



Dave Yost • Auditor of State

**COMMUNITY IMPROVEMENT CORPORATION
BELMONT COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the Community Improvement Corporation, Belmont County, Ohio (the Corporation), as of and for the years ended December 31, 2012 and 2011 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Community Improvement Corporation, Belmont County, Ohio, as of December 31, 2012 and 2011, and the changes in financial position and its cash flows for the years 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 August 21, 2013, 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. 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 Corporation's internal control over financial reporting and compliance.

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Dave Yost
Auditor of State

Columbus, Ohio

August 21, 2013

**COMMUNITY IMPROVEMENT CORPORATION
BELMONT COUNTY**

**STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2012 and 2011**

	2012	2011
Assets		
Cash and Cash Equivalents	\$1,083,041	\$1,046,845
Prepaid Rent	700	700
<i>Total Assets</i>	\$1,083,741	\$1,047,545
 Liabilities		
Accounts Payable	\$1,510	\$1,432
Due to Belmont County		82,603
Accrued Payroll Taxes	373	318
Payroll Taxes Withheld	1,548	1,744
<i>Total Liabilities</i>	3,431	86,097
 Net Assets		
Unrestricted	1,080,310	961,448
<i>Total Net Assets</i>	1,080,310	961,448
Total Liabilities and Net Assets	\$1,083,741	\$1,047,545

See accompanying notes to the basic financial statements

**COMMUNITY IMPROVEMENT CORPORATION
BELMONT COUNTY**

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2012 and 2011**

	2012	2011
Revenues		
Cash Contributions from County Commissioners	\$75,000	\$75,000
RLF-Administration Fees		15,000
Professional Services Rendered		7,000
Grant Income - MCBI		4,000
Industrial Park-Sale of Lots	157,200	332,000
Interest Income	2,455	5,089
Miscellaneous Income		2,522
<i>Total Revenues</i>	<i>234,655</i>	<i>440,611</i>
Expenses		
Current:		
Office Salaries	63,420	56,500
FICA Expense	4,852	4,322
SUTA Expense	87	63
Worker's Compensation	215	218
Consultant - MCBI Project	50	
Hospital Insurance	3,179	3,231
Rent	7,700	8,400
Utilities	2,722	3,149
Travel	2,079	2,160
Meals and Entertainment	2,731	5,703
Trade Shows and Conferences	580	365
Miscellaneous Expense		54
Dues and Subscriptions	5,157	1,924
Advertising	582	986
Professional Fees	8,054	15,080
Liability Insurance	1,810	1,837
Telephone	2,756	2,797
Postage	264	204
Contributions		140
Office Supplies	4,028	2,242
Bank Fees	26	(30)
Industrial Park	346	172,551
Office Maintenance	793	792
Xerox Lease	4,362	3,981
Equipment Maintenance		68
Administrative Fees		126
<i>Total Expenses</i>	<i>115,793</i>	<i>286,863</i>
<i>Change in Net Assets</i>	<i>118,862</i>	<i>153,748</i>
<i>Net Assets Beginning of Year</i>	<i>961,448</i>	<i>807,700</i>
<i>Net Assets End of Year</i>	<i>\$1,080,310</i>	<i>\$961,448</i>

See accompanying notes to the basic financial statements

**COMMUNITY IMPROVEMENT CORPORATION
BELMONT COUNTY**

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012	2011
Cash Flows From Operating Activities:		
Change in Net Assets	\$118,862	\$153,748
Changes in Assets and Liabilities:		
Prepaid Rent		(700)
Accounts Payable	78	1,432
Accrued Payroll Taxes	55	318
Payroll Taxes Withheld	(196)	(2,470)
Net Cash Provided By Operating Activities	118,799	152,328
Cash Flows From Financing Activities:		
Increase (Decrease) in Funds Due to Belmont County	(82,603)	52,719
Net Cash Provided By (Used In) Financing Activities	(82,603)	52,719
Net Increase in Cash and Cash Equivalents	36,196	205,047
Cash and Cash Equivalents at Beginning of Year	1,046,845	841,798
Cash and Cash Equivalents at End of Year	\$1,083,041	\$1,046,845

See accompanying notes to the basic financial statements

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**COMMUNITY IMPROVEMENT CORPORATION
BELMONT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Community Improvement Corporation of Belmont County (the Corporation), is a not-for-profit corporation and was incorporated in 1962 under authority of Ohio Rev. Code Section 1702.01 and 1724. The Corporation is governed by 11 trustees, comprised of business, professional, government and community leaders. The Corporation was formed to advance, encourage, and promote industrial, economic, commercial and civic development in Belmont County.

The Corporation's management believes these financial statements present all activities for which the Corporation is financially accountable.

B. Accounting Basis

As required by Ohio Rev. Code Section 1724.05 the Corporation filed its annual financial report pursuant to accounting principles generally accepted in the United States of America.

This statement includes adequate disclosure of material matters.

C. Tax Status

The Corporation is a nonprofit corporation exempt from federal income taxes under Section 501c(4) of the Internal Revenue Code. By virtue of Ohio law, the Corporation is not subject to Ohio income taxes.

2. Cash and Cash Equivalents

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.

As of December 31, cash and cash equivalents consisted of the following:

	<u>2012</u>	<u>2011</u>
Demand deposits	<u>\$1,083,041</u>	<u>\$1,046,845</u>

3. Risk Management

Commercial Insurance

The Corporation has obtained commercial insurance for the following risks:

- Comprehensive property and general liability; and
- Wrongful acts and dishonesty bond

**COMMUNITY IMPROVEMENT CORPORATION
BELMONT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

4. Contingent Liabilities

The Corporation received financial assistance from agencies in the form of grants. The expenditures of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Corporation. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Corporation at December 31, 2012.

5. Operating Leases

The Corporation leases office space under an operating lease dated July 1, 2003. The initial lease term expired on June 30, 2009 and has been renewed through June 30, 2013. 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 2013. The total lease expense incurred in 2012 was \$7,700 and in 2011 was \$8,400.



Dave Yost • Auditor of State

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

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

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, Belmont County, Ohio (the Corporation), as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated August 21, 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

August 21, 2013



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COMMUNITY IMPROVEMENT CORPORATION

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
SEPTEMBER 5, 2013