2010 and 2009**



Dave Yost • Auditor of State

Board of Trustees
Community Improvement Corporation of Belmont County
117 East Main Street
St. Clairsville, Ohio 43950

We have reviewed the *Independent Auditor's Report* of the Community Improvement Corporation of Belmont County, prepared by S.R. Snodgrass, A.C., for the audit period January 1, 2009 through December 31, 2010. 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 Belmont County is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 1, 2011

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**Community Improvement Corporation
of Belmont County
DECEMBER 31, 2010 AND 2009**

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Community Improvement Corporation of Belmont County
St. Clairsville, Ohio

We have audited the accompanying statements of financial position of the Community Improvement Corporation of Belmont County (a non-profit corporation) as of December 31, 2010 and 2009, 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 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 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 Belmont County as of December 31, 2010 and 2009, and the changes in its net assets and 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 a report dated June 24, 2011, on our consideration of the Community Improvement Corporation of Belmont County's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 audits.



Wheeling, West Virginia
June 24, 2011

Community Improvement Corporation of Belmont County
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009

	2010	2009
ASSETS		
Cash in bank - checking	\$ 728,082	\$ 770,348
Cash on hand	180	95
Certificate of deposit	113,536	113,480
Total cash and cash equivalents	841,798	883,923
Accrued interest receivable	-	407
Prepaid rent	-	700
TOTAL ASSETS	\$ 841,798	\$ 885,030
LIABILITIES AND NET ASSETS		
LIABILITIES		
Due to Belmont County	\$ 29,884	\$ 51,384
Payroll taxes withheld	4,214	2,428
Total liabilities	34,098	53,812
UNRESTRICTED NET ASSETS		
Board designated	807,700	831,218
Total net assets	807,700	831,218
TOTAL LIABILITIES AND NET ASSETS	\$ 841,798	\$ 885,030

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

Community Improvement Corporation of Belmont County
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2010

	Unrestricted	Temporarily Restricted	Total All Funds
PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS			
Interest income	\$ 7,551	\$ -	\$ 7,551
Miscellaneous income	282	-	282
County Commissioners	83,943	-	83,943
Government support	-	11,198	11,198
Net assets released from restrictions	11,198	(11,198)	-
Total public support, revenues, and reclassifications	102,974	-	102,974
EXPENSES			
Fox Commerce Park expenses	3,553	-	3,553
Airport grant expenses	11,237	-	11,237
Salaries	59,000	-	59,000
Payroll taxes	4,701	-	4,701
Rent	8,400	-	8,400
Utilities	3,177	-	3,177
Travel	2,187	-	2,187
Conferences and meetings	1,490	-	1,490
Hospitalization insurance	2,541	-	2,541
Insurance	1,837	-	1,837
Meals and entertainment	2,752	-	2,752
Dues and subscriptions	5,638	-	5,638
Advertising	572	-	572
Professional fees	8,685	-	8,685
Telephone	2,340	-	2,340
Postage	260	-	260
Office supplies	3,360	-	3,360
Office maintenance	780	-	780
Xerox lease	3,919	-	3,919
Miscellaneous	63	-	63
Total expenses	126,492	-	126,492
Change in net assets	(23,518)	-	(23,518)
NET ASSETS, BEGINNING OF YEAR	831,218	-	831,218
NET ASSETS, END OF YEAR	\$ 807,700	\$ -	\$ 807,700

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

Community Improvement Corporation of Belmont County
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total All Funds</u>
PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS			
Interest income	\$ 8,438	\$ -	\$ 8,438
Miscellaneous income	725	-	725
County Commissioners	116,000	-	116,000
Government support	-	20,450	20,450
Net assets released from restrictions	20,450	(20,450)	-
Total public support, revenues, and reclassifications	<u>145,613</u>	<u>-</u>	<u>145,613</u>
EXPENSES			
Fox Commerce Park expenses	13,542	-	13,542
Salaries	54,000	-	54,000
Payroll taxes	4,655	-	4,655
Rent	8,400	-	8,400
Utilities	1,375	-	1,375
Travel	3,002	-	3,002
Conferences and meetings	3,117	-	3,117
Hospitalization insurance	2,691	-	2,691
Insurance	1,837	-	1,837
Meals and entertainment	2,978	-	2,978
Dues and subscriptions	4,728	-	4,728
Advertising	12,005	-	12,005
Professional fees	11,929	-	11,929
Telephone	2,766	-	2,766
Postage	356	-	356
Office supplies	1,745	-	1,745
Office and equipment maintenance	946	-	946
Xerox lease	3,901	-	3,901
Total expenses	<u>133,973</u>	<u>-</u>	<u>133,973</u>
Change in net assets	11,640	-	11,640
NET ASSETS, BEGINNING OF YEAR	<u>819,578</u>	<u>-</u>	<u>819,578</u>
NET ASSETS, END OF YEAR	<u><u>\$ 831,218</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 831,218</u></u>

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

Community Improvement Corporation of Belmont County
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (23,518)	\$ 11,640
Changes in assets and liabilities:		
Accrued interest receivable	407	-
Prepaid rent	700	700
Payroll taxes withheld	1,786	2,428
Accounts payable	-	(865)
Net cash provided by (used in) operating activities	(20,625)	13,903
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in funds due to Belmont County	(21,500)	32,659
Net cash provided by (used in) financing activities	(21,500)	32,659
Net increase (decrease) in cash and cash equivalents	(42,125)	46,562
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	883,923	837,361
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 841,798	\$ 883,923

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

Community Improvement Corporation of Belmont County
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Community Improvement Corporation of Belmont County (the "Corporation") is presented to assist the reader in understanding the Corporation's financial statements. The financial statements and notes are representations of the Corporation's management, which is responsible for their integrity and objectivity.

Nature of Operations - The Corporation was organized in 1962 as a private nonprofit corporation under the laws of the State of Ohio for the purpose of attracting new industry to the area and enhancing the business climate for existing businesses. To that end, the Corporation operates the Belmont County Department of Development. Primary funding for the Corporation comes through services provided to the Commissioners of Belmont County, as well as net assets accumulated through various economic development activities since the inception of the Corporation.

The Corporation also administers a Revolving Loan Fund ("RLF") for Belmont County. The RLF provides below market rate loans to businesses for the creation or retention of jobs in Belmont County, Ohio. Interest earned on RLF assets is used to fund the program's expenses.

Basis of Accounting - The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Property and Equipment - The Corporation's fixed assets consist only of a small amount of office furniture which has been fully depreciated. In 1999, the Corporation acquired land for the development of a County industrial park. The ownership of the land was subsequently transferred to the Belmont County Commissioners. The Corporation now acts as the land agent for the County with respect to this property. The Corporation incurred costs in the amount of \$3,553 during 2010 and \$13,542 in 2009 related to this property. These costs were expensed as incurred.

Marketing and Advertising Costs - Marketing and advertising costs are expensed as incurred. Such costs amounted to \$572 in 2010 and \$12,005 in 2009.

Community Improvement Corporation of Belmont County
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010 AND 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation and Fund Accounting – As discussed above, the financial statements are prepared on the accrual basis. The Corporation uses fund accounting for internal reporting purposes.

To ensure the observance of limitations and restrictions placed on the use of resources available to the Corporation, the accounts of the Corporation are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

The assets, liabilities, and fund balances of the Corporation are reported in three self-balancing fund groups as follows:

1. The Board Fund represents the portion of expendable funds that are available for the Corporation's general operations. These funds have been designated for economic development.
2. The Department of Development Fund represents the portion of expendable funds that are available for support of the Belmont County Department of Development.
3. The Revolving Loan Fund represents the portion of expendable funds that are available for support of the Belmont County Revolving Loan Program.

Use of Estimates - The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 statements of cash flows, the Corporation considers cash on deposit in banks and certificates of deposit with an original maturity of less than 90 days to be cash equivalents. All of the Corporation's certificates of deposit have maturities of 90 days or less.

Community Improvement Corporation of Belmont County
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010 AND 2009

NOTE 2 – INCOME TAXES

The Community Improvement Corporation of Belmont County is a nonprofit corporation exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code.

NOTE 3 – CONCENTRATIONS

Credit Risk – Cash Balances

At December 31, 2010 and 2009, the Corporation had several deposit accounts at three federally insured banks. The aggregate bank balance of these accounts exceeded the amount covered by Federal Deposit Insurance by approximately \$615,000 in 2010 and \$409,000 in 2009. Agreements were in place with two banks to provide a pledge of collateral for the Corporation's deposit balances in excess of federal insurance limits. The amount of deposits which are uninsured and uncollateralized at December 31, 2010 and 2009, were \$615,000 and \$409,000, respectively.

NOTE 4 - OPERATING LEASE

The Corporation leases office space under an operating lease dated July 1, 2005. The initial lease term expired on June 30, 2009, and has been renewed through June 30, 2011. The Corporation has options to renew for consecutive 2-year periods through June 30, 2017. Minimum future lease payments due under the lease are \$4,200 in 2011. The total lease expense incurred in 2010 and 2009 was \$8,400 for each year.

INDEPENDENT AUDITORS' 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
Community Improvement Corporation of Belmont County

We have audited the financial statements of Community Improvement Corporation of Belmont County (a nonprofit organization) as of and for the year ended December 31, 2010 and 2009, and have issued our report thereon dated June 24, 2011. 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 Belmont County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Community Improvement Corporation of Belmont County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Community Improvement Corporation of Belmont County's internal control over financial reporting.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Improvement Corporation of Belmont County '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 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.



Wheeling, West Virginia
June 24, 2011

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Dave Yost • Auditor of State

COMMUNITY IMPROVEMENT CORPORATION OF BELMONT COUNTY

BELMONT 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 11, 2011**