

**COMMUNITY IMPROVEMENT CORPORATION OF GREENVILLE
DARKE COUNTY, OHIO**

***FINANCIAL STATEMENTS
(AUDITED)***

FOR THE YEARS ENDED
DECEMBER 31, 2012 AND DECEMBER 31, 2011

SHARON DESCHAMBEAU, SECRETARY/TREASURER



Dave Yost • Auditor of State

Board of Directors
Community Improvement Corporation of Greenville
622 S. Broadway Street
Greenville, Ohio 45331

We have reviewed the *Independent Auditor's Report* of the Community Improvement Corporation of Greenville, Darke County, prepared by Julian & Grube, Inc., for the audit period January 1, 2011 through December 31, 2012. 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 Greenville is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 18, 2013

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**COMMUNITY IMPROVEMENT CORPORATION OF GREENVILLE
DARKE COUNTY, OHIO**

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Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Community Improvement Corporation of Greenville
622 S. Broadway Street
Greenville, Ohio 45331

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the Community Improvement Corporation of Greenville, Darke County, Ohio, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the Community Improvement Corporation of Greenville's financial statements as listed in the table of contents.

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 Community Improvement Corporation of Greenville'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 Community Improvement Corporation of Greenville's internal control. Accordingly, we express no 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Community Improvement Corporation of Greenville, Darke County, Ohio, as of December 31, 2012 and 2011, and the respective changes in financial position and, cash flows, thereof 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 May 23, 2013, on our consideration of the Community Improvement Corporation of Greenville'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. 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 Community Improvement Corporation of Greenville's internal control over financial reporting and compliance.



Julian & Grube, Inc.
May 23, 2013

FINANCIAL STATEMENTS

**COMMUNITY IMPROVEMENT CORPORATION OF GREENVILLE
DARKE COUNTY, OHIO**

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011

	2012	2011
Assets:		
Current assets:		
Cash and Cash Equivalents	\$ 238,956	\$ 142,521
Certificates of deposit	-	102,569
Total current assets	238,956	245,090
Non-current assets:		
Nondepreciable capital assets	1,122,487	1,122,487
Depreciable capital assets, net.	12,572	13,723
Total noncurrent assets	1,135,059	1,136,210
Total assets	1,374,015	1,381,300
Net Assets:		
Unrestricted	1,374,015	1,381,300
Total net assets	\$ 1,374,015	\$ 1,381,300

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**COMMUNITY IMPROVEMENT CORPORATION OF GREENVILLE
DARKE COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Unrestricted
Revenues:	
Interest	\$ 1,574
Land Rent	10,725
Total revenues.	12,299
Expenses:	
Management fee	2,200
Professional services	2,045
Meeting expense	84
Depreciation	1,151
Postage	92
Fees	35
Insurance	1,500
Real estate tax	12,477
Total operating expenses.	19,584
Change in net assets	(7,285)
Net assets at beginning of year	1,381,300
Net assets at end of year	\$ 1,374,015

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**COMMUNITY IMPROVEMENT CORPORATION OF GREENVILLE
DARKE COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Unrestricted
Revenues:	
Interest	\$ 3,441
Contribution - City of Greenville	100,000
Total revenues.	103,441
Expenses:	
Management fee	2,200
Professional services	8,880
Engineering services	4,459
Meeting expense	77
Depreciation	1,247
Promotion/marketing	1,825
Incentive package - Ramco Electric Motors	100,000
Postage	93
Fees	115
Insurance	1,500
Real estate tax	515
Total operating expenses.	120,911
Change in net assets	(17,470)
Net assets at beginning of year	1,398,770
Net assets at end of year	\$ 1,381,300

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**COMMUNITY IMPROVEMENT CORPORATION OF GREENVILLE
DARKE COUNTY, OHIO**

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (7,285)	\$ (17,470)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,151	1,247
Interest added to certificates of deposit at renewals .	-	(1,715)
(Increase) decrease in operating assets		
Accrued interest receivable	-	264
Net cash provided by/(used in) operating activities. . . .	(6,134)	(17,674)
Cash flows from investing activities:		
Purchase of development land	-	(200,499)
Redemption of certificates of deposit	102,569	201,166
Net cash provided by/(used in) investing activities	102,569	667
Net increase/(decrease) in cash and cash equivalents. . .	96,435	(17,007)
Cash at beginning of year	142,521	159,528
Cash and investments at end of year.	\$ 238,956	\$ 142,521

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

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**COMMUNITY IMPROVEMENT CORPORATION OF GREENVILLE
DARKE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The Community Improvement Corporation of Greenville, Ohio (the "Corporation"), is a not-for-profit organization which purchases and develops land to attract new industries/businesses to locate in Greenville, Ohio, and assist local industries/businesses to expand their facilities. The Corporation was incorporated in 1963 by the Secretary of State.

The Board of Trustees is to be comprised of thirteen to seventeen members. The following elected or appointed officials of the City of Greenville and Darke County shall constitute seven of the members of the Board of Trustees: Mayor, City Auditor, City Safety/Service Director, City Engineer, President of City Council, and two members of City Council. Two members of the City Council are selected by the Council and serve two years or until their successors have been appointed and qualified. The remaining members of the Board are elected by the Corporation and hold office for a period of three years or until their successors have been elected and qualified.

The Corporation's management believes these financial statements present all activities for which the Corporation is financially accountable.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accounts are maintained and these financial statements are presented on the accrual basis. The accounting policy relative to the carrying value of development land is indicated on the statement of financial position.

B. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ASC 958, *Financial Statements of Not-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. The Corporation does not have any temporarily restricted or permanently restricted net assets.

C. Use of Estimates

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

**COMMUNITY IMPROVEMENT CORPORATION OF GREENVILLE
DARKE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Concentration of Credit Risk

The Corporation maintains its cash accounts and certificates of deposit in two commercial banks in Ohio. The cash balances rarely will exceed the limit of \$250,000 that is guaranteed by the Federal Deposit Insurance Corporation. The Corporation considers these banks to have a high enough stability that any cash in excess of the limit is at minimal risk.

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Corporation considers all cash in savings accounts and cash in checking accounts, whether unrestricted or restricted to be cash equivalents.

F. Property and Depreciation

Land improvements are recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of 15 years.

NOTE 3 - DEVELOPMENT LAND

The Corporation's development land is valued at cost and held for resale. Capital asset activity for the year ended December 31, 2012:

	Balance 01/01/12	Additions	Disposals	Balance 12/31/12
<i>Capital assets, not being depreciated:</i>				
Land holdings	\$1,122,487	\$ -	\$ -	\$1,122,487
Total capital assets, not being depreciated	<u>1,122,487</u>	<u>-</u>	<u>-</u>	<u>1,122,487</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	17,272	-	-	17,272
Total capital assets, being depreciated	<u>17,272</u>	<u>-</u>	<u>-</u>	<u>17,272</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(3,549)	(1,151)	-	(4,700)
Total accumulated depreciation	<u>(3,549)</u>	<u>(1,151)</u>	<u>-</u>	<u>(4,700)</u>
Total capital assets, being depreciated, net	<u>13,723</u>	<u>(1,151)</u>	<u>-</u>	<u>12,572</u>
Capital assets, net	<u>\$1,136,210</u>	<u>\$ (1,151)</u>	<u>\$ -</u>	<u>\$1,135,059</u>

**COMMUNITY IMPROVEMENT CORPORATION OF GREENVILLE
DARKE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 3 - DEVELOPMENT LAND - (Continued)

The Corporation's development land is valued at cost and held for resale. Capital asset activity for the year ended December 31, 2011:

	Balance 01/01/11	Additions	Disposals	Balance 12/31/11
<i>Capital assets, not being depreciated:</i>				
Land holdings	\$ 921,988	\$ 200,499	\$ -	\$ 1,122,487
Total capital assets, not being depreciated	921,988	200,499	-	1,122,487
<i>Capital assets, being depreciated:</i>				
Land improvements	17,272	-	-	17,272
Total capital assets, being depreciated	17,272	-	-	17,272
<i>Less: accumulated depreciation:</i>				
Land improvements	(2,302)	(1,247)	-	(3,549)
Total accumulated depreciation	(2,302)	(1,247)	-	(3,549)
Total capital assets, being depreciated, net	14,970	(1,247)	-	13,723
Capital assets, net	\$ 936,958	\$ 199,252	\$ -	\$ 1,136,210

The Corporation had the following landholdings at December 31:

	2012	2011
Landsdowne Street	\$ 63,946	\$ 63,946
Progress Drive	50,449	50,449
Jaysville-St. John's and Sebring-Warner Road	546,989	546,989
Morris Land	461,103	461,103
Total	\$ 1,122,487	\$ 1,122,487

NOTE 4 - RESTRICTION OF NET ASSETS

The Corporation did not have any restrictions on cash as of December 31, 2012.

NOTE 5 - TAX EXEMPT STATUS

The Corporation is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Service Code. The Corporation was recognized as tax exempt in May of 1967.

**COMMUNITY IMPROVEMENT CORPORATION OF GREENVILLE
DARKE COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 6 - MANAGEMENT FEE

Annually, the Corporation enters into an agreement with the Darke County Chamber of Commerce to provide professional services.

The Corporation paid a management fee to the Darke County Chamber of Commerce in the amount of \$2,200 in both 2012 and 2011.

NOTE 7 - RISK MANAGEMENT

The Corporation has obtained commercial insurance for comprehensive property and general liability. The coverage limits are as follows:

Each Occurrence Limit	\$	1,000,000
Damage to Premises Rented Limit		100,000
Medical Expenses Limit		5,000
Personal and Advertising Injury Limit		1,000,000
General Aggregate Limit		2,000,000
Products/Completed Operations Aggregate Limit		2,000,000

NOTE 8 - RELATED PARTY TRANSACTIONS

The Corporation has bank accounts at Second National Bank. The President of Greenville National Bank is also a Corporation board member, in which the Corporation has an account.

NOTE 9 - INCENTIVE PACKAGE

The City of Greenville entered into an agreement with Ramco Electric Motors, where in the City agreed to pay \$100,000 to Ramco Electric Motors for the purpose of economic development. The funds were paid by the City of Greenville to Ramco Electric Motors through the Community Improvement Corporation of Greenville.



Julian & Grube, Inc.
Serving Ohio Local Governments

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**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards***

Community Improvement Corporation of Greenville
622 S. Broadway Street
Greenville, Ohio 45331

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 Greenville, Darke County, Ohio, as of December 31, 2012 and 2011 and the related notes to the financial statements, and have issued our report thereon dated May 23, 2013.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Community Improvement Corporation of Greenville's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Community Improvement Corporation of Greenville'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 Community Improvement Corporation of Greenville'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.

Board of Directors
Community Improvement Corporation of Greenville

Compliance and Other Matters

As part of reasonably assuring whether the Community Improvement Corporation of Greenville'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 Community Improvement Corporation of Greenville's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Community Improvement Corporation of Greenville's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
May 23, 2013



Dave Yost • Auditor of State

COMMUNITY IMPROVEMENT CORPORATION OF GREENVILLE

DARKE 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 30, 2013**