

Financial Statements
And
Independent Auditor's Report

Community Improvement Corporation of Greene County

December 31, 2006



Mary Taylor, CPA

Auditor of State

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, 2006 through December 31, 2006. 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 "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 25, 2007

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Community Improvement Corporation of Greene County
OFFICERS AND TRUSTEES
December 31, 2006

OFFICERS

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

TRUSTEES

Mark Guess	Agriculture
Frank James	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, 2006 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 the standards applicable to financial audits contained in *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, 2006 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 June 15, 2007 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

June 15, 2007

Community Improvement Corporation of Greene County
 STATEMENT OF FINANCIAL POSITION
 December 31, 2006

ASSETS

CURRENT ASSETS

Cash		\$ 484,525
Accounts receivable - unbilled		<u>4,417</u>
Total current assets		488,942

PROPERTY - AT COST

Land	\$ 17,800	
Building	<u>97,175</u>	
	114,975	
Less: accumulated depreciation	<u>16,887</u>	<u>98,088</u>
		<u>\$ 587,030</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable - building renovation	\$ 2,878	
Unearned rent	500	
Refundable lease deposit	<u>500</u>	
Total current liabilities		3,878

NET ASSETS

Unrestricted	\$ 571,617	
Temporarily restricted	<u>11,535</u>	<u>583,152</u>
		<u>\$ 587,030</u>

The accompanying notes are an integral part of this statement.

Community Improvement Corporation of Greene County
STATEMENT OF ACTIVITIES
Year ended December 31, 2006

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Totals</u>
Revenues and support			
Development Projects, Inc.	\$ 3,179,667	\$ -	\$ 3,179,667
Greene County	69,200	-	69,200
Greene County Community Foundation	72,500	-	72,500
Rents received	7,450	-	7,450
Interest income	8,512	-	8,512
Other income	4,382	120	4,502
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
 Total revenue	 3,341,711	 120	 3,341,831
Program and administrative expenses			
Development projects and grants	3,179,380	-	3,179,380
Foundation payroll reimbursement	92,500	-	92,500
New business development	3,871	-	3,871
Administration	8,057	-	8,057
Image promotion	6,098	-	6,098
Support services and staff development	226	-	226
Rental property expenses	3,606	-	3,606
Depreciation	<u>1,930</u>	<u>-</u>	<u>1,930</u>
 Total expenses	 <u>3,295,668</u>	 <u>-</u>	 <u>3,295,668</u>
 Change in net assets	 46,043	 120	 46,163
Net assets at January 1, 2006	<u>525,574</u>	<u>11,415</u>	<u>536,989</u>
Net assets at December 31, 2006	<u>\$ 571,617</u>	<u>\$ 11,535</u>	<u>\$ 583,152</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, 2006

CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Change in net assets	\$ 46,163
Adjustments to reconcile increase in net assets to net cash used by operating activities	
Depreciation	1,930
(Increase) decrease in operating assets	
Accounts receivable	(4,417)
Increase (decrease) in operating liabilities	
Accounts payable	(86,681)
Unearned rent	<u>500</u>
 Net cash used by operating activities	 (42,505)
CASH PROVIDED (USED) BY INVESTING ACTIVITIES	
Payments for building renovations	<u>(17,097)</u>
 Net decrease in cash	 (59,602)
 Cash at January 1, 2005	 <u>544,127</u>
 Cash at December 31, 2005	 <u>\$ 484,525</u>

Noncash investing and financing activities in 2006 consist of financing \$2,878 of building renovations through accounts payable.

The accompanying notes are an integral part of this statement.

Community Improvement Corporation of Greene County
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

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 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.

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. 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.

4. 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).

5. 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, 2006

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, 2006, the Agency's uninsured cash balances total \$338,105. It is the opinion of management that the solvency of these financial institutions is not a concern at this time.

NOTE C - 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, 2006 consists of cash of \$11,535 received for the Greene County Microenterprise Loan Program.

NOTE D - REVENUES AND SUPPORT

During 2006, the Greene County Board of Commissioners utilized the Community Improvement Corporation of Greene County as a pass-through agency for the County's activities to encourage economic growth and new business development. In this capacity, the Organization received \$49,200 from the County, and in turn disbursed the funds to qualifying companies.

Also during 2006, \$20,000 was received from the Greene County Board of Commissioners to fund the position of Executive Director of the Greene County Community Foundation. In addition, the Foundation paid \$72,500 to the Community Improvement Corporation of Greene County as a pass-through to reimburse the Greene County Board of Commissioners for the Foundation's 2006 payroll, which was paid by the County.

A total of \$3,179,667 was received in 2006 from Development Projects, Inc., a grantee of the State of Ohio, Department of Development, for the development of "shovel ready" sites in Greene County. The three separate grants are funding land acquisitions for two business/industrial park sites in Beavercreek, Ohio and the planning, engineering, design and other costs for a business/industrial site in Xenia, Ohio. Accounts receivable at December 31, 2006 consists of a reimbursement to be made for an expenditure under the grant for the Xenia site.

Community Improvement Corporation of Greene County
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE E - RENTS RECEIVED

In 2006, the Organization rented 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 \$500 per month. The second lease was also on an annual renewal basis, but was terminated during 2006. The Organization pays the real estate taxes and other expenses associated with the leased property.

NOTE F - 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, 2006.

SUPPLEMENTAL INFORMATION

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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, 2006, 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 the standards applicable to financial audits contained in *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

June 15, 2007

Community Improvement Corporation of Greene County
SCHEDULE OF FINANCIAL POSITION BY ACCOUNT GROUP
December 31, 2006

	<u>CIC</u> <u>accounts</u>	Campaign for Greene County <u>accounts</u>	Micro- enterprise Loan Fund <u>account</u>
ASSETS			
CURRENT ASSETS			
Cash	\$ 163,929	\$ 309,061	\$ 11,535
Accounts receivable - unbilled	<u>-</u>	<u>4,417</u>	<u>-</u>
Total current assets	163,929	313,478	11,535
PROPERTY AND EQUIPMENT - at cost			
Land	17,800	-	-
Building	<u>97,175</u>	<u>-</u>	<u>-</u>
	114,975	-	-
Less accumulated depreciation	<u>16,887</u>	<u>-</u>	<u>-</u>
	<u>98,088</u>	<u>-</u>	<u>-</u>
	<u>\$ 262,017</u>	<u>\$ 313,478</u>	<u>\$ 11,535</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable - building renovation	\$ 2,878	\$ -	\$ -
Unearned rent	500	-	-
Refundable lease deposit	<u>500</u>	<u>-</u>	<u>-</u>
Total current liabilities	3,878	-	-
NET ASSETS			
Unrestricted	258,139	313,478	-
Temporarily restricted	<u>-</u>	<u>-</u>	<u>11,535</u>
	<u>258,139</u>	<u>313,478</u>	<u>11,535</u>
	<u>\$ 262,017</u>	<u>\$ 313,478</u>	<u>\$ 11,535</u>

Community Improvement Corporation of Greene County
SCHEDULE OF ACTIVITIES BY ACCOUNT GROUP
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			
Development Projects, Inc.	\$ 3,126,063	\$ 53,604	\$ -
Greene County	-	69,200	-
Greene County Community Foundation		72,500	
Rents received	7,450	-	-
Interest income	5,175	3,337	-
Other income	-	4,382	120
	<hr/>	<hr/>	<hr/>
Total revenue	3,138,688	203,023	120
Program and administrative expenses			
Development projects and grants	3,085,000	94,380	-
Foundation payroll reimbursement	-	92,500	-
New business development	-	3,871	-
Administration	8,039	18	-
Image promotion	-	6,098	-
Support services and staff development	-	226	-
Rental property expenses	3,606	-	-
Depreciation	1,930	-	-
	<hr/>	<hr/>	<hr/>
Total expenses	3,098,575	197,093	-
Change in net assets	40,113	5,930	120
Net assets at January 1, 2006	229,090	296,484	11,415
Inter-account transfers	(11,064)	11,064	-
	<hr/>	<hr/>	<hr/>
Net assets at December 31, 2006	<u>\$ 258,139</u>	<u>\$ 313,478</u>	<u>\$ 11,535</u>

Harvey L. Harris
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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, 2006, and have issued my report thereon dated June 15, 2007. 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 reportable 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 caused by error or fraud 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 and Other Matters

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 provisions of laws, regulations, contracts, and grant agreements, 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

June 15, 2007



Mary Taylor, CPA
Auditor of State

COMMUNITY IMPROVEMENT CORPORATION

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
AUGUST 7, 2007**