

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

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2021 & 2020**

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Board of Directors
Grow Licking County Community Improvement Corporation
33 West Main Street, Suite 104
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, 2020 through December 31, 2021. 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 black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 26, 2022

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

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Independent Auditor's Report

Grow Licking County Community Improvement Corporation
Licking County
33 West Main Street, Suite 104
Newark, Ohio 43055

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Grow Licking County Community Improvement Corporation, Licking County, Ohio (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Grow Licking County Community Improvement Corporation as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audit in accordance with 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. 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 Grow Licking County Community Improvement 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.

Emphasis of Matter

As described in Note 11 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Grow Licking County Community Improvement Corporation. Our opinion is not modified with respect to this matter.

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 Grow Licking County Community Improvement Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 generally accepted auditing standards 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 generally accepted auditing standards 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 Grow Licking County Community Improvement 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 Grow Licking County Community Improvement 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2022 on our consideration of the Grow Licking County Community Improvement Corporation'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 Grow Licking County Community Improvement 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 Grow Licking County Community Improvement Corporation's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
June 20, 2022

FINANCIAL STATEMENTS

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

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

Current Assets	
Equity in Cash and Cash Equivalents	\$ 213,936
Accounts Receivable	7,000
Prepaid	4,448
Total Current Assets	<u>225,384</u>
 Noncurrent Assets	
Fixed Assets	98
Total Noncurrent Assets	<u>98</u>
 Total Assets	<u><u>\$ 225,482</u></u>

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 6,175
Credit Cards	1,077
Payroll Liability	223
Total Current Liabilities	<u>7,475</u>
 Total Liabilities	<u>7,475</u>

NET ASSETS

Without Donor Restrictions	<u>218,007</u>
Total Net Assets	<u><u>\$ 218,007</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, 2021

	Without Donor Restrictions	With Donor Restrictions
<u>OPERATING REVENUES</u>		
Contributions	\$ 380,000	\$ -
Interest	8	-
Program Income	3,855	-
Miscellaneous	329	-
Total Operating Revenues	384,192	-
<u>OPERATING EXPENSES</u>		
General	110,492	2,000
Contractual Services	6,027	-
Personal Services	154,237	-
Supplies	4,823	-
Other	12,253	-
Depreciation	195	-
Total Operating Expenses	288,027	2,000
Change in Net Assets	96,165	(2,000)
Net Assets at beginning of year	121,842	2,000
NET ASSETS AT END OF YEAR	\$ 218,007	\$ -

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, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 94,165
Depreciation Expense	195
(Increase) Decrease in Prepaid Expenses	(1,340)
(Increase) Decrease in Accounts Receivable	(7,000)
Increase (Decrease) in Accounts Payable	5,290
Increase (Decrease) in Credit Cards Payable	777
Increase (Decrease) in Payroll Liability	<u>223</u>
 Net Cash Provided by (used in) Operating Activities	 <u>92,310</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 92,310
 Cash and Cash Equivalents at Beginning of Year	 <u>121,626</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 213,936</u></u>

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, 2021

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

The financial statements are presented in accordance with FASB ASC 958, Financial Statements for Not-for-Profit Organizations. Under this standard, the Corporation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Corporation is required to present a statement of cash flows when a statement of financial position and a statement of activities are reported upon.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Corporation's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Corporation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

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 is considered to be cash and cash equivalents. Cash equivalents are carried at cost, which approximates fair value.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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.

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.

H. New Accounting Pronouncements

The Corporation did not apply new accounting pronouncements during the year ended December 31, 2021.

I. Receivables

The Corporation uses the allowance method of accounting for doubtful accounts. All accounts were considered to be fully collectible at December 31, 2021. Therefore, no allowance for doubtful accounts has been recorded in these financial statements.

J. Prepaid Assets

Prepaid assets made to vendors for services that will benefit periods beyond December 31, 2021 are recorded as prepaid assets by recording a current asset for the prepaid amount at the time of the purchase and the expense in the year in which services are consumed.

K. Functional Expenses

The Corporation's expenses are all considered to be for the same function, which is to promote the development of Licking County, Ohio. Since there is only one function, there are no expenses that require allocation between functions.

L. General Expenses

The Corporation uses the general expense line item to record expenses that support its overall mission of promoting Licking County, Ohio. The primary expenses included in general expenses relate to advertising and marketing costs.

NOTE 2 - CASH

The bank balance of cash deposits at December 31, 2021 was \$214,086. Deposits are fully insured by the Federal Deposit Insurance Corporation.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 3 - RESTRICTION OF NET ASSETS

The Corporation did not have any restrictions on net assets as of December 31, 2021.

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

Unconditional promises to give are recognized as revenue when the underlying promises are received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions; depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

NOTE 7 - CONTINGENCIES

Grants

The Corporation receives financial assistance from the Licking County Foundation in the form of grants. No grants were received during 2021. 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 8 - FIXED ASSETS

Furniture and Equipment activity for the year ended December 31, 2021 was as follows:

	<u>Balance</u> <u>1/1/2021</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/2021</u>
Furniture and Equipment	\$ 6,323	\$ -	\$ -	\$ 6,323
Less: Accumulated Depreciation	(6,030)	(195)	-	(6,225)
Total Fixed Assets, Net	<u>\$ 293</u>	<u>\$ (195)</u>	<u>\$ -</u>	<u>\$ 98</u>

NOTE 9 - AVAILABILITY AND LIQUIDITY

The following represents the Corporation’s financial assets at December 31, 2021:

Financial assets at December 31, 2021:	
Cash and cash equivalents	\$ 213,936
Accounts receivable	<u>7,000</u>
Total financial assets available to meet general expenses over the next twelve months	<u>\$ 220,936</u>

Of the total financial assets no assets are subject to donor restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. The Corporation’s goal is generally to maintain financial assets to meet three months (90 days) of operating expenses, which is approximately \$72,007 for the year ended December 31, 2021.

Corporation’s financial assets are structured to be available as general expenses, liabilities and other obligations come due.

NOTE 10 - RETIREMENT PLAN

The Corporation employees participate in a 401(k) defined contribution profit-sharing plan which covers substantially all full-time employees. Under this plan, the Corporation will match employee contributions up to 1% of their gross wages. In addition, the Corporation may make discretionary contributions to the plan. Charges to expense relating to the above plan amounted to \$2,175 for employer contributions and \$413 for management fees for the year ended December 31, 2021.

NOTE 11 – COVID-19

The United States of America and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Corporation. The impact on the Corporation’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated. No COVID-19 grant or financial assistance was received by the corporation in 2021.

FINANCIAL STATEMENTS

GROW LICKING COUNTY COMMUNITY IMPROVEMENT CORPORATION
LICKING COUNTY, OHIO

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

Current Assets	
Equity in Cash and Cash Equivalents	\$ 121,626
Prepaid	3,108
Total Current Assets	<u>124,734</u>
 Noncurrent Assets	
Fixed Assets	293
Total Noncurrent Assets	<u>293</u>
 Total Assets	<u><u>\$ 125,027</u></u>

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 885
Credit Cards	300
Total Current Liabilities	<u>1,185</u>
 Total Liabilities	<u>1,185</u>

NET ASSETS

With Donor Restrictions	2,000
Without donor restrictions	121,842
Total Net Assets	<u><u>\$ 123,842</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, 2020

	Without Donor Restrictions	With Donor Restrictions
<u>OPERATING REVENUES</u>		
Contributions	\$ 335,601	\$ 2,000
Grants	540	-
Interest	158	-
Miscellaneous	4,800	-
Total Operating Revenues	341,099	2,000
<u>OPERATING EXPENSES</u>		
General	124,408	5,000
Contractual Services	37,389	-
Personal Services	174,515	-
Supplies	6,966	-
Other	11,776	-
Depreciation	407	-
Total Operating Expenses	355,461	5,000
Change in Net Assets	(14,362)	(3,000)
Net Assets at beginning of year	136,204	5,000
NET ASSETS AT END OF YEAR	\$ 121,842	\$ 2,000

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, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (17,362)
Depreciation Expense	407
(Increase) Decrease in Prepaid Expenses	23,441
(Increase) Decrease in Accounts Receivable	7,500
Increase (Decrease) in Accounts Payable	(11,115)
Increase (Decrease) in Credit Cards Payable	112
Increase (Decrease) in Payroll Liability	<u>(873)</u>
Net Cash Provided by (used in) Operating Activities	<u>2,110</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,110
Cash and Cash Equivalents at Beginning of Year	<u>119,516</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 121,626</u></u>

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, 2020

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

The financial statements are presented in accordance with FASB ASC 958, Financial Statements for Not-for-Profit Organizations. Under this standard, the Corporation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Corporation is required to present a statement of cash flows when a statement of financial position and a statement of activities are reported upon.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Corporation's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Corporation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

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 and certificates of deposits are considered to be cash and cash equivalents. Cash equivalents are carried at cost, which approximates fair value.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

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.

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.

H. Prepaid Assets

Payments made to vendors for services that will benefit periods beyond December 31, 2020 are recorded as prepayments by recording a current asset for the prepaid amount at the time of the purchase and the expense in the year in which services are consumed.

I. New Accounting Pronouncements

The Corporation did not apply new accounting pronouncements during the year ended December 31, 2020.

J. Receivables

The Corporation did not have any receivables at December 31, 2020.

K. Functional Expenses

The Corporation's expenses are all considered to be for the same function, which is to promote the development of Licking County, Ohio. Since there is only one function, there are no expenses that require allocation between functions.

L. General Expenses

The Corporation uses the general expense line item to record expenses that support its overall mission of promoting Licking County, Ohio. The primary expenses included in general expenses relate to advertising and marketing costs.

NOTE 2 - CASH

The bank balance of cash deposits at December 31, 2020 was \$124,143. Deposits are fully insured by the Federal Deposit Insurance Corporation.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 3 - RESTRICTION OF NET ASSETS

The Corporation had \$2,000 in net assets with donor restrictions on December 31, 2020 due to 2021 prepaid contributions paid by BIA of Central Ohio.

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

Unconditional promises to give are recognized as revenue when the underlying promises are received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions; depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

NOTE 7 - CONTINGENCIES

Grants

The Corporation receives financial assistance from 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 8 - FIXED ASSETS

Furniture and Equipment activity for the year ended December 31, 2020 was as follows:

	<u>Balance</u> <u>1/1/2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/2020</u>
Furniture and Equipment	\$ 6,323	\$ -	\$ -	\$ 6,323
Less: Accumulated Depreciation	(5,623)	(407)	-	(6,030)
Total Fixed Assets, Net	<u>\$ 700</u>	<u>\$ (407)</u>	<u>\$ -</u>	<u>\$ 293</u>

NOTE 9 - AVAILABILITY AND LIQUIDITY

The following represents the Corporation's financial assets at December 31, 2020:

Financial assets at December 31, 2020:

Cash and Cash Equivalents	<u>\$ 121,626</u>
Total financial assets	121,626
Less those unavailable for general expenditures within one year, due to :	
Donor-restrictions	<u>(2,000)</u>
Total financial assets available to meet general expenses over the next twelve months	<u>\$ 119,626</u>

Of the total financial assets \$2,000 are subject to donor restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. The Corporation's goal is generally to maintain financial assets to meet three months (90 days) of operating expenses, which is approximately \$88,865 for the year ended December 31, 2020.

The Corporation's financial assets are structured to be available as general expenses, liabilities and other obligations come due.

NOTE 10 - RETIREMENT PLAN

The Corporation employees participate in a 401(k) defined contribution profit-sharing plan which covers substantially all full-time employees. Under this plan, the Corporation will match employee contributions up to 1% of their gross wages. In addition, the Corporation may make discretionary contributions to the plan. Charges to expense relating to the above plan amounted to \$4,645 for employer contributions and \$551 for management fees for the year ended December 31, 2020.

NOTE 11 – COVID-19

The United States of America and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Corporation. The impact on the Corporation's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated. No COVID-19 grant or financial assistance was received by the corporation in 2020.

**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***

Grow Licking County Community Improvement Corporation
Licking County
33 West Main Street, Suite 104
Newark, Ohio 43055

To the Board of Directors:

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 Grow Licking County Community Improvement Corporation, Licking County, Ohio, (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 20, 2022, wherein we noted as described in Note 11 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Grow Licking County Community Improvement 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Grow Licking County Community Improvement Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Grow Licking County Community Improvement 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 Grow Licking County Community Improvement 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.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Grow Licking County Community Improvement 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 Grow Licking County Community Improvement 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 Grow Licking County Community Improvement Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.

June 20, 2022

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2021 AND 2020**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2019-001	2018	<u>Significant Deficiency - Financial Statement Presentation</u> – Management is responsible for preparing complete and accurate financial statements in accordance with the applicable financial reporting framework. For both 2019 and 2018, various formatting adjustments were made to the Statement of Financial Position, Statement of Activities, and the Statement of Cash Flows to properly reflect the Corporation’s activities. Additionally, significant adjustments were made to the 2019 and 2018 notes to the financial statements to properly reflect the Corporation’s disclosures in accordance with FASB ASU 2016-14.	Partially Corrected	Finding reissued as a Management Letter Comment.

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OHIO AUDITOR OF STATE KEITH FABER



GROW LICKING COUNTY COMMUNITY IMPROVEMENT CORPORATION

LICKING 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 8/9/2022

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