

***NEWCOMERSTOWN COMMUNITY IMPROVEMENT  
CORPORATION***

**TUSCARAWAS COUNTY, OHIO**

**AUDIT REPORT**

**For the Years Ended December 31, 2010 and 2009**

***Charles E. Harris and Associates, Inc.***  
**Certified Public Accountants and Government Consultants**





# Dave Yost • Auditor of State

Board of Trustees  
Newcomerstown Community Improvement Corporation  
P.O. Box 87  
Newcomerstown, Ohio 43832

We have reviewed the *Report of Independent Accountants* of the Newcomerstown Community Improvement Corporation, Tuscarawas County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2009 through December 31, 2010. 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 Newcomerstown Community Improvement Corporation is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

June 28, 2011

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**NEWCOMERSTOWN COMMUNITY IMPROVEMENT CORPORATION  
TUSCARAWAS COUNTY  
Audit Report  
For the Years Ended December 31, 2010 and 2009**

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***Charles E. Harris & Associates, Inc.***  
***Certified Public Accountants***

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**REPORT OF INDEPENDENT ACCOUNTANTS**

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 the Newcomerstown Community Improvement Corporation, Tuscarawas County (the Corporation) as of and for the years ended December 31, 2010 and 2009 and the related Statements of Activities and the Statements of Cash Flows for the years then ended. These financial statements are the responsibility of the Corporation's management.

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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Newcomerstown Community Improvement Corporation, Tuscarawas County, Ohio, as of December 31, 2010 and 2009, and the results of its operations and 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 June 10, 2011, on our consideration of the Newcomerstown Community Improvement Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



***Charles E. Harris & Associates, Inc.***  
June 10, 2011

**NEWCOMERSTOWN COMMUNITY IMPROVEMENT CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2010 and 2009**

	2010	2009
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash:		
Checking - Huntington National Bank	\$20,089	\$18,299
Checking - Chase Bank	486	510
Money Market - Huntington National Bank	10,312	10,302
Certificate of Deposit - Huntington National Bank	46,226	45,779
Certificate of Deposit - Chase Bank	33,359	33,111
Total Cash	110,472	108,001
<b>PROPERTY AND EQUIPMENT:</b>		
Land	2,245,066	2,245,066
<b>Total Assets</b>	<b>\$ 2,355,538</b>	<b>\$ 2,353,067</b>
<b>LIABILITIES:</b>		
Current:		
Accrued Interest	\$769,191	\$801,264
Long-term Liabilities		
Note Payable-Tuscarawas County	2,200,000	2,200,000
<b>NET ASSETS:</b>		
Unrestricted Net Assets		
Operating	(613,653)	(648,197)
<b>Total Liabilities and Net Assets</b>	<b>\$2,355,538</b>	<b>\$2,353,067</b>

See accompanying notes to the financial statements



**NEWCOMERSTOWN COMMUNITY IMPROVEMENT CORPORATION  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>Revenues:</b>		
Interest Income	\$706	\$1,310
House Rental Income	5,750	6,900
Farm Rental Income	55,754	38,140
Royalty Income	<u>1,734</u>	<u>2,704</u>
<b>Total Revenues</b>	<b>63,944</b>	<b>49,054</b>
<b>Expenses:</b>		
Advertising	-	535
Audit Fees	-	2,474
Bank Charges	40	24
Donations	500	500
Fees	44	-
Interest	23,681	130,811
Insurance	898	802
Memorials	-	50
Miscellaneous	1	3
Mowing and Maintenance	399	415
Postage	70	-
Real Estate Taxes	2,707	2,702
Rent	1,000	-
Repairs	-	738
Website Development and Hosting	<u>60</u>	<u>170</u>
<b>Total Expenses</b>	<b><u>29,400</u></b>	<b><u>139,224</u></b>
<b>Change in Net Assets</b>	<b>34,544</b>	<b>(90,170)</b>
<b>Net Assets at Beginning of Year</b>	<b><u>(648,197)</u></b>	<b><u>(558,027)</u></b>
<b>Net Assets at End of Year</b>	<b><u><u>\$ (613,653)</u></u></b>	<b><u><u>\$ (648,197)</u></u></b>

**NEWCOMERSTOWN COMMUNITY IMPROVEMENT CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$34,544	(\$90,170)
Increase (Decrease) in Accrued Interest	<u>(32,073)</u>	<u>92,673</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>2,471</u>	<u>2,503</u>
<b>NET INCREASE IN CASH</b>	2,471	2,503
<b>CASH - BEGINNING OF YEAR</b>	<u>108,001</u>	<u>105,498</u>
<b>CASH - END OF YEAR</b>	<u><u>\$110,472</u></u>	<u><u>\$108,001</u></u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Cash Paid During the Year for Interest	<u><u>\$55,754</u></u>	<u><u>\$38,140</u></u>

**Newcomerstown Community Improvement Corporation**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2010 and 2009**

**Note 1 - Summary of significant accounting policies**

**A. 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.

**B. Basis of accounting**

The accounting records of CIC are maintained on the accrual basis of accounting.

**C. Financial Statement Presentation**

The Organization previously adopted Statement of Financial Accounting Standards (SFAS) No. 117 "Financial Statement of Not-for-profit Organizations." Under SFAS No. 117, the CIC 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 CIC is required to present a statement of cash flows. The CIC only had unrestricted net assets at December 31, 2010 and 2009.

**D. 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 reported period. Actual results could differ from those estimates.

**E. 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 length 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) (6) of the Internal Revenue Code and is exempt from federal and state income taxes.

**Note 3 – Notes Payable**

The CIC has a note payable to the Board of Tuscarawas County Commissioners in the amount of \$2,969,191. The original note maturity was for \$2,200,000 plus accrued interest and matured on March 5, 2010. However, the CIC has obtained a twelve month extension to March 5, 2011. The note is secured by certain real estate in Oxford Township, Tuscarawas County, Ohio adjacent to the current Newcomerstown Industrial Park. The note is due including 4.5 percent per annum upon sale of the land by the CIC. As of March 5, 2010, the interest rate was reduced to zero.

***Newcomerstown Community Improvement Corporation***  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2010 and 2009**

**Note 4 – Land**

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

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**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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 financial statements of the Newcomerstown Community Improvement Corporation, Tuscarawas County, Ohio (the Corporation), as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated June 10, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Controls 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 auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented or detected and timely corrected.

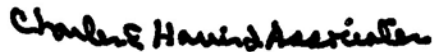
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### 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 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

However, we noted certain matters that we have reported to management of the Corporation in a separate letter dated June 10, 2011.

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



***Charles E. Harris and Associates, Inc.***

June 10, 2011

***Newcomerstown Community Improvement Corporation***  
**Tuscarawas County**  
**For the Years Ended December 31, 2010 and 2009**

**SCHEDULE OF PRIOR AUDIT FINDINGS**

The prior audit report, for the years ending December 31, 2008 and 2007, reported no material citations or recommendations.

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# Dave Yost • Auditor of State

**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  
JULY 12, 2011**