

Financial Statements  
And  
Independent Auditor's Report

**Community Improvement Corporation of Greene County**

December 31, 2005





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Community Improvement Corporation of Greene County  
61 Greene Street  
Xenia, Ohio 45385

We have reviewed the *Independent Auditor's Report* of the Community Improvement Corporation of Greene County, prepared by Harvey L. Harris, CPA, for the audit period January 1, 2005 through December 31, 2005. 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 Greene County is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

June 22, 2006

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Community Improvement Corporation of Greene County  
OFFICERS AND TRUSTEES  
December 31, 2005

OFFICERS

President - John Finlay	Attorney
Vice-President - Julia Ables	Business Executive
Treasurer - Ralph Harper	Greene County Commissioner
Secretary - Patricia Hobbs	Greene Co. Department of Development

TRUSTEES

Mark Guess	Agriculture
Joe Harkleroad	Business Executive
Debra Keller	Bank Executive
Rick Perales	Greene County Commissioner
Howard Poston	Greene County Administrator
Marilyn Reid	Greene County Commissioner

**Harvey L. Harris**  
**Certified Public Accountant**  
**808 East Franklin Street**  
**Centerville, Ohio 45459**  
**(937)436-9557**

INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Community Improvement Corporation of Greene County

I have audited the accompanying statement of financial position of the Community Improvement Corporation of Greene County (a nonprofit organization) as of December 31, 2005 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of the Community Improvement Corporation of Greene County as of December 31, 2005 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated March 8, 2006 on my consideration of the Community Improvement Corporation of Greene County's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the result of my audit.

*Harvey L. Harris, CPA*

March 8, 2006

Community Improvement Corporation of Greene County  
STATEMENT OF FINANCIAL POSITION  
December 31, 2005

ASSETS

CURRENT ASSETS

Cash		\$ 544,127
Notes and accounts receivable		
Notes receivable	\$ 15,995	
Accrued interest receivable	2,668	
Less: allowance for doubtful accounts	<u>18,663</u>	<u>-</u>

Total current assets 544,127

PROPERTY AND EQUIPMENT - AT COST

Land	17,800	
Building	77,200	
Computer equipment	<u>6,524</u>	
	101,524	
Less: accumulated depreciation	<u>21,481</u>	<u>80,043</u>

\$ 624,170

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable - Development Projects, Inc.		\$ 86,681
Refundable lease deposit		<u>500</u>

Total current liabilities 87,181

NET ASSETS

Unrestricted	\$ 525,574	
Temporarily restricted	<u>11,415</u>	<u>536,989</u>

\$ 624,170

The accompanying notes are an integral part of this statement.

Community Improvement Corporation of Greene County  
 STATEMENT OF ACTIVITIES  
 Year ended December 31, 2005

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
Revenues and support			
Greene County	\$ 325,748	\$ -	\$ 325,748
Development Projects, Inc.	215,000	-	215,000
Rents received	10,600	-	10,600
Interest income	7,733	-	7,733
Other income	8,331	-	8,331
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
 Total revenue	 567,412	 -	 567,412
Program and administrative expenses			
Image promotion	27,465	-	27,465
Support services and staff development	794	-	794
New business development	392	-	392
Administration	8,044	-	8,044
Development projects and grants	446,921	-	446,921
Greene County Foundation	82,500	-	82,500
Rental property expenses	1,322	-	1,322
Depreciation	<u>1,930</u>	<u>-</u>	<u>1,930</u>
 Total expenses	 <u>569,368</u>	 <u>-</u>	 <u>569,368</u>
 Change in net assets	 (1,956)	 -	 (1,956)
Net assets at January 1, 2005	<u>527,530</u>	<u>11,415</u>	<u>538,945</u>
 Net assets at December 31, 2005	 <u>\$ 525,574</u>	 <u>\$ 11,415</u>	 <u>\$ 536,989</u>

The accompanying notes are an integral part of this statement.

Community Improvement Corporation of Greene County  
STATEMENT OF CASH FLOWS  
Year ended December 31, 2005

CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Change in net assets	\$ (1,956)
Adjustments to reconcile decrease in net assets to net cash used by operating activities	
Depreciation	1,930
(Increase) decrease in operating assets	
Accounts receivable	52,934
Increase (decrease) in operating liabilities	
Accounts payable	86,681
Refundable deposits	<u>(2,500)</u>
 Net cash provided by operating activities and increase in cash	 137,089
 Cash at January 1, 2005	 <u>407,038</u>
 Cash at December 31, 2005	 <u>\$ 544,127</u>

The accompanying notes are an integral part of this statement.

Community Improvement Corporation of Greene County  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization was formed for the purpose of advancing, encouraging and promoting the industrial, economic, commercial and civic development of the community. The Organization makes loans to companies located in Greene County, Ohio. A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

2. Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, 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 permitted by the statement, the Organization does not use fund accounting.

3. Allowance for Doubtful Accounts

The Organization has established an Allowance for Doubtful Accounts based on a review of its outstanding notes and accounts receivable at December 31, 2005. (See Note C)

4. Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives by the straight-line method.

5. Income Taxes

The Organization is an agency of Greene County, Ohio and is, therefore, exempt from income taxes under Internal Revenue Code Section 501(c)(4).

6. Estimates

The preparation of financial statements 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 Greene County  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE B - CONCENTRATION OF CREDIT RISK

The Agency maintains cash balances at several local financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 2005, the Agency's uninsured cash balances total \$398,518. It is the opinion of management that the solvency of these financial institutions is not a concern at this time.

NOTE C - NOTES RECEIVABLE

The Organization has five loans made during 2000 and 2001 under the Greene County Microenterprise Loan Program. The program is intended to provide loans to low to moderate income business owners for use in acquiring facilities and equipment, paying start-up costs and providing working capital. The loans made range from \$350 to \$10,800 and are all payable over 36 months with interest at 10%. The loans are secured by the equipment purchased and certain personal assets of the borrowers. At December 31, 2005, the borrowers were delinquent in their payments on all of these loans and the Organization was pursuing collection by various methods. The full amount due on each of these notes, including interest, has been included in the allowance for doubtful accounts at December 31, 2005.

NOTE D - RESTRICTIONS ON NET ASSETS

Revenues from grants that have the characteristics of contributions are reported as temporarily restricted support if they are received with stipulations that limit the use of the revenue. Temporarily restricted net assets at December 31, 2005 consists of funds received for the Greene County Microenterprise Loan Program.

NOTE E - REVENUES AND SUPPORT

During 2005, the Greene County Board of Commissioners utilized the Community Improvement Corporation of Greene County as a pass-through agency for the County's support of the Celebrity Classic golf tournament. In this capacity, the Organization received \$20,000 from the County, and in turn disbursed the funds to the event.

Also during 2005, \$82,500 was received from the Greene County Board of Commissioners to fund the position of Executive Director of the Greene County Community Foundation.

The Community Improvement Corporation of Greene County receives from the Greene County Board of Commissioners a fee of 15% of the gross sale proceeds for the sale of any excess property owned by the County. During 2005, \$23,248 was received from the sale of one property.

Community Improvement Corporation of Greene County  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE E - REVENUES AND SUPPORT - continued

A total of \$415,000 of pass-through funds were received in 2005 for development projects at the Acropolis office park in Beavercreek, Ohio. The Greene County Board of Commissioners provided \$200,000 of this funding. The remainder of the funding, \$215,000, was received from a grant through Development Projects, Inc., a subsidiary of the Dayton Development Coalition. In total, \$300,000 was received from Development Projects, Inc. in 2005 however, the amount not used for the Acropolis project, \$85,000, was requested to be returned and, together with interest earned on the funds, was repaid in January, 2006.

NOTE F - RENTS RECEIVED

The Organization rents space in the building it owns at 58-64 E. Main Street, Xenia, to two tenants. One lease is on an annual renewal basis and provides for rents of \$350 per month. As of December 31, 2005 the second lease is also on an annual renewal basis and provides for rents of \$500 per month. The Organization pays the real estate taxes and other expenses associated with the leased property.

NOTE G - DONATED SERVICES

The Organization has no paid employees; time spent on its activities by the Officers and Trustees of the Organization is donated by local businesses, Greene County and the individuals themselves. The value of the donated services has not been recorded in the financial statements at December 31, 2005.

SUPPLEMENTAL INFORMATION

## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

Board of Trustees  
Community Improvement Corporation of Greene County

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole of the Community Improvement Corporation of Greene County for the year ended December 31, 2005, which are presented in the preceding section of this report. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards* issued by the Comptroller General of the United States. The supplemental information presented hereinafter is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Harvey L. Harris, CPA*

March 8, 2006

Community Improvement Corporation of Greene County  
SCHEDULE OF FINANCIAL POSITION BY ACCOUNT  
December 31, 2005

	<u>CIC accounts</u>	<u>Campaign for Greene County accounts</u>	<u>Micro- enterprise Loan Fund account</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 236,228	\$ 296,484	\$ 11,415
Notes and accounts receivable			
Notes receivable	-	-	15,995
Accrued interest receivable	-	-	2,668
Less allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>18,663</u>
	<u>-</u>	<u>-</u>	<u>-</u>
 Total current assets	 236,228	 296,484	 11,415
 <b>PROPERTY AND EQUIPMENT - at cost</b>			
Land	17,800	-	-
Building	77,200	-	-
Computer equipment	<u>-</u>	<u>6,524</u>	<u>-</u>
	95,000	6,524	-
Less accumulated depreciation	<u>14,957</u>	<u>6,524</u>	<u>-</u>
	<u>80,043</u>	<u>-</u>	<u>-</u>
	<u><u>\$ 316,271</u></u>	<u><u>\$ 296,484</u></u>	<u><u>\$ 11,415</u></u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 86,681	\$ -	\$ -
Refundable lease deposit	<u>500</u>	<u>-</u>	<u>-</u>
 Total current liabilities	 87,181	 -	 -
 <b>NET ASSETS</b>			
Unrestricted	229,090	296,484	-
Temporarily restricted	<u>-</u>	<u>-</u>	<u>11,415</u>
	<u>229,090</u>	<u>296,484</u>	<u>11,415</u>
	<u><u>\$ 316,271</u></u>	<u><u>\$ 296,484</u></u>	<u><u>\$ 11,415</u></u>

Community Improvement Corporation of Greene County  
SCHEDULE OF ACTIVITIES BY ACCOUNT  
Year ended December 31, 2005

	<u>CIC</u> <u>accounts</u>	Campaign for Greene County <u>accounts</u>	Micro- enterprise Loan Fund <u>account</u>
Revenues and support			
Greene County	\$ 23,248	\$ 302,500	\$ -
Development Projects, Inc.	215,000	-	-
Rents received	10,600	-	-
Interest income	3,012	4,721	-
Other income	<u>-</u>	<u>8,331</u>	<u>-</u>
 Total revenue	 251,860	 315,552	 -
Program and administrative expenses			
Image promotion	-	27,465	-
Support services and staff development	-	794	-
New business development	-	392	-
Administration	7,833	211	-
Development projects and grants	215,000	231,921	-
Greene County Foundation	-	82,500	-
Rental property expenses	1,322	-	-
Depreciation	<u>1,930</u>	<u>-</u>	<u>-</u>
 Total expenses	 <u>226,085</u>	 <u>343,283</u>	 <u>-</u>
 Increase (decrease) in net assets	 25,775	 (27,731)	 -
Net assets at January 1, 2005	229,765	297,765	11,415
Inter-account transfers	<u>(26,450)</u>	<u>26,450</u>	<u>-</u>
 Net assets at December 31, 2005	 <u>\$ 229,090</u>	 <u>\$ 296,484</u>	 <u>\$ 11,415</u>

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees  
Community Improvement Corporation of Greene County

I have audited the financial statements of the Community Improvement Corporation of Greene County (a nonprofit organization) as of and for the year ended December 31, 2005, and have issued my report thereon dated March 8, 2006. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered the Community Improvement Corporation of Greene County's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Compliance

As part of obtaining reasonable assurance about whether the Community Improvement Corporation of Greene County's financial statements are free of material misstatement, I performed tests of its compliance with certain laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Trustees, management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

*Harvey L. Harris, CPA*

March 8, 2006



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
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800-282-0370

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**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  
JULY 06, 2006**