



OHIO AUDITOR OF STATE
KEITH FABER



**CLEVELAND CITYWIDE DEVELOPMENT CORPORATION
CUYAHOGA COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Cleveland Citywide Development Corporation
Cuyahoga County
601 Lakeside Avenue, Room 210
Cleveland, Ohio 44114

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Cleveland Citywide Development Corporation, Cuyahoga County, Ohio (the Corporation), (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation, as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable).

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2025, 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. The purpose of that report is solely 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 effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

May 27, 2025

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Cleveland Citywide Development Corporation
Statement of Financial Position
December 31, 2024

ASSETS

Current Assets

Restricted Cash - (Note 2)	\$ 1,122,958
Prepaid Expenses	1,236
Grant Recievable	35,750
Loan Recievable- N.T.I. Downpayment ass't program (Note 3)	<u>147,879</u>
Total Current Assets	<u>1,307,823</u>

Total Assets 1,307,823

LIABILITIES

Current Liabilities

Accounts Payable	20,293
Refundable Grant Advance (Note 4)	<u>1,033,402</u>
Total Current Liabilities	
Total Liabilities	<u>1,053,695</u>

NET ASSETS

Without Donor Restrictions	<u>254,128</u>
Total Net Assets	254,128

Total Liabilities and Net Assets \$ 1,307,823

The accompanying footnotes are an integral part of the financial statements.

**Cleveland Citywide Development Corporation
Statement of Activities and Change in Net Assets
For the Year Ended December 31, 2024**

Revenues, Gains and Other Support

Closing and Processing Fee Revenues - Non loan & loan	\$ 77,221
Closing and Processing Fee Revenues - T.I.F.	96,238
Grant Revenues	664,455
Interest Income	725
	<hr/>
Total Revenues	838,639
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Expenses

Program Services:	
Cleveland Citywide Development Corporation (CCDC) - Direct program Expenses:	
Fund for Our Economic Future- Opportunity Corridor Project	90,000
Cleveland Foundation- Cleveland Incentives Scorecard	95,000
<i>Mayor's Neighborhood Transformation Initiative(MNTI)-Funded Programs Though CCDC:</i>	
City of Cleveland-MTNI-Down Payment Assistance Program	133,511
City of Cleveland-MNTI-Home Rehabilitation Program	254,183
City of Cleveland-MNTI-GlenVillage Retail Incubator Program	91,761
	<hr/>
Total Program Services	664,455
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Supported Services:	
Management and General	153,759
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Total Expenses	818,214
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Increase(Decrease) in Net Assets Without Donor Restrictions	20,425
Net Assets at Beginning of Fiscal Year	233,703
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Net Assets at End of Fiscal Year without Donor Restrictions	\$ 254,128
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The accompanying footnotes are an integral part of the financial statements.

Cleveland Citywide Development Corporation
Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program Services					Supported Services		Total
	Fund for Our Economic Future Opportunity Corridor Project	Cleveland Foundation Cleveland Incentives Scorecard	City of Cleveland Down Payment Assistance	City of Cleveland Home Rehabilitation	City of Cleveland GlenVillage Retail Incubator	Total Program Services	Management and General	
Opportunity Corridor Project	\$ 90,000					\$ 90,000		\$ 90,000
Cleveland Incentives Scorecard		\$ 95,000				95,000		95,000
Housing Rehabilitation			\$ 133,511	\$ 254,183		387,694		387,694
Retail Incubator					\$ 91,761	91,761		91,761
Accounting,Auditing and Tax Filing							14,877	14,877
Legal Expenses and Other Profession Services							94,676	94,676
Contributions to the City of Cleveland Department of Economic Development							21,684	21,684
City of Cleveland - Employee Training							12,165	12,165
Insurance Expense							9,666	9,666
Employee Bonding Expenses							691	691
Total Expenses	\$ 90,000	\$ 95,000	\$ 133,511	\$ 254,183	\$ 91,761	\$ 664,455	\$ 153,759	\$ 818,214

The accompanying footnotes are an integral part of the financial statements.

Cleveland Citywide Development Corporation
Statement of Cash Flows
For the Year Ended December 31, 2024

Cash Flow From Operating Activates:	
Closing Fee/Processing Fee Revenues - Non Loan & loan	\$ 77,221
Closing Fee/Processing Fee Revenues - T.I.F.	96,238
Interest Income	725
Grant Interest Income	3,038
City of Cleveland -Grant Glenvillage Retail Incubator	50,000
Charities Aid Foundation America & Citizens Bank	54,750
Mayor's Neighborhood Transformation Initiative Cash Receipts-Grant Reciepts	58,574
Cash Paid for Professional Services	(94,890)
Cash Paid for Grant Expenses-Opportunity Corridor project	(90,000)
Cash Paid for Grant Expenses-Cleveland incentive Scorecard	(117,000)
Cash Paid for Grant Expenses-Down Payment Assistance	(133,511)
Cash Paid for Grant Expenses-Home Rehabilitation	(254,183)
Cash Paid for Grant Expenses-GlenVillage Retail Incubator	(78,422)
Cash paid for Audit and Tax Filing Fee	(14,877)
Contributions to the City of Cleveland Department of Economic Development	(18,698)
Cash Paid for Insurances	(3,608)
Cash Paid for Employee Training	(12,165)
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NET CASH PROVIDED BY (USED) OPERATING ACTIVITIES	(476,807)
Cash and Cash Equivalents at Beginning of Year	1,599,765
Cash and Cash Equivalents at End of Year	<u>\$ 1,122,958</u>
Reconciliation of Excess in Net Assets to Cash Provided by Operating Activates:	
CHANGES IN NET ASSETS	\$ 20,425
Adjustment to Reconcile Net Income to Net Cash Provided by Operating Activitles:	
(Increase)Decrease in Prepaid Expenses	6,750
(Increase)Decrease in Loan Recievable - N.T.I. Downpayment Ass't Program	45,916
(Increase)Decrease in Grant recievable	(35,750)
Increase(Decrease) in Account Payables	(5,889)
Increase(Decrease) in Refundable Advance	(508,259)
	<hr/>
	(497,232)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (476,807)</u>

The accompanying footnotes are an integral part of the financial statements.

CLEVELAND CITYWIDE DEVELOPMENT CORPORATION

Cuyahoga County

Notes to Basic Financial Statements
For the Year Ended December 31, 2024

Note 1 Summary of Significant Accounting Policies

A) Description of the Entity

Cleveland Citywide Development Corporation (CCDC) was organized in June 1981 under Chapter 1724 of the Ohio Revised Code regulating Not-for-Profit Community Improvement Corporations. The Corporation promotes economic development in the City of Cleveland (City) by serving as a fiscal intermediary for loans made to small businesses and by reviewing loan requests made under other loan programs sponsored by the City. In June 1994 the Corporation converted from a Certified Development Corporation (CDC) to an Associate Development Corporation (ADC). Cleveland Citywide Development Corporation is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

CCDC reviews Economic Development Administration Title IX (EDA), Emergency Working Capital Loan Program (EWCL), Housing and Urban Development Section 108 (HUD-108), Neighborhood Development Investment Fund (NDIF), Mayor's Neighborhood Transformation Initiative Program (M.N.T.I.) and Urban Development Action Grant (UDAG) loans, Empowerment Zone (EZ), Core Loans 1 and Core Loans 2, as well as Tax Incremental Financing (TIF), VPI Loans, including Bridge loans, SBA Muni – Cuyahoga County and Small Business Grant Initiatives, The Steelyard TIF grants and other grants for the City of Cleveland. Repayment of principal and interest will result in additional proceeds that can be loaned to other eligible small business concerns. With the exception of the HUD-108, EZ, SBA Muni – Cuyahoga County programs and the Steelyard TIF, all programs are designed as revolving loan programs.

B) Basis of Accounting

The accounting records of CCDC are maintained on the accrual basis of accounting in conformity with accounting principles accepted in the United States of America (GAAP) which require the Corporation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Corporation and the Board of Trustees.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Corporation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

CLEVELAND CITYWIDE DEVELOPMENT CORPORATION

Cuyahoga County

Notes to Basic Financial Statements

For the Year Ended December 31, 2024

C) Contributions

Contributions are recognized when the donor makes a promise to give to the Corporation, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions.

CCDC has determined that there are no donor imposed restrictions on any of its net assets and all net assets as of December 31, 2024 were unrestricted net assets.

Note 2 Cash

The December 31, 2024 ending CCDC cash balance was composed of the following items:

Account Name	Amount
CCDC Operating Account	\$ 238,650
MNTI - Down Payment Assistance	93,644
MNTI - Homeowners Rehabilitation	789,668
Petty Cash	994
Total Cash	<u>\$ 1,122,956</u>

CCDC had FDIC insurance coverage of \$250,000 as of December 31, 2024. The remaining cash balance of \$872,956 was secured through the Ohio Pool Collateral System (OPCS) as of December 31, 2024.

Note 3 Loans Receivable

As part of the Mayor's Neighborhood Transformation Initiative, and pursuant to CCDC's mission statement, CCDC desires to assist 27 Borrowers with single-family housing units to increase the rate of owner-occupied housing within the City of Cleveland (Buckeye Road Area) and to restore the property values in a certain neighborhood area.

On December 31, 2024, the loan receivable amount was \$147,880 with the following terms:

CCDC will forgive up to \$10,000 from the original loan if borrower provides evidence of continuously property ownership at the maturity of the loan. The remaining \$10,000 of the original loan will be amortized on a five (5) year term at a one (1) percent interest rate. CCDC also has a first position mortgage on relating to all borrowers.

CLEVELAND CITYWIDE DEVELOPMENT CORPORATION

Cuyahoga County

Notes to Basic Financial Statements

For the Year Ended December 31, 2024

Note 4 Refundable Advances

CCDC received cash grant payments in excess of grant expenses from the City of Cleveland and the Mayor's Neighborhood Transformation Initiative (MNTI). These advance payments are recognized as refundable advance liabilities at calendar year end. As allowable expenses are incurred, revenues are recognized, and the refundable advance liability reduced. The composition of the refundable advance liability as of December 31, 2024 is as follows:

Description	Amount
MNTI - Down Payment Assistance	\$ 94,895
MNTI - Homeowners Rehabilitation	789,667
City of Cleveland - Glenvillage Incubator	961
MNTI - Buckeye Home Loan Receivable	147,879
Total	<u>\$ 1,033,402</u>

Note 5 Related Party Transactions-Contributions to the City of Cleveland

The CCDC contributed office related expenses of \$21,684 to the City of Cleveland Department of Economic Development (CCDED) during fiscal year 2024. In addition to these contributions, CCDC also provided employee training expenses to CCDED for an additional \$ 12,165.

Note 6 Cost Allocations

The financial statements report expenses to various programs. Each of these programs is supported by separate contract agreements and currently all charges to a specific program are direct charges to that program and there are no allocated charges to any current CCDC program. Also CCDC does not currently allocate any expenses between programs and supportive services.

Note 7 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 reported period. Actual results could differ from those estimates.

Note 8 Liquidity and Availability of Resources

All CCDC assets and liabilities are considered current assets or current liabilities. All current assets except cash of \$1,122,956 are available for general expenditures within one year. This cash is restricted to be used for possible grant expenses under CCDC's contract agreements with its grantor agencies and may or may not be fully expended within one year. All liabilities except all or some of the \$1,033,402 of refundable advance liability will be liquidated within one year. CCDC's assets available to meet cash needs for general expenditures within one year are \$1,307,823.

CLEVELAND CITYWIDE DEVELOPMENT CORPORATION

Cuyahoga County

Notes to Basic Financial Statements

For the Year Ended December 31, 2024

Note 9 Mayor's Neighborhood Transformation Initiative

The City of Cleveland administration entered into several contract agreements with the CCDC to monitor and oversee compliance and to provide accounting services for the Mayor's Neighborhood Transformation Initiative (MNTI) program. The MNTI program has several specific programs. These are described below:

(A) Down Payment Assistance Program

The total historic estimated expenses for this MNTI program will be \$1,000,000. This program is designed to provide down payment assistance to qualified new homeowners in the Glenville neighborhood area. Homebuyers must purchase a home that is newly constructed or rehabilitated through the MNTI program. This component incurred \$133,511 of expenses in calendar year 2024.

(B) Home Rehabilitation Program

The total historic estimated expenses for this MNTI program will be \$2,350,000. There are two components for this program. One component for \$750,000 is to rehabilitate vacant homes that are owned by another not-for profit agency. This component incurred \$254,183 of expenses in calendar year 2024. The other component for \$1,600,000 is for rehabilitation of currently occupied homes that needed rehabilitation repairs to eliminate code violations or correct unsafe housing conditions. This component incurred \$0 of expenses in calendar year 2024.

(C) Glenville Retail Incubator Program

This program was designed to provide retail spaces and necessary equipment for eligible business in the Glenville area. Several businesses were provided assistance in calendar year 2024. This program was also designed to provide technical assistance to these businesses to help ensure their financial viability. The total historic estimated expenses for this program were \$3,250,000. The MNTI expenses incurred for this program in calendar year 2024 were \$91,761.

Note 10 Subsequent Events

Subsequent events were evaluated through May 27, 2025. Management believes there are not subsequent events that would require footnote and/or financial statement disclosure.

OHIO AUDITOR OF STATE KEITH FABER

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

Cleveland Citywide Development Corporation
Cuyahoga County
601 Lakeside Avenue, Room 210
Cleveland, Ohio 44114

To the Board of Trustees:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the Cleveland Citywide Development Corporation, Cuyahoga County, Ohio (the Corporation) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated May 27, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from 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 financial statements. 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*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

May 27, 2025

OHIO AUDITOR OF STATE KEITH FABER



CLEVELAND CITYWIDE DEVELOPMENT CORPORATION

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 6/10/2025

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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www.ohioauditor.gov