

FINANCIAL STATEMENTS

**EVENDALE COMMUNITY
IMPROVEMENT CORPORATION**

For the Years Ended
December 31, 2001 and 2000
With Report of Independent Auditors

FLYNN & COMPANY PSC, INC.
Certified Public Accountants



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P. O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490
www.auditor.state.oh.us

Board of Trustees
Evendale Community Improvement Corporation
10500 Reading Road
Evendale, Ohio 45241

We have reviewed the Independent Auditor's Report of the Evendale Community Improvement Corporation, Hamilton County, prepared by Flynn & Company PSC, Inc., for the audit period January 1, 2000 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 Evendale Community Improvement Corporation 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

November 4, 2002

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EVENDALE COMMUNITY IMPROVEMENT CORPORATION

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2001 and 2000

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REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees
Evendale Community Improvement Corporation
Evendale, Ohio

We have audited the accompanying statements of financial position of the Evendale Community Improvement Corporation (a nonprofit organization) as of December 31, 2001 and 2000, 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 the *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 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 Evendale Community Improvement Corporation, Hamilton County, Ohio as of December 31, 2001 and 2000, 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 August 26, 2002 on our consideration of 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.

Flynn & Company PSC, Inc.
August 26, 2002

Evendale Community Improvement Corporation
Statement of Financial Position
As of December 31 2001 and 2000

	2001	2000
ASSETS		
Cash and cash equivalents	\$ 76,541	\$ 87,368
Interest bearing deposits	50,000	50,000
Total Assets	\$ 126,541	\$ 137,368
 LIABILITIES AND NET ASSETS		
Total Liabilities	\$ -	\$ -
Net Assets	126,541	137,368
Total Net Assets	126,541	137,368
 Total Liabilities and Net Assets	 \$ 126,541	 \$ 137,368

See accompanying Notes to Financial Statements

Evedale Community Improvement Corporation
 Statements of Activities
 For the Years Ended December 31, 2001 and 2000

	2001	2000
OPERATING REVENUES		
Interest Income	\$ 4,515	\$ 1,934
Other Income	6,389	-
Total Operating Revenues	10,904	1,934
OPERATING EXPENSES		
Audit Fees	2,250	6,000
Appraisal Fees	200	6,750
Marketing Study	-	12,847
Reading Road Corridor	7,155	-
Urban Renewal Project	12,126	-
Bank Service Charges	-	92
Total Operating Expenses	21,731	25,689
Decrease in Net Assets	(10,827)	(23,755)
Net Assets, Beginning of Year	137,368	161,123
Net Assets, End of Year	\$ 126,541	\$ 137,368

See accompanying Notes to Financial Statements

Ewendale Community Improvement Corporation
 Statements of Cash Flows
 For the Years Ended December 31, 2001 and 2000

	2001	2000
Cash Flows from Operating Activities:		
Decrease in Net Assets	\$ (10,827)	\$ (23,755)
Net Cash used by operating activities	(10,827)	(23,755)
 Cash Flows from Investing Activities:		
Purchase of interest bearing deposits	-	(50,000)
Net Cash used by Investing Activities	-	(50,000)
 Net Decrease in Cash and Cash Equivalents	(10,827)	(73,755)
 Cash and Cash equivalents at beginning of year	87,368	161,123
Cash and Cash equivalents at end of year	\$ 76,541	\$ 87,368

See accompanying Notes to Financial Statements

Evendale Community Improvement Corporation
Notes to Financial Statements
December 31, 2001, and 2000

1. Nature Of Activities And Significant Accounting Policies

The Village of Evendale Council, in order to promote the general welfare of the citizens of the Village of Evendale, have adopted ordinance No. 23-74 and designated Evendale Community Improvement Corporation as the agency responsible for industrial, economic, civic, commercial, distribution, and research development in the Village of Evendale, Ohio.

The Evendale Community Improvement Corporation, a non-profit corporation, was organized on May 16, 1994 in the manner provided for in Section 1724.10 of the Ohio Revised Code.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Corporation have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental nonprofit organizations. The Governmental Accounting standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Corporation also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The more significant of the Corporation's accounting policies are described below.

Revenues are recognized when they are earned. Expenses are recognized when they are incurred.

Cash and Certificates of Deposit

Deposits are insured up to \$ 100,000 by the Federal Deposit Insurance Corporation.

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 expenses during the reporting period. Actual results could differ from those estimates.

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.

Reclassification

Certain reclassifications have been made to the 2000 financial statements in order to confirm to the 2001 presentation.

Evendale Community Improvement Corporation
Notes to Financial Statements
December 31, 2001 and 2000 (Continued)

3. Financial Support by Village Of Evendale Council

The Village of Evendale Council has committed to provide support to the Evendale Community Improvement Corporation by providing the funds needed by the Evendale Community Improvement Corporation to pledge as collateral for loans made to companies locating in the Village of Evendale by local financial institutions.

4. Commitments

There were no commitments as of December 31, 2001.

As of December 31, 2000, the Evendale Community Improvement Corporation had commitments as follows:

A. The Evendale Community Improvement Corporation was a guarantor for a seven year period on a \$75,000 loan made by Centennial bank to Postservice, Inc., on March 31, 1994. Corporate funds guaranteeing the loan were held by Centennial Bank in a non-interest bearing account.

The loan was also secured by a second mortgage on the Postservice, Inc., property located at 10305 Reading Road, Evendale, Ohio. The borrower agreed to make monthly interest-only payments in the first year and monthly principal and interest payments thereafter to the lender at 3% above prime rate.

The loan was paid in full by March 2001, and the funds guaranteeing the loan were transferred to an operating account.

B. The Evendale Community Improvement Corporation was guarantor for a five year period on a \$34,000 loan made by U.S. Bank (formerly Firststar) to The Everest Group on July 5, 1995. Corporate funds guaranteeing the loan were held by U.S. bank in an interest bearing certificate of deposit account.

The loan was also secured by a second mortgage on The Everest Group property located at 2860 Cooper Road, Evendale, Ohio. The business agreed to make monthly payments of principal and interest to the lender at an adjustable prime rate.

The loan was paid in full by March 2001, and the funds guaranteeing the loan were transferred to an operating account.

Evendale Community Improvement Corporation
Notes to Financial Statements
December 31, 2001 and 2000 (Continued)

5. Requirement to File Form 990 with Internal Revenue Service

The Evendale Community Improvement Corporation is not required to file a Form 990 with the IRS because its annual gross receipts are less than \$25,000 and it can be classified as an affiliate of a governmental unit.

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

Evendale Community Improvement Corporation
10500 Reading Road
Cincinnati Ohio 45241

To the Board of Trustees:

We have audited the accompanying statement of financial position of the Evendale Community Improvement Corporation (a nonprofit organization) as of December 31, 2001 and 2000, and the related statements of activities for the years then ended, and have issued our report thereon dated August 26, 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 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*. However, we noted certain immaterial instances of noncompliance, which we have reported to the management of Evendale Community Improvement Corporation in a separate letter dated August 26, 2002.

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.

Evendale Community Improvement Corporation
Report of Independent Accounts on Compliance and
On Internal Control Required by *Government Auditing Standards*
(Continued)

However, we noted other matters involving the internal control over financial reporting, which we have reported to the management of the Evendale Community Improvement Corporation in a separate letter dated August 26, 2002.

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.

August 26, 2002



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EVENDALE COMMUNITY IMPROVEMENT CORPORATION

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
NOVEMBER 19, 2002**