

FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**CUYAHOGA COUNTY COMMUNITY
IMPROVEMENT CORPORATION**

December 31, 2001 and 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Executive Committee
Cuyahoga County Community Improvement Corporation
Cleveland, Ohio

We have reviewed the Independent Auditor's Report of the Cuyahoga County Community Improvement Corporation, Cuyahoga County, prepared by Grant Thornton LLP, 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 Cuyahoga County 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

July 15, 2002

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Executive Committee
**Cuyahoga County Community
Improvement Corporation**

We have audited the accompanying Statements of Financial Position of the Cuyahoga County Community Improvement Corporation (an Ohio nonprofit corporation) 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 Company'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. 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 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 Cuyahoga County Community Improvement Corporation as of December 31, 2001 and 2000 and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Cleveland, Ohio
March 7, 2002

Cuyahoga County Community Improvement Corporation

STATEMENTS OF FINANCIAL POSITION

December 31

ASSETS

| | <u>2001</u> | <u>2000</u> |
|---------------------------|-------------------|-------------------|
| Cash and cash equivalents | \$ 344,095 | \$ 320,711 |
| Fees receivable | 11,135 | - |
| Interest receivable | 373 | 633 |
| | <u>\$ 355,603</u> | <u>\$ 321,344</u> |

LIABILITIES AND NET ASSETS

| | | |
|-------------------------|-------------------|-------------------|
| Accounts payable: | | |
| Affiliate | \$ 312 | \$ 2,533 |
| Other | 359 | - |
| Unrestricted net assets | 354,932 | 318,811 |
| | <u>\$ 355,603</u> | <u>\$ 321,344</u> |

The accompanying notes are an integral part of these financial statements.

Cuyahoga County Community Improvement Corporation

STATEMENTS OF ACTIVITIES

For the years ended December 31

| | <u>2001</u> | <u>2000</u> |
|--|-------------------|-------------------|
| Revenues | | |
| Fees | \$ 81,135 | \$ 37,597 |
| Interest | 6,519 | 9,378 |
| | <u>87,654</u> | <u>46,975</u> |
| Expenses | | |
| Salary and fringe benefit allocation | 17,283 | 15,049 |
| Seminar and dues | - | 5,250 |
| Professional fees | 17,723 | 2,500 |
| Office expense | 16,527 | 787 |
| | <u>51,533</u> | <u>23,586</u> |
| INCREASE IN NET ASSETS | 36,121 | 23,389 |
| Unrestricted net assets, beginning of year | <u>318,811</u> | <u>295,422</u> |
| Unrestricted net assets, end of year | <u>\$ 354,932</u> | <u>\$ 318,811</u> |

The accompanying notes are an integral part of these financial statements.

Cuyahoga County Community Improvement Corporation

STATEMENTS OF CASH FLOWS

For the years ended December 31

| | <u>2001</u> | <u>2000</u> |
|--|------------------------------|------------------------------|
| Cash Flows from Operating Activities: | | |
| Increase in net assets | \$ 36,121 | \$ 23,389 |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities: | | |
| Changes in operating assets and liabilities: | | |
| Fees receivable | (11,135) | 2,000 |
| Interest receivable | 260 | (633) |
| Accounts payable - affiliate | (2,221) | 1,308 |
| Accounts payable - other | 359 | (14) |
| <i>Total adjustments</i> | <u>(12,737)</u> | <u>2,661</u> |
| Net cash provided by operating activities | <u>23,384</u> | <u>26,050</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 23,384 | 26,050 |
| Cash and cash equivalents at beginning of year | <u>320,711</u> | <u>294,661</u> |
| Cash and cash equivalents at end of year | <u><u>\$ 344,095</u></u> | <u><u>\$ 320,711</u></u> |

The accompanying notes are an integral part of these financial statements.

Cuyahoga County Community Improvement Corporation

NOTES TO FINANCIAL STATEMENTS

December 31, 2001 and 2000

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cuyahoga County Community Improvement Corporation (CCCIC) (the "Company") was incorporated in 1982 for the purpose of advancing, encouraging, and promoting the industrial, economic, commercial, and civic development of the Ohio County of Cuyahoga. CCCIC acts as the designated agency of Cuyahoga County and of any municipal corporations located therein that may thereafter designate the CCCIC as their agency for the industrial, commercial, distribution, and research development in such political subdivisions in accordance with Section 1724.10 of the Ohio Revised Code.

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of Accounting

The financial statements of CCCIC have been prepared on the accrual basis of accounting.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, 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.

Revenues

The primary source of the CCCIC's revenue is fees earned for reviewing Industrial Revenue Bond (IRB) applications for the possible recommendation to the County or other political subdivision that the IRB be issued. Fees are equal to the greater of one-tenth of one percent of the IRB issue or \$1,000, \$500 of which is nonrefundable and is paid at the time the application is first considered. This nonrefundable amount is recognized as revenue at the time the application is considered, while the remaining portion of the fee is recognized at the time the IRB is issued.

Cuyahoga County Community Improvement Corporation

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2001 and 2000

NOTE A - SUMMARY OF ACCOUNTING POLICIES – Continued

Expenses

Expenses include a salary and fringe benefit allocation of an employee of the Greater Cleveland Growth Association (Growth Association) who is responsible for the administration of the CCCIC. In 2001, the Growth Association began allocating and billing CCCIC for other expenses relating to rent, facility maintenance, utilities, and office supplies which are included in office expense in the 2001 Statement of Activities.

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 amount 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.

Concentration of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of periodic temporary investments of excess cash. The Company places its temporary excess cash in high quality financial institutions. Portions of these instruments are in excess of the Federal Deposit Insurance Corporation (“FDIC”) limit. At December 31, 2001, the Company had deposits of approximately \$346,000 in two institutions of which approximately \$146,000 is over the FDIC limit. No losses have been experienced on such investments.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with a maturity of three months or less are considered to be cash equivalents.

NOTE B - ACCOUNTS PAYABLE - AFFILIATE

At December 31, 2001 and 2000, the accounts payable - affiliate represents an amount due to the Growth Association for allocated expenses.

Cuyahoga County Community Improvement Corporation

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2001 and 2000

NOTE C - RELATED PARTIES

Members of the board include officers of lending institutions that may be a party to the loan agreement with an applicant. It is the CCCIC's policy for such board members to abstain from voting on approval of these applicants.

NOTE D - INCOME TAXES

The CCCIC is incorporated as a not-for-profit organization under Chapters 1702 and 1724 of the Ohio Revised Code and is exempt from federal income taxes under Internal Revenue Code Section 501(c)(4).



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CUYAHOGA COUNTY 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
AUGUST 6, 2002**