



**NEWARK DEVELOPMENT PARTNERS
COMMUNITY IMPROVEMENT CORPORATION
LICKING COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2014-2013



Dave Yost • Auditor of State

**NEWARK DEVELOPMENT PARTNERS
COMMUNITY IMPROVEMENT CORPORATION
LICKING COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Statements of Net Assets – For the Years Ended December 31, 2014 and 2013	3
Statements of Receipts, Disbursements, and Changes in Net Position – For the Years Ended December 31, 2014 and 2013	4
Statements of Cash Flows – For the Years ended December 31, 2014 and 2013	5
Notes to the Financial Statements	7
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	9
Schedule of Findings.....	11

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INDEPENDENT AUDITOR'S REPORT

Newark Development Partners
Community Improvement Corporation
Licking County
50 West Locust Street
Newark, Ohio 43055

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of Newark Development Partners Community Improvement Corporation, Licking County, Ohio (the Corporation) (a not-for-profit corporation), which comprise the statement of net assets, the statement of receipts, disbursements and change in net assets and statement of cash flows, as of and for the years ended December 31, 2014 and 2013, 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 Corporation'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 Corporation'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Newark Development Partners Community Improvement Corporation, Licking County, Ohio as of December 31, 2014 and 2013, and the changes in its 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2016, 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. 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 Corporation's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State
Columbus, Ohio

January 19, 2016

**NEWARK DEVELOPMENT PARTNERS
COMMUNITY IMPROVEMENT CORPORATION
LICKING COUNTY**

**STATEMENTS OF NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 44,472	\$ 21,293
Prepays	34	34
Accounts Receivable	5,000	-
Total Assets	49,506	21,327
Liabilities		
Accrued Payroll	2,431	2,354
Accounts Payable	475	7,809
Total Liabilities	2,906	10,163
Net Assets		
Unrestricted	46,600	11,164
Total Liabilities and Net Assets	\$ 49,506	\$ 21,327

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

**NEWARK DEVELOPMENT PARTNERS
COMMUNITY IMPROVEMENT CORPORATION
LICKING COUNTY**

**STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
Operating Receipts		
Contributions	\$ 164,200	\$ 51,000
Grants	83,311	36,391
Miscellaneous	613	1,174
	<u>248,124</u>	<u>88,565</u>
Operating Disbursements		
General	200,283	64,729
Contractual Services	9,314	11,512
Supplies	925	612
Other	2,166	548
	<u>212,688</u>	<u>77,401</u>
<i>Total Operating Receipts</i>	<u>248,124</u>	<u>88,565</u>
<i>Increase in Net Assets</i>	<u>35,436</u>	<u>11,164</u>
<i>Net Assets Beginning of Year</i>	<u>11,164</u>	<u>-</u>
<i>Net Assets End of Year</i>	<u>\$ 46,600</u>	<u>\$ 11,164</u>

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

**NEWARK DEVELOPMENT PARTNERS
COMMUNITY IMPROVEMENT CORPORATION
LICKING COUNTY**

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
Cash Flows from Operating Activities		
Increase in Net Assets	\$ 35,436	\$ 11,164
Adjustments to reconcile change in net assets to net cash Provided by Operating Activities:		
(Increase) in Accounts Receivable	(5,000)	-
(Increase) in Prepaid Expense	-	(34)
Increase (Decrease) in Accounts Payable	(7,257)	10,163
	23,179	21,293
Net Cash Provided by Operating Activities	23,179	21,293
Net Increase in Cash and Cash Equivalents	23,179	21,293
Cash and Cash Equivalents Beginning of Year	21,293	-
Cash and Cash Equivalents End of Year	\$ 44,472	\$ 21,293

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

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**NEWARK DEVELOPMENT PARTNERS
COMMUNITY IMPROVEMENT CORPORATION
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Newark Development Partners Community Improvement Corporation (the Corporation) was incorporated on April 23, 2012. The Corporation is a nonprofit entity which was formed for the specific purpose to advance, encourage, and promote the industrial, economic, commercial, and civic development of Licking County, Ohio, and to relieve County government from the responsibility for economic development functions such as retention and expansion and the enterprise zone/community reinvestment area program. The Board of Director's is made up of the Chamber of Commerce President, the City of Newark Engineer, Development Director, and Public Service Director, an attorney, and executives from local businesses.

The Corporation's management believes these financial statements present all activities for which the Corporation is financially accountable.

B. Accounting Basis

The financial statements of the Corporation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

C. Basis of Presentation

Financial Statement presentation follows the recommendations of the *Financial Accounting Standards Board* in its Statement of Financial Accounting Standards (SFAS) 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117 the Corporation is required to report information regarding its net assets and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of December 31, 2014 and December 31, 2013, net assets of the Corporation is unrestricted.

D. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows and for presentation of the Statement of Net Assets, all cash in checking accounts are considered to be cash and cash equivalents.

E. Income Taxes

The Corporation is a not-for-profit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**NEWARK DEVELOPMENT PARTNERS
COMMUNITY IMPROVEMENT CORPORATION
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

2. Cash

The carrying value of cash deposits at December 31, 2014 and 2013 was \$44,472 and \$21,293, respectively. Deposits are fully insured by the Federal Deposit Insurance Corporation.

3. Restriction of Net Assets

The Corporation did not have any restrictions on cash as of December 31, 2014 and December 31, 2013.

4. Contingent Liabilities

Management believes there are no pending claims or lawsuits.

5. Risk Management

Commercial Insurance

The Corporation has obtained commercial insurance for the following risks:

- General liability;
- Public officials liability

6. Subsequent Event

In June of 2015, the Corporation issued two notes for the White Field Turf Replacement project for Newark City Schools. The first note issued June 1, 2015 for \$350,000 matures December 1, 2015. The second note issued June 17, 2015 for \$600,000 matures June 17, 2020. The notes will be repaid with funds raised through commitments over a three year period.

7. Contributions

The Corporation receives contributions from individuals, governmental entities and private institutions to be used to accomplish the Corporation's purposes.



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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*

Newark Development Partners
Community Improvement Corporation
Licking County
50 West Locust Street
Newark, Ohio 43055

To the Board of Directors:

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 Newark Development Partners Community Improvement Corporation, Licking County, Ohio (the Corporation) (a not-for-profit-corporation) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, and have issued our report thereon dated January 19, 2016.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Corporation'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 Corporation'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 Corporation'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 a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2014-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Corporation's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and 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*.

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



Dave Yost
Auditor of State
Columbus, Ohio

January 19, 2016

**NEWARK DEVELOPMENT PARTNERS
COMMUNITY IMPROVEMENT CORPORATION
LICKING COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013**

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2014-001

Financial Statement Presentation – Material Weakness

Sound financial reporting is the responsibility of the Treasurer and Board of Directors and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. A monitoring system should be in place to prevent or detect material misstatements for the accurate presentation of the Corporation's financial statements.

The following error in financial statement reporting was noted:

Posting Error	2014	2013
Accounts Payable	\$475	\$7,809

Not posting accruals accurately to the ledgers resulted in the financial statements requiring audit adjustments; furthermore, inaccurate accounting records could make it difficult for the Board of Directors to effectively monitor the Corporation's activities or identify misstatements or errors in a timely manner.

We recommend the Corporation's Treasurer take steps to ensure the accurate posting of all transactions to the financial statements. By exercising accuracy in recording financial activity, the Corporation can reduce posting errors and increase the reliability of the financial data throughout the year.

The Corporation's financial statements and accounting records have been adjusted to accurately reflect the audited liability amounts.

Officials' Response:

We did not receive a response from Officials to this finding.

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NEWARK DEVELOPMENT PARTNERS

LICKING 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
FEBRUARY 9, 2016**