



Dave Yost • Auditor of State

**WYOMING COMMUNITY IMPROVEMENT CORPORATION
HAMILTON COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Wyoming Community Improvement Corporation
Hamilton County
800 Oak Avenue
Wyoming, Ohio 45215

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the Wyoming Community Improvement Corporation, Hamilton County, Ohio (the Corporation), as of and for the years ended December 31, 2014 and December 31, 2013, 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 financial position of the Wyoming Community Improvement Corporation, Hamilton County as of December 31, 2014 and December 31, 2013, and the changes in its 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 Matters

Required Supplementary Information

The Corporation has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2015, 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.



Dave Yost
Auditor of State

Columbus, Ohio

November 20, 2015

WYOMING COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF NET POSITION
DECEMBER 31, 2014 and 2013

	2014	2013
ASSETS		
CURRENT ASSETS:		
Equity in Pooled Cash and Cash Equivalents	\$34,662	\$16,435
Receivables:		
Accounts	5,219	1,958
Prepaid Maintenance Cost	1,375	1,375
TOTAL CURRENT ASSETS	41,256	19,768
CAPITAL NONCURRENT ASSETS		
Land	496,412	488,206
Buildings	1,483,766	1,137,194
Building Improvements	149,508	166,098
Less Depreciation	(167,050)	(136,193)
TOTAL CAPITAL NONCURRENT ASSETS	1,962,636	1,655,305
TOTAL ASSETS	2,003,892	1,675,073
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	47,347	32,445
Security Deposits	4,607	5,124
Accrued Expenses	195	0
LONGTERM LIABILITIES:		
Due within One Year	43,158	42,330
Due in more than One Year	704,179	747,436
TOTAL LIABILITIES	799,486	827,335
NET POSTION		
Unrestricted	1,204,406	847,738
TOTAL NET POSITION	\$1,204,406	\$847,738

See accompanying notes to the basic financial statements

WYOMING COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF REVENUES
EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
OPERATING REVENUES:		
Rental Income	\$99,430	\$94,173
TOTAL OPERATING REVENUE	99,430	94,173
OPERATING EXPENSES		
Facilities and Equipment	85,181	44,659
Contract Services	20,613	18,443
Depreciation Expense	47,007	37,858
Operations	264	197
Professional Services	0	1,500
Other Expenses	139,714	11,533
TOTAL OPERATING EXPENSES	292,779	114,190
OPERATING GAIN (LOSS)	(193,349)	(20,017)
NON-OPERATING REVENUE (EXPENSE)		
Interest Income	17	25
Contribution from City of Wyoming	550,000	100,000
Loss on 400 Wyoming Property	0	(36,918)
TOTAL NON-OPERATING REVENUE (EXPENSES)	550,017	63,107
Net Change in Net Position	356,668	43,090
Net Position - Beginning of Year	847,738	804,648
Net Position - End of Year	\$1,204,406	\$847,738

See accompanying notes to the basic financial statements

WYOMING COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
Operating Activities		
Net Income	\$356,668	\$43,090
Adjustments to reconcile Net Income to net cash provided by operations:		
Accounts Receivable	(3,261)	5,731
Prepaid Rents Receivable	0	(1,121)
Accrued Expense Payable	0	0
Accounts Payable	14,902	5,679
Security Deposits	(517)	(755)
Net cash provided by Operating Activities	367,792	52,624
Investing Activities		
9932 & 9888 Springfield Pike: Accumulated Depreciation	13,478	6,177
9932 & 9888 Springfield Pike: Buildings	0	(370,647)
9932 & 9888 Springfield Pike: Land	0	(239,237)
1062 Oak Avenue: Accumulated Depreciation	5,340	5,340
520 Van Roberts Place: Accumulated Depreciation	0	(28)
520 Van Roberts Place: Building	0	18,556
520 Van Roberts Place: Land	0	18,980
342 Springfield Pike: Accumulated Depreciation	4,139	4,177
500 Wyoming Avenue: Accumulated Depreciation	13,528	13,939
500 Wyoming Avenue: Capital Improvements	0	(35,483)
617 Oak Avenue: Accumulated Depreciation	(13,402)	2,703
617 Oak Avenue: Building	57,740	0
617 Oak Avenue: Capital Improvements	16,590	0
617 Oak Avenue: Land	22,279	0
641 Oak Avenue: Land	37,900	0
622 Grove Avenue: Accumulated Depreciation	4,748	4,922
400 Wyoming Avenue: Accumulated Depreciation	3,024	0
400 Wyoming Avenue: Buildings	(406,930)	0
400 Wyoming Avenue: Land	(68,791)	0
Net cash provided by Investing Activities	(310,357)	(570,601)
Financing Activities		
Foundation Bank Mortgage	(20,330)	591,766
CIC Loan - 500 Wyoming Avenue	0	(84,000)
CIC Loan - 400 Wyoming Avenue	(22,000)	(22,000)
Net cash provided by Financing Activities	(42,330)	485,766
Net cash increase for period	15,105	(32,211)
Cash at beginning of period	16,435	48,646
Cash at end of period	\$31,540	\$16,435

See accompanying notes to the basic financial statements

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**WYOMING COMMUNITY IMPROVEMENT CORPORATION
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Wyoming CIC, Hamilton County, Ohio (the Corporation), is a not-for-profit organization which derives the major source of its revenues from rental income. The Corporation was established for the economic development of the City of Wyoming. The Corporation works with the City in many aspects of the overall adopted economic development strategy, but its current efforts are focused on bringing more small businesses into the City of Wyoming. The Corporation does not purport to, and does not represent the City of Wyoming, Ohio as of December 31, 2014 and 2013.

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

B. Accounting Basis

The financial statements consist of a single-purpose business-type activity which is reported on the accrual basis of accounting using the economic resources measurement focus.

The significant accounting policies followed in the preparation of these financial statements conform to generally accepted accounting principles for local governmental units as prescribed in the statements issued by the the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources as applied to governmental non-profit organizations. Under the guidelines of GASB Statement No. 20, the Corporation has elected to apply Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The most significant of the City's accounting policies are described below.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of imposed restrictions. Accordingly, net assets of the Corporation are classified as unrestricted net assets because they are not subject to imposed stipulations.

The Corporation's operations are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation are included on the balances sheet. The operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net total assets. The statement of cash flows provides information about how the Corporation finances and meets the cash flow needs of its proprietary activities.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported on the financial statements. Basis of accounting relates to the timing of the measurements made. The Corporation uses the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized at the time they are incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**WYOMING COMMUNITY IMPROVEMENT CORPORATION
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Cash and Cash Equivalents

The Corporation maintains their funds in a checking and savings account at a local financial institution.

D. Fund Accounting

The Corporation has one fund and it is classified as a business-type activity.

E. Property, Plant and Equipment

Acquisitions of buildings and building improvements are capitalized. Land is carried at cost. Depreciation is computed using the straight-line method over a useful life of respective assets.

F. Significant Estimates

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. Income Tax

The Corporation has applied to be a not-for-profit tax exempt organization under the Internal Revenue Code Section 501(c)(3). Accordingly, there is no provision for income taxes in these financial statements.

H. Capital Assets

Capital assets utilized by the proprietary funds are reported statement of position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Business-Type Activities Estimated Lives</u>
Buildings and Improvements	40 years

I. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the proprietary fund financial statements.

**WYOMING COMMUNITY IMPROVEMENT CORPORATION
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Corporation, these revenues are rental receipts. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

2. DEPOSITS AND INVESTMENTS

The Corporation maintains a pool of deposits. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

	2014	2013
Checking Account	\$27,956	\$10,552
Savings Accounts	6,706	6,687
Escrow Accounts	0	(804)
Total	\$34,662	\$16,435

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. CAPITAL ASSETS

The Corporation's land and buildings are valued at cost and held for lease. Capital asset activity for the years ended December 31, 2014:

	Balance 1/1/2014	Additions	Deductions	Balance 12/31/14
Capital Assets, not being depreciated:				
Land	488,206	68,385	(60,179)	496,412
Subtotal	488,206	68,385	(60,179)	496,412
Capital Assets, being Depreciated:				
Buildings	1,137,194	404,312	(57,740)	1,483,766
Building Improvements	166,098	0	(16,590)	149,508
Total Nondepreciable and Depreciable	1,303,292	404,312	(74,330)	1,633,274
Less Accumulated Depreciation:	(136,193)	(47,007)	16,150	(167,050)
Capital Assets, Net	\$1,655,305	\$425,690	(\$118,359)	\$1,962,636

**WYOMING COMMUNITY IMPROVEMENT CORPORATION
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

3. CAPITAL ASSETS (Continued)

The Corporation's land and buildings are valued at cost and held for lease. Capital asset activity for the years ended December 31, 2013:

	<u>Balance 1/1/2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/13</u>
Capital Assets, not being depreciated:				
Land	267,949	239,237	(18,980)	488,206
Subtotal	<u>267,949</u>	<u>239,237</u>	<u>(18,980)</u>	<u>488,206</u>
Capital Assets, being Depreciated:				
Buildings	785,103	370,647	(18,556)	1,137,194
Building Improvements	<u>130,615</u>	<u>35,483</u>	<u>(0)</u>	<u>166,098</u>
Total Nondepreciable and Depreciable	<u>915,718</u>	<u>406,130</u>	<u>(18,556)</u>	<u>1,303,292</u>
Less Accumulated Depreciation:	<u>(98,963)</u>	<u>(37,858)</u>	<u>628</u>	<u>(136,193)</u>
Capital Assets, Net	<u><u>\$1,084,704</u></u>	<u><u>\$607,509</u></u>	<u><u>(\$36,908)</u></u>	<u><u>\$1,655,305</u></u>

4. LONG-TERM DEBT

A schedule of changes in loans and long-term obligations of the Corporation during 2014, follows:

	<u>Amount Outstanding 1/1/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Amount Outstanding 12/31/14</u>	<u>Amounts Due in One Year</u>
City of Wyoming Loan – 400 Wyoming Avenue	\$198,000	\$0	\$22,000	\$176,000	\$22,000
Foundation Bank Mortgage – Kattleman Property	<u>591,766</u>		<u>20,330</u>	<u>571,436</u>	<u>21,158</u>
Total	789,766	0	42,330	747,436	43,158

**WYOMING COMMUNITY IMPROVEMENT CORPORATION
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

4. LONG-TERM DEBT (Continued)

A schedule of changes in loans and long-term obligations of the Corporation during 2013, follows:

	Amount Outstanding 1/1/2013	Additions	Deletions	Amount Outstanding 12/31/13	Amounts Due in One Year
City of Wyoming Loan – 500 Wyoming Avenue	84,000		84,000	0	0
City of Wyoming Loan – 400 Wyoming Avenue	\$220,000	\$0	\$22,000	\$198,000	\$22,000
Foundation Bank Mortgage – Kattleman Property	0	600,000	8,234	591,766	20,330
Total	304,000	600,000	114,234	789,766	42,330

During 2010, the City of Wyoming loaned the Corporation \$84,000 at no interest to be repaid during 2011. No repayments were made towards the loan during 2011 and 2012. During 2012, the City of Wyoming loaned the Corporation an additional \$220,000 with accrued interest to be repaid at a rate of \$22,000 per year over the next 10 years, first payment due during 2013.

Year Ending	City of Wyoming Loan		Foundation Mortgage		Bank	Total
	Principal	Interest	Principal	Interest		
December 31						
2015	\$22,000	\$0	\$21,158	\$22,472		\$65,630
2016	22,000	0	22,021	21,611		65,632
2017	22,000	0	22,917	20,713		65,630
2018	22,000	0	23,851	19,779		65,630
2019	22,000	0	24,823	18,808		65,631
2020-2024	66,000	0	140,134	78,019		284,153
2025-2029			171,102	47,050		218,152
<u>2030-2034</u>			<u>145,430</u>	<u>10,914</u>		<u>156,344</u>
Totals	<u>\$176,000</u>	<u>\$0</u>	<u>\$571,436</u>	<u>\$239,366</u>		<u>\$986,802</u>

5. RISK MANAGEMENT

Commercial Insurance

The Corporation has obtained comprehensive property and general liability insurance as part of the City's policy through a private carrier.

6. SUBSEQUENT EVENTS

Transfer of Property

The CIC transferred properties at 9932 and 9888 Springfield Pike with a value of \$553,856 to the City of Wyoming on August 19, 2015. On October 26, 2015 the City of Wyoming then donated these properties to Hamilton County Land Reutilization Corporation.

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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*

Wyoming Community Improvement Corporation
Hamilton County
800 Oak Avenue
Wyoming, Ohio 45215

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 Wyoming Community Improvement Corporation, Hamilton County, (the Corporation) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated November 20, 2015.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 a 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 Entity'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. We consider finding 2014-001 described in the accompanying schedule of findings to be a material weakness.

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

November 20, 2015

**WYOMING COMMUNITY IMPROVEMENT CORPORATION
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2014-001

Material Weakness

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

We noted the following condition related to the Corporation's financial statements and financial operations:

- The Corporation reported a \$460,000 receipt from the City of Wyoming as a Long Term Liability in 2014. However, the Corporation maintained no documentation supporting an agreement for repayment of the amount to the City of Wyoming from the Wyoming Community Improvement Corporation.
- In 2013, the Corporation failed to accurately report the Land and Building values for 9932 & 9888 Springfield Pike by \$251,589. Land was overstated, while the Buildings were understated by the same amount. This error also resulted in depreciation being understated by \$4,193 in 2013 and \$9,149 in 2014.

Lack of internal controls over accounting and financial reporting increases the risk that errors, theft or fraud could occur and not be detected in a timely manner.

We recommend that the Corporation exercise due care when posting entries to the financial records and financial statement preparation to prevent errors, accurately reflect the Corporation's financial activity and financial position, and disclose all activities of the financial statements as required.

The Corporation has posted audit adjustments to the financial statements and ledgers where appropriate, has corrected the related notes to the financial statements.

Officials' Response:

The Corporation's officials did not respond to this issue.

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Dave Yost • Auditor of State

WYOMING COMMUNITY IMPROVEMENT CORPORATION

HAMILTON 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
DECEMBER 8, 2015**