



OHIO AUDITOR OF STATE
KEITH FABER



GREENE COUNTY COMMUNITY IMPROVEMENT CORPORATION
GREENE COUNTY
DECEMBER 31, 2018 AND 2017

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Consolidated Financial Statements:	
Statement of Financial Position December 31, 2018.....	3
Statement of Activities Year Ended December 31, 2018	4
Statement of Cash Flows Year Ended December 31, 2018	5
Notes to the Financial Statements Year Ended December 31, 2018	7
Statement of Financial Position December 31, 2017	11
Statement of Activities Year Ended December 31, 2017	12
Statement of Cash Flows Year Ended December 31, 2017	13
Notes to the Financial Statements Year Ended December 31, 2017	15
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	19
Schedule of Prior Audit Findings.....	21

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



One First National Plaza
130 West Second Street, Suite 2040
Dayton, Ohio 45402-1502
(937) 285-6677 or (800) 443-9274
WestRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Greene County Community Improvement Corporation
Greene County
61 Greene Street
Xenia, Ohio 45385

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the Greene County Community Improvement Corporation, Greene County, Ohio (the Corporation), (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2018 and 2017, the related statements of activities and cash flows for the years then 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 Greene County Community Improvement Corporation, Greene County, Ohio as of December 31, 2018 and 2017, and the changes in its net assets 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 January 15, 2020, 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.



Keith Faber
Auditor of State
Columbus, Ohio

January 15, 2020

Greene County Community Improvement Corporation

STATEMENT OF FINANCIAL POSITION

December 31, 2018

ASSETS

CURRENT ASSETS

Cash and cash equivalents \$ 316,038

PROPERTY - AT COST

Land \$ 17,800

Building and improvements 117,990

Total property - at cost 135,790

Less: accumulated depreciation 55,210

Property - at cost, net 80,580

Total assets \$ 396,618

LIABILITIES AND NET ASSETS

NET ASSETS

Without donor restrictions \$ 396,618

See accompanying notes to the financial statements.

Greene County Community Improvement Corporation

STATEMENT OF ACTIVITIES

Year Ended December 31, 2018

Changes in net assets without donor restrictions:			
Revenues and support			
Rents received			3,000
Interest income			<u>2,141</u>
Total revenues and support			5,141
Operating expenses			
Program services			
Retention and expansion programs	\$ 209,809		
Image promotion	8,863		
Property management expenses	<u>12,444</u>	231,116	
Supporting services			
Administration			<u>3,052</u>
Total expenses			<u>234,168</u>
Change in net assets without donor restrictions			(229,027)
Net assets at January 1, 2018			<u>625,645</u>
Net assets at December 31, 2018			<u><u>\$ 396,618</u></u>

See accompanying notes to the financial statements.

Greene County Community Improvement Corporation

STATEMENT OF CASH FLOWS

Year Ended December 31, 2018

CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Change in net assets	\$ (229,027)
Adjustments to reconcile decrease in net assets to net cash used by operating activities	
Depreciation	2,810
Refundable lease deposit	<u>(1,000)</u>
 Net cash used by operating activities and net decrease in cash	 (227,217)
 Cash at January 1, 2018	 <u>543,255</u>
 Cash at December 31, 2018	 <u><u>\$ 316,038</u></u>

See accompanying notes to the financial statements.

This page intentionally left blank.

Greene County Community Improvement Corporation

Notes to the Financial Statements

Year Ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Greene County Community Improvement Corporation (the Corporation) was formed for the purpose of advancing, encouraging and promoting the industrial, economic, commercial and civic development of the community. The Corporation makes loans and grants to companies and organizations located in Greene County, Ohio. A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows. Management believes the financial statements included in this report represent all of the activities of the Corporation over which the Corporation is financially accountable.

B. BASIS OF PRESENTATION

Basis of Presentation – The financial statements of the Corporation have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require the Corporation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Corporation’s management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the corporation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. The Corporation holds no donor restricted assets.

C. BASIS OF ACCOUNTING

The financial statements of the CIC have been prepared on the accrual basis of accounting principles generally accepted in the United States of America (GAAP) as applied to not-for-profit organizations.

Greene County Community Improvement Corporation

Notes to the Financial Statements

Year Ended December 31, 2018

(Continued)

D. FEDERAL INCOME TAX

The Corporation is an exempt organization under Section 501 (c) (4) of the Internal Revenue Code. By virtue of Ohio Law, the Corporation is not subject to Federal income taxes.

Accounting principles generally accepted in the United States require management to evaluate tax positions taken by the Corporation and recognize a tax liability (or asset) if the Corporation has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). Management has analyzed the tax positions taken by the Corporation, and has concluded that as of December 31, 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Corporation is subject to routine audits by taxing jurisdictions, however, there are currently not audits for any tax period in progress.

E. PROPERTY, PLANT AND EQUIPMENT

Purchased property and equipment is stated at cost. It is the Corporation's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Depreciation is computed primarily using the straight-line method over the estimated useful lives of the assets, which range from 5 to 39 years. Leasehold improvements are amortized over the shorter of the useful life of the related assets or the lease term. Expenditures for repairs and maintenance are charged to expense as incurred.

F. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all cash on hand and in banks. The Corporation's considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

G. REVENUE RECOGNITION

The Corporation's revenue consist of Rental income from operating leases is recognized on a straight-line basis over the lease term. Interest income, including income arising from finance leases and other financial instruments, is recognized using the effective interest method.

H. DONATED SERVICES

The Corporation has no paid employees; time spent on its activities by the Officers and Trustees of the Corporation is donated by the local businesses, Greene County, and the individuals themselves. Greene County donates administrative and accounting services to the CIC. The value of the donated services has not been recorded in the financial statements at December 31, 2018.

Greene County Community Improvement Corporation

Notes to the Financial Statements

Year Ended December 31, 2018

(Continued)

I. ESTIMATES

Management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

2. CASH

The Corporation maintains 4 checking accounts and 2 savings accounts. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	<u>2018</u>
Demand Deposits	\$143,587
Savings Accounts	<u>172,451</u>
	<u>\$316,038</u>

Deposits are fully insured by the Federal Deposit Insurance Corporation and the National Credit Union Administration (NCUA).

3. PROPERTY, PLANT & EQUIPMENT

Property and equipment consist of:

	<u>2018</u>
Land	\$17,800
Building, Furniture and Equipment	117,990
Total Property and Equipment	135,790
Less: Accumulated Depreciation	<u>(55,210)</u>
Net Total	<u>\$80,580</u>

	<u>2018</u>
Depreciable Assets	
Building 58-64 E. Main	\$1,930
Building Improvements	360
Building Improvements	151
Roof Replacement	<u>369</u>
Total Depreciation	<u>\$2,810</u>

Greene County Community Improvement Corporation

Notes to the Financial Statements

Year Ended December 31, 2018

(Continued)

Previous Year Depreciation	\$52,400
2018 Depreciation	<u>2,810</u>
Total Depreciation	<u><u>\$55,210</u></u>

4. RENTS RECEIVED

During 2018, the Corporation rented space in the building it owns on 58-64 E. Main Street, Xenia. The property was rented from October, 2018 through the end of the year for \$1000 per month on a month-to-month basis pending the completion of a lease agreement. Prior to October, the property was being renovated by the new tenant, at the tenant's expense. During the renovation, the Corporation paid the utilities on the property.

5. SUBSEQUENT EVENTS

The Corporation has evaluated events subsequent from the date of the financial statements through April 25, 2019. No events have occurred subsequent to the date of the financial statements through April 25, 2019 that would require adjustment or disclosure in the financial statements.

6. CHANGE IN ACCOUNTING PRINCIPLES

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. This change had no effect on the financial statements.

Greene County Community Improvement Corporation

STATEMENT OF FINANCIAL POSITION

December 31, 2017

ASSETS

CURRENT ASSETS

Cash and cash equivalents \$ 543,255

PROPERTY - AT COST

Land \$ 17,800

Building and improvements 117,990

Total property - at cost 135,790

Less: accumulated depreciation 52,400

Property - at cost, net 83,390

Total assets \$ 626,645

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Refundable lease deposit \$ 1,000

NET ASSETS

Unrestricted 625,645

Total liabilities and net assets \$ 626,645

See accompanying notes to the financial statements.

Greene County Community Improvement Corporation

STATEMENT OF ACTIVITIES

Year Ended December 31, 2017

Revenues and support		
Grant refunded		\$ 10,000
Rents received		12,000
Interest income		<u>2,293</u>
Total revenues and support		24,293
Operating expenses		
Program services		
Retention and expansion programs	\$ 114,152	
Image promotion	5,734	
Property management expenses	<u>7,340</u>	127,226
Supporting services		
Administration		<u>9,356</u>
Total expenses		<u>136,582</u>
Change in net assets		(112,289)
Net assets at January 1, 2017		<u>737,934</u>
Net assets at December 31, 2017		<u><u>\$ 625,645</u></u>

See accompanying notes to the financial statements.

Greene County Community Improvement Corporation

STATEMENT OF CASH FLOWS

Year Ended December 31, 2017

CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Change in net assets	\$ (112,289)
Adjustments to reconcile decrease in net assets to net cash used by operating activities	
Depreciation	<u>2,810</u>
Net cash used by operating activities and net decrease in cash	(109,479)
Cash at January 1, 2017	<u>652,734</u>
Cash at December 31, 2017	<u><u>\$ 543,255</u></u>

See accompanying notes to the financial statements.

This page intentionally left blank.

Greene County Community Improvement Corporation

Notes to the Financial Statements

Year Ended December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Greene County Community Improvement Corporation (the Corporation) was formed for the purpose of advancing, encouraging and promoting the industrial, economic, commercial and civic development of the community. The Corporation makes loans and grants to companies and organizations located in Greene County, Ohio. A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows. Management believes the financial statements included in this report represent all of the activities of the Corporation over which the Corporation is financially accountable.

B. BASIS OF PRESENTATION

The CIC prepares its financial statements in accordance with the not-for-profit entity related provisions of the standards set by the Financial Accounting Standards Board (FASB) which established the FASB Accounting Standards Codification (ASC) as the single source of authoritative accounting principles generally accepted in the United State of America.

The CIC 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, based upon the existence or absence of donor-imposed restrictions. The CIC does not have any temporarily restricted or permanently restricted net assets as of December 31, 2017.

C. BASIS OF ACCOUNTING

The financial statements of the CIC have been prepared on the accrual basis of accounting principles generally accepted in the United States of America (GAAP) as applied to not-for-profit organizations.

D. FEDERAL INCOME TAX

The Corporation is an exempt organization under Section 501 (c) (4) of the Internal Revenue Code. By virtue of Ohio Law, the Corporation is not subject to Federal income taxes.

Accounting principles generally accepted in the United States require management to evaluate tax positions taken by the Corporation and recognize a tax liability (or asset) if the Corporation has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). Management has analyzed the tax positions taken by the Corporation, and has concluded that as of December 31, 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Corporations is subject to routine audits by taxing jurisdictions, however, there are currently not audits for any tax period in progress.

Greene County Community Improvement Corporation

Notes to the Financial Statements

Year Ended December 31, 2017

(Continued)

E. PROPERTY, PLANT AND EQUIPMENT

Purchased property and equipment is stated at cost. It is the Corporation's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Depreciation is computed primarily using the straight-line method over the estimated useful lives of the assets, which range from 5 to 39 years. Leasehold improvements are amortized over the shorter of the useful life of the related assets or the lease term. Expenditures for repairs and maintenance are charged to expense as incurred.

F. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all cash on hand and in banks. The Corporation's considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

G. REVENUE RECOGNITION

The Corporation's revenue consist of Rental income from operating leases is recognized on a straight-line basis over the lease term. Interest income, including income arising from finance leases and other financial instruments, is recognized using the effective interest method.

H. DONATED SERVICES

The Corporation has no paid employees; time spent on its activities by the Officers and Trustees of the Corporation is donated by the local businesses, Greene County, and the individuals themselves. Greene County donates administrative and accounting services to the CIC. The value of the donated services has not been recorded in the financial statements at December 31, 2017.

I. ESTIMATES

Management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

2. CASH

The Corporation maintains 5 checking accounts and 3 savings accounts. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	<u>2017</u>
Demand Deposits	\$198,038
Savings Accounts	<u>345,217</u>
	<u>\$543,255</u>

Greene County Community Improvement Corporation

Notes to the Financial Statements

Year Ended December 31, 2017

(Continued)

Deposits are fully insured by the Federal Deposit Insurance Corporation and the National Credit Union Administration (NCUA).

3. PROPERTY, PLANT & EQUIPMENT

Property and equipment consist of:

	<u>2017</u>
Land	\$17,800
Building, Furniture and Equipment	<u>117,990</u>
Total Property and Equipment	135,790
Less: Accumulated Depreciation	<u>(52,400)</u>
Net Total	<u><u>\$83,390</u></u>

	<u>2017</u>
Depreciable Assets	
Building 58-64 E. Main	\$1,930
Building Improvements	360
Building Improvements	151
Roof Replacement	<u>369</u>
Total Depreciation	<u><u>\$2,810</u></u>

Previous Year Depreciation	\$49,590
2017 Depreciation	<u>2,810</u>
Total Depreciation	<u><u>\$52,400</u></u>

4. RENTS RECEIVED

During 2017, the Corporation rented space in the building it owns on 58-64 E. Main Street, Xenia. The tenant's annual renewal lease provides rent of \$1000 per month. The tenant is responsible for all utilities and interior maintenance. The tenant's annually renewable lease expires December 31, 2017. The lessee was also required to deposit \$500 per property to secure the lease. The deposit will be refunded to the lessee at the end of the lease. All personal property of any kind or description whatsoever located in the demised premises shall be at the Lessee's sole risk, and the Lessor shall not be liable for any damage done to, or loss of, such personal property.

Greene County Community Improvement Corporation

Notes to the Financial Statements

Year Ended December 31, 2017

(Continued)

5. SUBSEQUENT EVENTS

The Corporation has evaluated events subsequent from the date of the financial statements through April 20, 2018. No events have occurred subsequent to the date of the financial statements through April 20, 2018 that would require adjustment or disclosure in the financial statements.

OHIO AUDITOR OF STATE KEITH FABER



One First National Plaza
130 West Second Street, Suite 2040
Dayton, Ohio 45402-1502
(937) 285-6677 or (800) 443-9274
WestRegion@ohioauditor.gov

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

Greene County Community Improvement Corporation
Greene County
61 Greene Street
Xenia, Ohio 45385

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 Greene County Community Improvement Corporation, Greene County, (the Corporation) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated January 15, 2020.

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 report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

January 15, 2020



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Fiscal Year Ending December 31, 2017 and December 31, 2018

Finding Number	Finding Summary	Status	Additional Information
2016-001	Financial Statements Misstatements	Partially Corrected	Repeated as Management Letter comment

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



COMMUNITY IMPROVEMENT CORPORATION OF GREENE COUNTY

GREENE 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
FEBRUARY, 4 2020**