



**COMMUNITY IMPROVEMENT CORPORATION
MORGAN COUNTY**

INITIAL AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**COMMUNITY IMPROVEMENT CORPORATION
MORGAN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balance – For the Years Ended December 31, 2000 and 1999	3
Notes to the Financial Statement	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	7

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street
Athens Mall, Suite B
Athens, Ohio 45701
Telephone 740-594-3300
800-441-1389
Facsimile 740-594-2110
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Community Improvement Corporation
Morgan County
19 East Main Street
McConnelsville, Ohio 43756

To the Board of Trustees:

We have audited the accompanying financial statement of the Community Improvement Corporation, Morgan County, Ohio (the Corporation), as of and for the years ended December 31, 2000 and 1999. 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 *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 statement. 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 statement referred to above presents fairly, in all material respects, the cash balance of the Community Improvement Corporation, Morgan County, as of December 31, 2000 and 1999, 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 November 5, 2001, 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.

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 Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

November 5, 2001

This page intentionally left blank.

**COMMUNITY IMPROVEMENT CORPORATION
MORGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2000 AND 1999**

	<u>2000</u>	<u>1999</u>
Cash Receipts:		
Intergovernmental	\$ 403,986	\$ 9,514
Rentals	4,845	
Miscellaneous		<u>236</u>
Total Cash Receipts	<u>408,831</u>	<u>9,750</u>
Cash Disbursements:		
Miscellaneous	6,521	840
Debt Repayment	239,198	
Capital Outlay	<u>247,050</u>	<u>10,737</u>
Total Cash Disbursements	<u>492,769</u>	<u>11,577</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(83,938)</u>	<u>(1,827)</u>
Other Financing Receipts/(Disbursements):		
Loan Proceeds	<u>228,514</u>	<u>7,000</u>
Total Other Financing Receipts/(Disbursements)	<u>228,514</u>	<u>7,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	144,576	5,173
Cash Balance, January 1	<u>13,192</u>	<u>8,019</u>
Cash Balance, December 31	<u>\$ 157,768</u>	<u>\$ 13,192</u>

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

This page intentionally left blank.

**COMMUNITY IMPROVEMENT CORPORATION
MORGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Community Improvement Corporation, Morgan County (the Corporation), is a not-for-profit corporation and was incorporated in 1967 under authority of Ohio Rev. Code Section 1702.01. The Corporation is governed by 11 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 Morgan County.

The Corporation's management believes the financial statement presents 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 on the basis of accounting formerly prescribed or permitted by the Auditor of State. This 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, as formerly prescribed or permitted by the Auditor of State.

C. Tax Status

The Corporation has not filed as an exempt organization under Section 501(c)(4) of the Internal Revenue Code. Accordingly, the federal tax status is unknown at this time. By virtue of Ohio law, the Corporation is not subject to Ohio income taxes.

D. Cash

The Corporation's cash consists of a 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
MORGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2000 AND 1999
(Continued)**

2. CASH

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

	<u>2000</u>	<u>1999</u>
Demand Deposits	<u>\$157,768</u>	<u>\$ 13,192</u>
Total	<u>\$157,768</u>	<u>\$ 13,192</u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation up to \$100,000. Deposits in excess of \$100,000 are uninsured.

3. 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, 2000.



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

743 East State Street
Athens Mall, Suite B
Athens, Ohio 45701
Telephone 740-594-3300
800-441-1389
Facsimile 740-594-2110
www.auditor.state.oh.us

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

Community Improvement Corporation
Morgan County
19 East Main Street
McConnelsville, Ohio 43756

To the Board of Trustees:

We have audited the accompanying financial statement of the Community Improvement Corporation, Morgan County, Ohio (the Corporation), as of and for the years ended December 31, 2000 and 1999 and have issued our report thereon dated November 5, 2001. 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 statement is 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Corporation in a separate letter dated November 5, 2001.

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 statement 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 November 5, 2001.

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

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

Jim Petro
Auditor of State

November 5, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

COMMUNITY IMPROVEMENT CORPORATION

MORGAN 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 20, 2001**