

COMMUNITY IMPROVEMENT CORPORATION OF WASHINGTON

FINANCIAL STATEMENTS

Years Ended December 31, 2001 and 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Community Improvement Corporation of Washington
105 North Main Street
Washington Court House, Ohio 43160

We have reviewed the Independent Auditor's Report of the Community Improvement Corporation of Washington, Fayette County, prepared by Vanessa L. Blevins, CPA, for the audit period January 1, 2000 through December 31, 2001. 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 Washington is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

June 27, 2002

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COMMUNITY IMPROVEMENT CORPORATION OF WASHINGTON

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VANESSA L. BLEVINS
CERTIFIED PUBLIC ACCOUNTANT

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REPORT OF INDEPENDENT AUDITORS

Community Improvement Corporation of Washington
105 North Main Street
Washington Court House, Ohio 43160

To the Board of Trustees:

We have audited the accompanying statement of financial position of the Community Improvement Corporation of Washington (a nonprofit organization) as of December 31, 2001 and 2000, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of management. My responsibility is to express an opinion on these financial statements based on my audit.

We 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 Unites States. Those standards require that we 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 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 Community Improvement Corporation of Washington as of December 31, 2001 and 2000 and the changes in its net assets and 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 June 4, 2002, on our consideration of the Organization's internal control over financial reporting and our tests of it's compliance with certain provisions of laws, regulations, contracts and grants. 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.

Vanessa L. Blevins, CPA

June 4, 2002

COMMUNITY IMPROVEMENT CORPORATION OF WASHINGTON
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2001 AND 2000

	2001	2000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,744.49	\$ 1,717.66
Certificates of deposit	217,830.82	48,119.70
Prepaid rent	4,375.00	-
Accounts receivable	357.00	-
TOTAL CURRENT ASSETS	226,307.31	49,837.36
OTHER ASSETS	-	-
TOTAL ASSETS	\$ 226,307.31	\$ 49,837.36
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 275.78	147.70
TOTAL CURRENT LIABILITIES	275.78	147.70
LONG-TERM LIABILITIES	-	-
TOTAL LIABILITIES	275.78	147.70
 NET ASSETS		
Unrestricted	226,031.53	49,689.66
Temporarily restricted	-	-
Permanently restricted	-	-
TOTAL NET ASSETS	226,031.53	49,689.66
TOTAL LIABILITIES AND NET ASSETS	\$ 226,307.31	\$ 49,837.36

See accompanying notes and accountant's report.

COMMUNITY IMPROVEMENT CORPORATION OF WASHINGTON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2001 AND 2000

	2001	2000
UNRESTRICTED NET ASSETS		
SUPPORT		
Public support	\$ 6,000.00	\$ 6,000.00
Memberships	170.00	200.00
Interest income	5,224.80	2,637.80
Gain on sale of land	182,169.79	-
TOTAL UNRESTRICTED SUPPORT	193,564.59	8,837.80
 EXPENSES		
Taxes	143.84	147.70
Dues	1131.30	1,200.25
Printing	20.00	-
Travel	2,189.20	-
Promotion	1,737.30	-
Feasibility study expense	10,000.00	-
Plan expense	1,000.00	-
Director expenses	124.26	182.77
Rent	625.00	-
Accounting	251.82	500.00
	17,222.72	2,030.72
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	176,341.87	6,807.08
 INCREASE IN NET ASSETS	 176,341.87	 6,807.08
NET ASSETS, beginning of year	49,689.66	42,882.58
 NET ASSETS, end of year	\$ 226,031.53	\$ 49,689.66

See accompanying notes and accountant's report.

COMMUNITY IMPROVEMENT CORPORATION OF WASHINGTON
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets (deficit)	\$ 176,341.87	\$ 6,807.08
Adjustments to reconcile changes in net assets (deficit) to cash provided by operating activities:		
Certificates of deposit interest income	(4,986.09)	(2,578.49)
Changes in operating assets and liabilities:		
Increase in prepaid rent	(4,375.00)	
Increase in accounts receivable	(357.00)	-
Increase in accounts payable	128.08	52.24
	<u>166,751.86</u>	<u>4,280.83</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS USED BY INVESTING ACTIVITIES		
Purchases of certificates of deposit	(170,000.00)	(5,000.00)
Proceeds from certificate of deposit	5,274.97	-
	<u>(164,725.03)</u>	<u>(5,000.00)</u>
NET CASH USED IN INVESTING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH	2,026.83	(719.17)
CASH AT BEGINNING OF YEAR	<u>1,717.66</u>	2,436.83
CASH AT END OF YEAR	<u><u>\$ 3,744.49</u></u>	<u><u>\$ 1,717.66</u></u>

See accompanying notes and accountant's report.

COMMUNITY IMPROVEMENT CORPORATION OF WASHINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2001 AND 2000

NOTE A-- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

The Community Improvement Corporation of Washington (CIC) was organized on March 3, 1964, and is authorized under Chapter 1724 of the Ohio Revised Code. The CIC is a not-for-profit corporation that exists to advance encourage and promote industrial, economic, commercial and civic development of a community or area.

Per Ohio Rev. Code, Section 1724.10, the City of Washington has designated the CIC as the agent of City of Washington for the "industrial, commercial, distribution and research development in such political subdivision."

BASIS OF ACCOUNTING

The preparation of financial statements in conformity with auditing standards generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure or contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

BASIS OF PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its 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 net assets, and permanently restricted net assets. The CIC has no permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

INCOME TAXES

The CIC is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (6) and Ohio Revised Code Section 1724.01.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial statements.

NOTE B—CASH

The total cash held by the CIC at December 31, 2001 and 2000 includes \$ 72,644.29 and \$ 0.00 in monies that are not covered by insurance provided by the federal government. It is the opinion of management that the solvency of the referenced financial institutions is not of particular concern at this time.

NOTE C---SALE OF LAND

On July 27, 2001, property was purchased for \$ 1,031,638.81. On August 13, 2001, the property was sold for \$ 1,218,815.40 resulting in a gain in the amount of \$ 182,169.79.

COMMUNITY IMPROVEMENT CORPORATION OF WASHINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2001 AND 2000

NOTE D---PREPAID RENT

Rent was paid for a building to be used by a company establishing a business in the area. The CIC originally agreed to allow the company to use space owned by the city without charging rent. It was later determined that the space was not large enough and additional space was then rented by the CIC. The company agreed to reimburse the CIC \$ 4,000 on the rent and to reimburse the CIC for all utilities. The lease was for four months beginning December 15, 2001 and running to April 15, 2002. The CIC paid \$ 9,000 for the lease for the four months.

**REPORT OF INDEPENDENT AUDITOR ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Community Improvement Corporation of Washington
105 North Main Street
Washington Courthouse, Ohio 43160

To the Board of Trustees:

We have audited the accompanying financial statements of the Community Improvement Corporation of Washington (CIC), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated June 4, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether the CIC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Community Improvement Corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our 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 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Community Improvement Corporation in a separate letter dated June 4, 2002.

This report is intended for the information of the board of trustees and management and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

Vanessa L. Blevins, CPA

June 4, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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COMMUNITY IMPROVEMENT CORPORATION OF WASHINGTON

FAYETTE 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 23, 2002**