



**POWELL COMMUNITY IMPROVEMENT CORPORATION
DELAWARE COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2011



Dave Yost • Auditor of State

**POWELL COMMUNITY IMPROVEMENT CORPORATION
DELAWARE COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

Powell Community Improvement Corporation
Delaware County
47 Hall Street
Powell, Ohio 43065

To the Board of Trustees:

We have audited the accompanying basic financial statements of the Powell Community Improvement Corporation, Delaware County, Ohio (the Corporation), a component unit of the City of Powell, as of and for the year ended December 31, 2011, as listed in the table of contents. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 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 Powell Community Improvement Corporation, Delaware County as of December 31, 2011, and the changes in its financial position and its 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 6, 2012, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. The Corporation did not present Management's Discussion and Analysis.



Robert Hinkle, CPA, CGFM
Chief Deputy Auditor

April 6, 2012

**POWELL COMMUNITY IMPROVEMENT CORPORATION
DELAWARE COUNTY**

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2011**

ASSETS

Current Assets:

Cash and cash equivalents (Note 1D)	\$ 2,379
Accounts Receivable	<u>7,148</u>

TOTAL ASSETS	<u>\$ 9,527</u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	<u>\$ 7,148</u>
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Net Assets:

Unrestricted	<u>2,379</u>
Total net assets	<u>2,379</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,527</u>
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The accompanying notes are an integral part of the financial statements.

**POWELL COMMUNITY IMPROVEMENT CORPORATION
DELAWARE COUNTY**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Revenues:	<u>Unrestricted</u>
Contributions	<u>\$ 30,445</u>
Total revenues	<u>30,445</u>
Expenses:	
Community support	26,314
Administrative charges	<u>3,160</u>
Total expenses	<u>29,474</u>
Change in net assets	971
Net assets at beginning of year	1,408
Net assets at end of year	<u>\$ 2,379</u>

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

**POWELL COMMUNITY IMPROVEMENT CORPORATION
DELAWARE COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Cash flows from operating activities:

Increase in net assets	\$ 971
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase in accounts receivable	(7,148)
Increase in accounts payable	2,582
Net cash provided by operating activities	<u>(4,566)</u>

Cash flows from investing activities:

Net cash provided by financing activities	<u>-</u>
	<u>-</u>

Cash flows from financing activities:

Net cash used by financing activities	<u>-</u>
	<u>-</u>
Net (decrease) in cash and cash equivalents	(3,595)
Beginning of period cash	5,974
End of period cash	<u>\$ 2,379</u>

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

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**POWELL COMMUNITY IMPROVEMENT CORPORATION
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 1 – Summary of Significant Accounting Policies:

A. Organization

The Powell Community Improvement Corporation (CIC) was formed pursuant to Ordinance 2010-19 passed on May 5, 2010 and incorporated as a corporation not-for-profit under Section 1702 and 1724 of the Ohio Revised Code. The CIC was created to assist the City in the revitalization and enhancement of property, and to advance, encourage, and promote industrial, economic, commercial and civic development of the City of Powell. The CIC has been designated as the City of Powell's agent for economic development.

B. Basis of Accounting

The accounts are maintained and these financial statements are presented on the accrual basis and in conformity with accounting principles generally accepted in the United States of America.

C. Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of financial Accounting Standards (SFAS) 117, Financial Statement for 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, 2011, all net assets of the CIC are unrestricted.

D. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows and for presentation of the Statement of Financial Position, all cash in checking accounts are considered to be cash and cash equivalents.

E. Concentration of Credit Risk

The Corporation maintains its cash account in one commercial bank in Ohio. The cash balance is fully insured within the limits guaranteed by the Federal Deposit Insurance Corporation.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. Tax Exempt Status

The CIC is exempt from federal income tax under Section 501 (c) (6) of the Internal Revenue Code.

**POWELL COMMUNITY IMPROVEMENT CORPORATION
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

NOTE 2 – Restriction of Net Assets

The Corporation did not have any restrictions on cash as of December 31, 2011.

NOTE 3 – Contingent Liabilities

Management believes there are no pending claims or lawsuits.

NOTE 4 – Risk Management

The CIC is subjected to certain types of risk in the performance of its normal functions. The Board views this exposure as minimal as the CIC currently has no employees and minimal operating activity. No policy for commercial insurance is currently in place.



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

Powell Community Improvement Corporation
Delaware County
47 Hall Street
Powell, Ohio 43065

To the Board of Trustees:

We have audited the financial statements of Powell Community Improvement Corporation, Delaware County, (the Corporation), a component unit of the City of Powell, as of and for the year ended December 31, 2011, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated April 6, 2012. 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.

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*.

Powell Community Improvement Corporation
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
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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.



Robert Hinkle, CPA, CGFM
Chief Deputy Auditor

April 6, 2012



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CITY OF POWELL COMMUNITY IMPROVEMENT CORPORATION

DELAWARE 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
MAY 22, 2012**