



**Auditor of State  
Betty Montgomery**



WASHINGTON COUNTY COMMUNITY IMPROVEMENT CORPORATION  
WASHINGTON COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

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

To the Board of Trustees:

We have audited the accompanying financial statement of the Washington County Community Improvement Corporation, Washington County, Ohio (the Corporation), as of and for the years ended December 31, 2004 and 2003. This financial statement is the responsibility of the Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

Ohio Revised Code Section 1724.05 requires the Corporation to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. However, as discussed in Note 1, the accompanying financial statement and notes have been prepared on an accounting basis not in accordance with these generally accepted accounting principles. The accompanying financial statement and notes omit assets, liabilities, equity and disclosures that, while material, cannot be determined at this time.

In our opinion, the accompanying financial statement does not present fairly the financial position and results of operations of the Washington County Community Improvement Corporation, Washington County, Ohio, as of and for the years ended December 31, 2004 and 2003, in accordance with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2005, on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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**Betty Montgomery**  
Auditor of State

November 1, 2005

**WASHINGTON COUNTY COMMUNITY IMPROVEMENT CORPORATION  
WASHINGTON COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN CASH BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

	<b>2004</b>	<b>2003</b>
<b>Cash Receipts:</b>		
CIC Annual Membership Dues from Private Sector	\$ 7,640	\$ 11,335
Membership Dues/Contributions from Public Sector	29,695	26,838
Annual Membership Receipts	416	440
Interest	1,282	1,414
Sale of Riverview Acreage		144,229
	39,033	184,256
<b>Total Cash Receipts</b>		
<b>Cash Disbursements:</b>		
Current:		
Audit Fees		2,965
Annual Meeting Expenses	417	424
Legal Fees	573	1,016
Contributions: Small Business Development Center	6,750	6,750
Contributions: Washington State Community College	10,000	10,000
Clerical Support	425	
Insurance Expenses	238	644
CIC Portion to Fund the OSU Extension Office	27,320	29,073
CIC Portion to Fund the Local Economic Development Office	20,000	50,000
Miscellaneous Expenses	6,470	2,212
	72,193	103,084
<b>Total Cash Disbursements</b>		
Total Cash Receipts Over/(Under) Cash Disbursements	(33,160)	81,172
Cash Balance, January 1	154,300	73,128
<b>Cash Balance, December 31</b>	<b>\$ 121,140</b>	<b>\$ 154,300</b>

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

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**WASHINGTON COUNTY COMMUNITY IMPROVEMENT CORPORATION  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2004 AND 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

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

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

**B. Basis of Accounting**

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

This statement includes adequate disclosure of material matters.

**C. Cash**

The Corporation maintains an interest-bearing money market savings account and a \$50,000 Certificate of Deposit.

**D. Property, Plant and Equipment**

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

**2. CASH**

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

	2004	2003
Demand Deposits	\$ 9,583	\$ 6,192
Savings Accounts	61,557	98,108
Certificates of Deposit	50,000	50,000
Total Deposits	<u>\$ 121,140</u>	<u>\$ 154,300</u>

**WASHINGTON COUNTY COMMUNITY IMPROVEMENT CORPORATION  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**2. CASH (Continued)**

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

**Certificate of Deposit:** The Washington County Development Trust Fund in the amount of \$50,000 was established on May 10, 1985. The purpose of this trust is to promote business, educational, and social development. Trustees are to use only interest from the donation, with the principal remaining intact. The balance of the trust is included in the Certificate of Deposit.

**3. LAND**

The Corporation sold land that they owned at the Riverview Industrial Park on April 10, 2003 for \$150,000. Net proceeds to the Corporation after payment of selling costs were \$144,229. The Corporation is required to pay USDA Rural Development 44% of the net selling price of any land that is sold for federal assistance regarding development of the industrial park. As of December 31, 2004 the Corporation anticipates they will pay \$62,063 to USDA during 2005.

**4. ECONOMIC DEVELOPMENT OFFICE**

The Corporation has joined efforts with the County Commissioners to establish and operate an Economic Development Office. The Commissioners are funding the majority of the cost of the office and the Corporation has agreed to fund certain amounts through other sources such as villages, townships, and cities, as well as through private and corporate contributions. This program started on July 1, 2001, and is being administered by Washington County. The Corporation contributed \$40,000 to the office from July 1, 2003 through June 30, 2004.

**5. RISK MANAGEMENT**

**Commercial Insurance**

The Corporation has obtained commercial insurance for the following risks:

Wrongful acts and dishonesty bond.



## Auditor of State Betty Montgomery

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

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

To the Board of Trustees:

We have audited the financial statement of the Washington County Community Improvement Corporation, Washington County, Ohio (the Corporation), as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated November 1, 2005, wherein we noted the Corporation prepares its financial statement on a basis of accounting other than that prescribed by Ohio Rev. Code Section 1724.05. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Corporation's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the 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 material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Corporation's management dated November 1, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the Corporation's financial statement is free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter that we must report under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2004-001. In a separate letter to the Corporation's management dated November 1, 2005, we reported an other matter related to noncompliance we deemed immaterial.

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Washington County Community Improvement Corporation  
Washington County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

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

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

**Betty Montgomery**  
Auditor of State

November 1, 2005

**WASHINGTON COUNTY COMMUNITY IMPROVEMENT CORPORATION  
WASHINGTON COUNTY**

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

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

**FINDING NUMBER 2004-001**

**Noncompliance Citation**

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

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

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

**WASHINGTON COUNTY COMMUNITY IMPROVEMENT CORPORATION  
WASHINGTON COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2002-001	A Reportable Condition was issued noting that a lack of segregation of duties exists within the organization.	No	Partially Corrected:  This item is repeated in the current Management Letter.



**Auditor of State  
Betty Montgomery**

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**WASHINGTON COUNTY COMMUNITY IMPROVEMENT CORPORATION**

**WASHINGTON COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 22, 2005**