

FINANCIAL STATEMENTS

**Community Improvement
Corporation of Greater Cincinnati**

For the Years Ended
December 31, 2002, and 2001
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
Cincinnati, Ohio

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, 2001 through December 31, 2002. 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

March 19, 2003

This Page is Intentionally Left Blank.

COMMUNITY IMPROVEMENT CORPORATION OF GREATER CINCINNATI
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2002 and 2001

TABLE OF CONTENTS

Title	Page
Independent Auditors' Report.....	1
Statements of Financial Position.....	2
Statements of Activities	3
Statements of Cash Flows.....	4
Notes to Financial Statements.....	5
Report of Independent Auditors on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	7

This Page is Intentionally Left Blank.

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, 2002 and 2001, 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, 2002 and 2001, 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 13, 2003 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.
West Chester, Ohio
February 13, 2003

Community Improvement Corporation of Greater Cincinnati
 Statements of Financial Position
 As of December 31, 2002 and 2001

	2002	2001
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 388,145	\$ 461,636
Accounts Receivable	1,115	235
Interest Receivable	42	-
Prepaid Insurance	303	988
Prepaid Expenses	-	275
Total Current Assets	389,605	463,134
Other Assets		
Development Costs	74,574	-
Security Deposit	275	275
Total Other Assets	74,849	275
Total Assets	\$ 464,454	\$ 463,409
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 9,885	\$ 2,121
Total Current Liabilities	9,885	2,121
Net Assets		
Unrestricted Net Assets	454,569	461,288
Total Net Assets	454,569	461,288
Total Liabilities and Net Assets	\$ 464,454	\$ 463,409

See accompanying notes to financial statements

Community Improvement Corporation of Greater Cincinnati
 Statements of Activities
 For the Years Ending December 31, 2002 and 2001

	2002	2001
Revenue		
Interest	\$ 4,483	\$ 17,299
Other income	2,000	12,000
Total revenue	6,483	29,299
Expenses		
Insurance Expense	1,257	3,580
Legal and Accounting Fees	6,060	22,718
Consulting Fees	-	15,572
Office Supplies and Expenses	1,146	936
Telephone Expenses	993	1,055
Rent – Office	3,300	3,300
Other Expenses	446	300
Total Expenses	13,202	47,461
Change in Net Assets	(6,719)	(18,162)
Net Assets, Beginning of Year	461,288	479,450
Net Assets, End of Year	\$ 454,569	\$ 461,288

See accompanying notes to financial statements

Community Improvement Corporation of Greater Cincinnati
 Statements of Cash Flows
 For the Years Ending December 31, 2002 and 2001

	2002	2001
Cash Flows from Operating Activities:		
Change in net assets	\$ (6,719)	\$ (18,162)
Adjustments to reconcile change in net assets to net cash (used in) operating Activities		
Decrease(Increase) in accounts receivable	(880)	4077
Decrease(Increase) in prepaid expenses	960	(178)
Decrease(Increase) in interest receivable	(42)	492
Increase in developmental costs	(74,574)	-
Increase (Decrease) in accounts payable	7,764	(17,960)
Net cash used in operating activities	(73,491)	(31,731)
Decrease in cash and cash equivalents	(73,491)	(31,731)
Cash and cash equivalents, beginning of year	461,636	493,367
Cash and cash equivalents, end of year	\$ 388,145	\$ 461,636
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for:		
Interest	\$ -	\$ -
Income taxes	-	-

See accompanying notes to financial statements

Community Improvement Corporation of Greater Cincinnati
Notes to Financial Statements
For the years ended December 31, 2002 and 2001

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 cities of Cincinnati and Blue Ash, Ohio, Hamilton County, Ohio, and Anderson Township.

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.

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, 2002, and 2001

1. Nature of Activities and Significant Accounting Policies (continued)

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 and is not considered a private foundation under Section 509(a)(2).

2. Development Agreement

The Corporation has entered into a preliminary agreement with Tri-State Improvement Company (a subsidiary of Cinergy, Corp.) to bring about the industrial development of approximately 160 acres of land in Harrison Township, Hamilton County, Ohio.

3. Land Sale Agreement

The Corporation entered into an agreement to sell the land referenced in Note 2. The purchaser terminated this agreement in 2001. Under the terms of the agreement, the earnest money received is retained by the seller, and is included in Other Income in the Statement of Activities. Expenses incurred in connection with this agreement are included in Legal and Accounting Services and Other Expenses in the Statement of Activities.

4. Development Costs

The Corporation paid \$74,574 for the development of water lines for the property described in Note 2. The corporation has an agreement with the Tri-State Improvement Company that will reimburse the Corporation for the cost of the water lines if the development described in note 2 does not occur.

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, 2002, and 2001, and the related statements of activities for the years then ended, and have issued our report thereon dated February 13, 2003. 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.
February 13, 2003



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

**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
APRIL 1, 2003**