



**CUYAHOGA HEIGHTS COMMUNITY IMPROVEMENT CORPORATION
CUYAHOGA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007



Mary Taylor, CPA
Auditor of State

**CUYAHOGA HEIGHTS COMMUNITY IMPROVEMENT CORPORATION
CUYAHOGA COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Cuyahoga Heights Community Improvement Corporation
Cuyahoga County
4863 East 71st 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, 2008 and December 31, 2007, 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 that 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, 2008 and December 31, 2007, and the changes in its financial position 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 also issued our report dated May 5, 2010, 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.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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Mary Taylor, CPA
Auditor of State

May 5, 2010

Cuyahoga Heights Community Improvement Corporation Cuyahoga County

Management's Discussion and Analysis

For The Years Ended December 31, 2008 and 2007 (Unaudited)

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 Corporation and its financial activities.

FINANCIAL HIGHLIGHTS

The total assets of the Corporation equaled net assets on December 31, 2008 and 2007. The Corporation's net assets were \$534,889 and \$526,499 on December 31, 2008 and 2007 respectively.

The Corporation's revenues have decreased by \$11,581 or 47 percent from 2007 to 2008 and decreased \$57,411 or 70 percent from 2006 to 2007. The Corporation's expenses have decreased by \$44,441 or 91 percent from 2007 to 2008 and increased \$34,249 or 234 percent from 2006 to 2007.

The Corporation issued no long term debt in 2008 or 2007.

OVERVIEW OF BASIC FINANCIAL STATEMENTS

The Corporation 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 Corporation's assets and liabilities. This statement provides information about the nature and amounts of investments in resources (assets) owned by the Corporation, and obligations owed by the Corporation (liabilities). The Corporation's net assets (equity) are the difference between assets and liabilities.

The **Statements of Activities** provides information on the Corporation'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 Corporation'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 (Continued)

For The Years Ended December 31, 2008 and 2007 (Unaudited)

NET ASSETS

Table 1 summarizes the Net Assets of the Corporation.

TABLE 1

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Assets:			
Cash and cash equivalents	\$ 134,889	\$ 130,259	\$ 101,825
Short-term investments	400,000	396,240	395,520
Accounts receivable–affiliate	<u>-</u>	<u>-</u>	<u>58,500</u>
Total assets	534,889	526,499	555,845
Liabilities:			
Accounts payable	<u>-</u>	<u>-</u>	<u>4,876</u>
Net assets:			
Unrestricted net assets	\$ <u>534,889</u>	\$ <u>526,499</u>	\$ <u>550,969</u>

STATEMENT OF ACTIVITIES

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

TABLE 2

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Operating Revenues:			
Government support	\$ -	\$ -	\$ 58,500
Investment income	<u>12,824</u>	<u>24,405</u>	<u>23,316</u>
Total operating revenues	<u>12,824</u>	<u>24,405</u>	<u>81,816</u>
Operating Expenses:			
Professional fees	<u>4,434</u>	<u>48,875</u>	<u>14,626</u>
Total operating expenses	<u>4,434</u>	<u>48,875</u>	<u>14,626</u>
Changes in net assets	8,390	(24,470)	67,190
Net assets at beginning of year	<u>526,499</u>	<u>550,969</u>	<u>483,779</u>
Net assets at end of year	\$ <u>534,889</u>	\$ <u>526,499</u>	\$ <u>550,969</u>

Cuyahoga Heights Community Improvement Corporation Cuyahoga County

Management's Discussion and Analysis (Continued)

For The Years Ended December 31, 2008 and 2007 (Unaudited)

Revenues decreased by \$11,581 or 47 percent from 2007 to 2008 as a result of smaller returns on the investments held by the Corporation. Revenues decreased by \$57,411 or 70 percent due to the Corporation not receiving government support.

Expenses decreased by \$44,441 or 91 percent from 2007 to 2008 as a result of the Silverlode Consulting contract expiring at the end of 2007. Expenses increased by \$34,249 or 234 percent from 2006 to 2007 due to an increase in contracted professional fees.

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 71st Street, Cuyahoga Heights, Ohio 44125.

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Cuyahoga Heights Community Improvement Corporation
Cuyahoga County

Statement of Financial Position

December 31, 2008 and 2007

	<u>Assets</u>	
	<u>2008</u>	<u>2007</u>
Assets:		
Cash and cash equivalents	\$ 134,889	\$ 130,259
Short-term investments	<u>400,000</u>	<u>396,240</u>
Total assets	\$ <u><u>534,889</u></u>	\$ <u><u>526,499</u></u>
	<u>Net Assets</u>	
Net Assets:		
Unrestricted	<u>534,889</u>	<u>526,499</u>
Total liabilities and net assets	\$ <u><u>555,845</u></u>	\$ <u><u>526,499</u></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, 2008 and 2007

	2008 <u>Unrestricted</u>	2007 <u>Unrestricted</u>
Revenue:		
Investment income	<u>12,824</u>	<u>24,405</u>
Total revenue	<u>12,824</u>	<u>24,405</u>
Expenses:		
Professional fees	<u>4,434</u>	<u>48,875</u>
Total expenses	<u>4,434</u>	<u>48,875</u>
Increases in net assets	8,390	(24,470)
Net assets at beginning of year	<u>526,499</u>	<u>550,969</u>
Net assets at end of year	\$ <u>534,889</u>	\$ <u>526,499</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, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash Flows from Operating Activities:		
Increase in net assets	\$ <u>8,390</u>	\$ <u>(24,470)</u>
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
(Increase) in accounts receivable - affiliate	-	58,500
Increase in accounts payable	<u>-</u>	<u>(4,876)</u>
Net cash used for operating activities	<u>-</u>	<u>53,624</u>
Cash Flows from Investing Activities:		
Purchase of short-term investments	(797,467)	(783,055)
Sale of short-term investments	800,000	800,000
Gain on sale of short-term investments	<u>(6,293)</u>	<u>(17,665)</u>
Net cash provided by (used for) investing activities	<u>(3,760)</u>	<u>(720)</u>
Net increase in cash and cash equivalents	4,630	28,434
Cash and cash equivalents at beginning of year	<u>130,259</u>	<u>101,825</u>
Cash and cash equivalents at end of year	\$ <u><u>134,889</u></u>	\$ <u><u>130,259</u></u>

The accompanying notes are an integral part of these financial statements

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Cuyahoga Heights Community Improvement Corporation

Cuyahoga County

Notes to Basic Financial Statements

December 31, 2008 and 2007

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Cuyahoga Heights Community Improvement Corporation (the Corporation) is a non-profit Corporation incorporated in the State of Ohio in 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 Corporation 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 Corporation is affiliated with a governmental unit because the purpose of the Corporation 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 Corporation is supplied by the Village and in the event the Corporation 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 Corporation shall be comprised of appointed or elected officers of the Village of Cuyahoga Heights or other political subdivision designating the Corporation as its agency pursuant to Section 1724.10 of the Ohio Revised Code.

Basis of Accounting

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

Basis of Presentation

Under Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*, 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, based upon the existence or absence of donor-imposed restrictions. The Corporation does not have any temporarily restricted or permanently restricted net assets.

Cuyahoga Heights Community Improvement Corporation Cuyahoga County

Notes to Basic Financial Statements (Continued)

December 31, 2008 and 2007

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 Corporation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Short-term Investments

Short-term investments consist of taxable bonds at financial institutions maturing in one year or less and are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in investment income.

Concentrations of Credit Risk

Financial instruments, which potentially subject the Corporation to concentrations of credit risk, consist primarily of periodic temporary investments of excess cash. The Corporation places its temporary excess cash in high quality financial institutions. At December 31, 2008 and 2007, there were no uninsured cash balances maintained in financial institutions. Additionally, the Corporation had approximately \$134,889 in 2008 and \$130,259 in 2007 invested in a money market account at a local brokerage firm, which is not insured by the Federal Deposit Insurance Corporation.

Income Taxes

The Corporation 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.



Mary Taylor, CPA

Auditor of State

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

Cuyahoga County Community Improvement Corporation
Cuyahoga County
4863 East 71st Street
Cuyahoga Heights, Ohio 44125

To the Board of Trustees:

We have audited the financial statements of the business-type activities of the Cuyahoga Heights Community Improvement Corporation, Cuyahoga County, (the Corporation) as of and for the years ended December 31, 2008 and December 31, 2007, and have issued our report thereon dated May 5, 2010. 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*.

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 "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

May 5, 2010



Mary Taylor, CPA
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
JUNE 22, 2010**