

FINANCIAL STATEMENTS

**Community Improvement
Corporation of Greater Cincinnati**

For the Years Ended
December 31, 2004 and 2003
With Report of Independent Auditors

FLYNN & COMPANY PSC, INC.
Certified Public Accountants



**Auditor of State
Betty Montgomery**

Board of Trustees
Community Improvement Corporation of Greater Cincinnati
1776 Mentor Avenue
Cincinnati, Ohio 45212

We have reviewed the Independent Auditor's Report of the Community Improvement Corporation of Greater Cincinnati, Hamilton County, prepared by Flynn & Company PSC, Inc., for the audit period January 1, 2003 through December 31, 2004. 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 Greater Cincinnati is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

April 11, 2005

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**COMMUNITY IMPROVEMENT
CORPORATION OF GREATER CINCINNATI**

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Independent Auditors' Report

To the Board of Trustees
Community Improvement Corporation of Greater Cincinnati
Cincinnati, Ohio

We have audited the accompanying statements of financial position of Community Improvement Corporation of Greater Cincinnati (a nonprofit corporation) as of December 31, 2004 and 2003, 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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 audits provide 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 Community Improvement Corporation of Greater Cincinnati as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have issued our report dated February 17, 2005 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 *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Flynn & Company PSC, Inc.

February 17, 2005

Community Improvement Corporation of Greater Cincinnati
Statements of Financial Position
December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 252,709	\$ 253,464
Accounts receivable	-	330
Prepaid insurance	<u>312</u>	<u>290</u>
Total Current Assets	253,021	254,084
Other Assets		
Development costs	72,901	72,901
Industrial park investment	<u>125,000</u>	<u>125,000</u>
Total Other Assets	<u>197,901</u>	<u>197,901</u>
Total Assets	<u>\$ 450,922</u>	<u>\$ 451,985</u>
 Liabilities and Net Assets		
Current Liabilities		
Accounts payable	<u>\$ 1,332</u>	<u>\$ 809</u>
Total Current Liabilities	1,332	809
Net Assets		
Unrestricted Net Assets	<u>449,590</u>	<u>451,176</u>
Total Liabilities and Net Assets	<u>\$ 450,922</u>	<u>\$ 451,985</u>

See accompanying notes to financial statements.

Community Improvement Corporation of Greater Cincinnati
Statements of Activities and Changes in Net Assets
For the Years Ending December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Revenue		
Interest	\$ 4,109	\$ 4,264
Other income	<u>-</u>	<u>2,000</u>
Total revenue	4,109	6,264
 Expenses		
Insurance Expense	478	458
Legal and Accounting Fees	4,500	6,921
Telephone Expenses	417	1,193
Rent – Office	-	275
Bank service charge	300	415
Other Expenses	<u>-</u>	<u>395</u>
Total Expenses	<u>5,695</u>	<u>9,657</u>
 Change in Net Assets	 (1,586)	 (3,393)
 Net Assets, Beginning of Year	 <u>451,176</u>	 <u>454,569</u>
 Net Assets, End of Year	 <u>\$ 449,590</u>	 <u>\$451,176</u>

See accompanying notes to financial statements.

Community Improvement Corporation of Greater Cincinnati
Statements of Cash Flows
For the Years Ending December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (1,586)	\$ (3,393)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Decrease in accounts receivable	330	785
Decrease (increase) in prepaid expenses	(22)	13
Decrease in other assets	-	317
Decrease in developmental costs	-	1,673
Increase (Decrease) in accounts payable	<u>523</u>	<u>(9,076)</u>
Net cash used in operating activities	(755)	(9,681)
Cash Flows from Investing Activities		
Investment in Dry Forks Investment	<u>-</u>	<u>(125,000)</u>
Decrease in cash and cash equivalents	(755)	(134,681)
Cash and cash equivalents, beginning of year	<u>253,464</u>	<u>388,145</u>
Cash and cash equivalents, end of year	<u><u>\$ 252,709</u></u>	<u><u>\$ 253,464</u></u>

See accompanying notes to financial statements.

Community Improvement Corporation of Greater Cincinnati
Notes to Financial Statements
For the years ended December 31, 2004 and 2003

1. Nature of Activities and Significant Accounting Policies

Nature of Activities

The Community Improvement Corporation of Greater Cincinnati (the Corporation) is organized as a business league to advance, promote, and encourage the industrial, commercial, distribution, and research development of Hamilton County, Ohio, and the Greater Cincinnati area. It acts as an agent for the city of Blue Ash, Ohio, village of Indian Hill, Ohio, Hamilton County, Ohio, and Anderson Township, Ohio.

Financial Statement Presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to nongovernmental nonprofit organizations. The Corporation has adopted 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. The Corporation does not have any temporarily restricted net assets or permanently restricted net assets in any of the years presented.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents includes cash and interest-bearing deposits with original maturities of less than 90 days.

The Corporation maintains its cash and short-term investments in bank deposit accounts, which, at times, may exceed federally insured limits. The Corporation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and short-term investments.

Community Improvement Corporation of Greater Cincinnati
Notes to Financial Statements
For the years ended December 31, 2004 and 2003

Development Costs

Development costs relate to the cost of water lines for the property described in Note 2. Such costs are recoverable at the completion of the development described in Note 2.

Income Tax Status

The Corporation was organized in the manner provided for in Section 1724.10 of the Ohio Revised Code. The Corporation is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code on income arising from normal operations. It is not considered a private foundation under Section 509(a)(2).

Use of Estimates

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

2. Industrial Park Investment

In 2003 the Corporation purchased a one-half share interest in Dry Fork Farms, LLC (Dry Fork), an industrial park development near Harrison, Ohio. The cost of the investment was \$125,000. The Corporation's equity interest represents 8% of Dry Fork's total initial capital.

3. Agreement with Hamilton County Development Company, Inc.

During 2003 the Corporation entered into an agreement with Hamilton County Development Company, Inc. (HCDC) under which HCDC provides office facilities and professional, administrative and economic development services to the Corporation for a fee of \$375 per month. Included in the Corporation's Statements of Activities and Changes in Net Assets for 2004 and 2003 are charges of \$4,500, each year, for these services.

REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE AND
ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING
STANDARDS*

Community Improvement Corporation of Greater Cincinnati
1776 Mentor Avenue
Cincinnati OH 45212

To the Board of Trustees:

We have audited the accompanying statement of financial position of the Community Improvement Corporation of Greater Cincinnati (a nonprofit organization) as of December 31, 2004 and 2003, and the related statements of activities for the years then ended, and have issued our report thereon dated February 17, 2005. 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 *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 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 for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

Flynn & Company PSC, Inc.

Flynn & Company PSC, Inc.
February 17, 2005



**Auditor of State
Betty Montgomery**

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**COMMUNITY IMPROVEMENT CORPORATION OF GREATER CINCINNATI
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.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 5, 2005**