



OHIO AUDITOR OF STATE
KEITH FABER



**CUYAHOGA HEIGHTS COMMUNITY IMPROVEMENT CORPORATION
CUYAHOGA COUNTY
DECEMBER 31, 2022 AND 2021**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Cuyahoga Heights Community Improvement Corporation, Cuyahoga County, Ohio (the Corporation), for the years ended December 31, 2022, 2021, and 2020, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Cuyahoga Heights Community Improvement Corporation, Cuyahoga County, Ohio as of December 31, 2022, 2021, and 2020, and the changes in financial position and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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 opinions.

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2023, 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

September 12, 2023

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Cuyahoga Heights Community Improvement Corporation

Management's Discussion and Analysis

For the Years Ended December 31, 2022 and 2021

This discussion and analysis, along with the accompanying financial statements, 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 Corporation's net position was \$1,168,239 and \$308,352 on December 31, 2022 and 2021, respectively.

The Corporation's revenues increased \$739,141 from 2021 to 2022 and decreased \$416,879 from 2020 to 2021. The Corporation's expenses decreased \$658,523 from 2021 to 2022 and increased \$235,255 from 2020 to 2021.

In 2022, the Corporation received two donated parcels. In 2021, the Corporation transferred one of its properties located on East 71st Street to the Village of Cuyahoga Heights.

OVERVIEW OF BASIC FINANCIAL STATEMENTS

The Corporation is a single enterprise fund using proprietary fund accounting, similar to a private sector business. The Basic Financial Statements are presented using the accrual basis of accounting.

The **Statements of Net Position** include all of the Corporation's assets and liabilities. This statement provides information about the nature and amounts of investments in resources owned by the Corporation (assets) and obligations owed by the Corporation (liabilities). The Corporation's net position (equity) is the difference between assets and liabilities.

The **Statements of Revenues, Expenses and Changes in Net Position** provide 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, financing and investing activities.

Cuyahoga Heights Community Improvement Corporation

Management's Discussion and Analysis

For the Years Ended December 31, 2022 and 2021

NET POSITION

Table 1 summarizes the net position of the Corporation.

TABLE 1

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Assets:			
Current assets	\$ 389,615	\$ 321,848	\$ 650,714
Capital assets, net	<u>1,329,673</u>	<u>354,586</u>	<u>920,878</u>
Total assets	<u>1,719,288</u>	<u>676,434</u>	<u>1,571,592</u>
Liabilities:			
Current liabilities	<u>551,049</u>	<u>368,082</u>	<u>725,463</u>
Net position:			
Net investment in capital assets	1,329,673	354,586	820,878
Unrestricted	<u>(161,434)</u>	<u>(46,234)</u>	<u>25,251</u>
Total net position	\$ <u>1,168,239</u>	\$ <u>308,352</u>	\$ <u>846,129</u>

Total assets increased in 2022 due to an increase in capital assets. The Corporation received two donated parcels, which led to the increase in capital assets. Liabilities increased in 2022 due to an increase in accounts payable associated with tipping fees to the Village of Cuyahoga Heights.

Total assets decreased in 2021 due to a decrease in non-depreciable capital asset as the Corporation transferred property to the Village of Cuyahoga Heights. Liabilities decreased in 2021 due to decreases in accounts payable associated with tipping fees to the Village of Cuyahoga Heights.

Cuyahoga Heights Community Improvement Corporation

Management's Discussion and Analysis

For the Years Ended December 31, 2022 and 2021

REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Table 2 below summarizes the changes in revenues and expenses and the resulting change in net position.

TABLE 2

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating revenues:			
Donations	\$ -	\$ 125,000	\$ 381,115
Rent	-	11,470	16,200
Miscellaneous	-	7,205	835
Total operating revenues	<u>-</u>	<u>143,675</u>	<u>398,150</u>
Operating expenses:			
Grant expense	-	99,499	104,629
Professional fees	7,431	7,067	7,683
Property taxes	27,187	6,890	12,586
Other	80,807	1,704	149,334
Depreciation	<u>9,613</u>	<u>9,613</u>	<u>9,613</u>
Total operating expenses	<u>125,038</u>	<u>124,773</u>	<u>283,845</u>
Operating (loss) income	<u>(125,038)</u>	<u>18,902</u>	<u>114,305</u>
Non-operating revenues (expenses):			
Transfer of property to the Village of Cuyahoga Heights	-	(556,679)	-
Donated property	984,700	-	-
Tipping revenues	134,085	236,194	398,546
Tipping expenses	(134,085)	(236,194)	(398,546)
Investment income	<u>225</u>	<u>-</u>	<u>52</u>
Total non-operating revenues (expenses)	<u>984,925</u>	<u>(556,679)</u>	<u>52</u>
Changes in net position	859,887	(537,777)	114,357
Net position at beginning of year	<u>308,352</u>	<u>846,129</u>	<u>731,772</u>
Net position at end of year	\$ <u><u>1,168,239</u></u>	\$ <u><u>308,352</u></u>	\$ <u><u>846,129</u></u>

Revenues increased by \$739,141 from 2021 to 2022 due to an increase in donated property in 2022. Expenses decreased by \$658,523 from 2021 to 2022 due to the transfer of property in 2021.

Revenues decreased by \$416,879 from 2020 to 2021 due to a decrease in donations and tipping fees from 2020. Expenses increased by \$235,255 from 2020 to 2021 due to the transfer of property, which was offset by a decrease in operating and tipping expenses compared to 2020.

Cuyahoga Heights Community Improvement Corporation

Management's Discussion and Analysis

For the Years Ended December 31, 2022 and 2021

CAPITAL ASSETS

The Corporation has capital assets of \$1,329,673 and \$354,586 at December 31, 2022 and 2021, respectively. Additional information can be found in Note 5. In 2022 the Corporation received two donated parcels. In 2021, the Corporation transferred the 4617 East 71st Street property to the Village of Cuyahoga Heights.

CURRENT RELATED FINANCIAL ACTIVITIES

At December 31, 2022 and 2021 the Corporation had total assets of \$1,719,288 and \$676,434 and total net position of \$1,168,239 and \$308,352, respectively. This resulted in an increase in net position of \$859,887 for 2022 and a decrease of \$537,777 for 2021. Management continues to monitor all activity affecting the condition of the Corporation. As needed, the Corporation will receive donations from the Village of Cuyahoga Heights.

CONTACT INFORMATION

Questions regarding this report and requests for additional information should be forwarded to Angel Meriwether, Chief Fiscal Officer, Village of Cuyahoga Heights, 4863 East 71st Street, Cuyahoga Heights, Ohio 44125.

Cuyahoga Heights Community Improvement Corporation

Statements of Net Position

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 322,981	\$ 240,739
Accounts receivable	43,033	43,033
Prepaid insurance	23,601	38,076
Total current assets	<u>389,615</u>	<u>321,848</u>
Non-current assets:		
Non-depreciable capital assets	1,262,380	277,680
Depreciable capital assets, net	67,293	76,906
Total non-current assets	<u>1,329,673</u>	<u>354,586</u>
<i>Total assets</i>	<u>1,719,288</u>	<u>676,434</u>
Liabilities		
Current liabilities:		
Accounts payable	551,049	343,082
Grants payable	-	25,000
Total current liabilities	<u>551,049</u>	<u>368,082</u>
<i>Total liabilities</i>	<u>551,049</u>	<u>368,082</u>
Net Position		
Net investment in capital assets	1,329,673	354,586
Unrestricted	<u>(161,434)</u>	<u>(46,234)</u>
<i>Total net position</i>	<u>\$ 1,168,239</u>	<u>\$ 308,352</u>

The accompanying notes are an integral part of the financial statements

Cuyahoga Heights Community Improvement Corporation

Statements of Revenues, Expenses, and Changes in Net Position

For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenues:		
Donations	\$ -	\$ 125,000
Rent	-	11,470
Miscellaneous	-	7,205
Total operating revenues	<u>-</u>	<u>143,675</u>
Operating expenses:		
Grant expense	-	99,499
Professional fees	7,431	7,067
Property taxes	27,187	6,890
Other	80,807	1,704
Depreciation	9,613	9,613
Total operating expenses	<u>125,038</u>	<u>124,773</u>
Operating loss	(125,038)	18,902
Non-operating revenues (expenses):		
Transfer of property to the Village of Cuyahoga Heights	-	(556,679)
Donated property	984,700	-
Tipping revenues	134,085	236,194
Tipping expenses	(134,085)	(236,194)
Investment income	225	-
Total non-operating revenues (expenses)	<u>984,925</u>	<u>(556,679)</u>
Change in net position	859,887	(537,777)
Net position at beginning of year	<u>308,352</u>	<u>846,129</u>
Net position at end of year	<u>\$ 1,168,239</u>	<u>\$ 308,352</u>

The accompanying notes are an integral part of the financial statements

Cuyahoga Heights Community Improvement Corporation

Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Cash receipts for donations	\$ -	\$ 147,075
Cash receipts for rent	-	11,470
Cash receipts for tipping fees	134,085	236,194
Cash receipts for miscellaneous	-	3
Cash payments for grants	(25,000)	(99,499)
Cash payments for property taxes	(6,888)	(12,588)
Cash payments for goods and services	(20,180)	(500,877)
Net cash provided (used) by operating activities	<u>82,017</u>	<u>(218,222)</u>
Cash flows from investing activities:		
Interest and dividends received	<u>225</u>	<u>-</u>
Net cash provided by investing activities	225	-
Cash flows from capital and related financing activities:		
Principal paid on debt	<u>-</u>	<u>(100,000)</u>
Net cash used for capital and related financing activities	<u>-</u>	<u>(100,000)</u>
Net change in cash and cash equivalents	82,242	(318,222)
Cash and cash equivalents at beginning of year	<u>240,739</u>	<u>558,961</u>
Cash and cash equivalents at end of year	<u>\$ 322,981</u>	<u>\$ 240,739</u>

(continued)

The accompanying notes are an integral part of the financial statements

Cuyahoga Heights Community Improvement Corporation

Statements of Cash Flows (continued)

For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<i>Reconciliation of operating loss to net cash from operating activities:</i>		
Operating loss	\$ (125,038)	\$ 18,902
Adjustments:		
Depreciation	9,613	9,613
Changes in operating assets and liabilities:		
Decrease (increase) in prepaid insurance	14,475	(11,431)
Decrease in accounts receivable	-	22,075
Decrease in grants payable	(25,000)	-
Increase (decrease) in accounts payable	207,967	(257,381)
Net cash provided (used) by operating activities	<u>\$ 82,017</u>	<u>\$ (218,222)</u>
Non cash capital and related financing activities:		
Transfer of property to the Village of Cuyahoga Heights	\$ -	\$ (556,679)
Donated property	984,700	-

The accompanying notes are an integral part of the financial statements

Cuyahoga Heights Community Improvement Corporation

Notes to Basic Financial Statements

For the Years Ended December 31, 2022 and 2021

Note 1: REPORTING ENTITY

The Cuyahoga Heights Community Improvement Corporation (the “Corporation”) is a non-profit organization incorporated in the State of Ohio on June 15, 1982, for the purpose of advancing, encouraging, and promoting the industrial, economic, commercial, and civic development of the Village of Cuyahoga Heights (the “Village”) and the territory surrounding the Village. Operations commenced March 9, 2005.

The Corporation acts as the agency and instrumentality of the Village for the industrial, commercial, distribution, and research development in the Village in accordance with Section 1724.01 of the Ohio Revised Code.

The Corporation is affiliated with a governmental unit because the purpose of the Corporation is to facilitate the Village’s mission in improving the quality of life and economic environment for the citizens of the Village. 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 or other political subdivision designating the Corporation as its agency pursuant to Section 1724.01 of the Ohio Revised Code.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Corporation have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. The Corporation’s basic financial statements consist of a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows. The Corporation uses enterprise fund accounting to prepare the financial statements. Enterprise fund accounting focuses on the determination of operating income, changes in net position, financial position and cash flows.

Basis of Presentation

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

Measurement Focus and Basis of Accounting

The Corporation’s operations are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation are included in the statement of net position. The operating statement presents increases (i.e., revenues) and decreases (i.e., expenses) in net position and distinguishes between operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Corporation’s purpose. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cuyahoga Heights Community Improvement Corporation

Notes to Basic Financial Statements (continued)

For the Years Ended December 31, 2022 and 2021

Note 2: 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.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

Concentrations

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.

Income Taxes

The Corporation has qualified for a tax exemption under Section 501c(3) of the Internal Revenue Code and, accordingly, no provision for federal income tax has been recorded in the accompanying financial statements.

Property and Equipment

All purchased property and equipment are stated at cost. Donated property is capitalized at its acquisition value at the date of donation. The Corporation depreciates the capital assets other than land using the straight-line method based on the estimated useful lives of the assets.

Cuyahoga Heights Community Improvement Corporation

Notes to Basic Financial Statements (continued)

For the Years Ended December 31, 2022 and 2021

Note 3: CASH AND CASH EQUIVALENTS

At December 31, 2022 and 2021, the Corporation maintained its cash balance in checking and money market accounts which had bank balances of \$322,981 and \$240,739, and carrying values of cash and cash equivalents of \$322,981 and \$240,739, respectively. The money market account carried a balance of \$14,919 and at \$14,695 December 31, 2022 and 2021, respectively. Of the bank balances \$250,000 and \$240,739 was covered by the Federal Depository Insurance Corporation and \$58,062 and \$-0- was uninsured as of December 31, 2022 and 2021, respectively. At times, the Corporation may have deposits in financial institutions in excess of the federally insured limits, \$250,000.

The Corporation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The Corporation has the following recurring fair value measurements as of December 31, 2022 and 2021.

- The money market account is valued at amortized cost, which approximates fair value, and is considered a Level 1 investment.

Custodial Credit Risk is the risk that in the event of bank failure, the Corporation's deposits may not be returned. The Corporation has a policy regarding custodial credit risk. In addition, State law does not require security for public deposits and investment to be maintained in the Corporation's name.

Note 4: ACCOUNTS PAYABLE

At December 31, 2022 and 2021, the accounts payable of the Corporation consisted of property taxes, grants, professional services, tipping fees, utility costs and a return of advance from the Village of Cuyahoga Heights related to 2022 and 2021, respectively.

Cuyahoga Heights Community Improvement Corporation

Notes to Basic Financial Statements (continued)

For the Years Ended December 31, 2022 and 2021

Note 5: CAPITAL ASSETS

A summary of changes in capital assets during 2022 follows:

	<u>Balance</u> <u>12/31/21</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/22</u>
Capital assets not being depreciated:				
Land	\$ <u>277,680</u>	\$ <u>984,700</u>	\$ <u>-</u>	\$ <u>1,262,380</u>
Capital assets being depreciated:				
Buildings	<u>96,132</u>	<u>-</u>	<u>-</u>	<u>96,132</u>
Total capital assets being depreciated	<u>96,132</u>	<u>-</u>	<u>-</u>	<u>96,132</u>
Less accumulated depreciation:				
Buildings	<u>(19,226)</u>	<u>(9,613)</u>	<u>-</u>	<u>(28,839)</u>
Total accumulated depreciation	<u>(19,226)</u>	<u>(9,613)</u>	<u>-</u>	<u>(28,839)</u>
Total assets being depreciated, net	<u>76,906</u>	<u>(9,613)</u>	<u>-</u>	<u>67,293</u>
Capital assets, net	\$ <u><u>354,586</u></u>	\$ <u><u>975,087</u></u>	\$ <u><u>-</u></u>	\$ <u><u>1,329,673</u></u>

A summary of changes in capital assets during 2021 follows:

	<u>Balance</u> <u>12/31/20</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/21</u>
Capital assets not being depreciated:				
Land	\$ <u>834,359</u>	\$ <u>-</u>	\$ <u>(556,679)</u>	\$ <u>277,680</u>
Capital assets being depreciated:				
Buildings	<u>96,132</u>	<u>-</u>	<u>-</u>	<u>96,132</u>
Total capital assets being depreciated	<u>96,132</u>	<u>-</u>	<u>-</u>	<u>96,132</u>
Less accumulated depreciation:				
Buildings	<u>(9,613)</u>	<u>(9,613)</u>	<u>-</u>	<u>(19,226)</u>
Total accumulated depreciation	<u>(9,613)</u>	<u>(9,613)</u>	<u>-</u>	<u>(19,226)</u>
Total assets being depreciated, net	<u>86,519</u>	<u>(9,613)</u>	<u>-</u>	<u>76,906</u>
Capital assets, net	\$ <u><u>920,878</u></u>	\$ <u><u>(9,613)</u></u>	\$ <u><u>(556,679)</u></u>	\$ <u><u>354,586</u></u>

Cuyahoga Heights Community Improvement Corporation

Notes to Basic Financial Statements (continued)

For the Years Ended December 31, 2022 and 2021

Note 6: RELATED-PARTY TRANSACTIONS

Included in accounts receivable is \$43,033 due from the Village as of December 31, 2022. Included in accounts payable is \$521,151 due to the Village as of December 31, 2022.

The Village provided \$125,000 to the Corporation during 2021, to help cover the costs of operating expenses. This amount is included in donations revenue for the year ended December 31, 2021. Included in accounts receivable is \$43,033 due from the Village as of December 31, 2021. The Corporation dispersed \$236,194 to the Village during 2021. This amount is included in tipping expenses for the year ended December 31, 2021. Included in accounts payable is \$336,194 due to the Village as of December 31, 2021.

The Corporation transferred land with a carrying value of \$556,679 to the Village in 2021.

Note 7: CONTINGENCIES

Grants

The Corporation offers a variety of grants in the course of developing, advancing, encouraging, and promoting the industrial, economic, commercial, and civic development of the Village. These grant agreements are contingent upon the grantee meeting certain criteria as set forth in the grant agreement. The Corporation records the related expense at the time they are incurred, \$-0- and \$99,499 during 2022 and 2021, respectively.

Note 8: SUBSEQUENT EVENT

On March 28, 2023, the Corporation entered into an agreement to purchase real estate located on East 71st Street for \$150,000 payable in three annual instalments of \$50,000 beginning January 1, 2024.

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Cuyahoga Heights Community Improvement Corporation

Management's Discussion and Analysis

For the Years Ended December 31, 2021 and 2020

This discussion and analysis, along with the accompanying financial statements, 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 Corporation's net position was \$308,352 and \$846,129 on December 31, 2021 and 2020, respectively.

The Corporation's revenues decreased \$416,879 from 2020 to 2021 and increased \$570,850 from 2019 to 2020. The Corporation's expenses increased \$235,255 from 2020 to 2021 and increased \$512,458 from 2019 to 2020.

In 2021, the Corporation transferred one of its properties located on East 71st Street to the Village of Cuyahoga Heights.

In 2020 the Corporation purchased property located on East 71st Street.

OVERVIEW OF BASIC FINANCIAL STATEMENTS

The Corporation is a single enterprise fund using proprietary fund accounting, similar to a private sector business. The Basic Financial Statements are presented using the accrual basis of accounting.

The **Statements of Net Position** include all of the Corporation's assets and liabilities. This statement provides information about the nature and amounts of investments in resources owned by the Corporation (assets) and obligations owed by the Corporation (liabilities). The Corporation's net position (equity) is the difference between assets and liabilities.

The **Statements of Revenues, Expenses and Changes in Net Position** provide 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, financing and investing activities.

Cuyahoga Heights Community Improvement Corporation

Management's Discussion and Analysis

For the Years Ended December 31, 2021 and 2020

NET POSITION

Table 1 summarizes the net position of the Corporation.

TABLE 1

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assets:			
Current assets	\$ 321,848	\$ 650,714	\$ 223,252
Capital assets, net	<u>354,586</u>	<u>920,878</u>	<u>627,283</u>
Total assets	<u>676,434</u>	<u>1,571,592</u>	<u>850,535</u>
Liabilities:			
Current liabilities	<u>368,082</u>	<u>725,463</u>	<u>118,763</u>
Net position:			
Net investment in capital assets	354,586	820,878	627,283
Unrestricted	<u>(46,234)</u>	<u>25,251</u>	<u>104,489</u>
Total net position	<u>\$ 308,352</u>	<u>\$ 846,129</u>	<u>\$ 731,772</u>

Total assets decreased in 2021 due to a decrease in non-depreciable capital asset as the Corporation transferred property to the Village of Cuyahoga Heights. Liabilities decreased in 2021 due to decreases in accounts payable associated with tipping fees to the Village of Cuyahoga Heights.

Total assets increased in 2020 due to an increase in cash and capital assets. Cash increased due to an increase in tipping receipts. The Corporation purchased property located on East 71st Street, which led to the increase in capital assets. Liabilities increased in 2020 due to an increase in accounts payable associated with tipping fees to the Village of Cuyahoga Heights.

Cuyahoga Heights Community Improvement Corporation

Management's Discussion and Analysis

For the Years Ended December 31, 2021 and 2020

REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Table 2 below summarizes the changes in revenues and expenses and the resulting change in net position.

TABLE 2

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenues:			
Donations	\$ 125,000	\$ 381,115	\$ 130,454
Rent	11,470	16,200	6,750
Miscellaneous	<u>7,205</u>	<u>835</u>	<u>-</u>
Total operating revenues	<u>143,675</u>	<u>398,150</u>	<u>137,204</u>
Operating expenses:			
Grant expense	99,499	104,629	55,012
Professional fees	7,067	7,683	11,653
Property taxes	6,890	12,586	2,611
Other	1,704	149,334	13,157
Depreciation	<u>9,613</u>	<u>9,613</u>	<u>-</u>
Total operating expenses	<u>124,773</u>	<u>283,845</u>	<u>82,433</u>
Operating income	<u>18,902</u>	<u>114,305</u>	<u>54,771</u>
Non-operating revenues (expenses):			
Transfer of property to the Village of Cuyahoga Heights	(556,679)	-	-
Tipping revenues	236,194	398,546	87,500
Tipping expenses	(236,194)	(398,546)	(87,500)
Investment income	<u>-</u>	<u>52</u>	<u>1,194</u>
Total non-operating revenues (expenses)	<u>(556,679)</u>	<u>52</u>	<u>1,194</u>
Changes in net position	(537,777)	114,357	55,965
Net position at beginning of year	<u>846,129</u>	<u>731,772</u>	<u>675,807</u>
Net position at end of year	\$ <u><u>308,352</u></u>	\$ <u><u>846,129</u></u>	\$ <u><u>731,772</u></u>

Revenues decreased by \$416,879 from 2020 to 2021 due to a decrease in donations and tipping fees from 2020. Expenses increased by \$235,255 from 2020 to 2021 due to the transfer of property, which was offset by a decrease in operating and tipping expenses compared to 2020.

Revenues increased by \$570,850 and expenses increased by \$512,458 from 2019 to 2020 due to an increase in tipping fees and tipping expenses in 2020.

Cuyahoga Heights Community Improvement Corporation

Management's Discussion and Analysis

For the Years Ended December 31, 2021 and 2020

CAPITAL ASSETS

The Corporation has capital assets of \$354,586 and \$920,878 at December 31, 2021 and 2020, respectively. Additional information can be found in Note 5. In 2021, the Corporation transferred the 4617 East 71st Street property to the Village of Cuyahoga Heights.

DEBT ADMINISTRATION

At December 31, 2021 and 2020, the Corporation had \$-0- and \$100,000, respectively, in outstanding debt related to TNT Properties III LLC. Additional information can be found in Note 7.

CURRENT RELATED FINANCIAL ACTIVITIES

At December 31, 2021 and 2020 the Corporation had total assets of \$676,434 and \$1,571,592 and total net position of \$308,352 and \$846,129, respectively. This resulted in a decrease in net position of \$537,777 for 2021 and an increase of \$114,357 for 2020. Management continues to monitor all activity affecting the condition of the Corporation. As needed, the Corporation will receive donations from the Village of Cuyahoga Heights.

CONTACT INFORMATION

Questions regarding this report and requests for additional information should be forwarded to Angel Meriwether, Chief Fiscal Officer, Village of Cuyahoga Heights, 4863 East 71st Street, Cuyahoga Heights, Ohio 44125.

Cuyahoga Heights Community Improvement Corporation

Statements of Net Position

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current:		
Cash and cash equivalents	\$ 240,739	\$ 558,961
Accounts receivable	43,033	65,108
Prepaid insurance	38,076	26,645
Total current	<u>321,848</u>	<u>650,714</u>
Non-current:		
Non-depreciable capital assets	277,680	834,359
Depreciable capital assets, net	76,906	86,519
Total non-current assets	<u>354,586</u>	<u>920,878</u>
<i>Total assets</i>	<u>676,434</u>	<u>1,571,592</u>
Liabilities		
Current:		
Accounts payable	343,082	600,463
Grants payable	25,000	25,000
Note payable	-	100,000
Total current	<u>368,082</u>	<u>725,463</u>
Net Position		
Net investment in capital assets	354,586	820,878
Unrestricted	<u>(46,234)</u>	<u>25,251</u>
<i>Total net position</i>	<u>\$ 308,352</u>	<u>\$ 846,129</u>

The accompanying notes are an internal part of the financial statements

Cuyahoga Heights Community Improvement Corporation

Statements of Revenues, Expenses, and Changes in Net Position

For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Donations	\$ 125,000	\$ 381,115
Rent	11,470	16,200
Miscellaneous	7,205	835
Total operating revenues	<u>143,675</u>	<u>398,150</u>
Operating expenses:		
Grant expense	99,499	104,629
Professional fees	7,067	7,683
Property taxes	6,890	12,586
Other	1,704	149,334
Depreciation	9,613	9,613
Total operating expenses	<u>124,773</u>	<u>283,845</u>
Operating (loss) income	18,902	114,305
Non-operating revenues (expenses):		
Transfer of property to the Village of Cuyahoga Heights	(556,679)	-
Tipping revenues	236,194	398,546
Tipping expenses	(236,194)	(398,546)
Investment income	-	52
Total non-operating revenues (expenses)	<u>(556,679)</u>	<u>52</u>
Change in net position	(537,777)	114,357
Net position at beginning of year	<u>846,129</u>	<u>731,772</u>
Net position at end of year	<u>\$ 308,352</u>	<u>\$ 846,129</u>

The accompanying notes are an internal part of the financial statements

Cuyahoga Heights Community Improvement Corporation

Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash receipts for donations	\$ 147,075	\$ 352,719
Cash receipts for rent	11,470	17,550
Cash receipts for tipping fees	236,194	486,046
Cash receipts for miscellaneous	3	835
Cash payments for grants	(99,499)	(104,629)
Cash payments for property taxes	(12,588)	(2,600)
Cash payments for goods and services	(500,877)	(45,770)
Net cash (used) provided by operating activities	<u>(218,222)</u>	<u>704,151</u>
Cash flows from investing activities:		
Interest and dividends received	<u>-</u>	<u>52</u>
Net cash provided by investing activities	<u>-</u>	<u>52</u>
Cash flows from capital and related financing activities:		
Acquisition of assets	-	(78,208)
Principal paid on debt	<u>(100,000)</u>	<u>(100,000)</u>
Net cash used for capital and related financing activities	<u>(100,000)</u>	<u>(178,208)</u>
Net change in cash and cash equivalents	(318,222)	525,995
Cash and cash equivalents at beginning of year	<u>558,961</u>	<u>32,966</u>
Cash and cash equivalents at end of year	<u>\$ 240,739</u>	<u>\$ 558,961</u>

(continued)

The accompanying notes are an internal part of the financial statements

Cuyahoga Heights Community Improvement Corporation

Statements of Cash Flows (continued)

For the Years Ended December 31, 2021 and 2020

*Reconciliation of operating income to net cash
from operating activities:*

Operating (loss) income	\$	18,902	\$	114,305
Adjustments:				
Depreciation		9,613		9,613
Changes in operating assets and liabilities:				
(Increase) decrease in prepaid insurance		(11,431)		13,079
Decrease in accounts receivable		22,075		60,454
(Decrease) increase in accounts payable		(257,381)		506,700
Net cash (used) provided by operating activities	\$	<u>(218,222)</u>	\$	<u>704,151</u>
Non cash capital and related financing activities:				
Transfer of property to the Village of Cuyahoga Heights	\$	(556,679)	\$	-
Deposit on property reclassified to property		-		25,000
Property financed with note payable		-		200,000

The accompanying notes are an internal part of the financial statements

Cuyahoga Heights Community Improvement Corporation

Notes to Basic Financial Statements

For the Years Ended December 31, 2021 and 2020

Note 1: REPORTING ENTITY

The Cuyahoga Heights Community Improvement Corporation (the “Corporation”) is a non-profit organization incorporated in the State of Ohio on June 15, 1982, for the purpose of advancing, encouraging, and promoting the industrial, economic, commercial, and civic development of the Village of Cuyahoga Heights (the “Village”) and the territory surrounding the Village. Operations commenced March 9, 2005.

The Corporation acts as the agency and instrumentality of the Village for the industrial, commercial, distribution, and research development in the Village in accordance with Section 1724.01 of the Ohio Revised Code.

The Corporation is affiliated with a governmental unit because the purpose of the Corporation is to facilitate the Village’s mission in improving the quality of life and economic environment for the citizens of the Village. 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 or other political subdivision designating the Corporation as its agency pursuant to Section 1724.01 of the Ohio Revised Code.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Corporation have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. The Corporation’s basic financial statements consist of a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows. The Corporation uses enterprise fund accounting to prepare the financial statements. Enterprise fund accounting focuses on the determination of operating income, changes in net position, financial position and cash flows.

Basis of Presentation

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

Measurement Focus and Basis of Accounting

The Corporation’s operations are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation are included in the statement of net position. The operating statement presents increases (i.e., revenues) and decreases (i.e., expenses) in net position and distinguishes between operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Corporation’s purpose. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cuyahoga Heights Community Improvement Corporation

Notes to Basic Financial Statements (continued)

For the Years Ended December 31, 2021 and 2020

Note 2: 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.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

Concentrations

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.

Income Taxes

The Corporation has qualified for a tax exemption under Section 501c(3) of the Internal Revenue Code and, accordingly, no provision for federal income tax has been recorded in the accompanying financial statements.

Property and Equipment

All purchased property and equipment are stated at cost. Donated property is capitalized at its acquisition value at the date of donation. The Corporation depreciates the capital assets other than land using the straight-line method based on the estimated useful lives of the assets.

Cuyahoga Heights Community Improvement Corporation

Notes to Basic Financial Statements (continued)

For the Years Ended December 31, 2021 and 2020

Note 3: CASH AND CASH EQUIVALENTS

At December 31, 2021 and 2020, the Corporation maintained its cash balance in checking and money market accounts which had bank balances of \$240,739 and \$583,960, and carrying values of cash and cash equivalents of \$240,739 and \$558,961, respectively. Of the bank balances \$240,739 and \$250,000 was covered by the Federal Depository Insurance Corporation and \$-0- and \$333,960 was uninsured as of December 31, 2021 and 2020, respectively. At times, the Corporation may have deposits in financial institutions in excess of the federally insured limits, \$250,000.

The Corporation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The Corporation has the following recurring fair value measurements as of December 31, 2021 and 2020.

- The money market account is valued at amortized cost, which approximates fair value, and is considered a Level 1 investment.

Custodial Credit Risk is the risk that in the event of bank failure, the Corporation's deposits may not be returned. The Corporation has a policy regarding custodial credit risk. In addition, State law does not require security for public deposits and investment to be maintained in the Corporation's name.

Note 4: ACCOUNTS PAYABLE

At December 31, 2021 and 2020, the accounts payable of the Corporation consisted of property taxes, grants, professional services, tipping fees, utility costs and a return of advance from the Village of Cuyahoga Heights related to 2021 and 2020, respectively.

Cuyahoga Heights Community Improvement Corporation

Notes to Basic Financial Statements (continued)

For the Years Ended December 31, 2021 and 2020

Note 5: CAPITAL ASSETS

A summary of changes in capital assets during 2021 follows:

	<u>Balance</u> <u>12/31/20</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/21</u>
Capital assets not being depreciated:				
Land	\$ <u>834,359</u>	\$ <u>-</u>	\$ <u>(556,679)</u>	\$ <u>277,680</u>
Capital assets being depreciated:				
Buildings	<u>96,132</u>	<u>-</u>	<u>-</u>	<u>96,132</u>
Total capital assets being depreciated	<u>96,132</u>	<u>-</u>	<u>-</u>	<u>96,132</u>
Less accumulated depreciation:				
Buildings	<u>(9,613)</u>	<u>(9,613)</u>	<u>-</u>	<u>(19,226)</u>
Total accumulated depreciation	<u>(9,613)</u>	<u>(9,613)</u>	<u>-</u>	<u>(19,226)</u>
Total assets being depreciated, net	<u>86,519</u>	<u>(9,613)</u>	<u>-</u>	<u>76,906</u>
Capital assets, net	\$ <u>920,878</u>	\$ <u>(9,613)</u>	\$ <u>(556,679)</u>	\$ <u>354,586</u>

A summary of changes in capital assets during 2020 follows:

	<u>Balance</u> <u>12/31/19</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/20</u>
Capital assets not being depreciated:				
Land	\$ <u>627,283</u>	\$ <u>207,076</u>	\$ <u>-</u>	\$ <u>834,359</u>
Capital assets being depreciated:				
Buildings	<u>-</u>	<u>96,132</u>	<u>-</u>	<u>96,132</u>
Total capital assets being depreciated	<u>-</u>	<u>96,132</u>	<u>-</u>	<u>96,132</u>
Less accumulated depreciation:				
Buildings	<u>-</u>	<u>(9,613)</u>	<u>-</u>	<u>(9,613)</u>
Total accumulated depreciation	<u>-</u>	<u>(9,613)</u>	<u>-</u>	<u>(9,613)</u>
Total assets being depreciated, net	<u>-</u>	<u>86,519</u>	<u>-</u>	<u>86,519</u>
Capital assets, net	\$ <u>627,283</u>	\$ <u>293,595</u>	\$ <u>-</u>	\$ <u>920,878</u>

Cuyahoga Heights Community Improvement Corporation

Notes to Basic Financial Statements (continued)

For the Years Ended December 31, 2021 and 2020

Note 6: RELATED-PARTY TRANSACTIONS

The Village provided \$125,000 to the Corporation during 2021, to help cover the costs of operating expenses. This amount is included in donations revenue for the year ended December 31, 2021. Included in accounts receivable is \$43,033 due from the Village as of December 31, 2021. The Corporation dispersed \$236,194 to the Village during 2021. This amount is included in tipping expenses for the year ended December 31, 2021. Included in accounts payable is \$336,194 due to the Village as of December 31, 2021.

The Corporation transferred land with a carrying value of \$556,679 to the Village in 2021.

The Village provided \$381,115 to the Corporation during 2020, to help cover the costs of operating expenses. This same amount is included in donations revenue for the year ended December 31, 2020. Included in accounts receivable is \$65,108 due from the Village as of December 31, 2020. The Corporation dispersed \$398,546 to the Village during 2020. This amount is included in tipping expenses for the year ended December 31, 2020. Included in accounts payable is \$586,046 due to the Village as of December 31, 2020.

Note 7: NOTE PAYABLE

Note payable is comprised of the following as of December 31, 2021:

	<u>Balance</u> <u>12/31/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/21</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Note from TNT Properties III LLC, due December 2021, 0% interest	\$ <u>100,000</u>	\$ <u>-</u>	\$ <u>(100,000)</u>	\$ <u>-</u>	\$ <u>-</u>

Note payable is comprised of the following as of December 31, 2020:

	<u>Balance</u> <u>12/31/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/20</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Note from TNT Properties III LLC, due December 2021, 0% interest	\$ <u>-</u>	\$ <u>200,000</u>	\$ <u>(100,000)</u>	\$ <u>100,000</u>	\$ <u>100,000</u>

In January 2020, the TNT Properties III LLC loaned the Corporation \$200,000 to fund costs associated with the purchase of property. The note had a two-year term and required quarterly payments of principal. There was no prepayment penalty for early principal payments. This loan was secured by the property purchased located at 440 East 71st Street. This loan was fully repaid in 2021.

Cuyahoga Heights Community Improvement Corporation

Notes to Basic Financial Statements (continued)

For the Years Ended December 31, 2021 and 2020

Note 8: CONTINGENCIES

Grants

The Corporation offers a variety of grants in the course of developing, advancing, encouraging, and promoting the industrial, economic, commercial, and civic development of the Village. These grant agreements are contingent upon the grantee meeting certain criteria as set forth in the grant agreement. The Corporation records the related expense at the time they are incurred, \$99,499 and \$104,629 during 2021 and 2020, respectively.

Note 9: COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Corporation. The Corporation's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Corporation's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
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(800) 282-0370

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

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

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 Cuyahoga Heights Community Improvement Corporation, Cuyahoga County, (the Corporation) as of and for the years ended December 31, 2022, 2021, and 2020, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated September 12, 2023.

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 opinions 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

September 12, 2023

CUYAHOGA HEIGHTS

Community

Improvement

Corporation

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2022 AND 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Over-reported Accounts Payable and Operating Expenses due to absence of accounting system, resulting in miscalculation.	Fully Corrected	Error did not occur again but did have a management letter level misposting due to absence of accounting system.

OHIO AUDITOR OF STATE KEITH FABER



CUYAHOGA HEIGHTS COMMUNITY IMPROVEMENT 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 10/17/2023

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

This report is a matter of public record and is available online at
www.ohioauditor.gov