

**COMMUNITY IMPROVEMENT CORPORATION OF NEWCOMERSTOWN  
TUSCARAWAS COUNTY**

**Audit Report**

**For the Years Ended December 31, 2016 and 2015**







# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Community Improvement Corporation of Newcomerstown, Tuscarawas County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2015 through December 31, 2016. 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 Newcomerstown is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost  
Auditor of State

August 30, 2017

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**COMMUNITY IMPROVEMENT CORPORATION OF NEWCOMERSTOWN  
TUSCARAWAS COUNTY**

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

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## **INDEPENDENT AUDITOR'S REPORT**

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

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the Community Improvement Corporation of Newcomerstown, Tuscarawas County, Ohio (the CIC) (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2016 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the CIC's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the CIC's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Community Improvement Corporation of Newcomerstown, Tuscarawas County, Ohio, as of December 31, 2016 and 2015, and the respective changes in its financial position and its cash flows, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note H to the financial statements, during 2015, the CIC made adjustments to the net assets to comply with prior audit recommendations. We did not modify our opinion regarding this matter.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2017, on our consideration of the CIC'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine 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* in considering the CIC's internal control over financial reporting and compliance.



**Charles E. Harris & Associates, Inc.**  
June 23, 2017



COMMUNITY IMPROVEMENT CORPORATION OF NEWCOMERSTOWN  
 STATEMENTS OF FINANCIAL POSITION  
 DECEMBER 31, 2016 AND 2015

ASSETS

	2016	2015
<b>CURRENT ASSETS</b>		
Cash		
Checking - Huntington National Bank	\$ 362,040	\$ 387,055
Checking - Chase	34,480	34,480
Money Market - Huntington National Bank	10,349	10,344
Certificate of Deposit - Huntington National Bank	48,803	48,664
Total Cash	455,672	480,543
Accounts Receivable	0	63
Rent Receivable	575	575
Prepaid Insurance	1,173	1,136
Total Current Assets	457,420	482,317
<b>PROPERTY AND EQUIPMENT</b>		
Land	1,773,522	1,773,522
<b>TOTAL ASSETS</b>	<b>\$ 2,230,942</b>	<b>\$ 2,255,839</b>

LIABILITIES AND NET ASSETS

<b>LIABILITIES</b>		
Current		
Accounts Payable	\$ 0	\$ 841
Accrued Interest	350,888	378,298
Note Payable - Tuscarawas County	1,494,145	1,494,145
Total Current Liabilities	1,845,033	1,873,284
<b>NET ASSETS</b>		
Unrestricted Net Assets:		
Operating	385,909	382,555
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,230,942</b>	<b>\$ 2,255,839</b>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

COMMUNITY IMPROVEMENT CORPORATION OF NEWCOMERSTOWN  
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
<b>REVENUE</b>		
Interest Income	\$ 144	\$ 409
House Rental Income	6,900	6,900
Farm Rental Income	27,410	36,325
Crop Damage Income	0	512
Royalty Income	69	63
Refund	0	97
Reimbursements	0	26,618
Total Revenue	34,523	70,924
<b>EXPENSES</b>		
Advertising	0	7,300
Audit Fees	20	4,387
Professional Fees	17,016	11,863
Bank Charges	0	40
Crop Reimbursement	2,649	3,492
Donations	0	240
Grants	0	66,000
Insurance	1,136	1,153
Meetings	45	0
Mowing and Maintenance	2,283	640
Office Expense	0	57
Postage	0	84
Real Estate Taxes	7,200	6,718
Rent	820	1,220
Total Expenses	31,169	103,193
<b>OTHER INCOME</b>		
Gain on sale of land	0	168,374
<b>CHANGE IN NET ASSETS</b>		
	3,354	136,105
<b>NET ASSETS - BEGINNING OF YEAR</b>		
	382,555	244,722
<b>Adjustments (Note H)</b>		
	0	1,728
<b>NET ASSETS - END OF YEAR</b>		
	\$ 385,909	\$ 382,555

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

COMMUNITY IMPROVEMENT CORPORATION OF NEWCOMERSTOWN  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 3,354	\$ 136,105
Adjustments	0	1,728
Gain on sale of land	0	(168,374)
Net (Increase) Decrease in Accounts and Other Receivables	63	(638)
Net (Increase) in Prepayments	(37)	(1,136)
Net Increase (Decrease) in Accounts Payable	(841)	841
Net Cash Provided by (Used in) Operating Activities	2,539	(31,474)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of Land	0	334,149
Net Cash Provided by Investing Activities	0	334,149
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of Accrued Interest	(27,410)	(86,962)
Payment of Notes Payable	0	(264,234)
Net Cash Used in Financing Activities	(27,410)	(351,196)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(24,871)	(48,521)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	480,543	529,064
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 455,672	\$ 480,543

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

COMMUNITY IMPROVEMENT CORPORATION OF NEWCOMERSTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Community Improvement Corporation of Newcomerstown (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 CIC adopted FASB ASC 958-210-45. 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, 2016 and 2015.

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.

Subsequent Events

Subsequent events were evaluated through June 23, 2017, which is the date financial statements were available to be issued. Management believes there are no subsequent events that would require either footnote and/or financial statement disclosure in their audit report.

NOTE B: 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.

The Internal Revenue Service has not examined the CIC for open years under the Statute of Limitations.

COMMUNITY IMPROVEMENT CORPORATION OF NEWCOMERSTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

NOTE C: NOTE PAYABLE

For the years ended December 31, 2016 and 2015, the CIC has a note payable to the Board of Tuscarawas County Commissioners in the amount of \$1,845,033 and \$1,872,443, respectively including interest. The original note was for \$2,200,000 plus accrued interest and matured on December 8, 2016, however, the CIC obtained an extension to December 8, 2017. The note is secured by certain real estate in Oxford Township, Tuscarawas County, Ohio adjacent to the current Newcomerstown Industrial Park. The note was due including accrued interest at 4 ½ percent per annum upon the sale of the land by the CIC. As of March 5, 2010, the interest rate was reduced to zero.

NOTE D: LAND

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

NOTE E: CONCENTRATION OF CREDIT RISK

Certain cash deposits with financial institutions are in excess of the \$250,000 Federal Depository Insurance Corporation (FDIC) guaranty. At December 31, 2016 and 2015, the CIC's uninsured balances totaled \$171,192 and \$196,063, respectively.

NOTE F: COMMERCIAL INSURANCE

The CIC has obtained commercial insurance for the following risks:

- Commercial Property Coverage
- Commercial General Liability Coverage

There were no settle claims from these risks that have exceeded commercial insurance coverage for the past three years and there has been no significant reduction in coverages from last year.

NOTE G: LEASE AGREEMENTS

The CIC has a continuing lease agreement with Rollin Orr for a single family residence in Newcomerstown, Ohio. The CIC has also entered into a lease agreement with Wen Mar Farms, Inc. for approximately 161 acres of property in Oxford Township.

NOTE H: ADJUSTMENTS

The CIC made adjustments of \$575 to account for unrecorded rent receivable, \$1,136 for unrecorded prepaid insurance and \$17 for un-reconciled difference as recommended by prior audit. The adjustments increased net assets by \$1,728.

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

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

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

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Community Improvement Corporation of Newcomerstown, Tuscarawas County, (the CIC) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2017.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the CIC's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the CIC's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the CIC's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the CIC'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, opining 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*.

Community Improvement Corporation of Newcomerstown  
Tuscarawas County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

We did note certain matters not requiring inclusion in this report that we reported to the CIC's management in a separate letter dated June 23, 2017.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the CIC's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the CIC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



***Charles E. Harris & Associates, Inc.***  
June 23, 2017

**COMMUNITY IMPROVEMENT CORPORATION OF NEWCOMERSTOWN  
TUSCARAWAS COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
December 31, 2016**

Finding Number	Finding Summary	Status	Additional Information
2014-001	Recording of transactions	Finding fully corrected	





# 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  
SEPTEMBER 12, 2017**