



OHIO AUDITOR OF STATE  
**KEITH FABER**





**NEWBURGH HEIGHTS COMMUNITY IMPROVEMENT CORPORATION  
CUYAHOGA COUNTY  
DECEMBER 31, 2022 AND 2021**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Management's Discussion and Analysis – For the Year Ended December 31, 2022 .....	5
Basic Financial Statements:	
Statement of Net Position – December 31, 2022 .....	9
Statement of Revenues, Expenses and Changes in Fund Net Position – For the Year Ended December 31, 2022 .....	10
Statement of Cash Flows – For the Year Ended December 31, 2022 .....	11
Notes to the Basic Financial Statements – For the Year Ended December 31, 2022 .....	13
Management's Discussion and Analysis – For the Year Ended December 31, 2021 .....	17
Basic Financial Statements:	
Statement of Net Position – December 31, 2021 .....	21
Statement of Revenues, Expenses, and Changes in Fund Net Position – For the Year Ended December 31, 2021 .....	22
Statement of Cash Flows – For the Year Ended December 31, 2021 .....	23
Notes to the Basic Financial Statements – For the Year Ended December 31, 2021 .....	25
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	29

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
(800) 282-0370

## INDEPENDENT AUDITOR'S REPORT

Newburgh Heights Community Improvement Corporation  
Cuyahoga County  
3801 Harvard Avenue  
Newburgh Heights, Ohio 44145

To the Board of Trustees:

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the financial statements of the Newburgh Heights Community Improvement Corporation, Cuyahoga County, Ohio (the Corporation), for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Corporation's financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Newburgh Heights Community Improvement Corporation, Cuyahoga County, Ohio as of December 31, 2022 and 2021, and the changes in financial position and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023, 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. The purpose of that report is solely 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 the effectiveness of the Corporation's 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 Corporation's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

September 29, 2023

**This page intentionally left blank.**



# Newburgh Heights Community Improvement Corporation

*Cuyahoga County*

*Management's Discussion and Analysis*

*For the year ended December 31, 2022*

---

The discussion and analysis for the Newburgh Heights Community Improvement Corporation's (the "Corporation") financial performance provides an overall review of the Corporation for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the Corporation's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Corporation's financial performance.

## Financial Highlights

Key financial highlights for 2022 are as follows:

- In total, net position for 2022 increased \$13,010 since 2021.
- Total assets increased \$13,010, which was due to an increase in cash.

## Overview of the Financial Statements

The basic financial statements include a statement of net position, statement of revenues, expenses and changes in fund net position, and a statement of cash flows. Since the Corporation only uses one fund for its operations, the entity wide and the fund presentation information is the same.

## Financial Analysis

An analysis of 2022 and 2021 is presented below:

	2022	2021	Increase (Decrease)
Current and other assets:			
Cash	\$ 19,125	\$ 6,115	\$ 13,010
Land held for resale	1,055,622	1,055,622	-
Total assets	<u>1,074,747</u>	<u>1,061,737</u>	<u>13,010</u>
Net position			
Unrestricted	1,074,747	1,061,737	13,010
Total net position	<u>\$ 1,074,747</u>	<u>\$ 1,061,737</u>	<u>\$ 13,010</u>

**Newburgh Heights Community Improvement Corporation**

*Cuyahoga County*

*Management's Discussion and Analysis*

*For the year ended December 31, 2022*

---

***Changes in Net Position***

The following table shows the changes in fund net position for the fiscal years 2022 and 2021:

	2022	2021	Increase (Decrease)
<b>Operating revenues:</b>			
Rental income	\$ -	\$ 3,000	\$ (3,000)
Other	2,580	264	2,316
<i>Total operating revenues</i>	<u>2,580</u>	<u>3,264</u>	<u>(684)</u>
<b>Operating expenses:</b>			
<i>Support services:</i>			
Contractual services	\$ 4,750	\$ 11,900	\$ (7,150)
Real estate taxes	43,887	43,156	731
Professional fees	1,285	10,135	(8,850)
Utilities	550	296	254
Transfer fees	3,137	1,443	1,694
Miscellaneous	711	675	36
<i>Total support services</i>	<u>54,320</u>	<u>67,605</u>	<u>(13,285)</u>
<i>Total operating expenses</i>	<u>54,320</u>	<u>67,605</u>	<u>(13,285)</u>
<i>Operating loss</i>	(51,740)	(64,341)	12,601
<b>Nonoperating revenues:</b>			
Intergovernmental	64,750	411,704	(346,954)
<i>Total nonoperating revenues</i>	<u>64,750</u>	<u>411,704</u>	<u>(346,954)</u>
<i>Change in net position</i>	<u>\$ 13,010</u>	<u>\$ 347,363</u>	<u>\$ (334,353)</u>
<i>Net position at beginning of year</i>	<u>1,061,737</u>	<u>714,374</u>	<u>347,363</u>
<i>Net position at end of year</i>	<u>\$ 1,074,747</u>	<u>\$ 1,061,737</u>	<u>\$ 13,010</u>

Total expenses were \$54,320 during 2022. The primary expenses were contractual services and real estate taxes.

**Newburgh Heights Community Improvement Corporation**  
*Cuyahoga County*  
*Management's Discussion and Analysis*  
*For the year ended December 31, 2022*

---

**Non-Current Assets and Debt Administration**

***Land Held for Resale***

At the end of 2022, the Corporation had \$1,055,622 in land held for resale. The following table shows the 2022 balance:

	<u>2022</u>
Land held for resale	\$ 1,055,622

Additional information on the Corporation's land held for resale can be found in Note 3.

**Debt**

Currently, the Corporation does not have any debt obligations.

**Current Financial Issues and Concerns**

At December 31, 2022, the Corporation had a total net position of \$1,074,747. Management continues to monitor all activity affecting the condition of the Corporation.

The Corporation will continue to assist other local businesses with activities to attract new business for the Village. This and the continual review of properties for development will be the Corporation's focus.

**Request for Information**

This financial report is designed to provide the citizens, taxpayers, and consumers of the Village of Newburgh Heights with a general overview of the Corporation's financial position. If you have any questions about this report or need additional financial information, contact Cathleen Nagorski, Newburgh Heights Community Improvement Corporation Treasurer, 3801 Harvard Avenue, Newburgh Heights, Ohio 44105, (216) 641-2717.

*This page is intentionally left blank.*

**Newburgh Heights Community Improvement Corporation**

*Cuyahoga County*

*Statement of Net Position*

*December 31, 2022*

---

**Assets**

*Current assets:*

Cash	\$ 19,125
Land held for resale	<u>1,055,622</u>

<i>Total assets</i>	<u><u>1,074,747</u></u>
---------------------	-------------------------

**Net position**

Unrestricted	<u>1,074,747</u>
--------------	------------------

<i>Total net position</i>	<u><u>\$ 1,074,747</u></u>
---------------------------	----------------------------

*The accompanying notes are an integral part of these financial statements.*

**Newburgh Heights Community Improvement Corporation**  
*Cuyahoga County*  
*Statements of Revenues, Expenses and Changes in Fund Net Position*  
*For the Year Ended December 31, 2022*

<hr/>	
<b>Operating revenues:</b>	
Miscellaneous	\$ 2,580
	<hr/>
<i>Total operating revenues</i>	2,580
<b>Operating expenses:</b>	
<i>Support services:</i>	
Contractual services	4,750
Real estate taxes	43,887
Professional fees	1,285
Utilities	550
Transfer fees	3,137
Miscellaneous	711
<i>Total support services</i>	<hr/>
	54,320
<i>Total operating expenses</i>	<hr/>
	54,320
<i>Operating loss</i>	(51,740)
<b>Nonoperating revenues:</b>	
Intergovernmental	64,750
	<hr/>
<i>Total non-operating revenues</i>	64,750
	<hr/>
<i>Change in net position</i>	13,010
<i>Net position at beginning of year</i>	<hr/>
	1,061,737
<i>Net position at end of year</i>	<hr/>
	\$ 1,074,747
	<hr/> <hr/>

*The accompanying notes are an integral part of these financial statements.*

**Newburgh Heights Community Improvement Corporation**

*Cuyahoga County*

*Statement of Cash Flows*

*For the Year Ended December 31, 2022*

---

<b>Cash flows from operating activities:</b>	
Cash received for excess closing funds	\$ 2,580
Cash payments to suppliers for goods and services	<u>(54,320)</u>
<i>Net cash used for operating activities</i>	<u>(51,740)</u>
<b>Cash flows from capital and related financing activities:</b>	
Intergovernmental proceeds	<u>64,750</u>
<i>Net cash provided by capital and related financing activities</i>	<u>64,750</u>
<i>Net increase in cash and cash equivalents</i>	13,010
<i>Cash and cash equivalents at beginning of year</i>	<u>6,115</u>
<i>Cash and cash equivalents at end of year</i>	<u><u>\$ 19,125</u></u>
<b>Reconciliation of operating loss to net cash used for operating activities:</b>	
Operating gain (loss)	<u>\$ (51,740)</u>
Net cash used for operating activities	<u><u>\$ (51,740)</u></u>

*The accompanying notes are an integral part of these financial statements.*

*This page is intentionally left blank.*



**Newburgh Heights Community Improvement Corporation**

*Cuyahoga County*

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2022*

---

**Note 1 – Summary of Significant Accounting Policies**

***Reporting Entity***

The Newburgh Heights Community Improvement Corporation (the “Corporation”) is a not-for-profit corporation that was formed on March 29, 2017 in the State of Ohio. The Corporation is a community improvement corporation as defined in Chapter 1724 of the Ohio Revised Code.

The sole purpose for which the corporation was formed was to advance, encourage, and promote the industrial, commercial, and civic development of the Village of Newburgh Heights, Ohio by acting as a designated agency of the Village, for the industrial, commercial, distribution, and research development in such political subdivision in accordance with Section 1724.10 of the Ohio Revised Code.

In accordance with Chapter 1724 of the Ohio Revised Code, not less than two-fifths of the Board of Trustees of the Corporation, is composed of appointed or elected officers of the Village of Newburgh Heights and at least one officer of the Village of Newburgh Heights.

***Basis of Presentation***

The Corporation’s basic financial statements consist of a statement of net position, a statement of revenues, expenses and changes in fund net position, and a statement of cash flows.

The Corporation uses a single enterprise fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of the change in net position, financial position and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

***Measurement Focus***

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets, liabilities, deferred outflows of resources and deferred inflows of resources associated with the operation of the Corporation are included on the statement of net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in the net total position. The statement of cash flows provides information about how the Corporation finances and meets the cash flow needs of its enterprise activity.

***Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The Corporation’s financial statements are prepared using the accrual basis of accounting.

Revenue is recorded on the accrual basis when the exchange takes place. Expenses are recognized at the time they are incurred.

**Newburgh Heights Community Improvement Corporation**

*Cuyahoga County*

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2022*

---

**Note 1 – Summary of Significant Accounting Policies (continued)**

***Cash and Cash Equivalents***

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturity of three months or less from the date of acquisition.

***Donated Property***

Donations of property are recorded as contributions at their estimated acquisition value at the date of donation. Such donations are reported as increases in invested in capital assets unless the donor has restricted such assets for specific purposes or management’s intention is to sell the property.

***Net Position***

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Corporation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Corporation applies restricted resources first when as expense is incurred for purposes for which both restricted and unrestricted net positions are available. The Corporation did not have any restricted net position for 2022.

***Depreciation***

Property, plant and equipment are carried at cost with depreciation computed on the straight-line method. The Corporation does not currently have a capitalization threshold. The following guideline years have been used in computing depreciation:

Buildings	10 - 39 years
Fixtures and equipment	10 - 39 years

There was no depreciation expense for 2022, as the Corporation has yet to purchase any depreciable capital assets.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting standards requires management to make estimates and assumptions that affect the 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 these estimates.

**Newburgh Heights Community Improvement Corporation**

*Cuyahoga County*

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2022*

---

**Note 1 – Summary of Significant Accounting Policies (continued)**

***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded. There were no prepaid items at December 31, 2022.

***Investments***

For purposes of the statement of cash flows and for presentation on the statement of net position, investments with an original maturity of three months or less at the time of purchase are reported as cash equivalents on the financial statements.

During 2022, all cash was held in demand deposits and the Corporation did not have any investments.

**Note 2 – Deposits and investments**

***Deposits***

Custodial credit risk is the risk that in the event of bank failure, the Corporation's deposits may not be returned to it. Protection of the Corporation's cash and deposits is provided by the Federal Deposit Insurance Corporation.

The carrying amount and bank balance of the Corporation's deposits at December 31, 2022 were \$19,125. Of the bank balances, none of the monies were collateralized with securities held by the pledging financial institutions trust department or agent but not in the Corporation's name.

**Note 3 – Land Held for Resale**

The Corporation has land held for resale in the amount of \$1,055,622. This land is intended to be sold later for economic development purposes.

**Note 4 – Subsequent Events/Contingencies**

Management believes there are no pending claims or lawsuits that could significantly adversely affect the Corporation.

*This page is intentionally left blank.*

# Newburgh Heights Community Improvement Corporation

*Cuyahoga County*

*Management's Discussion and Analysis*

*For the year ended December 31, 2021*

---

The discussion and analysis for the Newburgh Heights Community Improvement Corporation's (the "Corporation") financial performance provides an overall review of the Corporation for the year ended December 31, 2021. The intent of this discussion and analysis is to look at the Corporation's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Corporation's financial performance.

## Financial Highlights

Key financial highlights for 2021 are as follows:

- In total, net position for 2021 increased \$347,363 since 2020.
- Total assets increased \$349,784, which was due to an increase in land held for resale.

## Overview of the Financial Statements

The basic financial statements include a statement of net position, statement of revenues, expenses and changes in fund net position, and a statement of cash flows. Since the Corporation only uses one fund for its operations, the entity wide and the fund presentation information is the same.

## Financial Analysis

An analysis of 2021 and 2020 is presented below:

	2021	2020	Increase (Decrease)
Current and other assets	\$ 6,115	\$ 8,536	\$ (2,421)
Land held for resale	1,055,622	705,838	349,784
Total assets	<u>1,061,737</u>	<u>714,374</u>	<u>347,363</u>
Net position			
Unrestricted	<u>1,061,737</u>	<u>714,374</u>	<u>347,363</u>
Total net position	<u><u>\$1,061,737</u></u>	<u><u>\$714,374</u></u>	<u><u>\$347,363</u></u>

**Newburgh Heights Community Improvement Corporation**

*Cuyahoga County*

*Management's Discussion and Analysis*

*For the year ended December 31, 2021*

***Changes in Net Position***

The following table shows the changes in fund net position for the fiscal years 2021 and 2020:

	2021	2020	Increase (Decrease)
<b>Operating revenues:</b>			
Purchase of land	\$ -	\$ 1,000	\$ (1,000)
Rental income	3,000	-	3,000
Other	264	177	87
<i>Total operating revenues</i>	<u>3,264</u>	<u>1,177</u>	<u>2,087</u>
<b>Operating expenses:</b>			
<i>Support services:</i>			
Contractual services	\$ 11,900	\$ 37,550	\$ (25,650)
Real estate taxes	43,156	12,431	30,725
Professional fees	10,135	5,785	4,350
Utilities	296	1,569	(1,273)
Transfer fees	1,443	-	1,443
Miscellaneous	675	515	160
<i>Total support services</i>	<u>67,605</u>	<u>57,850</u>	<u>9,755</u>
<i>Total operating expenses</i>	<u>67,605</u>	<u>57,850</u>	<u>9,755</u>
<i>Operating loss</i>	(64,341)	(56,673)	(7,668)
<b>Nonoperating revenues:</b>			
Intergovernmental	411,704	411,094	610
<i>Total nonoperating revenues</i>	<u>411,704</u>	<u>411,094</u>	<u>610</u>
<i>Change in net position</i>	<u>\$ 347,363</u>	<u>\$ 354,421</u>	<u>\$ (7,058)</u>
<i>Net position at beginning of year</i>	<u>714,374</u>	<u>359,953</u>	<u>354,421</u>
<i>Net position at end of year</i>	<u>\$ 1,061,737</u>	<u>\$ 714,374</u>	<u>\$ 347,363</u>

Total expenses were \$67,605 during 2021. The primary expenses were contractual services and real estate taxes.

**Newburgh Heights Community Improvement Corporation**  
*Cuyahoga County*  
*Management's Discussion and Analysis*  
*For the year ended December 31, 2021*

---

**Non-Current Assets and Debt Administration**

***Land Held for Resale***

At the end of 2021, the Corporation had \$1,055,622 in land held for resale. The following table shows the 2021 balance:

	<u>2021</u>
Land held for resale	<u>\$1,055,622</u>
Total land held for resale	<u><u>\$1,055,622</u></u>

Additional information on the Corporation's land held for resale can be found in Note 3.

**Debt**

Currently, the Corporation does not have any debt obligations.

**Current Financial Issues and Concerns**

At December 31, 2021, the Corporation had a total net position of \$1,061,737. Management continues to monitor all activity affecting the condition of the Corporation.

The Corporation will continue to assist other local businesses with activities to attract new business for the Village. This and the continual review of properties for development will be the Corporation's focus.

**Request for Information**

This financial report is designed to provide the citizens, taxpayers, and consumers of the Village of Newburgh Heights with a general overview of the Corporation's financial position. If you have any questions about this report or need additional financial information, contact Cathleen Nagorski, Newburgh Heights Community Improvement Corporation Treasurer, 3801 Harvard Avenue, Newburgh Heights, Ohio 44105, (216) 641-2717.

*This page is intentionally left blank.*



**Newburgh Heights Community Improvement Corporation**

*Cuyahoga County*

*Statement of Net Position*

*December 31, 2021*

---

**Assets**

*Current assets:*

Cash	\$ 6,115
Land held for resale	<u>1,055,622</u>

<i>Total assets</i>	<u><u>1,061,737</u></u>
---------------------	-------------------------

**Net position**

Unrestricted	<u>1,061,737</u>
--------------	------------------

<i>Total net position</i>	<u><u>\$ 1,061,737</u></u>
---------------------------	----------------------------

*The accompanying notes are an integral part of these financial statements.*

**Newburgh Heights Community Improvement Corporation**  
*Cuyahoga County*  
*Statements of Revenues, Expenses and Changes in Fund Net Position*  
*For the Year Ended December 31, 2021*

<b>Operating revenues:</b>	
Rental income	\$ 3,000
Miscellaneous	264
	3,264
<i>Total operating revenues</i>	
<b>Operating expenses:</b>	
<i>Support services:</i>	
Contractual services	11,900
Real estate taxes	43,156
Professional fees	10,135
Utilities	296
Transfer fees	1,443
Miscellaneous	675
	67,605
<i>Total support services</i>	67,605
<i>Total operating expenses</i>	67,605
<i>Operating loss</i>	(64,341)
<b>Nonoperating revenues:</b>	
Intergovernmental	411,704
	411,704
<i>Total non-operating revenues</i>	411,704
<i>Change in net position</i>	347,363
<i>Net position at beginning of year</i>	714,374
<i>Net position at end of year</i>	\$ 1,061,737

*The accompanying notes are an integral part of these financial statements.*

**Newburgh Heights Community Improvement Corporation**

*Cuyahoga County*

*Statement of Cash Flows*

*For the Year Ended December 31, 2021*

---

<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 3,000
Cash received for excess closing funds	264
Cash payments to suppliers for goods and services	<u>(417,389)</u>
<i>Net cash used for operating activities</i>	<u>(414,125)</u>
<b>Cash flows from capital and related financing activities:</b>	
Intergovernmental proceeds	<u>411,704</u>
<i>Net cash provided by capital and related financing activities</i>	<u>411,704</u>
<i>Net increase in cash and cash equivalents</i>	(2,421)
<i>Cash and cash equivalents at beginning of year</i>	<u>8,536</u>
<i>Cash and cash equivalents at end of year</i>	<u><u>\$ 6,115</u></u>
<b>Reconciliation of operating loss to net cash used for operating activities:</b>	
Operating gain (loss)	\$ (64,341)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Change in assets and liabilities:	
(Increase) decrease in assets:	
Land held for resale	<u>(349,784)</u>
Net cash used for operating activities	<u><u>\$ (414,125)</u></u>

*The accompanying notes are an integral part of these financial statements.*

*This page is intentionally left blank.*

**Newburgh Heights Community Improvement Corporation**

*Cuyahoga County*

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2021*

---

**Note 1 – Summary of Significant Accounting Policies**

***Reporting Entity***

The Newburgh Heights Community Improvement Corporation (the “Corporation”) is a not-for-profit corporation that was formed on March 29, 2017 in the State of Ohio. The Corporation is a community improvement corporation as defined in Chapter 1724 of the Ohio Revised Code.

The sole purpose for which the corporation was formed was to advance, encourage, and promote the industrial, commercial, and civic development of the Village of Newburgh Heights, Ohio by acting as a designated agency of the Village, for the industrial, commercial, distribution, and research development in such political subdivision in accordance with Section 1724.10 of the Ohio Revised Code.

In accordance with Chapter 1724 of the Ohio Revised Code, not less than two-fifths of the Board of Trustees of the Corporation, is composed of appointed or elected officers of the Village of Newburgh Heights and at least one officer of the Village of Newburgh Heights.

***Basis of Presentation***

The Corporation’s basic financial statements consist of a statement of net position, a statement of revenues, expenses and changes in fund net position, and a statement of cash flows.

The Corporation uses a single enterprise fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of the change in net position, financial position and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

***Measurement Focus***

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets, liabilities, deferred outflows of resources and deferred inflows of resources associated with the operation of the Corporation are included on the statement of net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in the net total position. The statement of cash flows provides information about how the Corporation finances and meets the cash flow needs of its enterprise activity.

***Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The Corporation’s financial statements are prepared using the accrual basis of accounting.

Revenue is recorded on the accrual basis when the exchange takes place. Expenses are recognized at the time they are incurred.

**Newburgh Heights Community Improvement Corporation**

*Cuyahoga County*

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2021*

---

**Note 1 – Summary of Significant Accounting Policies (continued)**

***Cash and Cash Equivalents***

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturity of three months or less from the date of acquisition.

***Donated Property***

Donations of property are recorded as contributions at their estimated acquisition value at the date of donation. Such donations are reported as increases in invested in capital assets unless the donor has restricted such assets for specific purposes or management’s intention is to sell the property.

***Net Position***

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Corporation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Corporation applies restricted resources first when as expense is incurred for purposes for which both restricted and unrestricted net positions are available. The Corporation did not have any restricted net position for 2021.

***Depreciation***

Property, plant and equipment are carried at cost with depreciation computed on the straight-line method. The Corporation does not currently have a capitalization threshold. The following guideline years have been used in computing depreciation:

Buildings	10 - 39 years
Fixtures and equipment	10 - 39 years

There was no depreciation expense for 2021, as the Corporation has yet to purchase any depreciable capital assets.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting standards requires management to make estimates and assumptions that affect the 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 these estimates.

**Newburgh Heights Community Improvement Corporation**

*Cuyahoga County*

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2021*

---

**Note 1 – Summary of Significant Accounting Policies (continued)**

***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded. There were no prepaid items at December 31, 2021.

***Investments***

For purposes of the statement of cash flows and for presentation on the statement of net position, investments with an original maturity of three months or less at the time of purchase are reported as cash equivalents on the financial statements.

During 2021, all cash was held in demand deposits and the Corporation did not have any investments.

**Note 2 – Deposits and investments**

***Deposits***

Custodial credit risk is the risk that in the event of bank failure, the Corporation's deposits may not be returned to it. Protection of the Corporation's cash and deposits is provided by the Federal Deposit Insurance Corporation.

The carrying amount and bank balance of the Corporation's deposits at December 31, 2021 were \$6,115. Of the bank balances, none of the monies were collateralized with securities held by the pledging financial institutions trust department or agent but not in the Corporation's name.

**Note 3 – Land Held for Resale**

The Corporation has land held for resale in the amount of \$1,055,622. This land is intended to be sold later for economic development purposes.

**Note 4 – Subsequent Events/Contingencies**

Management believes there are no pending claims or lawsuits that could significantly adversely affect the Corporation.

**This page intentionally left blank.**



# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
(800) 282-0370

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

Newburgh Heights Community Improvement Corporation  
Cuyahoga County  
3801 Harvard Avenue  
Newburgh Heights, Ohio 44145

To the Board of Trustees:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the Newburgh Heights Community Improvement Corporation, Cuyahoga County, (the Corporation) as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated September 29, 2023.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

September 29, 2023

# OHIO AUDITOR OF STATE KEITH FABER



**NEWBURGH HEIGHTS COMMUNITY IMPROVEMENT CORPORATION**

**CUYAHOGA COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 11/9/2023**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)