

**COMMUNITY IMPROVEMENT CORPORATION OF
OTTAWA COUNTY**

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2008 AND 2007



Mary Taylor, CPA

Auditor of State

Board of Trustees
Community Improvement Corporation of Ottawa County
8043 W. State Route 163
Suite 100
Oak Harbor, Ohio 43449

We have reviewed the *Independent Auditor's Report* of the Community Improvement Corporation of Ottawa County, Ottawa County, prepared by LublinSussman Group LLP, for the audit period January 1, 2007 through December 31, 2008. 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 Ottawa County is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 15, 2009

This Page is Intentionally Left Blank.

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT.....	2
FINANCIAL STATEMENTS	
Statement of Financial Position.....	3
Statement of Activities.....	4
Statement of Cash Flows.....	5
Notes to the Financial Statements.....	6-10
SUPPLEMENTAL INFORMATION	
Schedule of Expenses.....	12
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	13-14
SCHEDULE OF FINDINGS AND RESPONSES.....	15
SCHEDULE OF PRIOR AUDIT FINDINGS.....	16

LublinSussman Group LLP

Certified Public Accountants

3166 N. Republic Blvd.
Toledo, Ohio 43615-1572
419-841-2848 Fax 419-841-8178

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Community Improvement Corporation of
Ottawa County
8043 W. State Route 163
Oak Harbor, OH 43449

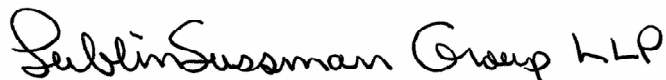
We have audited the accompanying statements of financial position of the Community Improvement Corporation of Ottawa County (the Corporation) as of December 31, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits 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 audits provide 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 Corporation as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2009 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion 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* and should be considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the Corporation, taken as a whole. The accompanying Schedule of Expenses is presented for additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



August 26, 2009
Toledo, Ohio
www.lublinsussman.com

Douglas J. Welch, CPA, CVA
Lee D. Wunschel, CPA
Thomas J. Jaffee, JD, CPA
Terri S. Lee, CPA

Members:
American Institute of Certified Public Accountants
AICPA—Private Companies Practice Section
Ohio Society of Certified Public Accountants

COMMUNITY IMPROVEMENT CORPORATION
OF OTTAWA COUNTY
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31

	<u>2008</u>	<u>2007</u>
ASSETS		
CURRENT ASSETS		
Cash (Note 6)	\$ 614,426	\$ 612,018
Accounts Receivable (Note 6)	9,919	6,233
Current Maturities of Notes Receivable (Notes 3, 6)	<u>33,039</u>	<u>56,409</u>
Total Current Assets	657,384	674,660
FIXED ASSETS		
Furniture and Equipment	<u>35,686</u>	<u>31,397</u>
Total	35,686	31,397
Less: Accumulated Depreciation	<u>(30,228)</u>	<u>(27,094)</u>
Net Furniture and Equipment	5,458	4,303
OTHER ASSETS		
Notes Receivable (Net of Current Portion) (Notes 3, 6)	72,391	105,442
Deposit with the Industrial Commission	34	34
Investment Property (Note 2)	<u>1,589,368</u>	<u>0</u>
Total Other Assets	<u>1,661,793</u>	<u>105,476</u>
TOTAL ASSETS	<u>\$ 2,324,635</u>	<u>\$ 784,439</u>
LIABILITIES AND UNRESTRICTED NET ASSETS		
CURRENT LIABILITIES		
Line of Credit (Note 7)	545,965	0
Accounts Payable	8,457	2,662
Accrued Payroll Taxes	<u>593</u>	<u>682</u>
Total Current Liabilities	555,015	3,344
LONG-TERM LIABILITIES		
Note Payable (Note 8)	<u>500,000</u>	<u>0</u>
Total Liabilities	1,055,015	3,344
UNRESTRICTED NET ASSETS	<u>1,269,620</u>	<u>781,095</u>
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	<u>\$ 2,324,635</u>	<u>\$ 784,439</u>

See Notes to Financial Statements

COMMUNITY IMPROVEMENT CORPORATION
OF OTTAWA COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31

UNRESTRICTED NET ASSETS	<u>2008</u>	<u>2007</u>
SUPPORT		
Rural Development Initiative Grant (Note 2)	\$ 500,000	\$ 0
Conveyance Fees	188,227	204,414
Job and Family Services Consulting Fees	87,311	83,069
Experience Ottawa County	25,760	28,030
Interest Income	23,132	24,421
Other Income	<u>0</u>	<u>5,500</u>
Total Support	824,430	345,434
EXPENSES		
Program Services	318,191	305,841
Management and General	<u>17,714</u>	<u>21,500</u>
Total Expenses	<u>335,905</u>	<u>327,341</u>
INCREASE IN UNRESTRICTED NET ASSETS	488,525	18,093
UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR	<u>781,095</u>	<u>763,002</u>
UNRESTRICTED NET ASSETS AT END OF YEAR	<u>\$ 1,269,620</u>	<u>\$ 781,095</u>

See Notes to Financial Statements

COMMUNITY IMPROVEMENT CORPORATION
OF OTTAWA COUNTY
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	\$ 488,525	\$ 18,093
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	3,134	3,708
Loss on Disposal of Fixed Assets	0	437
Other Changes in Current Assets and Liabilities:		
Accounts Receivable	(3,686)	7,456
Accounts Payable	5,795	(34,246)
Accrued Expenses	(89)	(4,088)
Escrow Deposits Held	<u>0</u>	<u>(2,500)</u>
Total Adjustments	<u>5,154</u>	<u>(29,233)</u>
Net Cash Provided (Used) by Operating Activities	493,679	(11,140)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(547,692)	0
Loans Made by Corporation	0	(13,305)
Collection of Notes Receivable	<u>56,421</u>	<u>97,913</u>
Net Cash Provided (Used) by Investing Activities	(491,271)	84,608
CASH FLOWS FROM FINANCING ACTIVITIES	0	0
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,408	73,468
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>612,018</u>	<u>538,550</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 614,426</u>	<u>\$ 612,018</u>
SUPPLEMENTAL DISCLOSURE:		
Cash paid for interest, including capitalized interest	\$ 15,378	\$ 0
Cash paid for income taxes	\$ 0	\$ 0
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Financing for the Construction of Lake Winds Industrial Park Building Project	\$ 1,045,965	\$ 0

See Notes to Financial Statements

**COMMUNITY IMPROVEMENT CORPORATION
OF OTTAWA COUNTY**
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

ORGANIZATION

The Community Improvement Corporation of Ottawa County (the Corporation) is an Ohio nonprofit corporation chartered in 1966. Its purpose is to advance, encourage, and promote the industrial, economic, commercial, and research development of Ottawa County. Its primary source of funding has been from public and private contributions.

The Corporation's primary source of funding (approximately 59% of total revenue) comes from conveyance fees collected by Ottawa County on real estate transfers.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INCOME TAX STATUS

The Corporation is exempt from Federal income tax as an organization described in Section 501(c)(6) of the Internal Revenue Code. The Corporation is also exempt from State of Ohio income tax as described in Chapter 1702 of the Ohio Revised Code.

The Company has elected to defer applying the provisions of Financial Accounting Standards Board Interpretation (FIN) No. 48, Accounting for Uncertainty in Income Taxes as permitted by FASB Staff Position No 48-3. Uncertain tax positions, if any, are accounted for in accordance with Statement of Financial Accounting Standards No. 5, Accounting for Contingencies. Therefore, any liability resulting from an uncertain tax position is accrued if additional tax is probable. No liabilities from uncertain tax positions have been accrued as of December 31, 2008 and 2007.

STATEMENT OF CASH FLOWS

The Corporation considers all short-term investments with an original maturity of three months or less to be cash equivalents.

PROPERTY AND EQUIPMENT

Property and equipment is recorded at cost. Depreciation is computed using the double declining balance basis over estimated useful lives of 5 to 7 years. Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized.

MANAGEMENT ESTIMATES

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

BASIS OF ACCOUNTING

The financial statements of the Corporation have been prepared on the accrual basis of accounting.

COMMUNITY IMPROVEMENT CORPORATION
OF OTTAWA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION

The Corporation follows Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Corporation 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. There were no temporarily restricted or permanently restricted net assets at December 31, 2008 and 2007. As permitted by SFAS No. 117, donor restricted contributions that are received and expended within the same year are reported as unrestricted revenues. In addition, the Corporation is required to present a statement of cash flows.

ALLOCATION OF FUNCTIONAL EXPENSES

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the various functions.

ACCOUNTS RECEIVABLE

The Corporation uses the direct write-off method for uncollectible accounts. There is no material difference from using this method rather than the allowance method. Accounts are charged to bad debt after management is satisfied that all attempts to collect the receivable have been exhausted.

ADVERTISING

Advertising costs are charged to expense when incurred. Amounts charged to advertising expense were \$6,811 and \$8,425 for the years ended December 31, 2008 and 2007, respectively.

(2) INVESTMENT PROPERTY

During 2008, the Corporation entered into a contract for the construction of the Lake Winds Industrial Park Building located in Ottawa County. On December 5, 2008, Northern Manufacturing signed an agreement to lease the building for six months and to purchase the building at the end of the lease for \$1,650,000 (see Note 9). The Corporation received funding for this construction from the State of Ohio Rural Development Initiative Grant of \$500,000, a loan from the State of Ohio in the amount of \$500,000 and a loan from Genoa Bank for \$600,000. The total cost incurred for the construction was \$1,589,368, including capitalized interest of \$15,378. At December 31, 2008, the outstanding debt on the property amounted to \$1,045,965 (see Notes 7 and 8).

COMMUNITY IMPROVEMENT CORPORATION
OF OTTAWA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

(3) NOTES RECEIVABLE

The Corporation has made loans to companies and individuals for the start up of new businesses within the County. As of December 31, 2008 and 2007, the following notes receivable were outstanding:

	<u>2008</u>	<u>2007</u>
Village Early Childhood Center - secured by real estate, dated August 29, 2003 payable in 60 monthly installments of \$223 including interest at 3%, due August 29, 2008.	\$ 0	\$ 27,504
Port Clinton Manufacturing - secured by equipment, dated July 14, 2005 payable in 60 monthly installments of \$610 including interest at 3%, due July 14, 2010.	11,315	18,194
Fellhauer MSI Inc. - secured by equipment, dated February 9, 2007 payable in 60 monthly installments of \$702 including interest at 5.5%, due February 9, 2012.	27,340	31,315
BEC Holdings, Inc. - secured by equipment, dated May 30, 2006 payable in 60 monthly installments of \$941 including interest at 5%, due May 30, 2010.	25,690	35,465
Nagoya Japanese Steakhouse - secured by equipment and real estate, dated May 26, 2004 payable in 49 monthly installments of \$573 beginning May 10, 2005 and one final payment of \$28,213 including interest at 3%, due May 26, 2009.	30,580	36,458
William and Patricia O'Hairon - secured by equipment dated October 27, 2007 payable in 60 monthly installments of \$253 beginning November 27, 2007 including interest at 5.5%, due October 27, 2012.	<u>10,505</u>	<u>12,915</u>
Total Notes Receivable	105,430	161,851
Less: Current Maturities	<u>(33,039)</u>	<u>(56,409)</u>
Net Long-Term Notes Receivable	<u>\$ 72,391</u>	<u>\$ 105,442</u>

COMMUNITY IMPROVEMENT CORPORATION
OF OTTAWA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

(4) DEFINED CONTRIBUTION PENSION PLAN

The Corporation sponsors a defined contribution pension plan which began in January 2001. Under this plan, eligible employees may elect to have contributions withheld on their behalf. The Corporation will contribute a matching contribution up to 3% of the employee's compensation for the year. Under this plan, the Corporation's matching contribution recorded as an expense totaled \$3,833 and \$3,606 for the years ended December 31, 2008 and 2007, respectively.

(5) LEASE OBLIGATIONS

The Corporation leases office space under a month-to-month operating lease, payable quarterly. Rent expense for the years ended December 31, 2008 and 2007 amounted to \$10,086 and \$9,904, respectively.

(6) CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Corporation to concentration of credit risk consist principally of cash deposited in financial institutions and accounts and notes receivable.

The Corporation's cash is deposited in two separate financial institutions. Cash accounts at both banks are insured by the FDIC for up to \$250,000 and \$100,000 for years ending 2008 and 2007, respectively. Amounts in excess of federally insured limits were \$1,909 and \$230,257 for the years ended December 31, 2008 and 2007, respectively.

The Corporation has accounts receivable that arise from income that comes from two major sources: Ottawa County conveyance fees and Jobs and Family Services consulting fees. Accounts receivable were unsecured and totaled \$9,919 and \$6,233 at December 31, 2008 and 2007, respectively.

The Corporation has extended secured credit with Notes Receivable to businesses in Ottawa County. The notes are to be used for promoting business start up and growth. At December 31, 2008 and 2007, the Corporation considered notes receivable to be fully collectible and amounted to \$105,430 and \$161,851, respectively (See Note 2).

(7) LINE OF CREDIT

Genoa Bank extended a line of credit to the Corporation during 2008 for the construction of the the Lake Winds Industrial Park Building, in the amount of \$600,000 with interest payable at prime (6% at December 31, 2008). The line of credit is secured by a mortgage on the property. The balance on the line of credit at December 31, 2008 was \$545,965.

COMMUNITY IMPROVEMENT CORPORATION
OF OTTAWA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

(8) NOTE PAYABLE

The Corporation obtained a loan for the construction of the Lake Winds Industrial Park Building from The State of Ohio in the amount of \$500,000 during 2008, with interest payable at 0% for the first five years and 4% thereafter. Principal and interest payments of \$5,062 begin October 2013 with an interest rate of 4%. The loan is due September, 2023 and is secured by a mortgage on the property. The balance of the loan at December 31, 2008 was \$500,000.

Long-term debt maturities are as follows:

2009	\$	0
2010		0
2011		0
2012		0
2013		10,221
Thereafter		489,779

(9) SUBSEQUENT EVENT

During 2008, the Corporation signed an agreement with Northern Manufacturing to purchase the Lake Winds Industrial Park Building at a purchase price of \$1,650,000, of which \$12,750 per acre will be remitted to Ottawa County for the land. The agreement included certain purchase incentives to the buyer of approximately \$800,000. The closing on the building occurred July 31, 2009.

SUPPLEMENTAL INFORMATION

COMMUNITY IMPROVEMENT CORPORATION
OF OTTAWA COUNTY
SCHEDULE OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31

	<u>2008</u>	<u>2007</u>
SALARIES AND BENEFITS:		
Salary-Director	\$ 60,000	\$ 56,700
Salary-Workforce Director	54,700	54,700
Salary-Administrative Assistants	31,343	28,319
Employee Health/Life Insurance	19,030	18,636
Payroll Taxes	12,291	11,739
Retirement (Note 4)	<u>3,833</u>	<u>3,606</u>
Total Salaries and Benefits	181,197	173,700
OFFICE EXPENSES		
Travel/Lodging/Meals	16,625	12,277
Membership/Meetings/Conferences	13,862	12,859
Legal and Accounting Fees	12,218	25,630
Communications	10,429	10,586
Rent (Note 5)	10,086	9,904
Office Supplies and Expense	6,529	10,204
Depreciation Expense	3,134	3,708
Continuing Education	115	0
Loss on Disposal of Fixed Assets	<u>0</u>	<u>437</u>
Total Office Expenses	72,998	85,605
MARKETING EXPENSES		
Experience Ottawa County	27,408	23,399
Advertising	6,811	8,425
Awards Dinner	<u>3,774</u>	<u>5,123</u>
Total Marketing Expenses	37,993	36,947
DEVELOPMENT AND RESEARCH EXPENSES		
R&E Projects	22,086	26,963
Workforce Development	<u>21,631</u>	<u>4,126</u>
Total Development and Research Expenses	<u>43,717</u>	<u>31,089</u>
TOTAL EXPENSES	<u>\$ 335,905</u>	<u>\$ 327,341</u>

See Notes to Financial Statements

LublinSussman Group LLP

Certified Public Accountants

3166 N. Republic Blvd.
Toledo, Ohio 43615-1572
419-841-2848 Fax 419-841-8178

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

To the Board of Trustees
Community Improvement Corporation of
Ottawa County
8043 W. State Route 163
Oak Harbor, OH 43449

We have audited the financial statements of the Community Improvement Corporation of Ottawa County (the Corporation) as of and for the years ended December 31, 2008 and 2007 and have issued our report thereon dated August 26, 2009. We conducted our audits 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 of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Community Improvement Corporation of Ottawa County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Community Improvement Corporation of Ottawa County's internal control over financial reporting. Accordingly, we do not express an opinion 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 the normal course of 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 organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements is more than inconsequential will not be prevented or detected by the organization's internal control. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting. (Finding 2008-1)

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

www.lublinsussman.com

Douglas J. Welch, CPA, CVA
Lee D. Wunschel, CPA
Thomas J. Jaffee, JD, CPA
Terri S. Lee, CPA

Members:
American Institute of Certified Public Accountants
AICPA—Private Companies Practice Section
Ohio Society of Certified Public Accountants

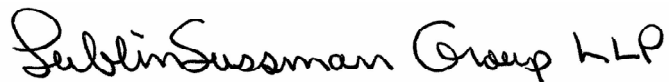
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider item 2008-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Improvement Corporation of Ottawa County'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*.

Community Improvement Corporation of Ottawa County's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Community Improvement Corporation of Ottawa County's response and, accordingly, we express no opinion on it.

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

Delbin Sussman Group LLP

August 26, 2009
Toledo, Ohio

COMMUNITY IMPROVEMENT CORPORATION
OF OTTAWA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2008 AND 2007

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

FINDING NUMBER 2008-1

MATERIAL WEAKNESS - Preparation of Financial Statements

The Ottawa County Improvement Corporation's management has engaged an independent accounting firm to compile the financial statements and prepare footnote disclosures in accordance with generally accepted accounting principles. During our audit we proposed significant journal entries to these financial statements, which caused the original financial statements to be materially misstated.

Recommendation: The Ottawa County Improvement Corporation's management should review the financial statements and provide updated information to the independent accountant when available.

Response: The Ottawa County Improvement Corporation is committed to ensuring that adequate controls are, and remain, in place for the efficient and responsible management of the organization. In doing so, we will make every effort to ensure that all information is provided to the organization's accountant that prepares financial statements and performs our compilation. This responsibility will ensure that all financial figures of the organization are correct and appropriate.

COMMUNITY IMPROVEMENT CORPORATION
OF OTTAWA COUNTY
SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2008 AND 2007

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	<u>Explanation</u>
2006-01	In conducting our audit we proposed significant adjusting journal entries which caused the original financial statements to be materially misstated.	No	Finding repeated as 2008-01



Mary Taylor, CPA
Auditor of State

COMMUNITY IMPROVEMENT CORPORATION

OTTAWA 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 5, 2009**