

**The Community Improvement Corporation Of The  
Steubenville, Ohio Area**

**Audit Report  
December 31, 2005**





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Community Improvement Corporation of Steubenville  
630 Market Street  
Steubenville, Ohio 43952

We have reviewed the *Independent Auditor's Report* of the Community Improvement Corporation of Steubenville, Jefferson County, prepared by S.R. Snodgrass, A.C., for the audit period January 1, 2005 through December 31, 2005. 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 Community Improvement Corporation of Steubenville is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

September 28, 2006

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**The Community Improvement Corporation of the  
Steubenville, Ohio Area  
Audit Report  
December 31, 2005**

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## **Independent Auditor's Report**

To the Board of Trustees  
The Community Improvement Corporation of the  
Steubenville, Ohio Area

We have audited the accompanying statement of financial position of the Community Improvement Corporation of the Steubenville, Ohio Area (a nonprofit organization) as of December 31, 2005, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Community Improvement Corporation of the Steubenville, Ohio Area'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 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 that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Community Improvement Corporation of the Steubenville, Ohio Area as of December 31, 2005, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated July 6, 2006 on our consideration of the Community Improvement Corporation of Steubenville, Ohio Area'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.

*S. R. Snodgrass, A.C.*

Steubenville, Ohio  
July 6, 2006

The Community Improvement Corporation of the  
**Steubenville, Ohio Area**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2005**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 516,625
Investments	75,453
Accrued interest receivable	627
Current portion of loans receivable	<u>18,177</u>
Total current assets	<u>610,882</u>

**LAND, BUILDING, FURNITURE, FIXTURES AND EQUIPMENT**

Land	100,000
“Spec” building	682,682
Furniture, fixtures and office equipment	<u>14,360</u>
Total	797,042
Accumulated depreciation	<u>(11,816)</u>
Total land, building, furniture, fixtures and equipment	<u>785,226</u>

**OTHER ASSETS**

Loans receivable	<u>114,358</u>
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Total assets	<u>\$1,510,466</u>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 21,292
Deposit – “Spec” Building Sale	85,000
Deposits – Industrial Park Lot Sale	35,000
Notes payable	<u>709,323</u>
Total current liabilities	<u>850,615</u>

Total liabilities	<u>850,615</u>
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**NET ASSETS**

Unrestricted	86,606
Temporarily restricted	<u>573,245</u>
Total net assets	<u>659,851</u>

Total liabilities and net assets	<u>\$1,510,466</u>
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The accompanying notes are in integral part of these financial statements.

**The Community Improvement Corporation of the  
Steubenville, Ohio Area  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
<b>SUPPORT</b>			
Contributions from local governments	\$ -	\$198,260	\$198,260
Contributions from Jefferson Chamber	9,394	205,324	214,718
Contributions from private donations	<u>-</u>	<u>66,060</u>	<u>66,060</u>
Total support	<u>9,394</u>	<u>469,644</u>	<u>479,038</u>
<b>REVENUE</b>			
Interest	-	5,471	5,471
Other	370	1,100	1,470
Investment income	<u>-</u>	<u>3,989</u>	<u>3,989</u>
Total revenue	<u>370</u>	<u>10,560</u>	<u>10,930</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of terms and conditions	<u>351,008</u>	<u>(351,008)</u>	<u>-</u>
Total support and revenue	<u>360,772</u>	<u>129,196</u>	<u>489,968</u>
<b>EXPENSES</b>			
Program services:			
Progress Alliance	249,189	-	249,189
Revolving Loan Program	<u>-</u>	<u>-</u>	<u>-</u>
Total program service expenses	<u>249,189</u>	<u>-</u>	<u>249,189</u>
Support services:			
Operations	<u>41,590</u>	<u>-</u>	<u>41,590</u>
Total expenses	<u>290,779</u>	<u>-</u>	<u>290,779</u>
Change in Net Assets	69,993	129,196	199,189
Net Assets as of Beginning of Year	<u>16,613</u>	<u>444,049</u>	<u>460,662</u>
Net Assets as of End of Year	<u>\$ 86,606</u>	<u>\$573,245</u>	<u>\$659,851</u>

The accompanying notes are an integral part of these financial statements.



**The Community Improvement Corporation of the  
Steubenville, Ohio Area  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Program Services</u>		<u>Total Program Services</u>	<u>Support Services</u>	<u>Total Expenses</u>
	<u>Progress Alliance</u>	<u>RLP</u>			
Salaries and wages	\$112,282	\$ -	\$112,282	\$ -	\$112,282
Payroll taxes and benefits	34,910	-	34,910	-	34,910
Travel/meeting expense	4,749	-	4,749	-	4,749
Interest expense	14,243	-	14,243	9,394	23,637
Office expense	6,124	-	6,124	-	6,124
Insurance	4,841	-	4,841	1,267	6,108
Telephone	2,374	-	2,374	-	2,374
Rent	6,500	-	6,500	-	6,500
Marketing and advertising	39,045	-	39,045	-	39,045
Professional fees	10,744	-	10,744	30,756	41,500
Other expenses	9,715	-	10,815	45	10,860
Spec. building expenditures	1,355	-	1,355	128	1,483
Unrealized loss on investments	<u>1,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses before depreciation	247,982	-	247,982	41,590	289,572
Depreciation	<u>1,207</u>	<u>-</u>	<u>1,207</u>	<u>-</u>	<u>1,207</u>
Total expenses	<u>\$249,189</u>	<u>\$ -</u>	<u>\$249,189</u>	<u>\$41,590</u>	<u>\$290,779</u>

The accompanying notes are an integral part of these financial statements.

**The Community Improvement Corporation of the  
Steubenville, Ohio Area  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**OPERATING ACTIVITIES**

Change in net assets	\$199,189
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	1,207
Net change in:	
Accrued interest receivable	318
Accounts payable	20,398
Other liabilities	<u>102,381</u>
Net cash provided by operating activities	<u>323,493</u>

**INVESTING ACTIVITIES**

Transfer of investments	(75,453)
Write-off of note receivable	4,500
Extension of loans receivable	(100,000)
Payments on loans receivable	<u>16,249</u>
Net cash used in investing activities	<u>(154,704)</u>
Net increase in cash and cash equivalents	168,789

**CASH AND CASH EQUIVALENTS AS OF BEGINNING OF YEAR** 347,836

**CASH AND CASH EQUIVALENTS AS OF END OF YEAR** \$ 516,625

The accompanying notes are an integral part of these financial statements.

The Community Improvement Corporation of the  
Steubenville, Ohio Area  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**NATURE OF ACTIVITIES**

The Community Improvement Corporation of the Steubenville, Ohio Area is a nonprofit Organization established for the purpose of advancing, encouraging and promoting the industrial, commercial and civic development of the Steubenville, Ohio area. It has accomplished this function by maintaining the local revolving loan program, and acting as a conduit between prospective businesses and the state and local governments. The Organization's funding is provided mainly by administering and operating their ventures, as well as, Federal, State and Local grants for the revolving loan program and contributions from local governments and the Jefferson County Chamber for Progress Alliance.

**BASIS OF PRESENTATION**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor or grant restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor or grantor imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**SUPPORT AND REVENUE - CONTRIBUTIONS**

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

**LAND, BUILDING, FURNITURE, FIXTURES AND EQUIPMENT**

Furniture, fixtures and equipment are carried at cost or donated fair value and include expenditures for major renewals and betterments. Maintenance, repairs, and minor renewals are charged to expense as incurred. When assets are sold, or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and any profit or loss arising from such disposition is included as income or expense in the year in which it is disposed. Depreciation is computed by an accelerated method based upon the estimated useful lives of the assets.

Depreciation of \$1,207 has been charged to operations for the year ended December 31, 2005.

**The Community Improvement Corporation of the  
Steubenville, Ohio Area  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**LOANS RECEIVABLE**

Loans receivable are stated at unpaid principal balances. The Organization uses the direct write off method for recording losses on loans receivable.

A loan receivable is written off based upon management's evaluation of its collectability based upon the nature of the loan's impairment and an analysis of its financial status and payment history.

**INCOME TAXES**

The Organization is exempt from federal income taxes under Internal Revenue Code 501(c)(6) and therefore has made no provision for federal income taxes in the accompanying financial statements.

**FUNCTIONAL ALLOCATION OF EXPENSES**

Costs are reported by function under program services and support services in the schedule of functional expenses.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months.

Cash payments for interest for the year ended December 31, 2005 was \$9,394.

**ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**INVESTMENT SECURITIES**

The Organization has classified all of its investment securities as Available for Sale Securities. Realized security gains and losses are computed using the specific identification method. Interest and dividends on investment securities are recognized as income when earned.

The Community Improvement Corporation of the  
Steubenville, Ohio Area  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005

**2. CASH AND CASH EQUIVALENTS**

	<u>Per Bank</u>	<u>Per Books</u>
Sky Bank – General Operating	\$ 32,388	\$ 32,388
Sky Bank – RLP (county)	127,141	127,141
Sky Bank – RLP (city)	90,648	90,648
Sky Bank – Progress Alliance (operating)	16,304	11,561
Sky Bank – Progress Alliance (payroll)	5,380	1,451
Bank One – Economic Development	15,977	15,977
National City Bank – Industrial Park Spec Building	165,578	165,578
National City Bank – Economic Development (savings)	<u>71,881</u>	<u>71,881</u>
Total cash and cash equivalents	<u>\$525,297</u>	<u>\$516,625</u>

At December 31, 2005, the Community Improvement Corporation of the Steubenville, Ohio Area had deposits with Sky Bank in excess of FDIC limits for \$171,861 and deposits with National City Bank in excess of FDIC limits for \$137,459.

**3. SECURITIES AVAILABLE FOR SALE**

The following is a summary of securities available for sale at December 31, 2005:

	<u>Gross Amortized Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>
Vanguard 500 Index Fund	76,553	-	1,100	75,453

**4. LAND, BUILDING, FURNITURE, FIXTURES AND EQUIPMENT**

In 1997 Jefferson County gave The Community Improvement Corporation of the Steubenville, Ohio Area land appraised at \$100,000 to be used to build a “Spec” building. Construction of the “Spec” building began in the fall of 1999. The structure was complete and ready for occupancy in the year ended December 31, 2000.

**The Community Improvement Corporation of the  
Steubenville, Ohio Area  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005**

**5. LOANS RECEIVABLE**

The Organization began a revolving loan fund in 1990 with the first loan activity occurring in 1991. The revolving loan fund was established to provide loans to industrial, manufacturing and retail entities in order to retain or create jobs and promote economic development.

The project loans are funded with local matching dollars wherein one (1) local dollar of Community Development Block Grant Funds is matched with three (3) federal dollars from the Economic Development Administration.

The loan program consists of available loan funding maximized at \$400,000 for two (2) specific programs. Program One consists of available loan funding for those projects located exclusively within the City limits of Steubenville, Ohio while Program Two consists of available loan funding for those projects located exclusively in Jefferson County, Ohio excluding the City limits of Steubenville, Ohio. Each program began with a maximum loan funding of \$200,000.

The loans are secured and collateralized, when applicable, by the underlying properties and other assets of the loan recipients. The organization is usually in a secondary position on collateral.

The loan receivable balances regarding the revolving loan fund at December 31, 2005 was \$132,535. The principal payments to be received by the Organization from these loans receivable over the next five years is as follows:

<u>Year</u>	<u>Amount</u>
2006	\$ 18,177
2007	12,754
2008	13,273
2009	8,982
2010 and after	<u>79,349</u>
	<u>\$132,535</u>

The following schedule shows the status of the loans receivable at December 31, 2005:

<u>Current</u>	<u>Days Delinquent</u>				<u>Total</u>
	<u>30 to 59</u>	<u>60 to 89</u>	<u>90 to 119</u>	<u>120 and Over</u>	
<u>\$126,009</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$6,526</u>	<u>\$ -</u>	<u>\$132,535</u>

The Community Improvement Corporation of the  
Steubenville, Ohio Area  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2005**

**6. NOTES PAYABLE**

On June 30, 1999, The Community Improvement Corporation of the Steubenville, Ohio Area entered into a financing arrangement with Sky Bank to fund the construction of the "Spec" building. The loan is a construction loan with an interest rate of 6.25%. The organization makes monthly interest payments with the principal due June 30, 2006. This loan is secured by the "Spec" building and the balance outstanding at December 31, 2005 was \$298,942.

Furthermore, The Community Improvement Corporation borrowed \$75,000 from American Electric Power on August 5, 1999, with the funds being restricted to make the interest payments on the construction loan obtained from Sky Bank. The note is non-interest bearing. It is agreed by both parties that if the shell building is sold then said note will be paid in full at the time of such sale. If the shell building is leased for a period in excess of one (1) year, the amount of the loan shall be paid in three (3) equal installments of \$25,000 each over a period of three years due and payable on the first, second, and third anniversary of the date of the lease. If none of the aforementioned items occur, the note matures on June 30, 2006.

In addition, The Community Improvement Corporation of the Steubenville, Ohio area entered into a financing arrangement with the Ohio Department of Development to assist in funding construction of the "Spec" Building. The note is non-interest bearing and will mature in August of 2006. The balance outstanding at December 31, 2005 was \$335,381.

**7. DEPOSIT – "SPEC" BUILDING SALE**

The Community Improvement Corporation accounts for certain real estate sales on the deposit method. Under the deposit method, the effective date of the sale is deferred and any cash received is considered a deposit. As specific criteria are met, profit is recognized when the sale is considered to be consummated.

In 2005, The Community Improvement Corporation came into agreement with QPI Tools, Inc. to purchase the 35,300-square foot speculative shell building located in the Jefferson County Industrial Park. As part of the agreement, QPI Tools, Inc. provided The Community Improvement Corporation with a deposit of \$85,000, representing a down payment for the pending purchase of the building to be finalized in 2006.

The Community Improvement Corporation of the  
**Steubenville, Ohio Area**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2005**

**8. DEPOSITS – INDUSTRIAL PARK LOT SALE**

On July 7, 2005, the Jefferson County Commissioners approved the transfer of a six-acre parcel of land in the Jefferson County Industrial Park to The Community Improvement Corporation, which in turn, acted as a conduit between the county and a proposed buyer, Douglas Don Snyder and Lora Faye Snyder of Wildfire Motors, and entered into a purchase agreement to sell the landsite to the proposed buyer. The agreement entered into provided a sum of \$30,000 to The Community Improvement Corporation, which had previously entered into a written agreement with the Jefferson County Commissioners to use the proceeds from the sale or lease of lots in the Jefferson County Industrial Park, or from other sources, to fully extend the access road through the Jefferson County Industrial Park. If The Community Improvement Corporation fails to do so, the recipient may be required to compensate the U.S. Department of Commerce in the amount of the award disbursed for the Project.

In 2005, the Community Improvement Corporation came into agreement with R-Way Transport, Inc. to purchase a 4.7-acre parcel of land in the Jefferson County Industrial Park. As part of the agreement, R-Way Transport, Inc. provided The Community Improvement Corporation with a deposit of \$5,000, representing a down payment for the pending purchase of the building to be property in 2006.

**9. UNRESTRICTED NET ASSETS**

The unrestricted net assets represents results of activities for the following programs that have no grantor or donor stipulations. The balances at December 31 consist of the following:

	2005
General operating	<u>\$86,606</u>

**10. TEMPORARILY RESTRICTED NET ASSETS**

The temporarily restricted net assets represents results of activities for the following programs that have grantor or donor stipulations. The balances at December 31, consist of the following:

	2005
Revolving loan program	\$351,686
Progress Alliance Economic Development	<u>221,559</u>
	<u>\$573,245</u>

**11. PROGRESS ALLIANCE**

The City of Steubenville, Ohio, the County of Jefferson, Ohio and the Jefferson County Area Chamber of Commerce formed an alliance for economic development of the Steubenville, Ohio area, including all of Jefferson County, Ohio during 1996. The alliance called for the formation of an economic development plan known as Progress Alliance to advance, encourage and promote industrial, economic, commercial and civic development. The Community Improvement Corporation of the Steubenville, Ohio Area was chosen to operate the Progress Alliance program on behalf of the three entities.

The agreement for the alliance calls for each of the parties to contribute sums from time to time to cover the organization's expenditures incurred in the operation of the project. For 2005, the Government entities contributed a total of \$198,260, and the Chamber contributed a total of \$214,718, which is reflected in the Statement of Activities under the Temporarily Restricted designation.



The Community Improvement Corporation of the  
Steubenville, Ohio Area  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005

**13. PENSION PLAN**

The Organization adopted a prototype simplified employee pension plan covering all employees 21 years of age, zero years of service, and whose compensation was greater than \$395 for the year. During 2005, the Organization had two individuals covered under the plan. The total amount contributed and expensed by the organization for 2005 was \$13,663.

**14. RENT**

The Community Improvement Corporation of The Steubenville, Ohio Area currently rents space from the Jefferson County Chamber of Commerce on a month-to-month basis. The organization has no long-term lease agreements. Rent expense for 2005 was \$6,500.

**15. CONCENTRATION OF CREDIT RISK AND OFF BALANCE SHEET RISK**

The Organization's programs are maintained in the Jefferson County, Ohio geographical area. The performance of its lending and operational activity are dependent on the performance of the participating companies and projects. The results of these companies and the operations of the Organization's projects are dependent on the economic conditions in the local trade area.

**16. CONTINGENCIES**

The Community Improvement Corporation of the Steubenville, Ohio Area receives restricted funds under the revolving loan program. The operation of this program is subject to review by the granting Organization. The ultimate determination of amounts received under this program is based upon criteria established and reviewed by the granting Organization. Until such reviews have been made, there exists a contingency to refund any amount received that does not meet grant specifications. Management is of the opinion that no material liability will result from such reviews.

**17. RISK MANAGEMENT**

The Organization is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, flood and earthquake, errors and omissions, employment matters, injuries to employees and employee theft and fraud.

The Organization participates in the Ohio Bureau of Workers' Compensation for workers compensation coverage and with the Ohio Department of Job and Family Services for unemployment coverage. The Organization continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years and there has been no significant reduction in insurance coverage from coverage in prior years.



**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees  
The Community Improvement Corporation of the  
Steubenville, Ohio Area

We have audited the financial statements of The Community Improvement Corporation of the Steubenville, Ohio Area (a nonprofit organization) as of and for the year ended December 31, 2005 and have issued our report thereon dated July 6, 2006. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered The Community Improvement Corporation of the Steubenville, Ohio Area'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 an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether The Community Improvement Corporation of the Steubenville, Ohio Area's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of The Community Improvement Corporation of the Steubenville, Ohio Area in a separate letter dated July 6, 2006.

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

*S. R. Snodgrass, A.C.*

Steubenville, Ohio  
July 6, 2006



**Auditor of State  
Betty Montgomery**

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**COMMUNITY IMPROVEMENT CORPORATION OF STEUBENVILLE**

**JEFFERSON 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  
OCTOBER 10, 2006**