

**COMMUNITY IMPROVEMENT CORPORATION
OF
SUMMIT, MEDINA AND PORTAGE
COUNTIES**

FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS

DECEMBER 31, 2009 AND 2008





Mary Taylor, CPA
Auditor of State

Board of Trustees
Community Improvement Corporation of Summit,
Medina and Portage Counties
One Cascade Plaza
17th Floor
Akron, Ohio 44308

We have reviewed the *Independent Auditors' Report* of the Community Improvement Corporation of Summit, Medina and Portage Counties, prepared by Apple Growth Partners, for the audit period January 1, 2009 through December 31, 2009. 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 Summit, Medina and Portage Counties is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 4, 2010

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**Community Improvement Corporation
of Summit, Medina and Portage Counties**

**Financial Statements
December 31, 2009 and 2008**

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Independent Auditors' Report

To the Board of Trustees of
Community Improvement Corporation
of Summit, Medina and Portage Counties
Akron, Ohio

We have audited the accompanying statements of financial position of Community Improvement Corporation of Summit, Medina, and Portage Counties (a nonprofit organization) as of December 31, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 we plan and perform the audits 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Improvement Corporation of Summit, Medina and Portage Counties as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2010, 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. The purpose of that report is to describe the scope of our 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 read in conjunction with this report in considering the results of our audit.

Apple Growth Partners

March 25, 2010

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Community Improvement Corporation
Statements of Financial Position

	December 31,	
	2009	2008
ASSETS		
Current assets		
Cash and cash equivalents	\$ 271,067	\$ 270,863
Property and equipment		
Furniture and fixtures	416	416
Less accumulated depreciation	416	416
	-	-
	\$ 271,067	\$ 270,863
 LIABILITIES		
Current liabilities		
Accounts payable	\$ 12,098	\$ -
 STOCKHOLDERS' EQUITY		
Unrestricted:		
Designated by the board for economic development - CAPP - NOTE B	47,836	47,836
Undesignated	211,133	223,027
	258,969	270,863
	\$ 271,067	\$ 270,863

Community Improvement Corporation
Statements of Activities

	For the Years Ended December 31,	
	2009	2008
REVENUE:		
Project fees	\$ -	\$ 10,400
Interest income	3,503	7,908
	3,503	18,308
EXPENSES:		
Administrative	12,000	-
Professional fees	3,397	3,444
Miscellaneous	-	36
	15,397	3,480
Change in net assets	(11,894)	14,828
Net assets, beginning of year	270,863	256,035
Net assets, end of year	\$ 258,969	\$ 270,863

Community Improvement Corporation
Statements of Cash Flows

	For the Years Ended December 31,	
	2009	2008
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (11,894)	\$ 14,828
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Increase in account payable and accrued expenses	12,098	-
Net cash provided by operating activities	204	14,828
Net increase in cash and cash equivalents	204	14,828
Cash and cash equivalents, beginning of year	270,863	256,035
Cash and cash equivalents, end of year	\$ 271,067	\$ 270,863

**Community Improvement Corporation
of Summit, Medina and Portage Counties**
Notes to the Financial Statements
December 31, 2009 and 2008

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Community Improvement Corporation (The Corporation) is presented to assist in understanding the financial statements.

Description of the Organization - The Corporation was organized to promote the industrial, commercial, civic and economic development of Summit, Medina and Portage Counties.

Financial Statement Presentation - Under the Financial Accounting Standards Board ASC 958-205-05 (formally SFAS No. 117), *Financial Statements of Not-for-Profit Organizations*, 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, based upon the existence or absence of donor-imposed restrictions. A description of these categories follows:

Unrestricted Net Assets - Unrestricted net assets represent the operations of the Corporation, including net assets designated by the Board of Trustees.

Temporarily Restricted Net Assets - Temporarily restricted net assets represent amounts received that were restricted by the donor or grantor or other outside party for a specific purpose. On December 9, 2003, the Corporation assigned its certificate of deposit accounts along with the interest accrued, as collateral to secure a loan payable to the Greater Akron Chamber of Commerce.

Permanently Restricted Net Assets - Permanently restricted net assets represent amounts received for which the principal must be preserved and only the income is available for use. The Corporation has no permanently restricted net assets at this time.

Recent Accounting Pronouncements - In June 2009, the Financial Accounting Standards Board (FASB) issued *The FASB Accounting Standards CodificationTM and the Hierarchy of Generally Accepted Accounting Principles*, which establishes the FASB Accounting Standards CodificationTM (ASC) as the source of authoritative accounting principles generally accepted in the United States of America (GAAP) to be applied by nongovernmental entities. The ASC is effective for financial statements issued for interim and annual periods ending after September 15, 2009. For these financial statements, references to accounting guidance have been revised to conform to the ASC.

In May 2009, the FASB issued accounting guidance for subsequent events, which establishes guidance for recognizing and disclosing subsequent events in the financial statements. This guidance requires the disclosure of the date through which an entity has evaluated subsequent events. This guidance is effective for interim and annual periods ending after June 15, 2009. The Company has evaluated subsequent events through March 25, 2010, the date that the Company's annual financial statements were issued.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the Corporation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**Community Improvement Corporation
of Summit, Medina and Portage Counties**
Notes to the Financial Statements
December 31, 2009 and 2008

Accounts Receivable - Accounts receivable represent amounts due during the next fiscal year. The Corporation had no accounts receivable at December 31, 2009 and 2008.

Property and Equipment - Fixed assets are recorded at cost. Depreciation is computed by the straight-line method based on the estimated useful lives of the related assets, which range from 5 to 7 years. Expenditures for repairs and maintenance are charged to expense as incurred, whereas major betterments are capitalized.

Income Taxes - The Community Improvement Corporation is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist principally of temporary cash investments. The Corporation places its temporary cash investments with financial institutions and other companies. At December 31, 2009 and 2008, there were no uninsured cash balances maintained in financial institutions. Additionally, the Corporation had approximately \$105,000 and \$104,000 invested in a money market account at a financial institution at December 31, 2009 and 2008, respectively, which was not insured by the Federal Deposit Insurance Corporation.

C. MAJOR CUSTOMER

During 2009, the Corporation had no customers for project fees.

During 2008, the Corporation had one customer who accounted for project fees of \$10,000.

**Community Improvement Corporation
of Summit, Medina and Portage Counties**
Notes to the Financial Statements
December 31, 2009 and 2008

D. RELATED PARTY TRANSACTIONS

The Greater Akron Chamber, related through common officers, provides all administrative services necessary to carry out the operations of the Community Improvement Corporation. Because of the drop in activity of the Corporation, the Chamber did not charge the Corporation an administrative fee in 2008; however, in 2009, an administrative fee was charged in the amount of \$12,000.

During 1992, the Community Improvement Corporation entered into a loan agreement with Greater Akron Chamber, whereby the Community Improvement Corporation will lend up to \$200,000 to the Chamber for the Capital Access Plus Program that promotes economic development. The loan will be drawn in advances, as needed until the aggregate principal amount of all the advances totals the \$200,000 for a period of ninety-nine years. A forgiveness of debt clause exists for a dollar-for-dollar reduction in principal balance whenever the Capital Access Plus Program experiences any claims out of its loan loss reserve account. The activity for the CAPP program is as follows:

Initial agreement	\$	200,000
Advances made December 31, 1992		(17,830)
Advances made December 31, 1993		(37,733)
Advances made December 31, 1994		(31,081)
Advances made December 31, 1995		(13,720)
Advances made December 31, 1996		(17,550)
Advances made December 31, 1997		(5,000)
Advances made December 31, 1998		(15,250)
Advances made December 31, 1999		(5,000)
Advances made December 31, 2000		(9,000)
Advances made December 31, 2001		-
Advances made December 31, 2002		-
Advances made December 31, 2003		-
Advances made December 31, 2004		-
Advances made December 31, 2005		-
Advances made December 31, 2006		-
Advances made December 31, 2007		-
Advances made December 31, 2008		-
Advances made December 31, 2009		-
		<hr/>
Balance available	\$	<u>47,836</u>

The \$152,164 previously loaned has been forgiven and written off as a result of the forgiveness of debt clause mentioned above. The remaining \$47,836 may not be used to fund the loan loss reserve account for loans already paid off by the Chamber.



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

To the Board of Trustees of
Community Improvement Corporation of
Summit, Medina and Portage Counties
Akron, Ohio

We have audited the financial statements of Community Improvement Corporation of Summit, Medina and Portage Counties (a nonprofit organization) as of and for the year ended December 31, 2009, and have issued our report thereon dated March 25, 2010. We conducted our 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 our audit, we considered Community Improvement Corporation of Summit, Medina and Portage Counties' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Improvement Corporation of Summit, Medina and Portage Counties' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Improvement Corporation of Summit, Medina and Portage Counties' financial statements are free of material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our 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 management, the audit committee, Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Apple Growth Partners

Akron, Ohio
March 25, 2010



Mary Taylor, CPA
Auditor of State

COMMUNITY IMPROVEMENT CORPORATION OF SUMMIT, MEDINA AND PORTAGE COUNTIES

SUMMIT 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 14, 2010**