

**GROW LICKING COUNTY COMMUNITY IMPROVEMENT CORPORATION
LICKING COUNTY**

**FINANCIAL STATEMENTS
(AUDITED)**

FOR THE YEAR ENDED DECEMBER 31, 2017



Dave Yost • Auditor of State

Board of Directors
Grow Licking County Community Improvement Corporation
50 W. Locus Street
Newark, Ohio 43055

We have reviewed the *Independent Auditor's Report* of the Grow Licking County Community Improvement Corporation, Licking County, prepared by Julian & Grube, 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 Grow Licking County Community Improvement Corporation is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

September 5, 2018

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**GROW LICKING COUNTY COMMUNITY IMPROVEMENT CORPORATION
LICKING COUNTY**

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Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Grow Licking County Community Improvement Corporation
Licking County
50 W. Locus Street
Newark, Ohio 43055

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the Grow Licking County Community Improvement Corporation, Licking County, Ohio, (a not-for-profit corporation), which comprise the statement of financial position as of and for the year ended December 31, 2017, the related statements of activities and cash flows, for the year ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing those risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Grow Licking County Community Improvement 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 Grow Licking County Community Improvement Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Grow Licking County Community Improvement Corporation, Licking County, Ohio, as of December 31, 2017, and the changes in its net assets and its cash flows for the year 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 June 13, 2018, on our consideration of the Grow Licking County Community Improvement 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. While we did not opine on the internal control over financial reporting or on compliance, 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 Grow Licking County Community Improvement Corporation's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc." with a period at the end.

Julian & Grube, Inc.
June 13, 2018

FINANCIAL STATEMENTS

**GROW LICKING COUNTY COMMUNITY IMPROVEMENT CORPORATION
LICKING COUNTY, OHIO**

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

ASSETS

Equity in Pooled Cash and Cash Equivalents	\$ 101,581
Prepaid	36,000
Fixed Assets	<u>6,323</u>
Total Assets	<u><u>\$ 143,904</u></u>

LIABILITIES

Accounts Payable	<u>\$ 944</u>
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NET ASSETS

Unrestricted	<u>\$ 142,960</u>
Total Net Assets	<u><u>\$ 142,960</u></u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**GROW LICKING COUNTY COMMUNITY IMPROVEMENT CORPORATION
LICKING COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

OPERATING REVENUES

Contributions	\$ 320,600
Grants	14,821
Interest	259
Total Operating Revenues	<u>335,680</u>

OPERATING EXPENSES

General	157,141
Contractual Services	148,366
Supplies	6,587
Other	19,774
Total Operating Expenses	<u>331,868</u>

Change in Net Assets 3,812

Net Assets at beginning of year 139,148

NET ASSETS AT END OF YEAR \$ 142,960

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**GROW LICKING COUNTY COMMUNITY IMPROVEMENT CORPORATION
LICKING COUNTY, OHIO**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Change in Net Assets	\$ 3,812
(Increase) Decrease in Accounts Receivable	1,662
(Increase) Decrease in Prepaid Expenses	(132)
Increase (Decrease) in Accounts Payable	944
	<hr/>
Net Cash Provided by (used in) Operating Activities	6,286
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<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Payments for Capital (Furniture & Equipment)	(977)
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Net Cash Provided by (used in) Capital and Related Financing Activities	(977)
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NET INCREASE IN CASH AND CASH EQUIVALENTS	5,309
Cash at Beginning of Year	96,272
CASH AT END OF YEAR	\$ 101,581

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**GROW LICKING COUNTY COMMUNITY IMPROVEMENT CORPORATION
LICKING COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Grow Licking County Community Improvement Corporation (the Corporation) was incorporated on November 29, 2011. 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. There shall be three members of the Corporation, the Licking County Chamber of Commerce, Licking County and Heath-Newark-Licking County Port Authority.

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 position and activities according to three classes of net position: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of December 31, 2017, 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 Financial Position, 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 of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**GROW LICKING COUNTY COMMUNITY IMPROVEMENT CORPORATION
LICKING COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
(Continued)**

G. Fixed Assets

The Corporation's only fixed assets are furniture and equipment. Acquisitions of property in excess of \$500 are capitalized. Furniture and equipment are reported at cost. Depreciation is computed using the straight-line method over a useful life of 5 years.

NOTE 2 - CASH

The bank balance of cash deposits at December 31, 2017 was \$106,281. Deposits are fully insured by the Federal Deposit Insurance Corporation.

NOTE 3 - RESTRICTION OF NET POSITION

The Corporation did not have any restrictions on cash as of December 31, 2017.

NOTE 4 - CONTINGENT LIABILITIES

Management believes there are no pending claims or lawsuits.

NOTE 5 - RISK MANAGEMENT

The Corporation has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and,
- Errors and omissions.

Settled claims have not exceeded this commercial coverage in any of the three preceding years. There has been no significant reduction in coverage from the prior year.

NOTE 6 - CONTRIBUTIONS

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

NOTE 7 - CONTINGENCIES

A. Grants

The Corporation receives financial assistance from AEP Ohio and the Licking County Foundation in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Corporation. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the Corporation.



Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Grow Licking County Community Improvement Corporation
Licking County
50 W. Locus 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 Grow Licking County Community Improvement Corporation, Licking County, Ohio, (a not-for-profit corporation), as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Grow Licking County Community Improvement Corporation's financial statements and have issued our report thereon dated June 13, 2018.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Grow Licking County Community Improvement 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 Grow Licking County Community Improvement 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 Grow Licking County Community Improvement 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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Board of Directors
Grow Licking County Community Improvement Corporation

Compliance and Other Matters

As part of reasonably assuring whether the Grow Licking County Community Improvement 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 Grow Licking County Community Improvement Corporation's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Grow Licking County Community Improvement Corporation's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.
June 13, 2018



Dave Yost • Auditor of State

GROW LICKING COUNTY COMMUNITY IMPROVEMENT CORPORATION

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
SEPTEMBER, 18 2018**