



Dave Yost • Auditor of State



**CUYAHOGA HEIGHTS COMMUNITY IMPROVEMENT CORPORATION  
CUYAHOGA COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Statement of Financial Position – December 31, 2010 and 2009.....	6
Statement of Activities.....	7
Statement of Cash Flows.....	8
Notes to the Financial Statements .....	9
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	13

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Cuyahoga Heights Community Improvement Corporation  
Cuyahoga County  
4863 East 71<sup>st</sup> Street  
Cuyahoga Heights, Ohio 44125

To the Board of Trustees:

We have audited the accompanying basic financial statements of the Cuyahoga Heights Community Improvement Corporation, Cuyahoga County (the Corporation), as of and for the years ended December 31, 2010 and December 31, 2009, 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 Cuyahoga Heights Community Improvement Corporation, as of December 31, 2010 and December 31, 2009, 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 December 19, 2011, 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*, as listed in the table of contents, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

December 29, 2011

# Cuyahoga Heights Community Improvement Corporation Cuyahoga County

## Management's Discussion and Analysis

### For the Years Ended December 31, 2010 and 2009 (Unaudited)

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This discussion and analysis, along with the accompanying financial report, of the Cuyahoga Heights Community Improvement Corporation (the "Corporation") is designed to provide our creditors and other interested parties with a general overview of the Organization and its financial activities.

#### **FINANCIAL HIGHLIGHTS**

The Organization's net assets were \$300,870 and \$526,115 on December 31, 2010 and 2009, respectively.

The Organization's revenues have increased \$95, or 5 percent, from 2009 to 2010 and decreased \$10,798, or 84 percent, from 2008 to 2009. The Organization's expenses have increased \$216,566, or 2,005 percent, from 2009 to 2010 and increased \$6,366, or 144 percent, from 2008 to 2009.

#### **OVERVIEW OF BASIC FINANCIAL STATEMENTS**

The Organization is a single enterprise fund using proprietary fund accounting, similar to private sector business. The Basic Financial Statements are presented using the accrual basis of accounting.

The **Statements of Financial Position** includes all of the Organization's assets and liabilities. This statement provides information about the nature and amounts of investments in resources (assets) owned by the Organization and obligations owed by the Organization (liabilities). The Organization's net assets (equity) are the difference between assets and liabilities.

The **Statements of Activities** provides information on the Organization's operations over the past year. Revenues are reported when earned and expenses are reported when incurred.

The **Statements of Cash Flows** provide information about the Organization's cash receipts and cash disbursements. It summarizes the net changes in cash resulting from operating and investing activities.

**Cuyahoga Heights Community Improvement Corporation  
Cuyahoga County**

**Management's Discussion and Analysis**

**For the Years Ended December 31, 2010 and 2009 (Unaudited)**

**NET ASSETS**

Table 1 summarizes the Net Assets of the Organization.

TABLE 1

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Assets:			
Cash and cash equivalents	\$ 300,870	\$ 527,915	\$ 134,889
Short-term investments	<u>-</u>	<u>-</u>	<u>400,000</u>
Total assets	<u>300,870</u>	<u>527,915</u>	<u>534,889</u>
Liabilities:			
Accounts payable	<u>-</u>	<u>1,800</u>	<u>-</u>
Net assets:			
Unrestricted net assets	\$ <u>300,870</u>	\$ <u>526,115</u>	\$ <u>534,889</u>

**STATEMENT OF ACTIVITIES**

Table 2 below summarizes the changes in Revenues and Expenses and the resulting change in Net Assets.

TABLE 2

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Operating revenues:			
Investment income	\$ <u>2,121</u>	\$ <u>2,026</u>	\$ <u>12,824</u>
Total operating revenues	<u>2,121</u>	<u>2,026</u>	<u>12,824</u>
Operating expenses:			
Professional fees	5,366	10,800	4,434
Grant expense	<u>222,000</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>227,366</u>	<u>10,800</u>	<u>4,434</u>
Changes in net assets	(225,245)	(8,774)	8,390
Net assets at beginning of year	<u>526,115</u>	<u>534,889</u>	<u>526,499</u>
Net assets at end of year	\$ <u>300,870</u>	\$ <u>526,115</u>	\$ <u>534,889</u>

# **Cuyahoga Heights Community Improvement Corporation Cuyahoga County**

## **Management's Discussion and Analysis**

### **For the Years Ended December 31, 2010 and 2009 (Unaudited)**

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Revenues increased by \$95, or 5 percent, from 2009 to 2010 and decreased \$10,798, or 84 percent, from 2008 to 2009. The changes in revenue are related to the fluctuations in investment revenue. In 2010, the Community Improvement Corporation's investments had higher returns compared to 2009. In 2009, the interest rates were significantly less than they were in 2008.

Expenses increased by \$216,566, or 2,005 percent, from 2009 to 2010. The increase in expenses was a result of additional grants awarded to local businesses in 2010. Expenses increased \$6,366, or 144 percent, from 2008 to 2009. The increase in expenses was a result of additional contracted professional services.

#### **CONTACT INFORMATION**

Questions regarding this report and requests for additional information should be forwarded to Robert Unger, Village Clerk, Village of Cuyahoga Heights, 4863 East 71<sup>st</sup> Street, Cuyahoga Heights, Ohio 44125.

**Cuyahoga Heights Community Improvement Corporation  
Cuyahoga County**

**Statement of Financial Position**

**December 31, 2010 and 2009**

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	<u>Assets</u>	
	<u>2010</u>	<u>2009</u>
Assets:		
Cash and cash equivalents	\$ <u>300,870</u>	\$ <u>527,915</u>
	<u>Liabilities and Net Assets</u>	
Liabilities:		
Accounts payable	\$ <u>-</u>	\$ <u>1,800</u>
Net assets:		
Unrestricted	<u>300,870</u>	<u>526,115</u>
Total liabilities and net assets	\$ <u>300,870</u>	\$ <u>527,915</u>

The accompanying notes are an integral part of these financial statements

**Cuyahoga Heights Community Improvement Corporation  
Cuyahoga County**

**Statement of Activities**

**For the Years Ended December 31, 2010 and 2009**

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	2010 <u>Unrestricted</u>	2009 <u>Unrestricted</u>
Revenue:		
Investment income	\$ <u>2,121</u>	\$ <u>2,026</u>
Total revenue	<u>2,121</u>	<u>2,026</u>
Expenses:		
Professional fees	5,366	10,800
Grant expense	<u>222,000</u>	<u>-</u>
Total expenses	<u>227,366</u>	<u>10,800</u>
Increase (decrease) in net assets	(225,245)	(8,774)
Net assets at beginning of year	<u>526,115</u>	<u>534,889</u>
Net assets at end of year	\$ <u><u>300,870</u></u>	\$ <u><u>526,115</u></u>

The accompanying notes are an integral part of these financial statements

**Cuyahoga Heights Community Improvement Corporation**  
**Cuyahoga County**

**Statement of Cash Flows**

**For the Years Ended December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Cash proceeds on investment earnings	\$ 2,121	\$ 1,523
Cash payments for goods or services	(7,166)	(9,000)
Cash payments for grants	<u>(222,000)</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>(227,045)</u>	<u>(7,477)</u>
Cash flows from investing activities:		
Purchase of short-term investments	-	(399,497)
Proceeds from the sale of short-term investments	<u>-</u>	<u>800,000</u>
Net cash provided by (used for) investing activities	<u>-</u>	<u>400,503</u>
Net increase in cash and cash equivalents	(227,045)	393,026
Cash and cash equivalents at beginning of year	<u>527,915</u>	<u>134,889</u>
Cash and cash equivalents at end of year	\$ <u><u>300,870</u></u>	\$ <u><u>527,915</u></u>
<i>Reconciliation of operating loss to net cash provided by operating activities:</i>		
Operating loss	\$ (225,245)	\$ (8,774)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Gain on sale of investments	-	(503)
Changes in operating liabilities:		
Increase (decrease) in accounts payable	<u>(1,800)</u>	<u>1,800</u>
Net cash provided by (used for) operating activities	\$ <u><u>(227,045)</u></u>	\$ <u><u>(7,477)</u></u>

The accompanying notes are an integral part of these financial statements

# Cuyahoga Heights Community Improvement Corporation

## Cuyahoga County

### Notes to Basic Financial Statements

**For the Years Ended December 31, 2010 and 2009**

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#### **A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### Nature of Activities

The Cuyahoga Heights Community Improvement Corporation (the "Corporation") is a non-profit organization incorporated in the State of Ohio on June 15, 1982 for the purpose of advancing, encouraging, and promoting the industrial, economic, commercial, and civic development of the Village of Cuyahoga Heights and the territory surrounding the Village. Operations commenced March 9, 2005.

The Organization acts as the agency and instrumentality of the Village of Cuyahoga Heights for the industrial, commercial, distribution, and research development in the Village in accordance with Section 1724.10 of the Ohio Revised Code.

The Organization is affiliated with a governmental unit because the purpose of the Organization is to facilitate the Village of Cuyahoga Heights' mission in improving the quality of life and economic environment for the citizens of the Village of Cuyahoga Heights. The primary funding for the Organization is supplied by the Village, and in the event the Organization ceases to operate, all remaining funds and assets are transferred to the Village. Additionally, no less than two-fifths of the governing board of the Organization shall be comprised of appointed or elected officers of the Village of Cuyahoga Heights or other political subdivision designating the Organization as its agency pursuant to Section 1724.10 of the Ohio Revised Code.

##### Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting, which recognizes revenues when earned and expenses when incurred.

##### Basis of Presentation

Under the "Not-for-Profit Entities" topic of FASB ASC, the Organization 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, based upon the existence or absence of donor-imposed restrictions. The Organization does not have any temporarily restricted or permanently restricted net assets.

# Cuyahoga Heights Community Improvement Corporation Cuyahoga County

## Notes to Basic Financial Statements (continued)

### For the Years Ended December 31, 2010 and 2009

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#### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

##### Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

##### Concentrations of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of periodic temporary investments of excess cash. The Organization places its temporary excess cash in high-quality financial institutions.

##### Income Taxes

The Organization is tax exempt, under Section 501(c)(3) of the Internal Revenue Code of 1986. No provision for Federal income taxes has been reported in its financial statements.

# Cuyahoga Heights Community Improvement Corporation Cuyahoga County

## Notes to Basic Financial Statements (continued)

### For the Years Ended December 31, 2010 and 2009

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#### **B. CASH AND CASH EQUIVALENTS**

At December 31, 2010, the Corporation maintains its cash balance in a money market account. The Corporation's carrying value of cash and cash equivalents was \$300,870. The Corporation's bank balance, which was held in one financial institution, was \$300,870. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosure*, of the bank balance, \$50,870 was exposed to custodial credit risk as discussed below, while \$250,000 was covered by the Federal Depository Insurance Corporation.

At December 31, 2009, the Corporation maintains its cash balances in a money market account and two certificates of deposit maturing in 2010. The Corporation's carrying value of cash and cash equivalents was \$527,915. The Corporation's bank balance, which was held in three financial institutions, was \$527,915. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosure*, \$527,915 was covered by the Federal Depository Insurance Corporation.

*Custodial Credit Risk:* is the risk that in the event of bank failure, the Corporation's deposits may not be returned. The Corporation has a policy regarding custodial credit risk. In addition, state law does not require security for public deposits and investment to be maintained in the Corporation's name.

#### **C. ACCOUNTS PAYABLE**

At December 31, 2009, the accounts payable of the Corporation consists of a liability to the Village of Cuyahoga Heights.

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# Dave Yost • Auditor of State

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

Cuyahoga Heights Community Improvement Corporation  
Cuyahoga County  
4863 East 71<sup>st</sup> Street  
Cuyahoga Heights, Ohio 44125

To the Board of Trustees:

We have audited the financial statements of the business-type activities of Cuyahoga Heights Community Improvement Corporation, Cuyahoga County, (the Corporation) as of and for the years ended December 31, 2010 and December 31, 2009 and have issued our report thereon dated December 29, 2011. 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*.

Cuyahoga Heights Community Improvement Corporation  
Cuyahoga County  
Independent Accounts' Report On Internal Control Over  
Financial Reporting And On Compliance And Other Matters  
Required By Government Auditing Standards  
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We did note certain matters not requiring inclusion in this report that we reported to the Corporation's management in a separate letter dated December 29, 2011.

We intend this report solely for the information and use of management, Board of Trustees and others within the Corporation. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

**Dave Yost**  
Auditor of State

December 29, 2011



# Dave Yost • Auditor of State

**CUYAHOGA HEIGHTS COMMUNITY IMPROVEMENT CORPORATION**

**CUYAHOGA 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  
JANUARY 12, 2012**