

**WASHINGTON COUNTY
COMMUNITY IMPROVEMENT CORPORATION
REGULAR AUDIT
For the Years Ended December 31, 2006 and 2005**



Mary Taylor, CPA
Auditor of State

Board of Trustees
Washington County Community Improvement Corporation
205 Putnam St.
Marietta, Ohio 45750

We have reviewed the *Independent Accountants' Report* of the Washington County Community Improvement Corporation, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2005 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

May 30, 2007

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**WASHINGTON COUNTY COMMUNITY IMPROVEMENT CORPORATION
WASHINGTON COUNTY**

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Perry & Associates
Certified Public Accountants, A.C.

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Marietta, OH 45750
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INDEPENDENT ACCOUNTANTS' REPORT

March 7, 2007

Washington County Community Improvement Corporation
Washington County
205 Putnam Street
Marietta, OH 45750

To the Board of Trustees:

We have audited the accompanying financial statements of Washington County Community Improvement Corporation, Washington County, (the Corporation), as of and for the years ended December 31, 2006 and 2005. This financial statement is the responsibility of the Corporation's management. Our responsibility is to express an opinion on this financial statement 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 Comptroller General of the United States' *Government Auditing Standards*. 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 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. However as discussed in Note 1, the accompanying financial statement and notes have been prepared on an accounting basis not in accordance with these generally accepted accounting principles. The accompanying financial statement and notes omit assets, liabilities, equity and disclosures that, while material, cannot be determined at this time.

In our opinion, the accompanying financial statement does not present fairly the financial position and results of operations of the Washington County Community Improvement Corporation, Washington County, Ohio, as of and for the years ended December 31, 2006 and 2005, in accordance with accounting principles generally accepted in the United States of America.

The Corporation has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

Washington County Community Improvement Corporation
Washington County
Independent Accountants' Report
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In accordance with Government Auditing Standards, we have also issued our report dated March 7, 2007, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. 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.

Respectfully Submitted,

Perry and Associates
Certified Public Accountants, A.C.

**WASHINGTON COUNTY COMMUNITY IMPROVEMENT CORPORATION
WASHINGTON COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN CASH BALANCE**

FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005

	2006	2005
Cash Receipts:		
CIC Annual Membership Dues	\$ -	\$ 1,620
Annual Meeting Receipts	417	504
Membership Dues/Contributions from Cities, Villages, and Townships	28,596	15,618
Interst: Money Market and CD	157	1,192
Total Cash Receipts	29,170	18,934
Cash Disbursements:		
Current:		
Audit Fees	844	1,254
Annual Meeting Expenses	608	642
Legal Fees	-	344
Contributions: Marietta College Small Business Development Center	5,000	6,750
Clerical Support	329	-
Insurance Expenses	-	238
CIC portion to fund Economic Development through OSU Extension Office	65,647	-
Reimbursement to USDA for sales of Riverview Park Lots: 44% of Net sales Proceeds	-	61,912
Local Office of Economic Development	-	20,000
Total Cash Disbursements	72,428	91,140
Total Cash Receipts Over/(Under) Disbursements	(43,258)	(72,206)
Fund Cash Balances, January 1	48,934	121,140
Fund Cash Balances, December 31	\$ 5,676	\$ 48,934

**WASHINGTON COUNTY COMMUNITY IMPROVEMENT CORPORATION
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Community Improvement Corporation of Marietta, Ohio, (The Corporation) was incorporated on May 10, 1963, by Officers and Directors of the Marietta Area Chamber of Commerce. It was established to assist in the financing of Industrial Revenue Bonds exempt from Federal income Tax. Under Ohio law, manufacturing, distribution, commercial, or research facilities are eligible. On August 7, 1987, the Community Improvement Corporation changed its name to Washington County, Ohio Community Improvement Corporations, Inc., which better describes its scope of operation.

The Washington County, Ohio Community Improvement Corporation, Inc. is operated by a Board of Trustees consisting of sixteen local citizens. Seven of the trustees must be appointed or elected officials of the political subdivisions represented. The nine remaining positions are filled by selection from the general membership.

B. Basis of Accounting

Although required by Ohio Rev. Code Section 1724.05 to file its annual financial report pursuant to accounting principles generally accepted in the United States of America, the Corporation chooses to prepare its financial statement on a basis of accounting for the governmental entities that are not required to prepare annual reports in accordance with generally accepted accounting principles. This basis of accounting is a comprehensive basis of accounting other than generally accepted accounting principles. The basis of accounting is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

This statement includes adequate disclosures of material matters.

C. Cash

The corporation maintains an interest-bearing money market savings account and a checking account.

D. Property, Plant and Equipment

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statement.

**WASHINGTON COUNTY COMMUNITY IMPROVEMENT CORPORATION
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

2. CASH

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

	<u>2006</u>	<u>2005</u>
Demand deposits	\$ 2,206	\$ 9,091
Savings Accounts	3,470	39,843
Total deposits	<u>\$ 5,676</u>	<u>\$ 48,934</u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

3. LAND

The Corporation sold land that they owned at the Riverview Industrial park on April 10, 2003 for \$150,000. Net proceeds to the Corporation after payment of selling costs were \$144,229. The Corporation is required to pay USDA Rural Development 44% of the net selling price of any land that is sold for federal assistance regarding development of the industrial park. As of December 31, 2006 the Corporation had paid the USDA Rural Development.

4. ECONOMIC DEVELOPMENT OFFICE

The Corporation has joined efforts with the County Commissioners to establish and operate an Economic Development Office. The Commissioners are funding the majority of the cost of the office and the Corporation has agreed to fund certain amounts through other sources such as villages, townships, and cities, as well as through private and corporate contributions. This program started on July 1, 2001 and is being administered by Washington County. The Corporation contributed \$65,647 to the office from January 1, 2005 through December 31, 2006.

5. RISK MANAGEMENT

Commercial Insurance

The Corporation has obtained commercial insurance for the following risks during 2005:

- Wrongful acts and dishonesty bond

However, the corporation did not obtain a wrongful acts and dishonesty bond for the Treasurer during 2006.

Perry & Associates
Certified Public Accountants, A.C.

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

March 7, 2007

Washington County Community Improvement Corporation
Washington County
205 Putnam Street
Marietta, OH 45750

To the Board of Trustees:

We have audited the financial statements of Washington Community Improvement Corporation, Washington County (the Corporation) as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated March 7, 2007, wherein we noted the Corporation prepares its financial statement on a basis of accounting other than that prescribed by Ohio Rev. Code Section 1724.05. 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 opinions 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.

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 a 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.

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.

Internal Control Over Financial Reporting (Continued)

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. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We also noted certain internal control matters that we reported to the Corporation's management in a separate letter dated March 7, 2007.

Compliance and Other Matters

As part of reasonably assuring whether the Corporation's financial statement is 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 matter that we must report under Government Auditing Standards, which is described in the accompanying Schedule of Findings as item 2006-001.

We intend this report solely for the information and use of management and the Board of Trustees. It is not intended for anyone other than these specified parties.

Respectfully Submitted,

Perry and Associates
Certified Public Accountants, A.C.

**WASHINGTON COUNTY COMMUNITY IMPROVEMENT CORPORATION
WASHINGTON COUNTY**

**SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2006 AND 2005**

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

FINDING NUMBER 2006-001

Noncompliance Citation

Ohio Rev. Code Section 1724.05 requires the Corporation to file its annual financial report in accordance with accounting principles generally accepted in the United States of America.

The Corporation prepared its financial statement in accordance with standards established by the Auditor of State for governmental entities not required to prepare annual reports in accordance with generally accepted accounting principles. The accompanying financial statement and notes omit assets, liabilities, equity, and disclosures that, while material, cannot be determined at this time. In accordance with Ohio Rev. Code Section 1724.06, the Corporation could be declared unauditible and various other legal administrative remedies may be taken against the Corporation if the report is not filed correctly.

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

**WASHINGTON COUNTY COMMUNITY IMPROVEMENT CORPORATION
WASHINGTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2004 AND 2003**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2004-001	ORC Section 1724.05 – Financial report, Non-compliance	No	Not Corrected - Repeated as Finding 2006-001



Mary Taylor, CPA
Auditor of State

WASHINGTON COUNTY COMMUNITY IMPROVEMENT CORPORATION

WASHINGTON 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
JUNE 12, 2007**