



**Auditor of State
Betty Montgomery**

**UNION COUNTY COMMUNITY IMPROVEMENT CORPORATION
UNION COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Union County Community Improvement Corporation
Union County
227 East Fifth Street
Marysville, Ohio 43040

To the Board of Trustees:

We have audited the statements of financial position of the Union County Community Improvement Corporation, Union County, Ohio (the Corporation) as of December 31, 2002, and December 31, 2001, and the related statements of activities 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 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 *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 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 Union County Community Improvement Corporation, as of December 31, 2002, and December 31, 2001, and the changes in its net assets and its cash flows for the years 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 July 9, 2003, 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 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.

A handwritten signature in black ink that reads "Betty Montgomery".

**Betty Montgomery
Auditor of State**

July 9, 2003

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**UNION COUNTY COMMUNITY IMPROVEMENT CORPORATION
UNION COUNTY**

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2002**

ASSETS	
Cash- non-interest bearing	\$ 6,233
Savings and temporary investments	<u>128,467</u>
TOTAL ASSETS	<u><u>134,700</u></u>
 LIABILITIES AND NET ASSETS	
 LIABILITIES	
	0
 NET ASSETS	
Unrestricted	\$27,461
Temporarily restricted	<u>107,239</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 134,700</u></u>

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

**UNION COUNTY COMMUNITY IMPROVEMENT CORPORATION
UNION COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Unrestricted	Temporary Restricted	Total
REVENUE			
Grant contributions	\$ -	80,000	\$ 80,000
Net assets released from restrictions	152,016	(152,016)	-
Interest income	3,636	0	3,636
Reimbursed expenses	887	0	887
Total Revenue	156,539	(72,016)	84,523
EXPENSES			
Grant program expenses	161,984	0	161,984
Marketing services	1,354	0	1,354
Accounting services	1,500	0	1,500
Legal services	146	0	146
Conferences and meeting	166	0	166
Dues	500	0	500
Luncheons/Meals	1,340	0	1,340
Office Expense	17	0	17
Total Expenses	167,007	0	167,007
Change in net assets	(10,468)	(72,016)	(82,484)
NET ASSETS, BEGINNING OF YEAR	37,929	179,255	217,184
NET ASSETS, END OF YEAR	\$ 27,461	\$ 107,239	\$ 134,700

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

**UNION COUNTY COMMUNITY IMPROVEMENT CORPORATION
UNION COUNTY**

**STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2002**

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Change in net assets	\$ (82,484)
Adjustments to reconcile change in net assets to net cash used for operating activities:	<u>0</u>
Total Adjustments	<u>0</u>
NET CASH USED FOR OPERATING ACTIVITIES	<u>(82,484)</u>
NET DECREASE IN CASH	(82,484)
CASH, BEGINNING OF YEAR	<u>217,184</u>
CASH, END OF YEAR	<u><u>\$ 134,700</u></u>

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

**UNION COUNTY COMMUNITY IMPROVEMENT CORPORATION
UNION COUNTY**

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2001**

ASSETS	
Cash- non-interest bearing	\$ 281
Savings and temporary investments	<u>216,903</u>
TOTAL ASSETS	<u><u>\$217,184</u></u>
 LIABILITIES AND NET ASSETS	
 LIABILITIES	
	0
 NET ASSETS	
Unrestricted	\$37,929
Temporarily restricted	<u>179,255</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 217,184</u></u>

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

**UNION COUNTY COMMUNITY IMPROVEMENT CORPORATION
UNIOIN COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Unrestricted	Temporary Restricted	Total
REVENUE			
Grant contributions	\$ -	\$ 125,000	\$ 125,000
Net assets released from restrictions	41,162	(41,162)	-
Interest income	4,415	0	4,415
Administrative fee	5,000	0	5,000
Total Revenue	50,577	83,838	134,415
EXPENSES			
Grant program expenses	55,745	0	55,745
Marketing services	2,650	0	2,650
Accounting services	300	0	300
Legal services	264	0	264
Conferences and meeting	227	0	227
Total Expenses	59,186	0	59,186
Change in net assets	(8,609)	83,838	75,229
NET ASSETS, BEGINNING OF YEAR	46,538	95,417	141,955
NET ASSETS, END OF YEAR	\$ 37,929	\$ 179,255	\$ 217,184

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

**UNION COUNTY COMMUNITY IMPROVEMENT CORPORATION
UNION COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001**

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Change in net assets	\$ 75,229
Adjustments to reconcile change in net assets to net cash provided by operating activities:	<u>0</u>
Total Adjustments	<u>0</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>75,229</u>
NET INCREASE IN CASH	75,229
CASH, BEGINNING OF YEAR	<u>141,955</u>
CASH, END OF YEAR	<u><u>\$ 217,184</u></u>

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

**UNION COUNTY COMMUNITY IMPROVEMENT CORPORATION
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Community Improvement Corporation of Union County (the "Corporation") is an Ohio nonprofit corporation established in 1979 for the purpose of advancing, encouraging, and promoting the industrial, economic, commercial and civic development of the City of Marysville and the surrounding community and county.

Basis of Presentation

The Corporation's financial statements are presented in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements for Not-for-Profit Organizations". Under SFAS 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. In addition, the Corporation is required to present a statement of cash flows.

Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities. Certain revenue and the related assets are recognized when earned rather than when received, and certain expenses are recognized when incurred rather than when the obligation was paid.

Revenue Recognition

Income from grants, fees and interest is recognized on the accrual basis of accounting. Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flow, cash and cash equivalents include all highly liquid investments with initial maturities of three months or less.

Federal Income Taxes

The Corporation was incorporated as a non-profit entity and is exempt from federal income tax under Section 501 (c)(6) of the Internal Revenue Code.

Estimates

Management uses estimate and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expense. Actual results could differ from those estimates.

Concentrations of Credit Risk

The Corporation maintains bank accounts at The Richwood Banking Company and National City Bank. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. As of December 31, 2002, the cash balance at The Richwood Banking Company exceeded the federally insured limits by \$19,654.

**UNION COUNTY COMMUNITY IMPROVEMENT CORPORATION
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods:

Specific grant programs provided by Union County Commissioners	<u>\$107,239</u>
Total temporarily restricted net assets	<u>\$107,239</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

Purpose restriction accomplished:	
Community improvement/Economic development	\$ 64,326
Economic development study	<u>87,690</u>
Total restrictions released	<u>\$152,016</u>

3. LEASE AGREEMENTS

In 2000, the Corporation entered into a lease agreement with the Director of Development of Ohio and a corresponding sublease with The Scotts Company. The lease and corresponding sublease provide that any obligation of the Corporation created by or arising out of the lease/sublease is not a general debt on part of the Corporation. In addition, the agreements indemnify and hold the Corporation, its officers, and Trustees harmless against any and all claims arising or resulting from the transaction.

The Corporation does not receive any payments related to this transaction. The Scotts Company pays its obligation directly to a trust account set up by the Director of Development of Ohio.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Union County Community Improvement Corporation
Union County
227 East Fifth Street
Marysville, Ohio 43040

To the Board of Trustees:

We have audited the accompanying financial statements of Union County Community Improvement Corporation (the Corporation) as of and for the years ended December 31, 2002, and December 31, 2001. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Corporation'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 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 9, 2003



**Auditor of State
Betty Montgomery**

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UNION COUNTY COMMUNITY IMPROVEMENT CORPORATION

UNION 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
SEPTEMBER 16, 2003**