

FINANCIAL STATEMENTS

**EVENDALE COMMUNITY
IMPROVEMENT CORPORATION**

Years Ended December 31, 2005 and 2004
with Independent Auditors' Report

FLYNN & COMPANY, INC.
Certified Public Accountants



Mary Taylor, CPA
Auditor of State

January 12, 2007

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 8, 2007. Thus, I am certifying this audit report for release under the signature of my predecessor.

Mary Taylor

MARY TAYLOR, CPA
Auditor of State

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**Auditor of State
Betty Montgomery**

Board of Trustees
Evendale Community Improvement Corporation
10500 Reading Road
Cincinnati, Ohio 45241

We have reviewed the *Independent Auditors' Report* of the Evendale Community Improvement Corporation, Hamilton County, prepared by Flynn & Company, Inc., for the audit period January 1, 2004 through December 31, 2005. 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 Evendale Community Improvement Corporation is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

January 2, 2007

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EVENDALE COMMUNITY IMPROVEMENT CORPORATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Evendale Community Improvement Corporation
Evendale, Ohio

We have audited the accompanying statements of financial position of the Evendale Community Improvement Corporation (a nonprofit organization) as of December 31, 2005 and 2004, and the related statements of activities and net assets 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 the *Government Auditing Standards*, issued by the Comptroller General of the United 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 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 Evendale Community Improvement Corporation as of December 31, 2005 and 2004, and the results of its operations 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 issued our report dated October 20, 2006 on our consideration of 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.

Flynn & Company, Inc.

October 20, 2006

EVENDALE COMMUNITY IMPROVEMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION
December 31, 2005 and 2004

	2005	2004
Assets		
Cash and cash equivalents	\$ 79	\$ 549
Interest bearing deposits	<u>97,346</u>	<u>95,671</u>
Total Assets	\$ <u>97,425</u>	\$ <u>96,220</u>
 Liabilities & Net Assets		
Accounts payable	\$ _____ -	\$ _____ -
Total Liabilities	-	-
 Net assets	 <u>97,425</u>	 <u>96,220</u>
Total Liabilities & Net Assets	\$ <u>97,425</u>	\$ <u>96,220</u>

See accompanying notes

EVENDALE COMMUNITY IMPROVEMENT CORPORATION
STATEMENTS OF ACTIVITIES & NET ASSETS
Years Ended December 31, 2005 and 2004

	2005	2004
Revenues		
Interest income	\$ <u>1,675</u>	\$ <u>1,090</u>
Total Revenues	1,675	1,090
Expenses		
Audit fees	461	133
Bank service charges	<u>9</u>	<u>87</u>
Total Expenses	<u>470</u>	<u>220</u>
Increase in net assets	1,205	870
Net assets, beginning of year	<u>96,220</u>	<u>95,350</u>
Net assets, end of year	\$ <u><u>97,425</u></u>	\$ <u><u>96,220</u></u>

See accompanying notes

EVENDALE COMMUNITY IMPROVEMENT CORPORATION
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2005 and 2004

	2005	2004
Cash Flows from Operating Activities		
Increase in Net Assets	\$ 1,205	\$ 870
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities:		
Decrease in accounts payable	-	(1,750)
Net Increase (Decrease) in Cash and Cash Equivalents	1,205	(880)
Cash and Cash Equivalents at Beginning of Year	<u>96,220</u>	<u>97,100</u>
Cash and Cash Equivalents at End of Year	\$ <u><u>97,425</u></u>	\$ <u><u>96,220</u></u>

See accompanying notes

EVENDALE COMMUNITY IMPROVEMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2005 and 2004

1. Nature of Activities and Significant Accounting Policies

The Village of Evendale Council, in order to promote the general welfare of the citizens of the Village of Evendale, has adopted ordinance No. 23-74 and designated Evendale Community Improvement Corporation (the Corporation) as the agency responsible for industrial, economic, civic, commercial, distribution, and research development in the Village of Evendale, Ohio.

The Evendale Community Improvement Corporation, a non-profit corporation, was organized on May 16, 1974 in the manner provided for in Section 1724.10 of the Ohio Revised Code.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP) as applied to non-profit organizations.

Financial statement presentation follows Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS no. 117, 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. At December 31, 2005 and 2004 the Corporation had only unrestricted net assets.

Cash and Certificates of Deposit

Deposits are insured up to \$ 100,000 by the Federal Deposit Insurance Corporation.

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 of assets and liabilities and disclosure of contingent assets and expenses during the reporting period. Actual results could differ from those estimates.

EVENDALE COMMUNITY IMPROVEMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2005 and 2004

2. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents includes cash and interest-bearing deposits with original maturities of less than 90 days.

3. Financial Support by Village Of Evendale Council

The Village of Evendale Council has committed to provide support to the Evendale Community Improvement Corporation by providing the funds needed by the Evendale Community Improvement Corporation to pledge as collateral for loans made to companies locating in the Village of Evendale by local financial institutions. At December 31, 2005 and 2004 the Corporation had not pledged collateral for any such loans.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERES BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

Evendale Community Improvement Corporation
10500 Reading Road
Cincinnati, Ohio 45241

To the Board of Trustees:

We have audited the financial statements of the Evendale Community Improvement Corporation (a nonprofit organization) as of and for the years ended December 31, 2005 and 2004 and have issued our report thereon dated October 20, 2006. 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 *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 the Evendale 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 an opinion 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 caused by error or fraud 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Evendale Community Improvement Corporation's 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 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 that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the Board of Trustees, management and the State of Ohio Office of the Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Flynn & Company, Inc.

October 20, 2006



Mary Taylor, CPA
Auditor of State

EVENDALE COMMUNITY IMPROVEMENT CORPORATION
HAMILTON 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
JANUARY 18, 2007