



**NEWCOMERSTOWN COMMUNITY IMPROVEMENT CORPORATION
TUSCARAWAS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2004-2003



**Auditor of State
Betty Montgomery**

**NEWCOMERSTOWN COMMUNITY IMPROVEMENT CORPORATION
TUSCARAWAS COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Newcomerstown Community Improvement Corporation
Tuscarawas County
P.O. Box 87
Newcomerstown, Ohio 43832

To the Board of Directors:

We have audited the accompanying statements of financial position of Newcomerstown Community Improvement Corporation, Tuscarawas County, Ohio, (the Corporation) as of and for the years ended December 31, 2004 and 2003, and the related statements of activities and cash flows. 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 *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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Newcomerstown Community Improvement Corporation, Tuscarawas County, Ohio, as of December 31, 2004 and 2003, and the changes in its net assets 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 have also issued our report dated May 31, 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 our 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 cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

May 31, 2005

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**NEWCOMERSTOWN COMMUNITY IMPROVEMENT CORPORATION
TUSCARAWAS COUNTY**

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2004 AND 2003**

| | <u>ASSETS</u> | |
|---|-------------------------|-------------------------|
| | 2004 | 2003 |
| CURRENT ASSETS: | | |
| Cash: | | |
| Checking - Huntington National Bank | | \$ 14,362 |
| Checking - Dover-Phila FCU | \$ 13,799 | |
| Money Market - Huntington National Bank | | 82,115 |
| Money Market - Dover-Phila FCU | 10,276 | |
| Certificate of Deposit - Huntington National Bank | | 6,630 |
| Certificate of Deposit - Dover-Phila FCU | 50,864 | |
| Certificate of Deposit - Dover-Phila FCU | 30,606 | |
| Total Cash | 105,545 | 103,107 |
| PROPERTY AND EQUIPMENT: | | |
| Land | 2,245,066 | 2,245,066 |
| TOTAL ASSETS | \$ 2,350,611 | \$ 2,348,173 |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES: | | |
| Current | | |
| Accrued Interest | \$ 344,485 | \$ 254,190 |
| Long-term Liabilities | | |
| Note Payable - Tuscarawas County | 2,200,000 | 2,200,000 |
| NET ASSETS: | | |
| Unrestricted Net Assets: | | |
| Operating | (193,874) | (106,017) |
| TOTAL LIABILITIES AND NET ASSETS | \$ 2,350,611 | \$ 2,348,173 |

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

**NEWCOMERSTOWN COMMUNITY IMPROVEMENT CORPORATION
TUSCARAWAS COUNTY**

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

| | 2004 | 2003 |
|--------------------------------|--------------|--------------|
| REVENUE: | | |
| Interest Income | \$ 1,907 | \$ 793 |
| Dues | 100 | 1,525 |
| House Rental Income | 4,025 | 6,900 |
| Boat House Rental Income | | 1,625 |
| Farm Rental Income | 21,823 | 20,566 |
| Total Revenue | 27,855 | 31,409 |
| EXPENSES: | | |
| Audit Fees | | 1,878 |
| Bank Charges | 56 | 127 |
| Soil and Environmental Studies | | 200 |
| Interest | 110,634 | 101,490 |
| Insurance | 1,551 | 878 |
| Legal Fees | 378 | |
| Meetings | | 84 |
| Mowing and Maintenance | 432 | 739 |
| Real Estate Taxes | 1,928 | 1,834 |
| Postage | 68 | 139 |
| Supplies | | 103 |
| Repairs | 164 | |
| Utilities | 151 | |
| Website Development | 350 | 84 |
| Total Expenses | 115,712 | 107,556 |
| CHANGE IN NET ASSETS | (87,857) | (76,147) |
| NET ASSETS - BEGINNING OF YEAR | (106,017) | (29,870) |
| NET ASSETS - END OF YEAR | \$ (193,874) | \$ (106,017) |

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

**NEWCOMERSTOWN COMMUNITY IMPROVEMENT CORPORATION
TUSCARAWAS COUNTY**

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

| | <u>2004</u> | <u>2003</u> |
|--|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in Net Assets | \$ (87,857) | \$ (76,147) |
| Increase in Accrued Interest | <u>90,295</u> | <u>82,341</u> |
| Net Cash Provided by (Used In) Operating Activities | <u>2,438</u> | <u>6,194</u> |
| NET INCREASE IN CASH | 2,438 | 6,194 |
| CASH - BEGINNING OF YEAR | <u>103,107</u> | <u>96,913</u> |
| CASH - END OF YEAR | <u>\$ 105,545</u> | <u>\$ 103,107</u> |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION: | | |
| Cash Paid During the Year for Interest | <u>\$ 20,535</u> | <u>\$ 19,149</u> |

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

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**NEWCOMERSTOWN COMMUNITY IMPROVEMENT CORPORATION
TUSCARAWAS COUNTY**

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Newcomerstown Community Improvement Corporation (CIC) was established to promote commercial and industrial development in the village of Newcomerstown, Ohio and surrounding areas.

Basis of Accounting

The CIC maintains its financial records on the accrual basis of accounting.

Financial Statement Presentation

The Organization previously 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 Organization is required to present a statement of cash flows. The Organization only had unrestricted net assets at December 31, 2004 and 2003.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The CIC considers all highly liquid deposit instruments purchased with a maturity of three months or less to be cash. Certificates of Deposit owned by the CIC in lengths greater than three months are classified as cash because the amounts are considered to be cash savings accounts. Fair values approximate carrying amounts.

NOTE 2: INCOME TAXES

The CIC 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.

NOTE 3: NOTE PAYABLE

The CIC has a note payable to The Board of Tuscarawas County Commissioners in the amount of \$2,200,000. On March 5, 2001, the CIC had issued a note in the amount of \$2,200,000 from the Tuscarawas County Commissioners with a stated interest rate of 4.5% per annum. The original note matured on March 5, 2002; however, the CIC continues to roll over this note each year with a final maturity date of March 5, 2006. The note is secured by certain real estate in Oxford Township, Tuscarawas County, Ohio adjacent to the current Newcomerstown Industrial Park.

NOTE 4: LAND

Land is carried at cost and there is no depreciation allowance.

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**Auditor of State
Betty Montgomery**

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

Newcomerstown Community Improvement Corporation
Tuscarawas County
P.O. Box 87
Newcomerstown, Ohio 43832

To the Board of Directors:

We have audited the statements of financial position of Newcomerstown Community Improvement Corporation, Tuscarawas County, Ohio, (the Corporation) as of and for the years ended December 31, 2004 and 2003 and the related statements of activities and cash flows and have issued our report thereon dated May 31, 2005. 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 for the purpose of expressing our opinion on the financial statements and not to opine 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 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 in amounts that would be material in relation to the financial statements being audited may occur and not 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 to be material weaknesses. In a separate letter to the Corporation's management dated May 31, 2005, we reported other matters involving internal control over financial reporting which we did not deem 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 grants, 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

In a separate letter to the Corporation's management dated May 31, 2005, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of management and the Board of Directors. It is not intended to be and should not be used by 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

May 31, 2005



**Auditor of State
Betty Montgomery**

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**NEWCOMERSTOWN 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
AUGUST 18, 2005**