COMMUNITY IMPROVEMENT CORPORATION
OF PERRY COUNTY
PERRY COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2007 - 2006

Mary Taylor, CPA
Auditor of State

COMMUNITY IMPROVEMENT CORPORATION OF PERRY COUNTY
PERRY COUNTY

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Mary Taylor, CPA
Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Community Improvement Corporation of Perry County
Perry County
c/o CSA LLC
932 S. Main Street
New Lexington, Ohio 43764

To the Board of Directors:

We have audited the accompanying basic financial statements of the Community Improvement Corporation of Perry County, Perry County, Ohio (the Corporation), as of and for the years ended December 31, 2007 and 2006, as listed in the table of contents. 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 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 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 Perry County, as of December 31, 2007 and 2006, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Corporation is experiencing certain financial difficulties. These conditions, and management's plan to address these conditions, are described in Note 9.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 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. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 21, 2009

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Community Improvement Corporation of Perry County
Statement of Financial Position
December 31, 2007

Assets	
Cash and Cash Equivalents	$6,922
Accounts Receivable	1,020
Total Current Assets	7,942
Capital Assets, Net	59,351
BWC Deposit	10
Total Assets	$67,303
Liabilities and Net Assets:	
Current Liabilities	
Accounts Payable	$24,456
Line of Credit	107
Total Current Liabilities	24,563
Notes Payable - Lempco Building	40,000
Accrued Interest - Lempco Building	5,436
Total Liabilities	69,999
Net Assets	
Unrestricted	(2,696)
Total Liabilities and Net Assets	$67,303

See accompanying notes to the basic financial statements

Community Improvement Corporation of Perry County
Statement of Activities
For the Year Ended December 31, 2007

Unrestricted Net Assets	
Revenue	
Department of Job & Family Services	$51,585
Reimbursement - Chamber MOU	2,656
Program Fees - Enterprise Zone	500
Total Revenues	54,741
Expenses	
Salaries	22,148
Employee Benefits	1,110
State of Ohio nonprofit fee	200
Automobile	309
Bank Service Charges	20
Donations	6,821
Dues and Subscriptions	313
Office Supplies	857
Consulting services	2,493
Rent	1,200
Telephone	526
Penalties	371
Contract Services	18,854
PCC Airfoil	1,600
Internet	394
Payroll Taxes	4,137
Travel & Entertainment	360
Utilities	755
Depreciation Expense	4,532
LEMPCO Expense	28,219
Equipment Leasing	5,171
Miscellaneous	15
Total Expenses	100,405
Other Income (Expense):	
Interest Income	78
Interest Expense	(2,936)
Increase in Unrestricted Net Assets	(48,522)
Net Assets at Beginning of Year	45,826
Net Assets at End of Year	($2,696)

See accompanying notes to the basic financial statements

Community Improvement Corporation of Perry County
Statement of Cash Flows
For the Year Ended December 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Perry County Department of Job & Family Services	$65,820
Cash Received from Chamber and Other Organizations	8,468
Cash Payments for Operations	(81,587)
Net Cash Provided by Operating Activities	(7,299)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Line of Credit Borrowing	(19,504)
Sale of Capital Asset	10,851
Net Change in Cash & Cash Equivalents	(15,952)
Cash & Cash Equivalents at Beginning of Year	22,874
Cash & Cash Equivalents at End of Year	$6,922
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Increase in Net Assets	($48,523)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities	
(Increase) Decrease In:	
Accounts Receivable	19,547
Increase (Decrease) In:	
Accounts Payable	20,180
Accrued Payroll Taxes	(903)
Accrued Interest	2,400
Net Cash Provided by Operating Activities	($7,299)

See accompanying notes to the basic financial statements

Community Improvement Corporation of Perry County
Statement of Financial Position
December 31, 2006

Assets	
Cash and Cash Equivalents	$22,874
Accounts Receivable	20,567
Total Current Assets	43,441
Capital Assets, Net	70,202
BWC Deposit	10
Total Assets	$113,653
Liabilities and Net Assets:	
Current Liabilities	
Accounts Payable	$4,277
Accrued Payroll Liabilities	903
Line of Credit	19,611
Total Current Liabilities	24,791
Notes Payable - Lempco Building	40,000
Accrued Interest - Lempco Building	3,036
Total Liabilities	67,827
Net Assets	
Unrestricted	45,826
Total Liabilities and Net Assets	$113,653

See accompanying notes to the basic financial statements

Community Improvement Corporation of Perry County
Statement of Activities
For the Year Ended December 31, 2006

Unrestricted Net Assets	
Revenue	
Department of Job & Family Services	$162,497
Grant - AEP	3,200
Reimbursement - Chamber MOU	15,936
Membership Dues	10
Total Revenues	181,643
Expenses	
Salaries	84,460
Employee Benefits	11,509
Advertising	2,305
Automobile	259
Bank Service Charges	393
Dues and Subscriptions	363
Office Supplies	10,145
Consulting services	19,096
Rent	2,530
Telephone	2,578
Penalties	172
Contract Services	12,938
Insurance	4,885
Maintenance	5,727
Internet	625
Grant Fees	327
FastOhio Expenses	500
Travel & Entertainment	3,006
Board Meeting Expenses	299
Utilities	8,985
Depreciation Expense	5,702
LEMPCO Expense	4,647
Equipment Leasing	2,742
Miscellaneous	107
Total Expenses	184,300
Other Income (Expense):	
Interest Income	109
Interest Expense	(3,896)
Increase in Unrestricted Net Assets	(6,444)
Net Assets at Beginning of Year	52,270
Net Assets at End of Year	$45,826

See accompanying notes to the basic financial statements

Community Improvement Corporation of Perry County
Statement of Cash Flows
For the Year Ended December 31, 2006

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Perry County Department of Job & Family Services	$161,761
Cash Received from Chamber and Other Organizations	13,280
Cash Payments for Operations	(202,087)
Net Cash Provided by Operating Activities	(27,046)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Line of Credit Borrowing	11,800
Net Change in Cash & Cash Equivalents	(15,246)
Cash & Cash Equivalents at Beginning of Year	38,120
Cash & Cash Equivalents at End of Year	$22,874
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Decrease in Net Assets	($6,444)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities	
Depreciation	5,703
(Increase) Decrease In:	
Accounts Receivable	(3,391)
Increase (Decrease) In:	
Accounts Payable	(5,565)
Accounts Payable - Perry County Agricultural Society	(20,000)
Accrued Payroll Taxes	215
Accrued Interest	2,436
Net Cash Provided by Operating Activities	($27,046)

See accompanying notes to the basic financial statements

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006

1. REPORTING ENTITY

ORGANIZATION

The Community Improvement Corporation of Perry County, Perry County (the Corporation), is an Ohio corporation established under sections 1724.01 et seq. of the Ohio Revised Code for the purpose of advancing, encouraging, and promoting the industrial, economic, commercial and civic development of Perry County. The Corporation is a legally separate, non-profit organization, served by an eleven-member board composed of County officials and community representatives.

The Corporation was created to advance, encourage, and promote the industrial, economic, commercial, and civic development of Perry County and the surrounding community in whatever way and by such means as will improve the normal growth, employment opportunities, and stability of employment in existing industries. The Corporation is empowered with the ability to carry out the actions it considers necessary to achieve its mission.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the financial statements of the Corporation.

Basis of Accounting
The financial statements of the Corporation have been prepared on the accrual basis of accounting principles generally accepted in the United States of America (GAAP) as applied to not-for-profit organizations. The Financial Accounting Standards Board (FASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles for not-for-profit organizations.

Basis of Presentation
The Corporation's financial statements consist of a statement of financial position, statement of activities and statement of cash flows for the years ending December 31, 2006 and 2007.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial 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: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Currently, the Corporation has only unrestricted net assets.

Revenue Recognition
Contributions received are recorded as unrestricted support unless there are any donor-imposed restrictions. There were no donations during the audit period.

Capital Assets
Capital assets are stated at cost and are depreciated over the estimated useful lives by the straight-line method of depreciation for financial reporting purposes. Repairs and maintenance are charged to operations when incurred and improvements and additions are capitalized. The capitalization threshold is $500.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of 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 the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Tax Status

The Corporation has qualified for a tax exemption under Section 501(C)(3) of the Internal Revenue Code and, accordingly, no provision for federal income tax has been recorded in the accompanying financial statements.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Corporation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

3. CASH AND CASH EQUIVALENTS

At December 31, 2007 and 2006, cash and cash equivalents consisted of the following:

	2007	2006
Demand Deposits	$ 6,922	$ 22,874

At the end of each year, the carrying amount of the Corporation's deposits was entirely covered by the Federal Deposit Insurance Corporation.

4. CAPITAL ASSETS

Capital assets consist of the following:

	2007	2006
Vehicle	$ 0	$ 14,043
Furniture and Fixtures	17,287	17,287
Less: Accumulated Depreciation	(7,936)	(11,128)
Building	50,000	50,000
Capital Assets, Net	$ 59,351	$ 70,202

The Corporation sold its vehicle during 2007.

5. FUNDING PROVIDED BY THE PERRY COUNTY DEPARTMENT OF JOB & FAMILY SERVICES

The Perry County Department of Job and Family Services encourages job retention, expansion and attraction of new business by way of the Corporation. They provide the funding in an effort to reduce public assistance caseloads by creating jobs and enhancing the unemployed citizens chances of re-entry into the workforce. The overall goal of this partnering is to improve the standard of living, community and the future of the citizens of Perry County. During 2007 and 2006, the Perry County Department of Job and Family Services provided 94 percent and 89 percent, respectively, of the Corporation's total revenue.

6. PERRY COUNTY CHAMBER OF COMMERCE

A memorandum of understanding with the Perry County Chamber of Commerce serves to establish the business relationship and cooperation between the Perry County Chamber of Commerce and the Corporation. The two organizations are involved with the Perry County Economic Development Initiative and will combine efforts to obtain the goals of the Perry County Economic Development Plan. The Perry County Chamber of Commerce and the Economic Development Office (under the direction of the Corporation) share office space, expenses and the services of an executive secretary. The amount of reimbursement from the Chamber of Commerce to the Corporation for 2007 and 2006 was $5,312 and $11,952, respectively.

7. ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2007 and 2006:

	2007	2006
PCJFS	$ 0	$ 14,235
Chamber of Commerce	0	5,312
Utilities True-AM	1,020	1,020
Total	$ 1,020	$ 20,567

8. DEBT

On April 4, 2005, the Perry County Republican Party donated $40,000 to the Corporation. As part of the agreement, the Corporation was to utilize $20,000 to further the mission of the Corporation and remit the remaining $20,000 to the Perry County Agricultural Society. This amount was paid on March 3, 2006.

On June 28, 2005, the Corporation paid $10,000 down toward the purchase of real property from Lempco Industries. The Lempco family holds the $40,000 mortgage on the property, financed by a promissory note at the rate of 6% per year payable in 5 years. Accrued interest and notes payable at December 31, 2007 were $5,436 and $40,000, respectively. Accrued interest and notes payable at December 31, 2006 were $3,036 and $40,000, respectively.

The Corporation obtained a secured line of credit from People's National Bank on July 17, 2006, in the amount of $20,000 at an annual rate of 8.25 percent. The line of credit balance as of December 31, 2007 and 2006 was $107 and $19,611, respectively.

9. FINANCIAL DIFFICULTIES AND MANAGEMENT'S PLANS

During 2007, funding provided by the Perry County Department of Job and Family Services and by the Perry County Chamber of Commerce, the Corporation's primary funding sources, discontinued and the Corporation's financial operations decreased accordingly. As of the date of this report, the Corporation has outstanding debt, interest, and property taxes payable pertaining to the Lempco property. In addition, outstanding consulting and auditing fees payable currently exist. Management continues to dedicate its efforts to selling the Lempco property. Proceeds from the property sale would be used to pay outstanding obligations.

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

Community Improvement Corporation of Perry County
Perry County
c/o CSA LLC
932 S. Main Street
New Lexington, Ohio 43764

To the Board of Directors:

We have audited the basic financial statements of Community Improvement Corporation of Perry County, Perry County, Ohio (the Corporation), as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated August 21, 2009. 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 as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Corporation's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in 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 Corporation's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Corporation's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider findings 2007-001 and 2007-002 described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Corporation's internal control will not prevent or detect a material financial statement misstatement.

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 material weaknesses. We believe none of the significant deficiencies described above are material weaknesses.

We also noted certain internal control matters that we reported to the Corporation's management in a separate letter dated August 21, 2009.

Compliance and Other Matters

As part of reasonably assuring whether the Corporation's financial statements are 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the Corporation's management in a separate letter dated August 21, 2009.

The Corporation's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the Corporation's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of the audit and finance committee, management, and the Board of Directors. We intend it for no one other than these specified parties.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 21, 2009

COMMUNITY IMPROVEMENT CORPORATION OF PERRY COUNTY
PERRY COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006

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

FINDING NUMBER 2007-001

Significant Deficiency - Disbursements

A well-designed system of internal control relating to non-payroll related expenditures will assure that transactions are properly authorized.

During our tests of the Corporation's non-payroll disbursements, we noted the following weaknesses:

- The Corporation did not utilize a voucher system for the approval of invoices.
- Several disbursements were made for which there was not an invoice on file to support the payment made, including the following payments:
    - Payment to American Electric Power on February 2, 2006 in the amount of $2,361.29.
    - Payment to American Electric Power on March 17, 2006 in the amount of $2,291.04.
    - Payment to Amgrow on April 28, 2006 in the amount of $270.97.
    - Payment to State Farm Insurance on February 8, 2007 in the amount of $124.30.
- Gaps in check sequence occurred within the Corporation's home bank account and expense bank account during 2006 that included 36 checks unaccounted for. These checks were neither on file and marked "VOID" nor were they referred to in any other documentation presented for audit to indicate their disposition. However, we found no evidence that these checks were ever issued and cleared the Corporation's bank accounts.

Although dual signatures were required on checks in excess of $500, the failure to require supporting documentation when approving payments could result in payments being made for improper purposes. Also, the failure to maintain numerical control over invoices via the use of a voucher disbursement system resulted in supporting documentation being lost or misplaced. Furthermore, failure to clearly mark checks "VOID" that are intended to be voided and maintain these checks on file increases the likelihood that these checks could be improperly issued.

We recommend the following:

- A voucher should be prepared which includes the check number, date, payee, amount and appropriate account coding of the expenditure for each payment. Supporting documentation (such as invoices) should be attached to each voucher and presented to the Board of Trustees, or its designated committee, whereby the Board members should review the vouchers and invoices. Once the Board performs its review, then it should formally authorize the payment of bills. Approvals should be evidenced by the signatures and dates of those individuals approving payments. Checks should then be signed and sent to the appropriate payees.
- Supporting documentation should be maintained on file in an orderly fashion. Invoices should be maintained in numerical order, by voucher number.
- Voided checks should be clearly marked as void across the face of the check and be maintained on file by the Corporation.

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2007-001

Significant Deficiency – Disbursements (Continued)

Officials' Response:
The board members of the Perry County Community Improvement Corporation all serve strictly on a volunteer basis and receive no compensation for their time. At the time these irregularities occurred there was an assumption on the part of the CIC board members that the Director and Administrative Assistant had appropriate controls in place. In retrospect we discovered that there were many areas which were not being managed in an appropriate manner and the disbursement procedures were just one of them.

Due to lack of funding the CIC does very few disbursements. In the event that we secure a new funding source we will see that all disbursements are handled in the manner suggested in Finding #2007-001 and that all Board members are kept informed of all policies and procedures in a comprehensive manner.

FINDING NUMBER 2007-002

Significant Deficiency – Minutes

The Constitution & Bylaws of Perry County Community Improvement Corporation revised, January 2005 (the Bylaws), Article VIII, Section 6 requires the Secretary to record all the proceedings of the meetings of the Corporation and of Trustees in a book to be kept for that purpose, and shall affix the seal to all instruments requiring it, when authorized by the Trustees or president, and attest the same. Generally, all actions taken by the Trustees must be taken in an open meeting and recorded in its minutes.

Upon review of the Corporation records presented for audit, we noted that minutes for the months of May and June 2006, and the month of February 2007 were not present. There is no evidence or documentation in the previous or subsequent months' minutes to indicate that a meeting was not held for these three months. Although minutes were not presented for audit for October and November 2006 and 2007, it appears that meetings were not held during these four months. However, the Board minutes were silent regarding the intent to not have a meeting during these months. In addition, we noted that the minutes were not signed by the Treasurer or Board President.

Without minutes for several Board meetings, actions may have been taken of which we are not aware and, consequently, we could not determine what effect, if any, these actions may have on the financial statements. Specifically, we were unable to determine if payments made toward the Director's IRA during 2006 were made in accordance with the Board's wishes. Margaret (Peg) Grannis was hired as the Corporation's Economic Development Director by motion of the Board of Trustees on September 23, 2004. The motion established an annual employer-contributed Simple IRA of $2,500 for Ms. Grannis. However, the employment contract signed by Ms. Grannis on September 27, 2004 states that a retirement benefit of $2,750 per year will be employer-contributed to a Simple IRA. Our testing noted payments totaling $8,500 were made to National City Bank for the Director's IRA. Therefore, discrepancies existed between the amount authorized in the minutes, amount documented in the employee contract, and amounts actually contributed. Payments were made on March 23, 2006 in the amount of $5,583 and on November 28, 2006 in the amount of $2,917.

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2008-002 (Continued)

Significant Deficiency – Minutes (Continued)

Documentation was not presented to indicate for what period(s) of employment the payments were made. Review of the minutes noted that the Board approved the Corporation's fiscal year 2005-2006 budget, which budgeted $5,583 for the Director's IRA, as part of the financial reports approved on February 16, 2006. Also, the minutes noted the Board's approval of the Corporation's fiscal year 2006-2007 budget, which budgeted $2,917 for the Director's IRA, as part of the financial reports approved on August 16, 2006. However, there is no evidence of a Board motion to authorize a change to the Director's contract to revise the annual employer contribution amount to the Director's IRA.

We recommend the Corporation take the necessary care in preparation of the minutes to document all official actions and the Board review the minutes to ensure they are complete and accurate. Upon review, the minutes should be signed by the Treasurer and Board President. All minutes should be maintained in a separate permanent bound book. If the Board intends to not hold a monthly meeting, it should be documented in the previous or current months' minutes.

In addition, the Board should have amended Ms. Grannis's contract if its intent was to contribute an amount different from what was stipulated in the contract. Although Ms. Grannis resigned during 2006, we recommend the Board amend the contract of any future employees if its intent changes regarding the employee's compensation, including benefits, and accept the revised contract through a motion documented in the minutes.

Officials' Response:
The board members of the Perry County Community Improvement Corporation all serve strictly on a volunteer basis and receive no compensation for their time. It is impossible to respond to or to dispute the issues raised in the findings as the board members were not involved in the day to day operations and operated under the assumption that the Director and Administrative Assistant was performing all duties in a correct manner.

All recommendations made by the State Auditor's office will not only be taken under advisement but will be implemented once there is funding to compensate someone to maintain the records in an appropriate fashion. Until that time the treasurer will continue to make a best effort to document all business in an appropriate manner which is reflected within the minutes.

Due to the current situation which the Perry County CIC is dealing with we can go months without a meeting due to the fact of having no progress or pertinent business to discuss.

Mary Taylor, CPA
Auditor of State

COMMUNITY IMPROVEMENT CORPORATION

PERRY 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

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