



**Auditor of State
Betty Montgomery**

**COMMUNITY IMPROVEMENT CORPORATION
MONROE COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Community Improvement Corporation
Monroe County
101 North Main Street, Room 18
Woodsfield, Ohio 43793

To the Board of Trustees:

We have audited the accompanying financial statements of the Community Improvement Corporation, Monroe County, Ohio (the Corporation), as of and for the years ended December 31, 2002 and 2001. 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 *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 statement is 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 that 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 statements and notes have been prepared on a basis of accounting in accordance with standards established by the Auditor of State for 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 accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, cannot be determined at this time.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Community Improvement Corporation, Monroe County, as of December 31, 2002 and 2001, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2003, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Schedule of Federal Awards Expenditures is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. We subjected this information to the auditing procedures applied in the audit of the financial statements. In our opinion, it is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under Ohio Rev. Code Section 117.26, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

August 21, 2003

**COMMUNITY IMPROVEMENT CORPORATION
MONROE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Intergovernmental	\$	\$535,307	\$535,307
Rental Income	44,119		44,119
Program Income	11,333		11,333
Donations	5,000		5,000
Interest	103	91	194
	60,555	535,398	595,953
Total Cash Receipts			
Cash Disbursements:			
Current:			
Wages and Fringe Benefits	7,305		7,305
Accounting Fees	2,907		2,907
Supplies	2,072		2,072
Real Estate Tax	35		35
Advertising	900		900
Membership Fees	249		249
Donations	625		625
Utilities	970		970
Services Fee	1,113		1,113
Training Expense	377		377
Miscellaneous	37		37
Debt Service:			
Redemption of Principal	36,732		36,732
Interest and Fiscal Charges	7,262		7,262
Capital Outlay		595,892	595,892
	60,584	595,892	656,476
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	(29)	(60,494)	(60,523)
Other Financing Receipts/(Disbursements):			
Proceeds from Sale of Public Debt:			
Sale of Notes		50,000	50,000
Transfer - In		25,000	25,000
Transfer -Out	(25,000)		(25,000)
	(25,000)	75,000	50,000
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(25,029)	14,506	(10,523)
Fund Cash Balances, January 1	36,767	0	36,767
Fund Cash Balances, December 31	\$11,738	\$14,506	\$26,244

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

**COMMUNITY IMPROVEMENT CORPORATION
MONROE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

	General
Cash Receipts:	
Rental Income	\$48,531
Donations	24,944
Interest	255
Other Revenue	1,872
Total Cash Receipts	75,602
Cash Disbursements:	
Current:	
Wages and Fringe Benefits	3,180
Accounting Fees	865
Supplies	330
Real Estate Tax	147
Advertising	36
Membership Fees	120
Service Fee	888
Insurance	228
Filing Fee	308
Miscellaneous	259
Debt Service:	
Redemption of Principal	28,595
Interest and Fiscal Charges	6,063
Capital Outlay	56,187
Total Cash Disbursements	97,206
Total Cash Receipts Over/(Under) Cash Disbursements	(21,604)
Other Financing Receipts:	
Proceeds from Sale of Public Debt:	
Sale of Notes	56,187
Total Other Financing Receipts	56,187
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	34,583
Cash Balance, January 1	2,184
Cash Balance, December 31	\$36,767

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

**COMMUNITY IMPROVEMENT CORPORATION
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Community Improvement Corporation, Monroe County (the Corporation), is a not-for-profit corporation and was incorporated in 1975 under authority of Ohio Rev. Code Section 1702.01. The Corporation is governed by 17 trustees, comprised of business, professional, government and community leaders. The Corporation was formed to advance, encourage, and promote the industrial, economic, commercial and civic development of Monroe County, and municipal corporations located therein, for the industrial, commercial, distribution, and research development in such political subdivisions in accordance with Ohio Rev. Code Section 1724.10.

The Corporation's management believes these financial statements present all activities for which the Corporation is financially accountable.

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 and notes in accordance with standards established by the Auditor of State for governmental entities that are not required to prepare annual financial reports in accordance with 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.

These statements include adequate disclosure of material matters, in accordance with the basis of accounting described in the preceding paragraph.

C. Tax Status

The Corporation has not filed as an exempt organization under Section 501(c)(4) of the Internal Revenue Code. Without an exemption, donations to the Corporation are not tax deductible to the donor. By virtue of Ohio law, the Corporation is not subject to Ohio income taxes.

D. Cash

The Corporation maintains an interest-bearing General checking account and an interest-bearing Multi-Tenant Building checking account.

E. 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 statements.

**COMMUNITY IMPROVEMENT CORPORATION
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2. CASH

The Corporation maintains a General checking account and a Multi-Tenant Building checking account. The carrying amount of cash at December 31 was as follows:

	2002	2001
General account: Demand Deposits	\$ 11,738	\$ 36,767
Multi-Tenant Building account: Demand Deposits	14,506	
	\$ 26,244	\$ 36,767

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

3. LAND AND BUILDINGS

The Corporation owns the 13,500 square foot facility in the Monroe Industrial Park housing Industrial Paint & Strip, Inc., which is valued at approximately \$550,000. See Note 4 for the debt related to this facility.

The Corporation owns the Monroe Manufacturing facility which is valued at approximately \$115,000. This includes a building on the site and approximately 3.7 acres of related land. See Note 4 for the debt related to this facility. The debt related to this facility is currently in default and the bank is holding the mortgage as security on this loan.

The Corporation will also own the Black Walnut Center, the Multi-Tenant Building, which is valued at approximately \$1,200,000. The land, which the building is located on, is valued at approximately \$15,000. As of December 31, 2002, this building was still under construction. This facility is financed in the following manner: \$900,000 grant through the Economic Development Administration, \$180,000 grant through the Appalachian Regional Commission, and \$120,000 in local matching funds. A portion of the local matching funds is paid through promissory notes obtained through the Monroe County Chamber of Commerce, Pioneer Larger Parish of Monroe County, and WesBanco. (See Note 4 for the description of this debt.)

4. DEBT

Debt outstanding at December 31, 2002, was as follows:

	Principal	Interest Rate
Rural Industrial Park Loan	\$427,763	0% - 3%
Commercial Loan: WesBanco	52,522	10.50%
First Mortgage Loan: Citizens National Bank of Woodsfield	84,868	Floating Rate
Promissory Note: Monroe County Chamber of Commerce	15,000	0%
Promissory Note: Pioneer Larger Parish of Monroe County	10,000	0%
Promissory Note: WesBanco	25,000	5.75%
	\$615,153	

The Rural Industrial Park Loan, originally issued for \$484,463, is between the Corporation and the State of Ohio, Department of Development, for the purpose of constructing a 13,500 square foot facility in Monroe Industrial Park in Monroe County, Ohio. The Corporation does have title to this facility. The loan does not bear interest for years one through five. Years six through fifteen will bear interest at a rate of three percent (3.0%), plus a service fee equal to one quarter of one percent (.25%) per annum. The loan is secured by an open-end mortgage on the property and the loan will be repaid through rental income received from the business occupying this building.

**COMMUNITY IMPROVEMENT CORPORATION
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

4. DEBT (Continued)

The commercial loan obtained through WesBanco is to assist in the construction costs of the 13,500 square foot facility in the Monroe Industrial Park. The loan is secured by an assignment of lease executed by the Corporation and Industrial Paint and Strip, Inc. (See Note 5)

The First Mortgage Loan was obtained through the Citizens National Bank of Woodsfield in the amount of \$160,000 in 1986 on behalf of Monroe Manufacturing for start up costs for the Monroe Manufacturing facility. The interest on the loan is a floating rate equivalent to 70 percentage points of the New York prime, adjusted monthly. Monroe Manufacturing has ceased operations without making further payments to the Corporation. Citizens National Bank has placed this loan in a non-accrual status and the bank is not requiring payment due on the outstanding loan balance until the land and property is sold by the Corporation. The last payment made on this loan was on September 17, 2002. As of August 26, 2003, the outstanding loan balance (including principal and interest) is \$115,645. As of the date of this report, the Corporation is in contract with a business to purchase the property. The Corporation does have title to this land and building.

The Promissory Notes between the Corporation and the Monroe County Chamber of Commerce, Pioneer Larger Parish of Monroe County, and WesBanco, in the amounts of \$15,000, \$10,000, and \$25,000, respectively, are for the costs related to the design, construction, and operation of the Monroe County Multi-Tenant Building to be constructed on Lot 3 of the Monroe County Commerce Park. The revenues on the Corporation are pledged to repay this debt. The Corporation does have title to the building.

Amortization of the above debt, including interest and service fees, and except for the first mortgage loan is scheduled as follows:

Year Ending December 31:	Rural Industrial Park Loan	Commercial Loan: WesBanco	Promissory Note: Monroe County Chamber of Commerce	Promissory Note: Pioneer Larger Parish of Monroe County	Promissory Note: WesBanco
2003	\$ 33,432	\$7,455	\$1,500	\$1,000	\$3,371
2004	33,351	7,455	1,500	1,000	3,564
2005	34,981	7,455	1,500	1,000	3,564
2006	40,037	7,455	1,500	1,000	3,564
2007	39,961	7,455	1,500	1,000	3,564
2008-2012	198,594	37,275	7,500	5,000	14,554
2013-2015	108,286	22,362			
Total	<u>\$ 488,642</u>	<u>\$96,912</u>	<u>\$15,000</u>	<u>\$10,000</u>	<u>\$32,181</u>

5. COMMERCIAL LEASE

The Corporation entered into a 10-year commercial lease agreement with Industrial Paint & Strip, Inc. (IPS) to occupy the 13,500 square foot facility in Monroe Industrial Park.

**COMMUNITY IMPROVEMENT CORPORATION
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

5. COMMERCIAL LEASE (Continued)

During the first five (5) year period of the ten year lease, IPS is to pay \$3,500 per month, commencing January 15, 2001, payable without demand and without setoff or deduction, except as expressly provided in the agreement, payable in advance on the 15th day of each month.

During the second five (5) year period of such term, the rental will be adjusted to reflect changes in the Corporation's cost of funds, both interest and principal; interest shall be computed at a rate no greater than fifty percent (50%) of the prime rate (which shall be determined solely by the Director of Development), plus a service fee equal to one quarter of one percent (.25%) per annum.

As additional rental, IPS agreed to pay the sum of \$9,700, commencing January 15, 2001, with monthly payments of \$290 for a period of 36 months. The additional \$9,700 advancement was made by the Monroe County Commissioners for an application fee to the State Department of Development for the Rural Industrial Park Loan.

As additional rental, IPS will reimburse the Corporation the monthly payment due and owed on the \$56,187 participation loan, with monthly payments of \$621, made to the Corporation. The loan carries interest at the prime rate plus 1% for the first 5 year period and subsequently adjusts annually to the prime rate plus 1%.

6. CONTINGENCIES

Grants

The Corporation received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Corporation. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Corporation at December 31, 2002.

**COMMUNITY IMPROVEMENT CORPORATION
MONROE COUNTY**

**SCHEDULE OF FEDERAL AWARD EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2002**

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Pass-Through Entity Number	Disbursements
<u>UNITED STATES DEPARTMENT OF COMMERCE</u>			
<i>Direct Award</i>			
Economic Development Administration- Grants to Public Works and Economic Development Facilities	11.300	06-01-04576	<u>\$591,778</u>
Total United States Department of Commerce			591,778
Total Federal Awards Expenditures			<u><u>\$591,778</u></u>

The accompanying Notes to the Schedule of Federal Award Expenditures is an integral part of this Schedule.

**COMMUNITY IMPROVEMENT CORPORATION
MONROE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2002**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the Corporation's federal awards program. The Schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require that the Corporation contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Corporation has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Community Improvement Corporation
Monroe County
101 North Main Street, Room 18
Woodsfield, Ohio 43793

To the Board of Trustees:

We have audited the accompanying financial statements of the Community Improvement Corporation, Monroe County, Ohio (the Corporation), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated August 21, 2003, wherein we noted the Corporation prepares its financial statements on a basis of accounting other than that prescribed by Ohio Revised 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2002-001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Corporation in a separate letter dated August 21, 2003.

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Community Improvement Corporation
Monroe County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of management and the Board of Trustees, and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

August 21, 2003



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Community Improvement Corporation
Monroe County
101 North Main Street, Room 18
Woodsfield, Ohio 43793

Compliance

We have audited the compliance of the Community Improvement Corporation, Monroe County, Ohio (the Corporation), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2002. The Corporation's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Corporation's management. Our responsibility is to express an opinion on the Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Corporation's compliance with those requirements.

In our opinion, the Corporation complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2002.

Internal Control Over Compliance

The management of the Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management, the Board of Trustees, and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.



Betty Montgomery
Auditor of State

August 21, 2003

**COMMUNITY IMPROVEMENT CORPORATION
MONROE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 SECTION .505
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	C.F.D.A. #11.300 - Grants for Public Works and Economic Development Facilities
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000
(d)(1)(ix)	Low Risk Auditee?	No

**COMMUNITY IMPROVEMENT CORPORATION
MONROE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 SECTION .505
DECEMBER 31, 2002 AND 2001
(Continued)**

**2. FINDING RELATED TO THE FINANCIAL STATEMENT
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2002-001

Noncompliance Citation

Ohio Rev. Code Section 1724.05 requires the Corporation to file its annual financial report pursuant to generally accepted accounting principles. The report must be filed within 120 days of fiscal year end with the Auditor of State's office.

The Corporation prepares its financial statements 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 statements and notes omit assets, liabilities, equity, and disclosures that, while material, cannot be determined at this time. Under Ohio Rev. Code Section 1724.06, the Corporation's failure to prepare an annual financial report as required by Ohio Rev. Code Section 1724.05 may result in the cancellation of its articles of incorporation by the Secretary of State.

In accordance with Ohio Rev. Code Section 1724.06, the Auditor of State will report the Corporation's failure to prepare an annual financial report as required by Ohio Rev. Code Section 1724.05 to the Secretary of State.

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

3. FINDINGS FOR FEDERAL AWARDS

None.



**Auditor of State
Betty Montgomery**

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MONROE COUNTY COMMUNITY IMPROVEMENT CORPORATION

MONROE 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
NOVEMBER 6, 2003**