# COMMUNITY IMPROVEMENT CORPORATION OF WASHINGTON
# FAYETTE COUNTY

## REGULAR AUDIT

## FOR THE YEARS ENDED DECEMBER 31, 2007-2006

**COMMUNITY IMPROVEMENT CORPORATION OF WASHINGTON**
**FAYETTE COUNTY**

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**INDEPENDENT ACCOUNTANTS' REPORT**

Community Improvement Corporation of Washington
Fayette County
105 North Main Street
Washington Court House, Ohio 43160

To the Board of Trustees:

We have audited the accompanying statement of financial position – cash, cash equivalents and net assets of the Community Improvement Corporation of Washington, Fayette 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 obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

The Corporation did not provide sufficient evidence supporting receipts in their operating fund. Without a full accountability over the moneys received, we could not assure ourselves regarding the validity and completeness of the receipts or satisfy ourselves regarding the validity and completeness of the receipts through other auditing procedures.

The accompanying financial statements present cash receipts and cash disbursements by total only. 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, 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, except for the effect of such adjustments, if any, as might have been determined to be necessary had we been able to obtain all the supporting documentation related to the Corporation's cash receipts, the financial statements referred to above present fairly, in all material respects, the statement of financial position – cash, cash equivalents and net assets of the Community Improvement Corporation of Washington, Fayette County, 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 July 21, 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.

**Mary Taylor, CPA**
Auditor of State

July 21, 2008

**COMMUNITY IMPROVEMENT CORPORATION**
**OF WASHINGTON**
**FAYETTE COUNTY**

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

| | |
|---|---|
| Cash | $7,116 |
| Certificates of Deposit | 186,270 |
| Total Cash and Cash Equivalents | 193,386 |
| | |
| Net Assets - Unrestricted | $193,386 |

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

**COMMUNITY IMPROVEMENT CORPORATION**
**OF WASHINGTON**
**FAYETTE COUNTY**

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

| | |
|---|---|
| **CASH RECEIPTS** | |
| Unclassified | $13,226 |
| **TOTAL CASH RECEIPTS** | 13,226 |
| **CASH DISBURSEMENTS** | |
| Unclassified | 16,700 |
| **TOTAL CASH DISBURSEMENTS** | 16,700 |
| **Decrease in Net Assets** | (3,474) |
| **Net Assets, January 1, 2007** | 196,860 |
| **Net Assets, December 31, 2007** | $193,386 |

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

**COMMUNITY IMPROVEMENT CORPORATION**
**OF WASHINGTON**
**FAYETTE COUNTY**

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

| | |
|---|---|
| Cash | $7,411 |
| Certificates of Deposit | 189,449 |
| Total Cash and Cash Equivalents | 196,860 |
| | |
| Net Assets - Unrestricted | $196,860 |

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

**COMMUNITY IMPROVEMENT CORPORATION**
**OF WASHINGTON**
**FAYETTE COUNTY**

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

| | |
|---|---|
| **CASH RECEIPTS** | |
| Unclassified | $14,155 |
| **TOTAL CASH RECEIPTS** | 14,155 |
| **CASH DISBURSEMENTS** | |
| Unclassified | 49,395 |
| **TOTAL CASH DISBURSEMENTS** | 49,395 |
| **Decrease in Net Assets** | (35,240) |
| **Net Assets, January 1, 2006** | 232,100 |
| **Net Assets, December 31, 2006** | $196,860 |

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

## 1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The Community Improvement Corporation of Washington, Fayette 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, the City of Washington has designated the CIC as the agent of City of Washington 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 cash 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 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. 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. The Corporation also presents financial statements that are unclassified and only present cash receipts and cash disbursements by total, not classified according to type of receipt or functional expense.

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 and in various certificates of deposits also at local financial institutions. The Corporation values certificates of deposit at cost. The Corporation considers their certificate of deposits as cash equivalents since they are highly liquid investments and readily convertible to cash.

**2. Equity in Pooled Cash and Investments**

The Corporation maintains a cash and cash equivalent pool all funds use. The carrying amount of cash and investments at December 31 was as follows:

| | 2007 | 2006 |
|---|---|---|
| Demand deposits | $7,116 | $7,411 |
| Certificates of deposit | 186,270 | 189,449 |
| Total deposits and investments | $193,386 | $196,860 |

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation in an amount of $187,749 at December 31, 2007 and $185,503 at December 31, 2006. At December 31, 2007 and December 31, 2006, $5,637 and $11,357 of deposits respectively, were not insured or collateralized

**3. Concentration of Risk**

The Corporation receives substantial revenue from contributions from the City of Washington and Fayette County. A reduction of those contributions could have a significant impact on the operations of the Corporation.

**4. Income Taxes**

The Corporation does not have a determination letter from the Internal Revenue Service documenting whether they are exempt from federal taxes under Internal Revenue Code Section 501 © (3) . There is also no designation if they are exempt from state income taxes under Chapters 1792 and 1724 of the Ohio Revised Code. There may be tax liabilities which exist however these amounts have not been determined and are not included in the accompanying financial statements.

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

Community Improvement Corporation of Washington
Fayette County
105 North Main Street
Washington Court House, Ohio 43160

To the Corporation Board of Trustees:

We have audited the financial statements of the Community Improvement Corporation of Washington, Fayette County, Ohio (the Corporation), as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated July 21, 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. Additionally, the Corporation did not provide sufficient evidence supporting receipts in their operating fund; and the accompanying financial statements present unclassified cash receipts and unclassified cash disbursements. 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 preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

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 deficiencies described in the accompanying schedule of to be significant deficiencies in internal control over financial reporting: 2007-001 through 2007-009.

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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. However, of the significant deficiencies described above, we believe findings number 2007-003 and 2007-004 are also material weaknesses.

We also noted certain internal control matters that we reported to the Corporation's management in a separate letter dated July 21, 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 instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2007-001, 2007-002, 2007-004, 2007-006 and 2007-007.

The Corporation's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Corporation's responses and, accordingly, we express no opinion on them.

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

**Mary Taylor, CPA**
Auditor of State

July 21, 2008

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

### FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

### FINDING NUMBER 2007-001

**Noncompliance Citation / Significant Deficiency**

**Ohio Revised Code, Section 1724.05,** requires the Corporation to submit annual 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 financial report with the Auditor of State. 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.

### FINDING NUMBER 2007-002

**Noncompliance Citation / Significant Deficiency**

**Ohio Revised Code, Section 117.38,** provides that each public office shall file a financial report for each fiscal year. The auditor of state may prescribe forms by rule or may issue guidelines, or both for such reports. If the auditor of state has not prescribed a rule regarding the form of the report, the public office shall submit its report on the form utilized by the public office. Ohio Revised Code Section 1724.05 further clarifies the requirements of Ohio Revised Code Section 117.38.

**Ohio Revised Code, Section 1724.05,** requires the Corporation to prepare its annual financial report in accordance with generally accepted accounting principles. The Corporation prepares its financial statements in accordance with the cash basis of accounting. This presentation differs from accounting principles generally accepted in the United States of America (GAAP). There would be variances on the financial statements between this accounting practice and GAAP that, while presumably material, cannot be reasonable determined at this time. In accordance with Ohio Revised Code Section 1724.06 the Corporation could be declared unauditable and various other administrative remedies may be taken against the Corporation for failing to file the required financial report.

The reports that the Corporation did file were on a cash basis showing only total receipts, total disbursements, and ending cash balances.

We recommend the Corporation take the necessary steps to ensure that the financial report is prepared in accordance with generally accepted accounting principles.

**Officials' Response:**

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

**FINDING NUMBER 2007-003**

**Material Weakness**

The Corporation should maintain receipt and disbursement ledgers which separately account for the Corporation's individual receipt and disbursement transactions. The Corporation should also maintain a cash journal that identifies the cash balance following each transaction.

The Corporation did not maintain accounting ledgers that reflected all transactions of the Corporation during 2007 or 2006. Nor did the Corporation maintain a check register for this time period. The Corporation did not classify receipt and disbursement transactions. The Corporation was therefore unable to classify receipts by source or disbursements by purpose in its annual report.

Failure to maintain complete and accurate accounting ledgers may compromise management's ability to ensure all transactions are processed and to ensure that no transactions are duplicated when processed. Also, management's ability to produce reliable financial information and reconcile to bank balances may be compromised. Furthermore, without maintaining detailed accounting ledgers so that management can identify transactions executed, there may be an increased risk of errors or irregularities occurring and going undetected by management.

We recommend the Corporation implement procedures to generate detailed accounting ledgers which, at a minimum, should identify each cash receipt and disbursement transaction and the Corporation's cash balance. Additionally, these ledgers should be reconciled on a monthly basis with the bank account and investment balances of the Corporation as a whole.

**Officials' Response:**

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

**FINDING NUMBER 2007-004**

**Noncompliance Citation/Material Weakness**

Ohio Administrative Code, Section 117-2-02(A), provides local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements.

The Corporation did not have adequate control procedures over the receipt cycle. The following conditions were noted concerning receipts of the Corporation:

- A cashbook and/or receipts ledger was not maintained. Lack of a properly maintained cashbook and receipts ledger makes reconciliations difficult, does not document the source of receipts and increases the probability that errors or misappropriations of funds will go undetected.

- Duplicate receipts were not prepared for moneys received. Lack of pre-numbered signed duplicate receipts increases the probability that receipts would be misclassified and errors or misappropriations will go undetected.

- Detailed deposit slips were not provided for audit. Lack of detailed deposit slips makes it difficult to determine that all moneys received were deposited accurately, timely and intact.

**FINDING NUMBER 2007-004**
**(Continued)**

- Membership rosters were not provided for audit. We noted that the Code of Regulations of the Corporation stated that there were to be 13 board members. Each member was to pay dues of $25 yearly. We noted that in all years under audit, there appeared to be more than 13 members paying dues. The minutes also do not list those members that were elected as at large. Lack of accurate and updated membership rosters increases the probability that monies due and not paid would not be detected in a timely manner.

- We noted that Fayette County and the City of Washington each pay $3,000 per year as membership fees. During review of the Code of Regulations and inquires of management, no written agreement was noted stating amounts each entity was to pay on a yearly basis. Without written agreements, a substantial amount of the support of the Corporation could be forfeited.

We recommend the Corporation maintain a cashbook and receipts ledger, prepare duplicate receipts detailing source of income, prepare and maintain for audit detailed deposit slips; and maintain an accurate up-to-date membership roster. We recommend that the minutes state those members who were elected “at large.” We also recommend that written agreements be prepared detailing the amount each subdivision is to contribute to the Corporation.

**Officials’ Response:**

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

**FINDING NUMBER 2007-005**

**Significant Deficiency**

Bank reconciliations should be performed each month to reconcile the Corporation’s accounting ledgers to the bank balances.

The Corporation’s Treasurer did not prepare monthly bank reconciliations for 2007 and 2006.

Failure to perform reconciliations monthly limits management’s ability to ensure transactions are properly recorded and may limit the usefulness of financial reports generated from the Corporations’ accounting system. Furthermore, without performing monthly bank reconciliations, errors or irregularities may occur and go undetected by management.

We recommend the Treasurer perform monthly reconciliations of bank to book balances. Reconciling items should be identified at the time of the reconciliation. Any unreconciled errors should be investigated by comparing transaction-level activity posted to the accounting ledgers with transaction-level activity reflected on the bank statement. In addition, the bank reconciliations, including original bank statements and documentation supporting any reconciliation items, should be reviewed by the Board of Trustees and maintained.

**Officials’ Response:**

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

**FINDING NUMBER 2007-006**

**Noncompliance Citation/Significant Deficiency**

**Ohio Rev. Code, Section 149.351**, states, in part, that "all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions."

Supporting documentation should be maintained to support all transactions executed by the Corporation. Although the alternative audit procedures we performed did not reveal any expenditures that were not for a proper public purpose, the Corporation failed to maintain supporting documentation (i.e. invoices or billings) for 10% of disbursements made during the audit period and 30% of disbursements made during the audit period had only credit card slips and/or invoices from the Economic Development Director with no detailed invoices attached.

The failure to maintain adequate support for expenditures could result in a loss of accountability over the Corporation's finances, make it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose. We recommend the Corporation maintain supporting documentation, including checks copies or electronic images, detailed invoices and any other relevant supporting documentation for all expenditures. Failure to maintain such documentation for items purchased may compromise management's ability to ensure expenditures are authorized and allowable, and may result in findings for recovery in future periods.

**Officials' Response:**

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

**FINDING NUMBER 2007-007**

**Noncompliance Citation/Significant Deficiency**

Ohio Administrative Code, Section 117-2-01, provides, in part, that all public officials are responsible for the design and operation of a system of internal controls that is adequate to provide reasonable assurance regarding the achievement of objectives for their respective public offices in certain categories. In designing internal control activities, the Corporation's considerations should include the following: (1) ensure that all transactions are properly authorized in accordance with management's policies; (2) ensure that accounting records are properly designed; (3) ensure adequate security of assets and records; (4) plan for adequate segregation of duties or compensating controls; (5) verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records; and (6) perform analytical procedures to determine the reasonableness of financial data. An effective internal control system will reduce the risk that error or theft will occur and not be detected in a timely manner.

We noted 40% of disbursements tested for the audit period contained only the Treasurer's signature on the check.

By not accurately and correctly accounting for disbursements transactions, errors or irregularities could occur and go undetected by management. This could ultimately lead to monies being diverted or lost without management's knowledge.

We recommend the Corporation review all disbursements before payment to determine that amounts paid agree to invoice amounts and that checks are properly signed.

**Officials' Response:**

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

## FINDING NUMBER 2007-008

**Significant Deficiency**

The County Economic Development Director is appointed as the Executive Vice-President of the Corporation. The Economic Development Director is an employee of the County, the Corporation does not pay the salary of the Economic Development Director. However, the Corporation does reimburse the Economic Development Director for items such as cell phones, lunches, mileage and supplies in the course of his duties as Executive Vice President of the Corporation.

There is no written agreement between the Corporation and the Economic Development Director describing the responsibilities and obligations of each party. The Corporation is funded through contributions from the City of Washington and Fayette County, as well as membership dues. Invoices for reimbursements are presented; however; invoices in support of the cell phone reimbursement are from the Economic Development Director and do not include supporting documentation. During the audit the Corporation expended the following amounts: $225 in 2007 and $522 in 2006. Lack of agreements, policies, and supporting documentation could result in the Corporation paying for items that are not reimbursable.

We recommend that the Corporation adopt policies and agreements to determine responsibilities of each party, what items are reimbursable and what supporting documentation must be presented and kept on file. The failure to maintain adequate support for reimbursements could result in a loss of accountability over the Corporation's finances, making it difficult to identify errors which could go undetected, and possibly result in expenditures and reimbursements that are not for a proper public purpose. Without appropriate documentation it is not possible to determine if the reimbursements included items that would not be considered to be for a proper public purpose, and may result in the issuance of findings for recovery in future periods. We also recommend that the Corporation consult with their legal counsel to determine if any of the reimbursements are taxable items under the Internal Revenue Service.

**Officials' Response:**

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

## FINDING NUMBER 2007-009

**Significant Deficiency**

The Corporation should maintain an investment ledger reflecting all investing activities of the Corporation. Interest should be consistently and accurately recorded to the Corporation's financial records.

The Corporation did not maintain an investment ledger that reflected all investing activities of the Corporation during 2005 and 2004. Rather, only a list of Certificates of Deposit (C.D.) was noted in the Treasurer's Report. Moreover, this list did not include C.D. numbers. We also noted that interest was not consistently recorded on the Corporations financial records. Certificate of Deposit balances shown on the Treasurer's report did not agree to balances per the bank, primarily due to interest earned and not recorded by the Corporation.

Failure to maintain a complete and accurate investment ledger may compromise management's ability to ensure all transactions are recorded. Also, management's ability to produce reliable financial information and reconcile to the bank may be compromised. Furthermore, without maintaining a detailed investment ledger so that management can identify transactions executed, there may be an increased risk of errors or irregularities occurring and going undetected by management.

**FINDING NUMBER 2007-009**
**(Continued)**

Due to the lack of an accurate, up to date investment ledger, we were unable to reconcile certificates of deposit to the bank. We had to perform alternative audit procedures and additional audit hours to determine actual end of year balances. The alternative procedures performed included several visits to local banks to determine the certificate of deposit numbers held at each bank. We performed an analysis of each certificate of deposit to determine amount and date issued, amount of interest per year, whether C.D.s were renewed or cashed in at maturity and end of year balances for each C.D.

We recommend the Corporation implement procedures to generate a detailed investment ledger which, at a minimum, should identify each certificate of deposit number, interest rate, interest received and balance at end of year. We also recommend that the Corporation keep Certificate of Deposit amounts at a set amount and request that the bank issue them an interest check at maturity. The interest should then be deposited into the Corporation's checking account and recorded on the financial records of the Corporation.

**Officials' Response:**

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

Mary Taylor, CPA
Auditor of State

**COMMUNITY IMPROVEMENT CORPORATION OF WASHINGTON**

**FAYETTE 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 5, 2008**

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