

**COMMUNITY IMPROVEMENT CORPORATION OF NEWCOMERSTOWN  
TUSCARAWAS COUNTY**

**Audit Report**

**For the Years Ended December 31, 2017 and 2016**





OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Trustees  
Community Improvement Corporation of Newcomerstown  
PO 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, 2017 through December 31, 2017. 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 black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

August 29, 2019

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**COMMUNITY IMPROVEMENT CORPORATION OF NEWCOMERSTOWN  
TUSCARAWAS COUNTY  
Audit Report  
For the Years Ended December 31, 2017 and 2016**

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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:

We have audited the accompanying financial statements of the Community Improvement Corporation of Newcomerstown, Tuscarawas County, Ohio (the CIC) (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2017 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express our opinions on these financial statements based on our audits. We conducted our audits 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 that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 for the purpose of expressing an opinion on the effectiveness of the CIC's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Community Improvement Corporation of Newcomerstown, Tuscarawas County, Ohio as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows 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 June 24, 2019 on our consideration of the CIC'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 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 CIC'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 CIC's internal control over financial reporting and compliance.



*Charles E. Harris & Associates, Inc.*  
June 24, 2019



COMMUNITY IMPROVEMENT CORPORATION OF NEWCOMERSTOWN  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2017 AND 2016

<u>ASSETS</u>		<u>2017</u>	<u>2016</u>
<b>CURRENT ASSETS</b>			
Cash			
Checking - Huntington National Bank	\$	340,262	\$ 362,040
Checking - Chase		34,480	34,480
Money Market - Huntington National Bank		10,354	10,349
Certificate of Deposit - Huntington National Bank		48,876	48,803
Total Cash		<u>433,972</u>	<u>455,672</u>
Rent Receivable		575	575
Total Current Assets		<u>434,547</u>	<u>456,247</u>
<b>PROPERTY AND EQUIPMENT</b>			
Land		1,773,522	1,773,522
<b>OTHER ASSETS</b>			
Prepaid Insurance		<u>1,198</u>	<u>1,173</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>2,209,267</u></b>	<b>\$ <u>2,230,942</u></b>

LIABILITIES AND NET ASSETS

<b>LIABILITIES</b>			
Current			
Accrued Interest	\$	316,131	\$ 350,888
Note Payable - Tuscarawas County		<u>1,494,145</u>	<u>1,494,145</u>
Total Current Liabilities		1,810,276	1,845,033
<b>NET ASSETS</b>			
Unrestricted Net Assets			
Operating		<u>398,991</u>	<u>385,909</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b><u>2,209,267</u></b>	<b>\$ <u>2,230,942</u></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, 2017 AND 2016

	2017	2016
REVENUE		
Interest Income	\$ 78	\$ 144
House Rental Income	6,900	6,900
Farm Rental Income	38,704	27,410
Royalty Income	211	69
Total Revenue	45,893	34,523
 EXPENSES		
Audit Fees	4,652	20
Professional Fees	9,984	17,016
Crop Reimbursement	3,947	2,649
Donations	240	0
Insurance	1,173	1,136
Meetings	0	45
Mowing and Maintenance	285	2,283
Office Expense	21	0
Real Estate Taxes	9,733	7,200
Rent	1,854	820
Repairs	922	0
Total Expenses	32,811	31,169
 CHANGE IN NET ASSETS	 13,082	 3,354
 NET ASSETS - BEGINNING OF YEAR	 385,909	 382,555
 NET ASSETS - END OF YEAR	 \$ 398,991	 \$ 385,909

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

COMMUNITY IMPROVEMENT CORPORATION OF NEWCOMERSTOWN  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 13,082	\$ 3,354
Net (Increase) Decrease in Accounts and Other Receivables	0	63
Net Increase in Prepayments	(25)	(37)
Net Increase (Decrease) in Accounts Payable	0	(841)
Net Cash Provided by Operating Activities	<u>13,057</u>	<u>2,539</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of Accrued Interest	<u>(34,757)</u>	<u>(27,410)</u>
Net Cash Used in Financing Activities	<u>(34,757)</u>	<u>(27,410)</u>
 NET DECREASE IN CASH AND CASH EQUIVALENTS	(21,700)	(24,871)
 CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>455,672</u>	<u>480,543</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 433,972</u>	<u>\$ 455,672</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

COMMUNITY IMPROVEMENT CORPORATION OF NEWCOMERSTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

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, 2017 and 2016.

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.

Date of Management's Review

Management has evaluated subsequent events through June 24, 2019, 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.

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, 2017 AND 2016

NOTE C: NOTE PAYABLE

For the years ended December 31, 2017 and 2016, the CIC has a note payable to the Board of Tuscarawas County Commissioners in the amount (principal and accrued interest) of \$1,810,276 and \$1,845,033, respectively. The original note was for \$2,200,000 plus accrued interest and matured on December 8, 2017, however, the CIC obtained an extension to December 8, 2018. 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, 2017 and 2016, the CIC's uninsured balances totaled \$149,492 and \$171,192, 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 settled 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. In 2017, the CIC has also entered into a lease agreement with Wen Mar Farms, Inc. for approximately 144 acres of property in Oxford Township.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH 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 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, the financial statements of the Community Improvement Corporation of Newcomerstown, Tuscarawas County, Ohio (the CIC) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 24, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered CIC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CIC's internal control. Accordingly, we do not express an opinion on the effectiveness of the CIC'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 CIC'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 may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the CIC'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 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 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 CIC'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 CIC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



*Charles E. Harris & Associates, Inc.*

June 24, 2019

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# OHIO AUDITOR OF STATE KEITH FABER



**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, 2019**