



Dave Yost • Auditor of State

COMMUNITY IMPROVEMENT CORPORATION OF TUSCARAWAS COUNTY
TUSCARAWAS COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Community Improvement Corporation of Tuscarawas County
Tuscarawas County
1776 Tech Park Dr. NE, Suite 102
New Philadelphia, Ohio 44663

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the Community Improvement Corporation of Tuscarawas County, Tuscarawas County, Ohio (the Organization), (a not-for-profit corporation), which comprise the statement of financial position, the related statements of activities and cash flows, as of and for the years ended October 31, 2015 and 2014, 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 those risks of financial statement material misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Organization'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 Organization'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 overall financial statement presentation.

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

Basis for Qualified Opinion

As discussed in Note G to the financial statements, management has not recorded certain intangible capital assets relating to mineral rights owned by the Organization. Accounting principles generally accepted in the United States of America require those intangible capital assets be capitalized, which would increase the assets and net assets of the Organization. We cannot reasonably determine the amounts by which this departure would affect the assets and net assets of the Organization.

Qualified Opinion

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Community Improvement Corporation of Tuscarawas County, Tuscarawas County, Ohio, as of October 31, 2015 and 2014, and the changes in its financial position and its cash flows thereof, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2016, on our consideration of the Organization'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 Organization's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

September 15, 2016

COMMUNITY IMPROVEMENT CORPORATION OF TUSCARAWAS COUNTY
 STATEMENTS OF FINANCIAL POSITION
 OCTOBER 31, 2015 AND 2014

ASSETS

	2015	2014
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 16,870	\$ 24,730
Accounts Receivable - TedNet	9,040	1,988
Accounts Receivable - Marketing	1,650	0
Notes Receivable - Tuscarawas Sci Tech Corp	5,223	6,460
Total Current Assets	32,783	33,178
PROPERTY AND EQUIPMENT		
Land & Improvements	507,170	507,170
Office Equipment	41,235	41,935
Sign	1,629	1,629
	550,034	550,734
Less - Accumulated Depreciation	9,602	3,381
Total Capital Assets	540,432	547,353
OTHER ASSETS		
Workers' Compensation Deposit	1,000	1,000
Management Agreement with Tuscarawas Sci Tech Corp	1	1
Total Other Assets	1,001	1,001
TOTAL ASSETS	\$ 574,216	\$ 581,532

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 10,500	\$ 0
Deferred Revenue - Sponsorships	1,650	0
Accrued Payroll Taxes	1,011	1,020
Note Payable - First Federal Community Bank	0	39,965
Total Current Liabilities	13,161	40,985
LONG-TERM LIABILITIES		
Notes Payable - Tuscarawas County Commissioners	125,000	125,000
NET ASSETS		
Unrestricted Net Assets	436,055	415,547
TOTAL LIABILITIES AND NET ASSETS	\$ 574,216	\$ 581,532

The notes to the financial statements are an integral part of these statements.

COMMUNITY IMPROVEMENT CORPORATION OF TUSCARAWAS COUNTY
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
TWELVE MONTHS ENDED OCTOBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
REVENUE		
Grants & Donations	\$ 139,150	\$ 150,000
Grant - Ohio Job Ready Sites		
Tolloty Technology Incubator Project	455,980	1,365,820
TedNet	16,320	40
Royalties	201	402
Other Income - Sponsorships	3,850	2,004
Interest Income	223	0
Total Revenue	<u>615,724</u>	<u>1,518,266</u>
EXPENSES		
Wages	77,000	77,000
Taxes - Payroll	6,099	6,043
Taxes - Real Estate	43	64
Depreciation	8,191	624
Meetings & Seminars	444	810
Rent	0	1
Technology Park Expense	34,890	6,764
Professional Fees	8,692	15,776
Insurance	5,417	4,448
Insurance - Workers' Compensation	320	381
Interest	724	1,828
Membership Dues	404	218
Miscellaneous	251	44
Office Supplies & Postage	1,739	1,821
Telephone	1,429	999
Travel	1,542	1,417
Advertising & Marketing	25,712	5,990
Tolloty Technology Incubator Project	422,319	1,372,070
Total Expenses	<u>595,216</u>	<u>1,496,298</u>
CHANGE IN NET ASSETS	20,508	21,968
NET ASSETS - BEGINNING OF YEAR	<u>415,547</u>	<u>393,579</u>
NET ASSETS - END OF YEAR	<u>\$ 436,055</u>	<u>\$ 415,547</u>

The notes to the financial statements are an integral part of these statements.

COMMUNITY IMPROVEMENT CORPORATION OF TUSCARAWAS COUNTY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED OCTOBER 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 20,508	\$ 21,968
Depreciation	8,191	624
Net (Increase) Decrease in Accounts and Other Receivables	(7,465)	343,624
Net Increase in Accrued Expenses	12,141	928
Net Cash Provided by (Used in) Operating Activities	33,375	367,144
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Assets	(1,270)	(39,965)
Net Cash Provided by (Used in) Investing Activities	(1,270)	(39,965)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Notes Payable	0	39,965
Payment of Notes Payable	(39,965)	(345,582)
Net Cash Used in Financing Activities	(39,965)	(305,617)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,860)	21,562
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	24,730	3,168
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 16,870	\$ 24,730

The notes to the financial statements are an integral part of these statements.

COMMUNITY IMPROVEMENT CORPORATION OF TUSCARAWAS COUNTY
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2015 AND 2014

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Community Improvement Corporation of Tuscarawas County (CIC or The Organization) was formed to advance, encourage and promote the industrial, economic and civic development of Tuscarawas County.

Basis of Accounting

The financial statements of the Organization are prepared using 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, 2015 and 2014.

Accounts Receivable

The Organization uses the reserve method of accounting for doubtful accounts. The allowance for doubtful accounts is calculated based on prior experience and the age of the account as of the Statement of Financial Position date. The allowance for doubtful accounts was \$0 for the years ended October 31, 2015 and 2014.

Property and Equipment

Property and Equipment are carried at cost. Depreciation is provided over the useful lives of the related assets. Maintenance and repairs are charged to operations when incurred. Renewals and betterments of a nature considered to materially extend the useful lives of the assets capitalized. When assets are retired or otherwise disposed of, the assets and related allowance for depreciation are eliminated from the accounts and any resulting gain or loss is reflected in income. Depreciation for financial reporting purposes is based on the following policies:

<u>Description</u>	<u>Useful Life</u>	<u>Method</u>
Land and Improvements	10-30 years	Straight Line
Office Equipment	3 - 8 years	Straight Line

Donations

All donations received are considered to be available for unrestricted use unless specifically restricted by donor.

COMMUNITY IMPROVEMENT CORPORATION OF TUSCARAWAS COUNTY
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2015 AND 2014

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and disclosures. Accordingly, the actual results could differ from those estimates.

Cash Equivalents

For the purposes of the Statements of Cash Flows, the Organization considers all highly liquid debt instruments purchased with a maturity date of three months or less to be cash equivalents. Fair values approximate carrying amounts.

Advertising Costs

The Organization expenses the production costs of advertising the first time the advertising takes place.

Date of Management's Review

Management has evaluated subsequent events through September 15, 2016, the date on which the financial statements were available to be issued.

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. Therefore, no provision has been made for Federal or Ohio income taxes in the accompanying financial statements.

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

NOTE C: COMPENSATED ABSENCES

Employees of the Organization are entitled to paid vacation and paid sick days, depending of job classification, length of service and other factors. It is impractical to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the cost of compensated absences when actually paid to employees. Management estimates that this method does not materially impact the financial statements.

NOTE D: RENTAL AGREEMENTS

The Organization leases office space, secretarial services and equipment from the Tuscarawas County University Branch District, dba Kent State University at Tuscarawas. The rent is \$1 per year.

COMMUNITY IMPROVEMENT CORPORATION OF TUSCARAWAS COUNTY
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2015 AND 2014

NOTE E: NOTE RECEIVABLE – TUSCARAWAS SCI TECH CORP

The Organization loaned Tuscarawas Sci Tech Corp \$6,460. The loan was to be repaid on December 31, 2014 along with interest compounded at 3.25%. At October 31, 2015, the balance still outstanding is \$5,000, excluding interest of \$223. The total amount due at October 31, 2015 was \$5,223.

NOTE F: LAND HELD FOR RESALE

The Organization owns the land known as the Tuscarawas Regional Technology Park. Approximately 170 acres of land is available for sale as of October 31, 2015. Infrastructure improvements have been made to the unimproved land. The City of New Philadelphia maintains the streets and water lines. All proceeds from the sales of the parcels go to the Organization. Land held for resale is included on the Statement of Financial Position as Land and Improvements.

NOTE G: MINERAL RIGHTS

The Organization owns mineral rights for six real estate parcels in Tuscarawas County, Ohio. The Organization owns the land for three of the six parcels. The leadership of the organization believes due to market conditions the mineral rights have no value. Assigning value would be entirely arbitrary and, if presented in the financial statements, be misleading to the reader of the statements. As a result the Organization feels that assigning no value to these mineral rights does not materially misstate the financial statements.

NOTE H: NOTE PAYABLE – FIRST FEDERAL COMMUNITY BANK

On March 15, 2013, the Organization entered into a loan agreement with First Federal Community Bank to provide a line of credit for \$250,000. The interest rate is 4%. The loan proceeds are being used to advance funds for construction expenditures at the Tolloty Technology Center. The advances are then reimbursed dollar for dollar from the Ohio Job Ready Sites grant with those proceeds being immediately paid on the amount owed to First Federal Community Bank. As of October 31, 2015 and 2014, the Organization had borrowed \$0 and \$39,965 on the line of credit.

NOTE I: NOTE PAYABLE – TUSCARAWAS COUNTY COMMISSIONERS

During May 2010, the Organization obtained a \$75,000 loan from the Tuscarawas County Commissioners. The interest rate is 0%. The note originally was to mature on November 18, 2011; however, it was renewed until November 18, 2012. On November 18, 2012, the Organization paid \$25,000 on the principal. The remaining \$50,000 was renewed until November 18, 2013. On November 18, 2013 the \$50,000 was renewed until November 18, 2016.

On February 4, 2011, the Organization obtained a \$75,000 loan from the Tuscarawas County Commissioners. The interest rate is 0%. The note matured on February 4, 2014. On February 4, 2014, the \$75,000 loan was renewed until February 4, 2017.

COMMUNITY IMPROVEMENT CORPORATION OF TUSCARAWAS COUNTY
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2015 AND 2014

NOTE I: NOTE PAYABLE – TUSCARAWAS COUNTY COMMISSIONERS(CONTINUED)

On May 21, 2012, the Organization entered into a revolving line of credit agreement with the Tuscarawas County Commissioners to provide a line of credit of \$250,000. The interest rate is 5%. The loan proceeds are being used to advance funds for the construction expenditures at the Tolloty Technology Center. The advances are then reimbursed dollar for dollar from the Ohio Job Ready Sites grant with those proceeds being immediately paid on the amount owed on the line of credit to the Tuscarawas County Commissioners. As of October 31, 2015 and 2014, the Organization did not owe anything on the line of credit.

NOTE J: OHIO JOB READY SITE GRANT

The Community Improvement Corporation of Tuscarawas County (CIC) received \$2,291,112 from the Ohio Job Ready Sites Grant program.

The CIC partnered with the Tuscarawas County University Branch District, dba Kent State University at Tuscarawas and Kent State University on the construction of the Tolloty Technology Incubator. The CIC committed all of the grant funds to the development of the Incubator, with a total cost of approximately \$5,600,000. The construction project began in April 2013, with Kent State University at Tuscarawas taking possession of the building in May 2014. The United States Economic Development Administration (EDA) and Ohio Job Ready Sites (JRS) grants were closed-out on this project in the summer of 2015.

The agreement with the Tuscarawas County University Branch District provides that the Tolloty Technology Incubator will be owned by the Tuscarawas County University Branch District, dba Kent State University at Tuscarawas and the CIC will manage the day to day operations of the facility under a contract with the Tuscarawas County University Branch District.

NOTE K: CONCENTRATION OF CREDIT RISK AND OFF BALANCE SHEET RISK

The Organization maintains its programs within Tuscarawas County, Ohio geographical area. The performance of their operational activities are dependent on the performance of participating companies. The results of these companies and the operations of the Organization's projects are dependent on the economic conditions of the local trade area.

Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of temporary cash investments. The Organization places its temporary cash investments with local financial institutions. The account at the institutions is insured by the Federal Deposit Insurance Corporation (FDIC). During the years of October 31, 2015 and 2014, the Organization did not have any uninsured bank balances.

COMMUNITY IMPROVEMENT CORPORATION OF TUSCARAWAS COUNTY
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2015 AND 2014

NOTE L: ENVIRONMENTAL REMEDIATION LOSS CONTINGENCY

The CIC is a responsible party on a United States Army Corp of Engineers After-the-Fact Nationwide Permit regarding wetland reclamation on .348 acre within the Tuscarawas Regional Technology Park. Although a loss is probable, it is not possible to reasonably estimate the amount of any obligation for remediation that would be material to the CIC's financial statements at October 31, 2015 and 2014.



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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 Tuscarawas County
Tuscarawas County
1776 Tech Park Dr. NE, Suite 102
New Philadelphia, Ohio 44663

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 Tuscarawas County, Tuscarawas County, Ohio (the Organization), as of and for the years ended October 31, 2015 and 2014, and the related notes to the financial statements, and have issued our report thereon dated September 15, 2016, wherein we noted the Organization has not recorded certain intangible capital assets relating to mineral rights owned by the Organization.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Organization'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 Organization'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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings that we consider material weaknesses. We consider Findings 2015-001 and 2015-002 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Organization'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*.

Organization's Response to Findings

The Organization's responses to the Findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the Organization's responses and, accordingly, we express no opinion on them.

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 Organization's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

September 15, 2016

**COMMUNITY IMPROVEMENT CORPORATION OF TUSCARAWAS COUNTY
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
OCTOBER 31, 2015 AND 2014**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2015-001

Material Weakness

The Community Improvement Corporation of Tuscarawas County (the Organization) owned the mineral rights to six parcels in Tuscarawas County (County). The Organization owned the land to three parcels and did not own the land for the remaining three parcels. For the three parcels where the Organization owns the mineral rights and not the land, the Organization was required to report the value of the mineral rights as an intangible asset on the financial statements. However, the Organization elected to value the mineral rights as \$0. As a result, the financial statements may be materially misstated. The opinion on the financial statements has been qualified for this reason. For the remaining three parcels that the Organization owned and for which it maintained the mineral rights, no additional valuation was required due to the Organization's ownership of the land.

The Organization should hire a specialist to determine what value, if any, the mineral rights have for the three parcels to which the Organization maintains only mineral rights. The Organization should maintain that documentation and report the value of the mineral rights as an intangible asset on their financial statements. This will help ensure the financial statements are presented fairly.

Official's Response: In the past the CIC has sought the opinion of local oil and gas leasing companies and they have advised that valuation of lease interests is very difficult, and subjective considering the numerous variables. These professionals also advised the appraisers of oil and gas leases are sparse and very expensive.

In the view of local oil and gas lease companies and the CIC Board, any valuation of substantial value is purely speculative, given the tenuous nature of royalty projections from Utica leases in Tuscarawas County. The leadership of the organization believes due to market conditions the mineral rights have no value. Assigning value would be entirely arbitrary and, if presented in the financial statements, be misleading. This could cause a financial statement user to make a decision based on information (i.e. future income) that has no chance of coming to fruition. Further, leadership is concerned that the cost-benefit of hiring a professional to provide a proper determination of fair market value does not make it good stewards of the limited funds the CIC has.

FINDING NUMBER 2015-002

Material Weakness

The Organization should maintain an accounting system and accounting records sufficient to enable the Organization to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements in accordance with generally accepted accounting principles.

As a result of audit procedures performed, errors were noted in the Organization's financial statements and GAAP conversion that required audit adjustments and reclassifications as follows:

**COMMUNITY IMPROVEMENT CORPORATION OF TUSCARAWAS COUNTY
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
OCTOBER 31, 2015 AND 2014
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2015-002 (Continued)

Material Weakness (Continued)

- For 2014, Grant – Ohio Job Ready Sites revenue and Tolloty Technology Incubator Project expenses were understated by \$193,870. This occurred due to the manner in which activity was recorded in the Organization’s accounting system. Grant revenue was recorded as an increase in cash and a decrease in receivables. Cash was decreased and the receivable was increased to net the receivable to zero when payment was made from grant revenue. As a result, revenues and expenses were not reported.
- For 2015, Notes Payable – Tuscarawas County Commissioners of \$125,000 was incorrectly reported as a current liability instead of a long term liability. Notes were due in fiscal year 2017, or more than one year after the fiscal year end date.
- For 2015, grant activity related to the Tolloty Technology Incubator Project (Tolloty Project) was not reported. This occurred due to the manner in which activity was recorded in the Organization’s accounting system. Grant revenue was recorded as an increase in cash and a decrease in receivables. Cash was decreased and the receivable was increased to net the receivable to zero when payment was made from grant revenue. As a result, revenues and expenses were not reported. Additionally, the Organization paid for the broadband communications center of the Tolloty Project. The Organization received a reimbursement for the monies spent; when received, the Organization decreased the asset and increased cash. However, as the Organization owned and operates the broadband communications center, the asset should not have been decreased. This resulted in the following differences on the financial statements:
 - Grant – Ohio Job Ready Site revenue was understated by \$455,980;
 - Tolloty Technology Incubator Project Expense was understated by \$416,015;
 - Office Equipment was understated by \$39,965;
 - Accumulated Depreciation was understated by \$8,454;
 - Depreciation Expense was understated by \$7,993;
 - Gain on the Disposal of Capital Assets was overstated by \$461; and
 - Unrestricted Net Assets was understated by \$31,511.

Sound financial reporting is the responsibility of the Organization and is essential to ensure the information provided to the readers of the financial statement is complete and accurate. The financial statements and accounting system have been adjusted accordingly.

To help ensure the financial statements and notes to the financial statements are complete and accurate, the Organization should adopt policies and procedures to identify and correct errors and omissions.

Official’s Response: The financial statements will be corrected to properly state these items. Due to the transition in treasurers and accounting firms, these items were stated inconsistently from 2014 to 2015. The grant was completed prior to the new treasurer and accountant beginning their responsibilities and the history supporting the entries and need to record the entries did not transfer. In the future should there be another transition, the executive director will work to facilitate a meeting among the parties to avoid a loss of information.

**COMMUNITY IMPROVEMENT CORPORATION OF TUSCARAWAS COUNTY
TUSCARAWAS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OCTOBER 31, 2015 AND 2014**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2013-001	Mineral rights were omitted from reporting on the financial statements, understating intangible assets.	No	Repeated as Finding 2015-001
2013-002	Misstatements were noted in the reporting of certain revenue and expenses.	No	Repeated as Finding 2015-002

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Dave Yost • Auditor of State

COMMUNITY IMPROVEMENT CORPORATION OF TUSCARAWAS COUNTY

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 27, 2016**