



**MADISON COUNTY COMMUNITY IMPROVEMENT CORPORATION
MADISON COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2011



Dave Yost • Auditor of State

**MADISON COUNTY COMMUNITY IMPROVEMENT CORPORATION
MADISON COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Madison County Community Improvement Corporation
Madison County
730 Keny Blvd
London, Ohio 43140

To the Board of Directors:

We have audited the accompanying basic financial statements of the Madison County Community Improvement Corporation, Madison County, Ohio (the CIC), as of and for the year ended December 31, 2011, as listed in the table of contents. These financial statements are the responsibility of the CIC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides 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 the Madison County Community Improvement Corporation, Madison County, Ohio, as of December 31, 2011, and the changes in its financial position 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*, we have also issued our report dated April 8, 2013, on our consideration of the CIC'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 testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Dave Yost
Auditor of State

April 8, 2013

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**MADISON COUNTY COMMUNITY IMPROVEMENT CORPORATION
MADISON COUNTY**

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2011

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 13,065
Accounts receivable	<u>69,986</u>
TOTAL CURRENT ASSETS	<u>83,051</u>

TOTAL ASSETS	<u><u>\$ 83,051</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	<u>\$ 25,940</u>
TOTAL CURRENT LIABILITIES	<u>25,940</u>

TOTAL LIABILITIES	<u>25,940</u>
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NET ASSETS

Unrestricted	<u>57,111</u>
TOTAL NET ASSETS	<u>57,111</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 83,051</u></u>
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See Accompanying Notes to the Basic Financial Statements

**MADISON COUNTY COMMUNITY IMPROVEMENT CORPORATION
MADISON COUNTY**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2011

INCOME:

Dues	\$ 107,500
Management Fee	8,797
Grants	5,000
Scholarship Donations	530
Refund	166
Rental/Deercreek Twp Building	279,650
TOTAL INCOME	<u>401,643</u>

EXPENSES:

Bank Charges	23
Deercreek Twp Construction Costs	279,650
Dues and Subscriptions	5,649
Insurance	1,169
Management Fee	53,885
Meals and Entertainment	191
Meetings	245
Miscellaneous	200
Rent and CAM	9,549
Scholarship Fund	1,000
Tax Preparation	725
Travel	371
Website Hosting	140
TOTAL EXPENSES	<u>352,797</u>

INCREASE IN NET ASSETS 48,846

Net assets, beginning of year	<u>8,265</u>
Net assets, end of year	<u>\$ 57,111</u>

See Accompanying Notes to the Basic Financial Statements

**MADISON COUNTY COMMUNITY IMPROVEMENT CORPORATION
MADISON COUNTY**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 48,846
Changes in assets and liabilities:	
Accounts Receivable	(69,986)
Accounts Payable	25,940
Net cash provided by (used for) operating activities	<u>4,800</u>
Net increase in cash and cash equivalents	4,800
Cash and cash equivalents at beginning of year	<u>8,265</u>
Cash and cash equivalents at end of year	<u><u>\$ 13,065</u></u>

See Accompanying Notes to the Basic Financial Statements

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**MADISON COUNTY COMMUNITY IMPROVEMENT CORPORATION
MADISON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 1: REPORTING ENTITY

ORGANIZATION AND NATURE OF ACTIVITIES

Madison County Future, Inc., doing business as the Madison County Community Improvement Corporation (the "CIC") is a nonprofit organization established for the purpose of advancing, encouraging, and prompting the industrial, commercial and civic development of Madison County. It has accomplished this function by acting as a conduit between prospective businesses and the state and local governments. The Corporation's funding is provided by administering and operating its ventures, as well as contributions from local government, local businesses and individuals.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the financial statements of the CIC.

Basis of Accounting

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

Basis of Presentation

The CIC's financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Standards (SFAS) No. 117, Financial Statements of Not for Profit Organizations. Under SFAS 117, the CIC is required to report information regarding its financial position and activities according to three classes: unrestricted, temporarily restricted and permanently restricted assets. Currently, the CIC has only unrestricted net assets.

Income Taxes

The CIC is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Cash and Cash Equivalents

Short-term, highly liquid investments that are readily convertible to known amounts of cash, including money market accounts, and have original maturities of three months or less are considered to be cash equivalents.

Property and Equipment

All property and equipment the CIC uses is owned by the Madison County Chamber of Commerce.

Revenue and Expense Recognition

Revenues are recorded in the period for which they are awarded based upon signed contracts. In the absence of a signed contract, revenues are recorded when the cash is received. Revenues received for specific purposes are used in accordance with applicable restrictions. Expenses are included in operations in the period they are incurred.

Statement of Cash Flows

Cash and cash equivalents in the statement of cash flows includes unrestricted cash.

**MADISON COUNTY FUTURE INC.
MADISON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations posed on their use either through the enabling legislation or through external restrictions imposed by CIC members or grantors.

The CIC currently only has unrestricted funds.

At January 1, 2011, the CIC had a cash balance of \$8,265. The CIC's funds were held by the Madison County Chamber of Commerce in the Chamber of Commerce bank account during the previous fiscal year. The CIC opened its own bank account in February 2011 and transferred the balance of \$8,265 to the CIC bank account in three payments of \$2,755.

NOTE 3: RENT

The CIC rented space from the Madison County Chamber of Commerce during fiscal year 2011.

NOTE 4: LEASE BACK TO PURCHASE AGREEMENT

On May 1, 2011, the CIC entered into a lease back agreement with the Deercreek Township Trustees for property located at 85 Middle St SE, London, Ohio for the period of one year at a cost of \$1.00 plus the cost of construction for improvements.

NOTE 5: RISK MANAGEMENT

The CIC is subjected to certain types of risk related to torts and errors and omissions in the performance of its normal function. The CIC has in place Directors' and Officers' liability insurance coverage of up to \$1,000,000 per occurrence with no deductible.

NOTE 6: SUBSEQUENT EVENT

On February 20, 2012 Deercreek Township exercised its option to terminate its lease and exercised its option to purchase the leased premises at 85 Middle Street SE for \$1.00 plus 1% of the actual construction cost of the new building.



Dave Yost • Auditor of State

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

Madison County Community Improvement Corporation
Madison County
730 Keny Blvd
London, Ohio 43140

To the Board of Directors:

We have audited the basic financial statements of the Madison County Community Improvement Corporation, Madison County, Ohio, (the CIC) as of and for the year ended December 31, 2011 and have issued our report thereon dated April 8, 2013. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the CIC's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the CIC's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the CIC's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the CIC's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

As part of reasonably assuring whether the CIC'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, providing an opinion 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*.

We did note certain matters not requiring inclusion in this report that we reported to the CIC's management in a separate letter dated April 8, 2013.

We intend this report solely for the information and use of management, the Board of Directors and others within the CIC. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

April 8, 2013



Dave Yost • Auditor of State

MADISON COUNTY COMMUNITY IMPROVEMENT CORPORATION

MADISON 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
MAY 21, 2013**