

**COMMUNITY IMPROVEMENT CORPORATION  
OF CUYAHOGA FALLS, OHIO**

**INDEPENDENT AUDITOR'S REPORT**

FOR THE YEAR ENDED  
DECEMBER 31, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Trustees  
Community Improvement Corporation of Cuyahoga Falls  
2310 Second Street  
Cuyahoga Falls, OH 44221

We have reviewed the Independent Auditor's Report of the Community Improvement Corporation of Cuyahoga Falls, Summit County, prepared by Gary B. Fink & Associates, Inc., for the audit period January 1, 2001 through December 31, 2001. 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 Cuyahoga Falls is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

May 23, 2002

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**COMMUNITY IMPROVEMENT CORPORATION OF CUYAHOGA FALLS  
FOR THE YEAR ENDED DECEMBER 31, 2001**

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**INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Community Improvement Corporation of Cuyahoga Falls  
2310 Second Street  
Cuyahoga Falls, OH 44221

We have audited the accompanying statement of financial position of the Community Improvement Corporation of Cuyahoga Falls (the Corporation), as of December 31, 2001, and the related statements of activities and cash flows for the year 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 Community Improvement Corporation of Cuyahoga Falls, as of December 31, 2001 and the changes in its net assets 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 15, 2002 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.



GARY B. FINK & ASSOCIATES, INC.  
Certified Public Accountants

April 15, 2002

**Community Improvement Corporation of Cuyahoga Falls**  
**Statement of Financial Position**  
**December 31, 2001**

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CURRENT ASSETS:

Cash	\$451,001
Loan Receivable - Current	<u>11,299</u>
Total Current Assets	<u>462,300</u>
Loan Receivable - Net of Current	<u>114,552</u>
Total Assets	<u><u>\$576,852</u></u>

NET ASSETS:

Net Assets:	
Unrestricted	<u>\$576,852</u>
Total Liabilities and Fund Balance	<u><u>\$576,852</u></u>

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



**Community Improvement Corporation of Cuyahoga Falls**  
**Statement of Activities**  
**For the Year Ended December 31, 2001**

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REVENUES	
Interest	\$27,557
Rents	9,020
Tax Incentive Financing Revenue	<u>87,268</u>
Total Earned Revenue	<u>123,845</u>
EXPENSES	
Donations	2,300
Postage	48
Accounting and Audit	900
Facade Grants	<u>11,250</u>
Total Expenses	<u>14,498</u>
Increase in Net Assets	109,347
Net Assets, Beginning of Year	<u>467,505</u>
Net Assets, End of Year	<u><u>\$576,852</u></u>

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

**Community Improvement Corporation of Cuyahoga Falls**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2001**

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Cash flows from operating activities:	
Change in net assets	<u>\$109,347</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Decrease in loans receivable	<u>10,486</u>
Net cash provided by operating activities	<u>10,486</u>
Net increase in cash	<u>119,833</u>
Cash at beginning of year	<u>331,168</u>
Cash at end of year	<u><u>\$451,001</u></u>

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

COMMUNITY IMPROVEMENT CORPORATION OF CUYAHOGA FALLS

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. **DESCRIPTION OF THE REPORTING ENTITY**

The Community Improvement Corporation of Cuyahoga Falls (the Corporation), was formed in June, 1970, and incorporated as a corporation not for profit under Title XVII, Chapters 1702 and 1724 of the Ohio Revised Code.

The stated purpose of the corporation is to advance, encourage and promote the industrial, commercial, civic and economic development of Cuyahoga Falls, Ohio under the applicable sections of the Ohio Revised Code.

2. **SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the Corporation is presented to assist in understanding the organizations financial statements. The financial statements and notes are representations of the organizations management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

The Corporation accounts for periodic revenue and expense using the accrual method, recognizing revenues when earned and expenses when incurred.

A. **FINANCIAL STATEMENT PRESENTATION**

The Corporation prepares its financial statements in accordance with 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. In addition, the Corporation is required to present a statement of cash flows. At December 31, 2001 and 2000, the Corporation did not have any temporarily or permanently restricted net assets.

B. **INCOME TAXES**

The Corporation is a not-for-profit organization that is exempt from income taxes under Section 501(C)(6) of the Internal Revenue Code. The organization is not classified as a private foundation and as such, is not subject to Federal, state or local income taxes.

COMMUNITY IMPROVEMENT CORPORATION OF CUYAHOGA FALLS

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

2. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. **CASH AND CASH EQUIVALENTS**

For the purpose of the statement of cash flows, the Corporation considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

D. **USE OF ESTIMATES**

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

3. **LOANS RECEIVABLE**

During 1999 the Corporation loaned \$150,000 to LaFever's Riverfront Grille. The loan is ten years in duration and bears interest at the rate of 7.5% per annum. Monthly installments of \$1,696.26, including interest, began May 15, 2000. At December 31, 2001, interest and principal are current.

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

Board of Trustees  
Community Improvement Corporation of Cuyahoga Falls  
2310 Second Street  
Cuyahoga Falls, OH 44221

We have audited the financial statements of the Community Improvement Corporation of Cuyahoga Falls (the Corporation), as of and for the year ended December 31, 2001, and have issued our report thereon dated April 15, 2002. 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 operations that we consider to be material weaknesses.

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

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.



GARY B. FINK & ASSOCIATES, INC.  
Certified Public Accountants

April 15, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
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**COMMUNITY IMPROVEMENT CORPORATION OF CUYAHOGA FALLS**

**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 6, 2002**