

**PORT AUTHORITY FOR BROWNFIELDS
REDEVELOPMENT IN CINCINNATI
AND HAMILTON COUNTY**

**Statements of Cash Receipts,
Cash Disbursements and Changes in Cash Balances**

Years ended December 31, 1999 and 1998

with

Report of Independent Auditors

 **BERGE & COMPANY LTD**
CERTIFIED PUBLIC ACCOUNTANTS

Port Authority for Brownfields Redevelopment
in Cincinnati and Hamilton County

Financial Statements

Years Ended December 31, 1999 and 1998

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Board of Directors

Port Authority for Brownfields Redevelopment in Cincinnati and Hamilton County
c/o Greater Cincinnati Chamber of Commerce
4540 Cooper Road, Suite 305
Blue Ash, Ohio 45242

We have reviewed the independent auditor's report of the Port Authority for Brownfields Redevelopment in Cincinnati and Hamilton County, prepared by Berge & Company LTD, for the audit period January 1, 1998 through December 31, 1999. 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 Port Authority for Brownfields Redevelopment in Cincinnati and Hamilton County is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro", written over a horizontal line.

JIM PETRO
Auditor of State

June 22, 2000

Report of Independent Auditors

Board of Directors
Port Authority for Brownfields Redevelopment in Cincinnati and Hamilton County
Cincinnati, Ohio

We have audited the accompanying statements of cash receipts, cash disbursements and changes in cash balances of the Port Authority for Brownfields Redevelopment in Cincinnati and Hamilton County (the Port Authority) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Port Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards 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 audits 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.

As described in Note 1, the Port Authority prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State of Ohio, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the Port Authority for Brownfields Redevelopment in Cincinnati and Hamilton County, as of December 31, 1999 and 1998, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 13, 2000 on our consideration of the Port Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of the Board of Directors and other officials authorized to receive this report under §117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Beige & Company LTD

June 13, 2000

**Port Authority for Brownfields
Redevelopment in Cincinnati and Hamilton County**

Statements of Cash Receipts, Cash Disbursements and Changes in Cash Balances

For the years ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash receipts:		
Public funding	\$ 136,647	\$ 49,650
Private funding	26,321	
Interest income	<u>179</u>	<u>940</u>
Total cash receipts	163,147	50,590
Cash disbursements:		
Management fee	48,912	36,125
Dues and publications	703	351
Telephone	604	
Public participation	2,135	989
Supplies and postage	526	184
Travel	2,877	3,080
Professional fees	26,424	10,544
Insurance	1,000	1,000
Professional development	575	845
Printing	1,346	2,017
Site investigation	54,917	1,094
Economic development model	<u>8,003</u>	<u>2,996</u>
Total cash disbursements	<u>148,022</u>	<u>59,225</u>
Total cash receipts over (under) cash disbursements	15,125	(8,635)
Cash, beginning of year	<u>28,039</u>	<u>36,674</u>
Cash, end of year	<u>\$ 43,164</u>	<u>\$ 28,039</u>

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

**Port Authority for Brownfields
Redevelopment in Cincinnati and Hamilton County**

Notes to Financial Statements

December 31, 1999 and 1998

1. Summary of significant accounting policies

Description of the entity

The Port Authority for Brownfields Redevelopment in Cincinnati and Hamilton County (the Port Authority) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Port Authority is responsible for development of brownfield properties in Cincinnati and Hamilton County.

The Port Authority's management believes these financial statements present all activities for which the Port Authority is financially accountable.

Basis of accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State of Ohio, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State of Ohio.

2. Cash

All cash is deposited in banks and all deposits are insured by the Federal Depository Insurance Corporation.

3. Risk management

The Port Authority has obtained commercial insurance for the following risks:

- Comprehensive property and general insurance
- Errors and Omissions

**Port Authority for Brownfields
Redevelopment in Cincinnati and Hamilton County**

Notes to Financial Statements

December 31, 1999 and 1998

4. Contingent liabilities

Public funding received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding by the grantor. Amounts that may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

5. Donated materials and services

The Port Authority has received assistance in the form of in-kind contributions from the Greater Cincinnati Chamber of Commerce. Since there was no exchange of cash, these transactions have not been reflected in these financial statements. The fair value of material and services provided in-kind totaled \$51,824 and \$29,403 for the years ended December 31, 1999 and 1998, respectively.

The Executive Director of the Port Authority is an employee of the Greater Cincinnati Chamber of Commerce; the Port Authority paid management fees of \$48,912 and \$36,125 in 1999 and 1998, respectively, for the services of its Executive Director.

6. Commitments

The Port Authority has signed a letter of intent to acquire certain brownfields property for \$100,000. The purchase is contingent upon the Port Authority obtaining the funding to complete the purchase.

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Supplemental Report

Report on Compliance and on Internal Control
Over Financial Reporting Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*

The Board of Directors
Port Authority for Brownfields Redevelopment in Cincinnati and Hamilton County
Cincinnati, Ohio

We have audited the statements of cash receipts, cash disbursements and changes in cash balances of the Port Authority for Brownfields Redevelopment in Cincinnati and Hamilton County (the Port Authority) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 13, 2000. We conducted our audits in accordance with generally accepted auditing standards 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 Port Authority'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*. However, we noted other matters involving compliance that do not require inclusion in this report, that we have reported to management of the Port Authority in a separate letter dated June 13, 2000.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Port Authority'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

Internal Control Over Financial Reporting (continued)

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 Port Authority in a separate letter dated June 13, 2000.

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

Berge & Company LTD

June 13, 2000



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PORT AUTHORITY FOR BROWNFIELDS REDEVELOPMENT
IN
CINCINNATI AND HAMILTON COUNTY

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.

By: Susan Babbitt

Date: JULY 18, 2000