

**CUYAHOGA COUNTY COMMUNITY IMPROVEMENT CORPORATION**

**CUYAHOGA COUNTY**

**JANUARY 1, 2010 TO DECEMBER 31, 2010**





# Dave Yost • Auditor of State

Board of Directors  
Cuyahoga County Community Improvement Corporation  
200 Tower City Center  
50 Public Square  
Cleveland, Ohio 44113

We have reviewed the *Independent Auditor's Report* of the Cuyahoga County Community Improvement Corporation, Cuyahoga County, prepared by H&J Certified Public Accountants, for the audit period January 1, 2010 through December 31, 2010. 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.

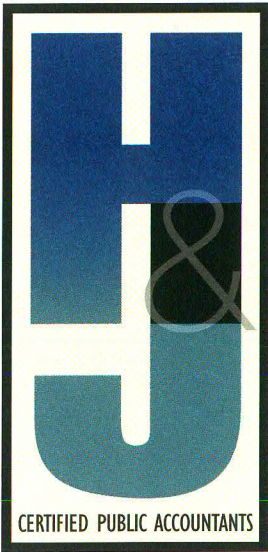
Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Cuyahoga County Community Improvement Corporation is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

December 20, 2011

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H&J Certified Public  
Accountants, Inc.

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Willoughby, OH 44094

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# CUYAHOGA COUNTY COMMUNITY IMPROVEMENT CORPORATION

## FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

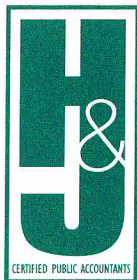
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## INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS  
CUYAHOGA COUNTY COMMUNITY  
IMPROVEMENT CORPORATION

We have audited the accompanying statement of financial position of Cuyahoga County Community Improvement Corporation (CCCIC) (an Ohio nonprofit corporation) as of December 31, 2010 and 2009 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Cuyahoga County Community Improvement 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 *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 CCCIC as of December 31, 2010 and 2009 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2011, on our consideration of CCCIC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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.

Cleveland, Ohio  
October 27, 2011

H•J  
Certified Public Accountants



## CUYAHOGA COUNTY COMMUNITY IMPROVEMENT CORPORATION

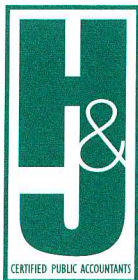
### STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2010 AND 2009

	2010	2009
<b>ASSETS</b>		
ASSETS		
Cash & Cash Equivalents	\$ 41,359	\$ 44,946
Restricted Cash - Fiscal Sponsor	541,814	200,090
Short-Term Investments - CDs	208,491	208,491
Interest Receivable	2,041	1,286
Total Assets	\$ 793,705	\$ 454,813
<b>LIABILITIES AND NET ASSETS</b>		
LIABILITIES		
Accounts Payable	\$ 100	\$ 65
Due Grow Cuyahoga County Fund	35,000	35,000
Fiscal Sponsor Funds	541,814	200,090
Total Liabilities	576,914	235,155
NET ASSETS - UNRESTRICTED	216,791	219,658
Total Liabilities and Net Assets	\$ 793,705	\$ 454,813

See accompanying notes.





**CUYAHOGA COUNTY COMMUNITY IMPROVEMENT CORPORATION**

STATEMENT OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
REVENUES		
IDRB Origination Fees	\$ 22,505	\$ 21,070
Interest Income	1,007	4,592
IDRB Application Fees		2,000
	<u>23,512</u>	<u>27,662</u>
EXPENSES		
Compensation	12,969	13,213
Professional Fees	5,249	5,416
Conference/Training	4,062	
Office Expense	4,099	4,077
Grow Cuyahoga County Grant Expense	-	35,000
	<u>26,379</u>	<u>57,706</u>
CHANGE IN NET ASSETS	<b>(2,867)</b>	(30,044)
NET ASSETS (UNRESTRICTED) - BEGINNING OF YEAR	<u>219,658</u>	<u>249,702</u>
NET ASSETS (UNRESTRICTED) - END OF YEAR	<u><b>\$ 216,791</b></u>	<u>\$ 219,658</u>

See accompanying notes.



**CUYAHOGA COUNTY COMMUNITY IMPROVEMENT CORPORATION**

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	<b>\$ (2,867)</b>	\$(30,044)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Interest Reinvested	-	(13,442)
Changes in Operating Assets & Liabilities:		
Interest Receivable	<b>(755)</b>	358
Accounts Payable	<b>35</b>	(187)
Due Grow Cuyahoga County Fund	-	35,000
	<u><b>(3,587)</b></u>	<u>(8,315)</u>
Net Cash Used by Operating Activities		
	<u><b>(3,587)</b></u>	<u>(8,315)</u>
NET CHANGE IN CASH & CASH EQUIVALENTS		
	<u><b>(3,587)</b></u>	<u>(8,315)</u>
CASH & CASH EQUIVALENTS – BEGINNING OF YEAR	<u><b>44,946</b></u>	<u>53,261</u>
CASH & CASH EQUIVALENTS – END OF YEAR	<u><b>\$ 41,359</b></u>	<u>\$ 44,946</u>

See accompanying notes.



## CUYAHOGA COUNTY COMMUNITY IMPROVEMENT CORPORATION

### NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

#### NOTES:

#### 1. PURPOSE AND NATURE OF OPERATIONS

Cuyahoga County Community Improvement Corporation ("CCCIC") 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 was formed by a partnership of the Board of County Commissioners of Cuyahoga County (Ohio) and the Greater Cleveland Partnership (a nonprofit corporation). The CCCIC Board of Directors is required to be composed of five (5) appointed or elected officers of Cuyahoga County and six (6) persons nominated by the Greater Cleveland Partnership ("Partnership").

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 to promote and encourage the establishment and growth in such subdivisions of the industrial, commercial, distribution, and research facilities in accordance with Section 1724.10 of the Ohio Revised Code.

CCCIC's website address is:

<http://bocc.cuyahogacounty.us/en-US/community-improvement.aspx>.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### BASIS OF ACCOUNTING

The financial statements of CCCIC have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

##### ACCOUNTS RECEIVABLE

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense based on its assessment of the current status of individual receivables from its customers. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts.

##### REVENUES

The primary source of the CCCIC's revenue is fees earned for reviewing Industrial Revenue Development Bond (IRDB) applications for the possible recommendation to Cuyahoga County or other political subdivision that the IRDB be issued. Fees are equal to the greater of one-tenth of one percent of the IRDB 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 IRDB is issued.





## CUYAHOGA COUNTY COMMUNITY IMPROVEMENT CORPORATION

### NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

#### NOTES (CONTINUED):

##### EXPENSES

Expenses include a salary, payroll tax and fringe benefit allocation of employees of the Partnership who are responsible for the administration of CCCIC. Expenses also include an allocation from the Partnership for expenses relating to rent, facility maintenance, utilities, and office supplies which are included in Office Expense in the Statement of Activities.

##### USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

##### CONTRIBUTED GOODS AND SERVICES

Contributed goods and services are reflected as both contribution revenue and expenses if they meet the criteria defined in accordance with GAAP, "Accounting for Contributions," in the accompanying Statement of Activities at their estimated fair value at date of receipt. The contributions of services are recognized if (a) the services received create or enhance financial assets or (b) require specialized skills that are provided by individuals possessing those assets and would typically need to be purchased if not provided.

##### CASH AND CASH EQUIVALENTS

Cash accounts at each institution are insured by the federal Deposit Insurance Corporation ("FDIC") up to \$250,000 for interest bearing accounts and to an unlimited amount for certain non-interest-bearing business accounts. At December 31, 2010, the Organization's cash balance was fully insured in excess of \$250,000. The Organization has not experienced losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. Cash equivalents are highly liquid investments with an original maturity of three months or less at the date of purchase. Because of the short maturity of these financial instruments, the carrying value approximates the fair value.

##### SHORT-TERM INVESTMENTS

Short-term investments consist of certificates of deposit at financial institutions maturing in less than one (1) year.

##### FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair value amounts for specific groups of financial instruments are presented within the notes applicable to such items. Accounts receivable and accounts payable are stated at cost, which approximates fair value, due to their short term maturity. The fair value of investments and long-term pledge receivables are disclosed in other notes and is based upon values calculated with either time-value discounts and values provided by external investment managers or quoted market values, respectively.



## CUYAHOGA COUNTY COMMUNITY IMPROVEMENT CORPORATION

### NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

#### NOTES (CONTINUED):

##### INCOME TAX STATUS

CCCIC is organized as a not-for-profit organization exempt from income tax under 501(c)(4) of the Internal Revenue Code. Income taxes on unrelated business income, if any, are provided at the applicable rates on income for financial reporting purposes.

The Organization's policy is to record a liability for any tax position taken that is beneficial to the Organization, including penalties and interest, when it is more likely than not the position taken will be overturned by a taxing authority upon examination. Management believes there are no such positions as December 31, 2010 and, accordingly, no liability has been accrued.

Generally, the IRS may examine a tax return for three years from the date it is filed. At December 31, 2010, tax years ended December 31, 2009, 2008 and 2007 remain open for possible examination by the IRS.

##### SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through the date of the audit opinion, which is the date the financial statements were available to be issued, and concluded there were no events or transactions during this subsequent event reporting period that required recognition or disclosure in the financial statements.

### **3. GROW CUYAHOGA COUNTY FUND**

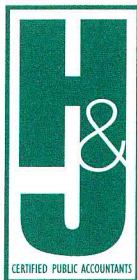
In August, 2006, CCCIC entered into an agreement with the Board of County Commissioners of Cuyahoga County (Ohio) to provide fiscal agent services as part of a new County-wide revolving loan fund program named "Grow Cuyahoga County Fund (the Fund)." The Fund is wholly-owned subsidiary of NDC, a national 501(c)(3) not-for-profit corporation engaged in economic and community development, the intention of which is to create a self-sustaining community development bank (the Grow Cuyahoga County Fund).

As one of several participants in the program, including the County and the City of Cleveland, CCCIC expended \$65,000 of a \$100,000 commitment to initially capitalize the Fund.

The Fund was contracted by the County, through December 31, 2008, to market, package and service loans under this program. Under terms of this agreement, the County retained the rights to recover its own funds and those of the CCCIC (\$65,000) should certain performance measures not be reached by the third party.

At December 31, 2008, the terms of the original agreement with the third party were fulfilled and therefore both the receivable and associated reserve in the amount of \$65,000 were removed from the accounts of CCCIC.





## CUYAHOGA COUNTY COMMUNITY IMPROVEMENT CORPORATION

### NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

#### NOTES (CONTINUED):

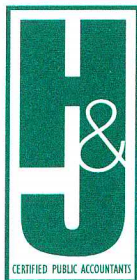
In May, 2009, the Fund contract was extended until December 31, 2011. As a component of the extension, CCCIC is obligated to fulfill its remaining, non-recoverable \$35,000 commitment to the fund. A grant expense in the amount of \$35,000 was realized in 2009 and remains payable as of December 31, 2010.

#### **4. FISCAL SPONSOR**

Resulting from contracts with the Fund, CCCIC has been engaged to act as the fiscal sponsor for the Fund's capitalization from the City of Cleveland, Cuyahoga County and the Greater Cleveland Partnership. At December 31, 2010, CCCIC held \$500,000 from Cuyahoga County, \$40,000 from the Greater Cleveland Partnership and \$1,814 of restricted interest earned on these funds under this agreement.

#### **5. RELATED PARTIES**

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



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

TO THE BOARD OF DIRECTORS  
CUYAHOGA COUNTY COMMUNITY IMPROVEMENT CORPORATION  
CLEVELAND, OHIO

We have audited the financial statements of the Cuyahoga County Community Improvement Corporation as of and for the year ended December 31, 2010, and have issued our report thereon dated October 27, 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 *Government Auditing Standards* by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Cuyahoga County Community Improvement Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cuyahoga County Community Improvement Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Cuyahoga County Community Improvement 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Cuyahoga County Community Improvement Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of directors, management, others within the entity, and the State of Ohio, and is not intended to be and should not be used by anyone other than these specified parties.

Cleveland, Ohio  
October 27, 2011

H. J.  
Certified Public Accountants

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# Dave Yost • Auditor of State

**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  
JANUARY 3, 2012**