



Dave Yost • Auditor of State



**COMMUNITY IMPROVEMENT CORPORATION  
ATHENS COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Community Improvement Corporation  
Athens County  
340 West State Street, Unit 26  
Athens, Ohio 45701

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the Community Improvement Corporation, Athens County, Ohio (the Corporation), as of and for the year ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Corporation's basic 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 Corporation'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 Corporation'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 overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Community Improvement Corporation, Athens County, Ohio, as of December 31, 2014 and 2013, and the changes in its financial position and its cash flows 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 20, 2015, 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. 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 Corporation's internal control over financial reporting and compliance.

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  
Columbus, Ohio

May 20, 2015

**COMMUNITY IMPROVEMENT CORPORATION  
ATHENS COUNTY**

**STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2014 AND 2013**

|                           | <u>2014</u>       | <u>2013</u>       |
|---------------------------|-------------------|-------------------|
| <b>ASSETS</b>             |                   |                   |
| Current Assets            |                   |                   |
| Cash and Cash Equivalents | \$ 59,681         | \$ 75,957         |
| Investment                | 159,885           | 159,885           |
|                           | <u>219,566</u>    | <u>235,842</u>    |
| <i>Total Assets</i>       |                   |                   |
|                           | <u>219,566</u>    | <u>235,842</u>    |
| <b>NET POSITION</b>       |                   |                   |
| Unrestricted              | <u>219,566</u>    | <u>235,842</u>    |
|                           |                   |                   |
| Total Net Position        | <u>\$ 219,566</u> | <u>\$ 235,842</u> |

*The notes to the financial statements are an integral part of this statement.*

**COMMUNITY IMPROVEMENT CORPORATION  
ATHENS COUNTY**

**STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

|  | <b>2014</b>    | <b>2013</b>    |
|--|----------------|----------------|
| <b>OPERATING REVENUES</b>                      |                |                |
| Loan Revenue                                   | \$             | \$ 7,710       |
| Interest                                       | 49             | 81             |
| Donations                                      |                | 317            |
|  | 49             | 8,108          |
| <br><i>Total Operating Revenue</i>             | <br>49         | <br>8,108      |
| <b>OPERATING EXPENSES</b>                      |                |                |
| Current:                                       |                |                |
| AACC Economic Development Expense              | 15,000         | 15,000         |
| Insurance                                      | 1,275          | 1,275          |
| Ecolibrium Project                             |                | 1,040          |
| Accounting Services                            |                | 650            |
| Audit Fees                                     |                | 123            |
| Audit Fees                                     | 50             |                |
|  | 16,325         | 18,088         |
| <br><i>Total Operating Expenses</i>            | <br>16,325     | <br>18,088     |
| <br><i>Increase (Decrease) in Net Position</i> | <br>(16,276)   | <br>(9,980)    |
| <br><i>Net Position, January 1</i>             | <br>235,842    | <br>245,822    |
| <br><i>Net Position, December 31</i>           | <br>\$ 219,566 | <br>\$ 235,842 |

*The notes to the financial statements are an integral part of this statement.*

**COMMUNITY IMPROVEMENT CORPORATION  
ATHENS COUNTY**

**STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

|   | <b>2014</b>      | <b>2013</b>      |
|---|------------------|------------------|
| <b>Cash Flows from Operating Activities:</b>  |                  |                  |
| Change in Net Assets  | \$ (16,276)      | \$ (9,980)       |
| <b>Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by (Used by) Operating Activities:</b> |                  |                  |
| (Increase) Decrease in Loans Receivable   |                  | 160,000          |
| Net Cash Provided by (Used by) Operating Activities   | (16,276)         | 150,020          |
| <b>Cash Flows from Investing Activities:</b>  |                  |                  |
| Purchase of Stock   |                  | (159,885)        |
| Net Cash Provided by (Used by) Investing Activities   | 0                | (159,885)        |
| <b>Net Increase/(Decrease) in Cash</b>  | (16,276)         | (9,865)          |
| Cash and Cash Equivalents at January 1  | 75,957           | 85,822           |
| Cash and Cash Equivalents at December 31  | <b>\$ 59,681</b> | <b>\$ 75,957</b> |

*The notes to the financial statements are an integral part of this statement.*

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**COMMUNITY IMPROVEMENT CORPORATION  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The Community Improvement Corporation, Athens County, Ohio (the Corporation), is a not-for-profit corporation and was incorporated on November 13, 20, 1963, under the authority of Ohio Rev. Code Chapter 1724. The Corporation is governed by an appointed Board of Trustees, comprised of business, professional, government and community leaders. The Corporation was formed to advance, encourage, and promote industrial, economic, commercial and civic development of Athens County, Ohio.

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

**B. Accounting Basis**

The financial statements of the Corporation have been prepared on the accrual basis.

In 1994, the Corporation adopted Statement of Financial Accounting Standards No. 116, "Accounting for Contributions Received and Contributions Made" (SFAS No. 116) and Statement of Financial Accounting Standards No. 117, "Financial Statements for Non-For-Profit Organizations" (SFAS No. 117). The statements of the new standards have been applied to the years presented.

Under these provisions, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the organization and changes therein are classified and reported as follows:

- **Unrestricted net assets** – Net assets that are not subject to donor-imposed stipulations.
- **Temporary restricted net assets** – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the organization and/or the passage of time.
- **Permanently restricted net assets** – Net assets subject to donor-imposed stipulation that they be maintained permanently or until all donor imposed restrictions are met by the organization. Generally, the donors of these assets permitted organizations to use all or part of the income earned on related investments for general or specific purposes.

As of December 31, 2014, all assets were unrestricted.

**C. Deposits and Investments**

The Corporation's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Corporation values common stock at cost.

**D. Tax Status**

The Corporation has been recognized by the State of Ohio as a tax-exempt organization and by the Internal Revenue Service as a § 501(C)(4) nonprofit organization. Accordingly, the federal tax status would reflect the Corporation's tax exempt status. By virtue of Ohio law, the Corporation is not subject to Ohio income taxes.

**COMMUNITY IMPROVEMENT CORPORATION  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**E. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets 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.

**2. Cash**

The Commission maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

|  | 2014      | 2013      |
|--|-----------|-----------|
| Demand deposits                                | \$19,796  | \$36,037  |
| Certificates of deposit                        | 5,434     | 5,422     |
| Other time deposits (savings and NOW accounts) | 34,451    | 34,498    |
| Total deposits                                 | 59,681    | 75,957    |
| Common stock                                   | 159,885   | 159,885   |
| Total investments                              | 159,885   | 159,885   |
| Total deposits and investments                 | \$219,566 | \$235,842 |

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**Investments:** On August 19, 2013, the Corporation accepted 969 shares of the Ecolibrium Solar, Inc. common stock as satisfaction of the company's outstanding loan. The purchase price was \$165 per share, for an aggregate purchase price of \$159,885.

**Concentration of Credit Risk:** The Corporation's cash is placed with institutions with high credit ratings. This policy limits the Corporation's exposure to credit risk. However, at various times throughout the year, the Corporation carried amounts in excess of federally insured limits with a local bank.

The Commission has obtained commercial insurance for the following risks:

**4. Risk Management**

**Commercial Insurance**

The Commission has obtained commercial general liability insurance.



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Community Improvement Corporation  
Athens County  
340 West State Street, Unit 26  
Athens, Ohio 45701

To the Board of Trustees:

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, Athens County, Ohio (the Corporation), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, and have issued our report thereon dated May 20, 2015.

### ***Internal Control Over Financial Reporting***

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

***Compliance and Other Matters***

As part of reasonably assuring whether the Corporation'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 an instance of noncompliance or other matters we must report under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2014-001.

***Entity's Response to Findings***

The Corporation's response to the finding identified in our audit is described in the accompanying Schedule of Findings. We did not audit the Corporation's response and, accordingly, we express no opinion on it.

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



**Dave Yost**  
Auditor of State  
Columbus, Ohio

May 20, 2015

**COMMUNITY IMPROVEMENT CORPORATION  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2014 AND 2013**

|  |
|--|
| <b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b> |
|--|

**FINDING NUMBER 2014-001**

**Noncompliance**

Ohio Rev. Code § 1724.05 provides, in part, that each community improvement corporation shall prepare an annual financial report that conforms to rules prescribed by the Auditor of State pursuant to § 117.20 of the Revised Code, that is prepared according to generally accepted accounting principles (GAAP), and that is certified by the board of directors of the corporation or its treasurer or other chief fiscal officer to the best knowledge and belief of those persons certifying the report. The financial report shall be filed with the Auditor of State within one hundred twenty days following the last day of the corporation's fiscal year, unless the auditor of state extends that deadline. The Auditor of State may establish terms and conditions for granting any extension of that deadline. The financial report shall be published on the corporation's website, or if the corporation does not have a web site, on the web site of the county in which the corporation is located.

The Corporation failed to file the 2014 and 2013 financial statements with the Auditor of State within the required time frame or request the required extension. The Corporation failed to document certification by the Board of Trustees of the required financial report and publish a financial report on the corporation web site. Failure to provide the complete required annual financial report limits transparency of the Corporation to the public.

The Board of Trustees or the Treasurer should certify the annual financial statements and file them with the Auditor of State within one hundred twenty days following the last day of the corporation's fiscal year, unless a waiver is obtained. The Corporation should also publish this report on the corporation's web site, or if the corporation does not have a web site, on the web site of the county in which the corporation is located.

**Officials' Response:** As a transparent organization, we will diligently file required annual reports moving forward.

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# Dave Yost • Auditor of State

**COMMUNITY IMPROVEMENT CORPORATION OF ATHENS**

**ATHENS 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  
JUNE 16, 2015**