



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

COMMUNITY IMPROVEMENT CORPORATION OF UNION COUNTY
UNION COUNTY

REGULAR AUDIT

For the Year Ended December 31, 2017
Fiscal Year Audited Under GAGAS: 2017

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OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Board of Directors
Community Improvement Corporation of Union County
227 East Fifth Street
Marysville, Ohio 43040

We have reviewed the *Independent Auditor's Report* of the Community Improvement Corporation of Union County, Union County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2017 through December 31, 2017. 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 Union County is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

September 20, 2019

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**COMMUNITY IMPROVEMENT CORPORATION OF UNION COUNTY
UNION COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Community Improvement Corporation of Union County
Union County
227 East Fifth Street
Marysville, Ohio 43040

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the Community Improvement Corporation of Union County, Union County, Ohio (the Corporation), (a not-for-profit corporation), which comprise the statement of financial position as of and for the year ended December 31, 2017, the related statements of activities and cash flows for the year ended, and the related notes to the financial statements.

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 such 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 of Union County, Union County, Ohio as of December 31, 2017, and the changes in its net assets and its cash flows 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 July 31, 2019, 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. While we did not opine on the internal control over financial reporting or on compliance, 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.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group, Inc.
Piketon, Ohio
July 31, 2019

**COMMUNITY IMPROVEMENT CORPORATION OF UNION COUNTY
UNION COUNTY**

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

ASSETS

Cash	\$ 337,021
Accounts Receivable	11,078
Prepaid Expenses	29,452
Fixed Assets, net	<u>1,329</u>
 Total Assets	 <u><u>378,880</u></u>

LIABILITIES

Accounts Payable	3,677
Accrued Expenses	<u>22,880</u>
 Total Liabilities	 <u>26,557</u>

Net Assets

Temporarily Restricted Net Assets	241,434
Unrestricted Net Assets	<u>110,889</u>
 Total Net Assets	 <u><u>\$ 352,323</u></u>

The notes to the financial statements are an integral part of this statement

**COMMUNITY IMPROVEMENT CORPORATION OF UNION COUNTY
UNION COUNTY**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Unrestricted Economic Development</u>	<u>Temporarily Restricted Mobile Lab</u>	<u>Temporarily Restricted YEA</u>	<u>Total</u>
Revenues				
Member dues	\$ 264,884	\$ -	\$ -	\$ 264,884
Administrative Fees	3,100	-	-	3,100
Interest Income	122	-	20	142
YEA Program Revenue	-	-	18,278	18,278
Net Assets Released from Restrictions	29,781	(12,774)	(17,007)	-
Total Revenues	<u>297,887</u>	<u>(12,774)</u>	<u>1,291</u>	<u>286,404</u>
Expenses				
Salaries	58,446	-	-	58,446
Marketing	30,213	-	-	30,213
Subscriptions	43	-	-	43
Professional Dues	12,763	-	-	12,763
Operational Fees	84,880	-	-	84,880
Bank Charges	93	-	-	93
Transportation	16,076	-	-	16,076
Consulting Contracts	18,900	-	-	18,900
Conference Expenses	4,583	-	-	4,583
Insurance Group	1,980	-	-	1,980
Meals and Entertainment	1,516	-	-	1,516
Accounting and Legal	6,573	-	-	6,573
Program Expenses	24,524	-	-	24,524
Association Dues	38,695	-	-	38,695
Employee Benefits	1,200	-	-	1,200
Payroll taxes	4,502	-	-	4,502
Disposal of Equipment	425	-	-	425
Depreciation	1,817	-	-	1,817
Bad Debt	1,080	-	-	1,080
Total Expenses	<u>308,309</u>	<u>-</u>	<u>-</u>	<u>308,309</u>
Change in net assets	(10,422)	(12,774)	1,291	(21,905)
Net assets, beginning of year	<u>121,311</u>	<u>246,000</u>	<u>6,917</u>	<u>374,228</u>
Net assets, end of year	<u>\$ 110,889</u>	<u>\$ 233,226</u>	<u>\$ 8,208</u>	<u>\$ 352,323</u>

The notes to the financials statements are an integral part of this statement

**COMMUNITY IMPROVEMENT CORPORATION OF UNION COUNTY
UNION COUNTY**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (21,905)
Depreciation	1,817
Loss of sale of equipment	425
Adjustments to reconcile change in net assets	
Decrease in accounts receivable	21,502
Increase in prepaid expenses	(26,750)
Decrease in accounts payable	(4,083)
Increase in accrued expenses	21,400
Net cash used by operating	<u>(7,594)</u>

CASH FLOWS FROM INVESTMENT ACTIVITIES:

Purchase of fixed assets	<u>(1,574)</u>
Net cash used by investment activities	(1,574)

NET DECREASE IN CASH (9,168)

CASH AT BEGINNING OF YEAR 346,189

CASH AT END OF YEAR \$ 337,021

The notes to the financials statements are an integral part of this statement

COMMUNITY IMPROVEMENT CORPORATION OF UNION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

The Community Improvement Corporation of Union County (the Corporation) was incorporated on 1989. The Corporation is a not-for-profit community improvement corporation which was formed for the purpose of advancing, encouraging and promoting the industrial, economic, commercial, and civic development of the Union County, Ohio. A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

B. Basis of Accounting

The financial statements of the Corporation have been prepared on an accrual basis of accounting and accordingly reflect all significant assets and liabilities.

C. Income Taxes

The Corporation is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (6) and Chapters 1702 and 1724 of the Ohio Revised Code.

D. Basis of Presentation

Financial Statement presentation follows the recommendations of the Financial Accounting Standards Board ASC 958, Financial Statement of Non-for-Profit Organizations. Under ASC 958, 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. No permanently restricted net assets were held and, accordingly, these financial statements do not reflect any activity related to these classes of net assets. As permitted by this statement, the Corporation does not use fund accounting.

E. Use of Estimates

The preparation of financial statement in conformity with generally 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.

COMMUNITY IMPROVEMENT CORPORATION OF UNION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash Deposits

At December 31, 2017, the carrying amount of the bank balance was \$337,021. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. The corporation has cash balances on deposit at December 31, 2017 that exceeded the balance insured by the FDIC in the amount of \$87,021.

G. Property and Equipment

Acquisitions of property and equipment are capitalized. Expenditures for maintenance and repairs are charged against operations. Property and equipment are carried at cost or, if donated, at the approximate fair value of the date of donation.

Depreciation is computed using primarily the straight-line method. All reported capital assets are depreciated. Depreciation on the furniture and equipment is calculated over a useful life of 5-7 years.

The Corporation had equipment additions of \$1,574 and disposals of \$425 during the 2017 year.

Depreciation expense for the years ended December 31, 2017 was \$1,817.

2. RISK MANAGEMENT

The Corporation is subject to certain types of risk in the performance of its normal functions. The Corporation manages these types of risks through commercial insurance. The amount of settlements has not exceeded coverage for any of the past three years. There has not been a significant reduction of coverage since the prior year in any of the major categories of risk.

3. MOBILE LAB PROGRAM

In 2016, the Corporation received \$246,000 in a combined joint contract with Marion Technical College to develop the Mobile Manufacturing Training Lab (MMTL) Program. The program will focus its efforts within an eight county region surrounding and including Union County, Ohio. Through collaborative efforts of the public sector, private sector, and educational institutions, the MMTL program shall actively promote and support hands on fundamental and intermediate level manufacturing skills training for incumbent workers, adult learners, and students in school grades 7 through 12.

COMMUNITY IMPROVEMENT CORPORATION OF UNION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)

4. YEA PROGRAM

Young Entrepreneurs Academy (YEA!) guides middle school and high school students through the process of starting and running a legitimate business or social movement over the course of a full academic year. YEA!'s direct mission is to help students embrace their passion, energy, creativity and talents, launch a venture, and view entrepreneurship and social innovation as synonymous with success and freedom.

5. RELATED PARTY TRANSACTIONS

Union County, Ohio (the County) provides a material portion of the Corporation's funding. During fiscal year ending December 31, 2017, the County paid the Corporation \$145,457 to promote economic development.

6. ACCOUNTS RECEIVABLE

Receivables at December 31, 2017 consisted of uncollected EDAP Dues. All receivables are considered collectible in full and within one year. If amounts are uncollectible they are written off to bad debt.



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

Community Improvement Corporation of Union County
Union County
227 East Fifth Street
Marysville, Ohio 43040

To the Board of Directors:

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 Union County, Union County, Ohio (the Corporation) (a not-for-profit corporation) as of and for the year ended December 31, 2017 and the related notes to the financial statements, and have issued our report thereon dated July 31, 2019.

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(s) 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 report is not suitable for any other purpose.

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
July 31, 2019

Community Improvement Corporation of Union County
Union County
Schedule of Prior Audit Findings
December 31, 2017

Finding Number	Finding Summary	Fully Corrected?	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2016-001	Material Weakness – Financial Reporting	Yes	

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OHIO AUDITOR OF STATE KEITH FABER



COMMUNITY IMPROVEMENT CORPORATION OF UNION COUNTY

UNION 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, 2019**