



**LAWRENCE TOWNSHIP COMMUNITY IMPROVEMENT CORPORATION
TUSCARAWAS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2004-2003



**Auditor of State
Betty Montgomery**

LAWRENCE TOWNSHIP COMMUNITY IMPROVEMENT CORPORATION
TUSCARAWAS COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Lawrence Township Community Improvement Corporation
Tuscarawas County
P.O. Box 190
Bolivar, Ohio 44612

To the Board of Trustees:

We have audited the accompanying financial statements of the Lawrence Township Community Improvement Corporation, Tuscarawas County, (the Corporation) as of and for the years ended December 31, 2004 and 2003. 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.

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 statements and notes have been prepared on an accounting basis not in accordance with generally accepted accounting principles. The accompanying financial statements and notes omit entity wide statements, and assets, liabilities, fund equities, and disclosures that, while material, we cannot determine at this time.

In our opinion, the accompanying financial statements do not present fairly the financial position, results of operations, and cash flows, where applicable, of the Lawrence Township Community Improvement Corporation 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 October 25, 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.

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

Betty Montgomery
Auditor of State

October 25, 2005

**LAWRENCE TOWNSHIP COMMUNITY IMPROVEMENT CORPORATION
TUSCARAWAS COUNTY**

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

	2004	2003
REVENUE:		
Interest Income	\$ 658	\$ 918
EXPENSES:		
Bank Charges	150	144
Legal Fees	1,610	-
Land Survey	3,610	-
Land Purchase	142,153	-
Total Expenses	147,523	144
Cash Receipts Over /(Under) Cash Expenses	(146,865)	774
OTHER NON-OPERATING REVENUE		
Proceeds of Loan	25,000	-
Cash Receipts Over /(Under) Cash Expenses	(121,865)	-
Cash Balance - January 1	135,673	134,899
Cash Balance - December 31	\$ 13,808	\$ 135,673

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

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**LAWRENCE TOWNSHIP COMMUNITY IMPROVEMENT CORPORATION
TUSCARAWAS COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Lawrence Township Community Improvement Corporation (Corporation) was established in 1985 under Ohio Rev. Code Section 1724 to promote commercial and industrial development in the Village of Bolivar, Ohio and surrounding areas. The Lawrence Township (Township) Trustees serve as the Board of Directors. The Township's Clerk serves as the Corporation's fiscal officer.

Basis of Accounting

Although required by Ohio Revised Code Section 1724.05 to prepare its annual financial report in accordance with generally accepted accounting principles, the Corporation chooses to prepare its financial statements and notes on a cash 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.

Financial Statement Presentation

The Corporation has not adopted Statement of Financial Accounting Standards (SFAS) No. 117 "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Agency 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. In addition, the Corporation is required to present a statement of cash flows. The Corporation did not present financial statements in accordance with Generally Accepted Accounting Principles.

Cash

The Corporation maintains all cash in a checking account.

2. INCOME TAXES

The Corporation is a nonprofit organization as described in Section 501 (c) (5) of the Internal Revenue Code and is exempt from federal and state income taxes.

3. NOTE PAYABLE

On September 21, 2004, the Corporation issued a promissory note with the Huntington National Bank in the amount of \$25,150, plus interest at the rate of 5% due April 1, 2005 to purchase real estate. The land was purchased from a previous investor but was not developed within the time specified by the covenants and restrictions governing the Industrial Park. Therefore, the Corporation was entitled to purchase the land back at their original selling price. The Note was secured by the land purchased.

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**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***

Lawrence Township Community Improvement Corporation
Tuscarawas County
P.O. Box 190
Bolivar, Ohio 44612

To the Board of Trustees:

We have audited the financial statements of the Lawrence Township Community Improvement Corporation, Tuscarawas County, Ohio, (the Corporation) as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated October 25, 2005, wherein we noted the Corporation chooses to prepare its financial statements and notes on a basis of accounting other than accounting principles generally accepted in the United States of America. 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 October 25, 2005, we reported other matters involving internal control over financial reporting we did not deem as reportable conditions.

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 one 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.

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

October 25, 2005

LAWRENCE TOWNSHIP COMMUNITY IMPROVEMENT CORPORATION
TUSCARAWAS COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2004 AND 2003

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

Finding Number	2004-001
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Ohio Rev. Code Section 1724.05 requires for fiscal years ending on or after December 12, 2000, corporations to submit an (unaudited) annual GAAP (Generally Accepted Accounting Principal) Financial reports to the Auditor of State, unless the Auditor of State has granted a specific waiver. The annual report must be filed within 120 days of fiscal year end.

The Corporation filed their 2004 and 2003 annual reports with the Auditor of State on a cash basis of accounting rather than in accordance with generally accepted accounting principles as required by the above Section and the Auditor of State has not granted a specific waiver. The Corporation should file their annual financial report in accordance with GAAP within 120 days of fiscal year end. The Corporation should seek accounting guidance from qualified professionals regarding preparation of its annual financial report.



**Auditor of State
Betty Montgomery**

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**LAWRENCE TOWNSHIP COMMUNITY IMPROVEMENT CORPORATION
TUSCARAWAS 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 27, 2005**