



Mary Taylor, CPA
Auditor of State

**COMMUNITY IMPROVEMENT CORPORATION
ADAMS COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Statement of Financial Position - Cash and Net Assets As of December 31, 2007	3
Statement of Activities - Cash Receipts and Cash Disbursements For the Year Ended December 31, 2007	4
Statement of Financial Position - Cash and Net Assets As of December 31, 2006	5
Statement of Activities - Cash Receipts and Cash Disbursements For the Year Ended December 31, 2006	6
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	9
Schedule of Findings	11
Schedule of Prior Audit Findings.....	13

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Community Improvement Corporation
Adams County
215 North Cross Street, Room 106
West Union, Ohio 45693

To the Board of Trustees:

We have audited the accompanying statement of financial position – cash and net assets of the Community Improvement Corporation, Adams County, Ohio (the Corporation), as of December 31, 2007 and 2006, and the related statement of activities – cash receipts and cash disbursements for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

Ohio Revised Code § 1724.05 requires the Corporation to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. However, as discussed in Note 1, the accompanying financial statements and notes follow the cash receipts and disbursements basis. This is a comprehensive accounting basis other than generally accepted accounting principles. The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, we cannot determine at this time.

In our opinion, the accompanying financial statements do not present fairly the financial position, results of activities, and cash flows, where applicable, of the Corporation as of and for the years ended December 31, 2007 and 2006 in accordance with accounting principles generally accepted in the United States of America.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the statement of financial position – cash and net assets of the Community Improvement Corporation, Adams County, Ohio as of December 31, 2007 and 2006, and related statement of activities - cash receipts and cash disbursements for the years then ended on the accounting basis Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 11, 2008, 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. That report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine 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*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

August 11, 2008

**COMMUNITY IMPROVEMENT CORPORATION
ADAMS COUNTY**

**STATEMENT OF FINANCIAL POSITION
CASH AND NET ASSETS
AS OF DECEMBER 31, 2007**

Cash	\$41,194
Total Cash	<u>\$41,194</u>
Net Assets	<u><u>\$41,194</u></u>

The notes to the financial statements are an integral part of this statement.

**COMMUNITY IMPROVEMENT CORPORATION
ADAMS COUNTY**

**STATEMENT OF ACTIVITIES - CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

CASH RECEIPTS	
Interest	\$372
Real Estate Sale	\$29,892
	<hr/>
TOTAL CASH RECEIPTS	30,264
	<hr/>
CASH DISBURSEMENTS	
Construction	5,608
Maintenance	2,775
Fees	550
Taxes	4,878
Other	645
	<hr/>
TOTAL CASH DISBURSEMENTS	14,456
	<hr/>
Change in Net Assets	15,808
	<hr/>
Net Assets, January 1, 2007	25,386
	<hr/>
Net Assets, December 31, 2007	\$41,194
	<hr/> <hr/>

The notes to the financial statements are an integral part of this statement.

**COMMUNITY IMPROVEMENT CORPORATION
ADAMS COUNTY**

**STATEMENT OF FINANCIAL POSITION
CASH AND NET ASSETS
AS OF DECEMBER 31, 2006**

Cash		\$25,386
Total Cash	<hr/>	\$25,386
Net Assets	<hr/> <hr/>	\$25,386

The notes to the financial statements are an integral part of this statement.

**COMMUNITY IMPROVEMENT CORPORATION
ADAMS COUNTY**

**STATEMENT OF ACTIVITIES - CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

CASH RECEIPTS	
Interest	\$3,941
	<hr/>
TOTAL CASH RECEIPTS	3,941
	<hr/>
CASH DISBURSEMENTS	
Construction	692,836
Maintenance	2,400
Fees	5,400
Taxes	5,553
Other	668
	<hr/>
TOTAL CASH DISBURSEMENTS	706,857
	<hr/>
Change in Net Assets	(702,916)
	<hr/>
Net Assets, January 1, 2006	728,302
	<hr/>
Net Assets, December 31, 2006	<u><u>\$25,386</u></u>

The notes to the financial statements are an integral part of this statement.

**COMMUNITY IMPROVEMENT CORPORATION
ADAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The Community Improvement Corporation, Adams County, Ohio (“the Corporation”), was organized under Chapter 1724 of the Ohio Revised Code. The Corporation is not-for-profit corporation that exists to advance, encourage, and promote industrial, economic, commercial and civic development of a community or area.

Per Ohio Rev. Code, Section 1724.10, Adams County has designated the CIC as the agent of Adams County for the “industrial, commercial, distribution and research development in such political subdivision.”

Basis of Accounting

These financial statements are presented on an other comprehensive basis of accounting. This basis is similar to the cash receipts and disbursements accounting basis. The Corporation recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

Ohio Rev. Code, Section 1724.05 requires the Corporation to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. The accompanying financial statements are not presented in accordance with this basis. The financial statements and notes omit assets, liabilities, equities, and disclosures that, while material, we cannot determine at this time.

Basis of Presentation

The Corporation is a non governmental not for profit organization.

Thus the Corporation, has financial statement presentation which follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. No temporarily restricted or permanently restricted net assets were held and accordingly, these financials do not reflect any activity related to these classes of net assets. As permitted by this statement, the Corporation does not use fund accounting.

Cash and Cash Deposits

The Corporation maintains their funds in a checking account at a local financial institution.

2. Equity in Pooled Cash

The Corporation maintains a pool of deposits. The carrying amount of cash at December 31 was as follows:

	2007	2006
Total deposits	<u>\$41,194</u>	<u>\$25,386</u>

Deposits: Deposits are insured by the Federal Depository Insurance.

**COMMUNITY IMPROVEMENT CORPORATION
ADAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

3. Donated Services

Office space and utilities are provided by Adams County to the Corporation at no charge.

4. Taxes

The Corporation received their tax exempt status under Section 501(c)(6) dated January 6, 2007, effective March 15, 2001.

5. Insurance

The Corporation has general liability and terrorism insurance.



Mary Taylor, CPA

Auditor of State

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

Community Improvement Corporation
Adams County
215 North Cross Street, Room 106
West Union, Ohio 45693

To the Corporation Board of Trustees:

We have audited the financial statements of the Community Improvement Corporation, Adams County, Ohio (the Corporation), as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated August 11, 2008, wherein we noted the Corporation followed an other comprehensive basis of accounting rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Corporation's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Corporation's internal control over financial reporting.

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 internal control deficiencies that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Corporation's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Corporation's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement. We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2007-001

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Corporation's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the 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 the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe none of the significant deficiencies described above is a material weakness.

We also noted certain internal control matters that we reported to the Corporation's management in a separate letter dated August 11, 2008.

Compliance and Other Matters

As part of reasonably assuring whether the Corporation's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as items 2007-001.

We intend this report solely for the information and use of the management, Corporation Board of Trustees. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

August 11, 2008

**COMMUNITY IMPROVEMENT CORPORATION
ADAMS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-001

Noncompliance Citation / Significant Deficiency

Ohio Rev. Code, Section 1724.05, requires community improvement corporations to submit annual GAAP financial reports to the Auditor of State, unless the Auditor of State has granted a specific waiver. The annual reports must be filed within 120 days of fiscal year end.

The Corporation did not file its 2006 or 2007 financial report with the Auditor of State within 120 days of fiscal year end and they were not filed on a GAAP basis. The financial reports received were on an income tax basis while the records were kept on a cash basis with no classification method to prepare financial statements. No waivers were requested or granted for the report filing.

We recommend the Corporation annually file a GAAP basis financial report with the Auditor of State within 120 days of fiscal year end.

Officials' Response:

We did not receive a response from officials regarding this finding.

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COMMUNITY IMPROVEMENT CORPORATION
ADAMS COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2007 & 2006

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	ORC 1724 requires financial reports to be filed with the AOS using the GAAP basis	No	Repeat finding as 2007-001



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ADAMS COUNTY COMMUNITY IMPROVEMENT CORPORATION

ADAMS 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
AUGUST 28, 2008**