

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

REGULAR AUDIT

FOR THE YEAR ENDED
DECEMBER 31, 2012

Varney, Fink & Associates, Inc.
Certified Public Accountants



Dave Yost • 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 Auditor's Report* of the Community Improvement Corporation of Summit, Medina and Portage Counties, Summit County, prepared by Varney, Fink & Associates, Inc., for the audit period January 1, 2012 through December 31, 2012. 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 black ink that reads "Dave Yost".

Dave Yost
Auditor of State

September 23, 2013

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COMMUNITY IMPROVEMENT CORPORATION OF SUMMIT,
MEDINA AND PORTAGE COUNTIES

FOR THE YEAR ENDED
DECEMBER 31, 2012

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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying statement of financial position of the Community Improvement Corporation of Summit, Medina and Portage Counties, Ohio (the Corporation), as of and for the year ended December 31, 2012, the related statements of activities and cash flows and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Corporation's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of

management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Community Improvement Corporation of Summit, Medina and Portage Counties, Ohio, as of December 31, 2012, and the changes in its net assets and its cash flows, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2013, on our consideration of the Government'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Government's internal control over financial reporting and compliance.

Varney, Fink & Associates

Varney, Fink & Associates, Inc.
Certified Public Accountants

June 27, 2013

Community Improvement Corporation of Summit, Medina and Portage Counties
Statement of Financial Position
December 31, 2012

Assets	
Cash and Cash Equivalents	<u>\$197,979</u>
Total Assets	<u><u>\$197,979</u></u>
Liabilities	<u>\$0</u>
Net Assets	
Unrestricted	<u>197,979</u>
Total Liabilities and Net Assets	<u><u>\$197,979</u></u>

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

Community Improvement Corporation of Summit, Medina and Portage Counties
Statement of Activities
For the Year Ended December 31, 2012

Revenues and Gains

Interest Income	\$389
Investment Income	1,701
Realized Gain on Investment (See Note 4)	<u>652</u>
Total Revenues and Gains	<u>2,742</u>

Expenses

Administrative	6,000
Professional Fees	<u>2,020</u>
Total Expenses	<u>8,020</u>
Change in Net Assets	(5,278)
Net Assets, Beginning of Year	<u>203,257</u>
Net Assets, End of Year	<u><u>\$197,979</u></u>

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

Community Improvement Corporation of Summit, Medina and Portage Counties
Statement of Cash Flows
For the Year Ended December 31, 2012

Cash Flows from Operating Activities	
Change in Net Assets	(\$5,278)
Adjustment to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:	
Decrease in Accounts Payable	<u>(3,330)</u>
Net Cash Used by Operating Activities	<u>(3,330)</u>
Net Decrease in Cash and Cash Equivalents	(8,608)
Cash and Cash Equivalents, Beginning of Year	<u>206,587</u>
Cash and Cash Equivalents, End of Year	<u><u>\$197,979</u></u>

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

**Community Improvement Corporation
of Summit, Medina and Portage Counties
Notes to the Financial Statements
December 31, 2012**

Note 1 – Description of the Organization

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

Note 2 – Summary of Significant Accounting Policies

A. Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board ASC 958, *Financial Statements of Not-for-Profit Organizations*. Under ASC 958, 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 of December 31, 2012, the Corporation did not have any temporarily restricted or permanently restricted net assets.

B. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Corporation considers all highly liquid investments with a maturity of three months or less to be considered cash equivalents.

C. Income Taxes

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

D. 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.

Note 3 – Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

Checking	\$4,617
Money Market Savings	82,358
Certificates of Deposit	<u>111,004</u>
	<u>\$197,979</u>

**Community Improvement Corporation
of Summit, Medina and Portage Counties
Notes to the Financial Statements
December 31, 2012**

Note 3 – Cash and Cash Equivalents (Continued)

During 2012, deposits did not exceed the limit that is guaranteed by the Federal Depository Insurance Corporation.

Note 4 – Investment in Limited Liability Company

In 2010 the Corporation purchased two membership interests in the Limited Liability Company, 25 Hill Akron Filmworks, LLC (the Company) in support of the Akron Soap Box Derby and its efforts to retain the annual race in the Akron area. The Company was formed to finance the production of a full-length motion picture entitled “25 Hill” for the purpose of, among other things, distribution of the picture to the general public.

As of December 31, 2012, the Corporation holds a 2.9% noncontrolling membership interest in the Company.

Net income and net losses of the Company are allocated to the Corporation based on its membership interests at the end of each fiscal year. The Corporation’s capital account is then adjusted based on the distributions that would be made had the Company dissolved.

Investment activity for the period ended December 31, 2012 follows:

Investment at beginning of year	\$0
Income	1,701
Realized gain on investment	652
Membership distributions	<u>(2,353)</u>
Investment at end of year	<u><u>\$0</u></u>

Note 5 – Related Party Transactions

The Greater Akron Chamber of Commerce, related through common officers, provides all administrative services necessary to carry out the operations of the Corporation. In 2012 the Chamber charged the Corporation an administrative fee in the amount of \$6,000.

Note 6 – Subsequent Events

In preparing these financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through June 27, 2013, the date the financial statements were available to be issued.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Community Improvement Corporation of Summit, Medina and Portage Counties, (the Corporation) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated June 27, 2013.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Corporation's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Corporation's financial statements. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Corporation's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Varney, Fink & Associates

Varney, Fink & Associates, Inc.
Certified Public Accountants

June 27, 2013



Dave Yost • 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
OCTOBER 3, 2013**