

**COMMUNITY IMPROVEMENT CORPORATION OF SUMMIT,
MEDINA AND PORTAGE COUNTIES**

REGULAR AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2010**

Varney, Fink & Associates, Inc.
Certified Public Accountants



Dave Yost • Auditor of State

Board of Trustees
Community Improvement Corporation of Summit, Medina and Portage Counties
One Cascade Plaza
17th Floor
Akron, OH 44308

We have reviewed the *Independent Accountant' Report* of the Community Improvement Corporation of Summit, Medina and Portage Counties, prepared by Varney, Fink & Associates, Inc., for the audit period January 1, 2010 through December 31, 2010. 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 Summit, Medina and Portage Counties is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

June 8, 2011

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COMMUNITY IMPROVEMENT CORPORATION OF SUMMIT,
MEDINA AND PORTAGE COUNTIES

FOR THE YEAR ENDED
DECEMBER 31, 2010

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INDEPENDENT ACCOUNTANTS' REPORT

Board of Trustees
Community Improvement Corporation of Summit, Medina and Portage Counties
One Cascade Plaza
17th Floor
Akron, OH 44308

We have audited the accompanying statement of financial position of the Community Improvement Corporation of Summit, Medina and Portage Counties as of December 31, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Community Improvement Corporation of Summit, Medina and Portage Counties' 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 the 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 respective financial position of the Community Improvement Corporation of Summit, Medina and Portage Counties as of December 31, 2010, and the respective changes in net assets and 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 15, 2011, on our consideration of the Community Improvement Corporation of Summit, Medina and Portage Counties' internal control over financial reporting and on 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 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 considered in assessing the results of our audit.

Varney, Fink & Associates

Varney, Fink & Associates, Inc.
Certified Public Accountants

April 15, 2011

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Community Improvement Corporation of Summit, Medina and Portage Counties
Statement of Financial Position
December 31, 2010

Assets

Cash and Cash Equivalents	\$216,713
Investment in Limited Liability Company	<u>3,411</u>
Total Assets	<u><u>\$220,124</u></u>

Liabilities

Accounts Payable	<u>\$15,330</u>
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Net Assets

Unrestricted	<u>204,794</u>
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Total Liabilities and Net Assets	<u><u>\$220,124</u></u>
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The accompanying notes are an integral part of these financial statements.

Community Improvement Corporation of Summit, Medina and Portage Counties
Statement of Activities
For the Year Ended December 31, 2010

Revenue

Interest Income \$2,101

Expenses and Losses

Administrative 6,000

Professional Fees 3,650

Miscellaneous 37

Net Realized Loss on Investment (See Note 4) 46,589

Total Expenses and Losses 56,276

Change in Net Assets (54,175)

Net Assets, Beginning of Year 258,969

Net Assets, End of Year \$204,794

The accompanying notes are an integral part of these financial statements.

Community Improvement Corporation of Summit, Medina and Portage Counties
Statement of Cash Flows
For the Year Ended December 31, 2010

Cash Flows from Operating Activities	
Change in Net Assets	(\$54,175)
Adjustment to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:	
Increase in Accounts Payable	3,232
Net Realized Loss on Investment	46,589
Net Cash Used by Operating Activities	<u>49,821</u>
Cash Flows From Investing Activities	
Purchase of Investment	<u>(50,000)</u>
Net Cash Used by Investing Activities	<u>(50,000)</u>
Net Decrease in Cash and Cash Equivalents	(54,354)
Cash and Cash Equivalents, Beginning of Year	<u>271,067</u>
Cash and Cash Equivalents, End of Year	<u><u>\$216,713</u></u>

The accompanying notes are an integral part of these financial statements.

**Community Improvement Corporation
of Summit, Medina and Portage Counties**
Notes to the Financial Statements
December 31, 2010

Note 1 – Description of the Organization

The Community Improvement Corporation of Summit, Medina and Portage Counties (the Corporation) was organized to promote the industrial, commercial, civic and economic development of Summit, Medina and Portage Counties.

Note 2 – Summary of Significant Accounting Policies

A. Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board ASC 958, *Financial Statements of Not-for-Profit Organizations*. Under ASC 958, the Organization 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. As of December 31, 2010, the Corporation did not have any temporarily restricted or permanently restricted net assets.

B. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Corporation considers all highly liquid investments with a maturity of three months or less to be considered cash equivalents.

C. Investment in Limited Liability Company

The Corporation accounts for its investment using the equity method of accounting. Under the equity method, the investment is recorded at cost, and increased or decreased by the Corporation's share of income or losses, and increased or decreased by the amount of any contributions made or distributions received, all to the extent the investment exceeds zero.

D. Property and Equipment

Capital assets are recorded at cost. Depreciation is computed using the straight-line method based on the estimated useful lives of the related assets, which range from 5 to 7 years. Expenditures for repairs and maintenance are charged to expense as incurred, whereas major betterments are capitalized. The Corporation did not have any property and equipment as of December 31, 2010.

E. Income Taxes

The Corporation is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code.

**Community Improvement Corporation
of Summit, Medina and Portage Counties**
Notes to the Financial Statements
December 31, 2010

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 liabilities 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.

Note 3 – Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

Checking	\$4,657
Money Market Savings	104,095
Certificates of Deposit	<u>107,961</u>
	<u>\$216,713</u>

During 2010, deposits did not exceed the limit that is guaranteed by the Federal Depository Insurance Corporation.

Note 4 – Investment in Limited Liability Company

In 2010 the Corporation purchased two membership interests in the Limited Liability Company, 25 Hill Akron Filmworks, LLC (the Company) in support of the Akron Soap Box Derby and its efforts to retain the annual race in the Akron area. The Company was formed to finance the production of a full-length motion picture entitled “25 Hill” for the purpose of, among other things, distribution of the picture to the general public.

As of December 31, 2010, the Corporation holds a 5.9% noncontrolling membership interest in the Company which is accounted for using the equity method of accounting as described in Note 1.

Net income and net losses of the Company are allocated to the Corporation based on its membership interests at the end of each fiscal year. The Corporation’s capital account is then adjusted based on the distributions that would be made had the Company dissolved.

Investment activity for the period ended December 31, 2010 follows:

Investment at beginning of year	\$0
Purchase of membership interests	50,000
Net realized loss on investment	<u>(46,589)</u>
Investment at end of year	<u>\$3,411</u>

**Community Improvement Corporation
of Summit, Medina and Portage Counties**
Notes to the Financial Statements
December 31, 2010

Note 5 – Related Party Transactions

The Greater Akron Chamber of Commerce, related through common officers, provides all administrative services necessary to carry out the operations of the Corporation. In 2010 the Chamber charged the Corporation an administrative fee in the amount of \$6,000. In addition, a payable exists in the amount of \$12,000 for administrative fees that occurred in 2009.

Note 6 – Subsequent Events

In preparing these financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through April 15, 2011, the date the financial statements were available to be issued.

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

Board of Trustees
Community Improvement Corporation of Summit, Medina and Portage Counties
One Cascade Plaza
17th Floor
Akron, OH 44308

We have audited the financial statements of the Community Improvement Corporation of Summit, Medina and Portage Counties (the Corporation) as of and for the year ended December 31, 2010, and have issued our report thereon dated April 15, 2011. 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 Corporation'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 Corporation's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Corporation'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 Corporation'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.

**COMMUNITY IMPROVEMENT CORPORATION OF SUMMIT, MEDINA AND
PORTAGE COUNTIES
INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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

Varney, Fink & Associates

Varney, Fink & Associates, Inc.
Certified Public Accountants

April 15, 2011



Dave Yost • Auditor of State

COMMUNITY IMPROVEMENT CORPORATION OF SUMMIT, MEDINA AND PORTAGE COUNTIES

SUMMIT 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 21, 2011**