

COMMUNITY IMPROVEMENT CORPORATION OF COSHOCTON COUNTY

COSHOCTON COUNTY

JANUARY 1, 2001 TO DECEMBER 31, 2002

PREPARED BY: REA & ASSOCIATES, INC.



**Auditor of State
Betty Montgomery**

Board of Directors
Community Improvement Corporation of Coshocton County
P. O. Box 1590
Coshocton, Ohio 43812

We have reviewed the Independent Auditor's Report of the Community Improvement Corporation of Coshocton County, Coshocton County, prepared by Rea & Associates, Inc., for the audit period January 1, 2001 through December 31, 2002. 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 Coshocton County is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

November 13, 2003

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**COMMUNITY IMPROVEMENT CORPORATION
OF COSHOCTON COUNTY**

**FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

August 14, 2003

To the Board of Directors
The Community Improvement Corporation
of Coshocton County
Coshocton, Ohio 43812

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of financial position of The Community Improvement Corporation of Coshocton County (a not-for-profit organization) as of December 31, 2002 and 2001, and the related statements of activities, and cash flows, for the years then ended. These financial statements are the responsibility of the Organization'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 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 Coshocton County as of December 31, 2002 and 2001, and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated August 14, 2003 on our consideration of The Community Improvement Corporation of Coshocton County'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.

Rea & Associates, Inc.

**COMMUNITY IMPROVEMENT CORPORATION
OF COSHOCTON COUNTY**

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**STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2002 AND 2001**

	<u>ASSETS</u>	
	<u>2002</u>	<u>2001</u>
CURRENT ASSETS:		
Cash, checking	\$ 1,395	\$ 53
Cash, savings and money market	<u>9,547</u>	<u>11,560</u>
Total current assets	10,942	11,613
 PROPERTY HELD FOR INVESTMENT:		
Land - Penn Central	29,992	29,992
Land improvements	26,377	26,377
Land – Tuscarawas Township	<u>402,293</u>	<u>402,293</u>
Total property held for investment	<u>458,662</u>	<u>458,662</u>
Total assets	<u>\$ 469,604</u>	<u>\$ 470,275</u>
 <u>LIABILITIES & NET ASSETS</u>		
CURRENT LIABILITIES:		
Accrued expenses	\$ 366	\$ 366
Accrued interest	<u>0</u>	<u>1,222</u>
Total current liabilities	366	1,588
LONG-TERM LIABILITIES:		
Demand Note Payable – real estate	0	62,190
Note payable – banks	<u>150,000</u>	<u>78,000</u>
Total long-term liabilities	<u>150,000</u>	<u>140,190</u>
Total liabilities	<u>150,366</u>	<u>141,778</u>
NET ASSETS:		
Contributed capital	63,450	63,450
Unrestricted net assets	<u>255,788</u>	<u>265,047</u>
Total unrestricted net assets	<u>319,238</u>	<u>328,497</u>
Total net assets	<u>\$ 469,604</u>	<u>\$ 470,275</u>

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

**COMMUNITY IMPROVEMENT CORPORATION
OF COSHOCTON COUNTY**

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**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
SUPPORT AND REVENUE , unrestricted:		
Investment income	\$ 205	\$ 6,611
Coshocton County Commissioners - Jobs Plus	20,000	28,417
Other contributions	<u>0</u>	<u>3,500</u>
Total support and revenue	20,205	38,528
 EXPENSES:		
Program activities:		
Community Improvement Program	22,000	30,417
Supporting services, administrative expenses	406	13,999
Interest expense	<u>7,058</u>	<u>1,222</u>
Total expenses	<u>29,464</u>	<u>45,638</u>
Change in net assets	(9,259)	(7,110)
 NET ASSETS , beginning of year	<u>265,047</u>	<u>272,157</u>
 NET ASSETS , end of year	<u>\$ 255,788</u>	<u>\$ 265,047</u>
Contributed Capital , beginning of year	\$ 63,450	\$ 63,125
New membership income	<u>0</u>	<u>325</u>
Contributed Capital , end of year	<u>\$ 63,450</u>	<u>\$ 63,450</u>

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

**COMMUNITY IMPROVEMENT CORPORATION
OF COSHOCTON COUNTY**

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**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from supporting organizations	\$ 20,000	\$ 28,417
Interest received	205	6,611
Cash paid for program activities and administration	(22,406)	(50,821)
Interest paid	<u>(8,280)</u>	<u>0</u>
Net cash used by operating activities	(10,481)	(15,793)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from matured certificates of deposit	0	111,730
Purchase of property held for investment	<u>0</u>	<u>(337,019)</u>
Net cash used by investing activities	0	(225,289)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of new membership certificates	0	325
Proceeds from long-term debt	72,000	140,190
Payment of long-term debt	<u>(62,190)</u>	<u>0</u>
Net cash provided by financing activities	<u>9,810</u>	<u>140,515</u>
Net decrease in cash and cash equivalents	(671)	(100,567)
CASH AND CASH EQUIVALENTS, beginning of year	<u>11,613</u>	<u>112,180</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 10,942</u>	<u>\$ 11,613</u>
RECONCILIATION OF CHANGE IN NET ASSETS		
NET CASH USED BY OPERATING ACTIVITIES:		
Change in net assets	\$ (9,259)	\$ (7,110)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Non-cash contributions	0	(3,500)
Increase(decrease) in liabilities:		
Accounts payable	0	(6,481)
Accrued liabilities	0	76
Accrued interest	<u>(1,222)</u>	<u>1,222</u>
Net cash used by operating activities	<u>\$ (10,481)</u>	<u>\$ (15,793)</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The Community Improvement Corporation of Coshocton County operates as a non-profit corporation and is exempt for Tax purposes as defined under Code Section 501(2)(c) of the Internal Revenue Code. The Corporation is also exempt from Ohio Income Tax under the Ohio Revised Code Section 1702.

The Company was formed to aid the community and surrounding Coshocton County in locating and establishing new business.

Cash equivalents

For purposes of the statement of cash flows, the organization considers all highly liquid debt instruments purchased with a maturity of three months or less and money market accounts to be cash equivalents. The Company maintains cash balances which at times may exceed federally insured amounts.

Property held for investment

Property held for investment consists of land and improvements available for business expansion in Coshocton County, and is recorded at cost. Land cost includes purchase price plus all fees, surveys, and other costs incurred to acquire the land.

Investments

Investments consist primarily of certificates of deposit with original maturities in excess of 3 months.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

NOTE 2: ALLOCATION OF FUNCTIONAL EXPENSES

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

NOTE 3: DEMAND NOTE PAYABLE

In 2001, the Corporation had a \$62,190 demand promissory note with the seller of acquired land. The note was paid off in 2002.

NOTES TO FINANCIAL STATEMENTS

NOTE 4: LONG-TERM DEBT

The Corporation has a participation loan with six local banks. Interest-only payments are paid monthly at the prime rate. The note is collateralized by the Tuscarawas Township property and will mature September 21, 2004. Balances outstanding at December 31, 2002 and 2001 were \$150,000 and \$78,000, respectively.

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

August 14, 2003

To the Board of Directors
The Community Improvement Corporation
of Coshocton County
Coshocton, OH 43812

Independent Auditor's Report on Compliance and Internal Control
Over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards

We have audited the financial statements of The Community Improvement Corporation of Coshocton County (a not-for-profit corporation) as of and for the years ended December 31, 2002 and 2001 and have issued our report thereon dated August 14, 2003. 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 Community Improvement Corporation of Coshocton County's financial statements are 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Community Improvement Corporation of Coshocton County'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 assurance on the internal control over financial reporting. Our consideration of the internal control structure 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 audit 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 operations that we consider to be material weaknesses.

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

Rea & Associates, Inc.



**Auditor of State
Betty Montgomery**

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COMMUNITY IMPROVEMENT CORPORATION OF COSHOCTON COUNTY

COSHOCTON 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 25, 2003**