



**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2018 and 2017

**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY
DECEMBER 31, 2018 and 2017**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Westerville Industry and Commerce Corporation
Franklin County
21 South State Street
Westerville, Ohio 43086

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the Westerville Industry and Commerce Corporation, Franklin County, Ohio (the Corporation), (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2018 and 2017, 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 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 the risks of material financial statement 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 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 Westerville Industry and Commerce Corporation, Franklin County, Ohio as of December 31, 2018 and 2017, and the changes in its net assets 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 May 26, 2020, 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. 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 Corporation's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

May 26, 2020

**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018**

Assets

Current Assets:

Cash	\$ 533,134
Intergovernmental Receivable	349,413
Loans Receivable	204,000
	<u>1,086,547</u>

Non-current Assets:

Loans Receivable	<u>437,523</u>
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Total Assets

1,524,070

Liabilities

Current Liabilities:

Accounts Payable	<u>39,413</u>
Total Current Liabilities	39,413

Net Assets

Without Donor Restrictions	1,196,686
With Donor Restrictions for the Façade Program	198,887
With Donor Restrictions for the Energy Efficiency Program	<u>89,084</u>

Total Liabilities and Net Assets

\$ 1,524,070

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

**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Without Donor Restrictions	With Donor Restrictions for the Façade Program	With Donor Restrictions for the Energy Savings Program	Total
Operating Revenue				
Member Dues & Other Revenues	\$ 12	\$ -	\$ -	\$ 12
Funds Received from the City of Westerville	310,000	97,879	469,649	877,528
Total Operating Revenue	\$ 310,012	\$ 97,879	\$ 469,649	\$ 877,540
Net assets released from restrictions				
Satisfaction of program restrictions	445,349	(42,884)	(402,465)	-
Operating Expenses				
Forgiven Loan Expense	(160,000)	-	-	(160,000)
Energy Savings Program Expense	(402,465)	-	-	(402,465)
Façade Program Expense	(42,884)	-	-	(42,884)
Professional Consulting Expense	(1,393)	-	-	(1,393)
Miscellaneous Expenses	(339)	-	-	(339)
Total Operating Expenses	(607,081)	-	-	(607,081)
Total Operating Income (Loss)	\$ 148,280	\$ 54,995	\$ 67,184	\$ 270,459
Nonoperating Income (Expenses)				
Interest Revenue	323	-	-	323
Total Nonoperating Income (expenses)	323	-	-	323
Change in Net Assets	148,603	54,995	67,184	270,782
Net Assets, beginning of year	1,048,083	143,892	21,900	1,213,875
Net Assets, end of year	\$ 1,196,686	\$ 198,887	\$ 89,084	\$ 1,484,657

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

**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Cash flows from operating activities	
Cash received from member dues	\$ 12
Cash received from City of Westerville	567,466
Cash disbursed for operating expenses	(339)
Cash loan payments to businesses	(246,500)
Cash energy grant to businesses	(367,403)
Cash FIP grant to businesses	(42,884)
Cash disbursed for professional consulting	<u>(1,393)</u>
Net cash (used) by operating activities	(91,041)
Cash flows from investing activities	
Interest earned on investments	<u>323</u>
Net cash provided by investing activities	323
Net (decrease) in cash	(90,718)
Cash, beginning of year	<u>623,852</u>
Cash, end of year	<u><u>\$ 533,134</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	270,459
Changes in assets and liabilities:	
Increase in loans receivable	(86,500)
Increase in intergovernmental receivable	(310,062)
Increase in accounts payable	<u>35,062</u>
Net cash (used) by operating activities	<u><u>(91,041)</u></u>

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

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**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

1. DESCRIPTION OF ENTITY

The Westerville Industry and Commerce Corporation (the Corporation) is a not-for-profit community improvement corporation organized and existing under Chapter 1724 of the Ohio Revised Code. The Corporation was established September 20, 1965, as certified by the Secretary of State of Ohio. The Board has seven (7) members. Three members of the Board are from the public sector and four members are from the private sector. One of the public sector members also serves as a member of Westerville City Council. The Corporation, as a nonprofit community improvement corporation, was formed for the purpose of advancing, encouraging, and promoting the industrial, economic, commercial and civic development of the City of Westerville.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements of the Corporation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation – The financial statements of the Corporation have been prepared in accordance with U.S. generally accepted accounting principles, which require the Corporation to report information regarding its financial position and activities according to the following net asset classification:

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 actions of the Corporation or by the passage of time. Other donor restrictions are perpetual in nature, where by 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 statement of activities.

Functional Expenses – The costs of providing program services and supporting activities have been summarized on a functional basis in the statement of activities. All expenses are reported at actual costs, no costs are allocated.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncement – On August 8, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Corporation has adjusted the presentation of these statements accordingly.

**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

3. AVAILABILITY AND LIQUIDITY

The following represents the Corporation's financial assets at December 31, 2018:

Financial assets at year end:	<u>2018</u>
Cash and cash equivalents	\$ 533,134
Intergovernmental receivable	349,413
Loans receivable	<u>204,000</u>
Total financial assets	1,086,547
Less amounts not available to be used within one year:	
Net assets with donor restrictions for the Façade Program	198,887
Net assets with donor restrictions for the Energy Efficiency Program	<u>89,084</u>
	287,971
Financial assets available to meet general expenditures within one year	<u><u>\$ 798,576</u></u>

The Corporation structures its financial assets to be available as its general expenditures, liabilities and other obligations come due.

4. CASH DEPOSITS

At December 31, 2018, the bank balance was \$537,331. The Federal Deposit Insurance Corporation (FDIC) covered \$250,000 of this bank balance. The remaining amount was collateralized by the bank's public entity deposit pool.

5. LOANS RECEIVABLE

The Board reviews and approves the awarding of certain loans to corporations wishing to locate within the City of Westerville as a means to incentivize job creation. Repayment of the loans is normally forgiven if certain income tax revenues are generated by the company within a specified period of time. For fiscal year 2018, loans of \$10,000 and \$150,000 were forgiven. When repayment does occur, the monies repaid are used to fund additional loans. The receivable represents the loans outstanding at the balance sheet date, net uncollectible loans.

**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

6. NET ASSETS

Net assets with donor restrictions were as follows for the year ended December 31, 2018:

	2018
Specific purpose:	
Façade Program	\$ 198,887
Energy Efficiency Program	89,084
Total	\$ 287,971

Net assets without donor restrictions for the year ended December 31, 2018 are as follows:

Undesignated	\$ 1,196,686
	\$ 1,196,686

Net assets released from net assets with donor restrictions are as follows:

	2018
Satisfaction of Purpose Restrictions	
Façade Program	\$ 42,884
Energy Efficiency Program	402,465
Total	\$ 445,349

7. FAÇADE IMPROVEMENT PROGRAM

The Board reviews and approves the awarding of grants to corporations to improve company buildings in the Uptown Westerville area as a means to keep the area in shape. Grants are not repaid by the companies. The amounts disbursed for grants are recorded as an expense on the statement of activities.

8. COMMERCIAL AND INDUSTRIAL ENERGY SAVINGS PROGRAM

The Board reviews and approves the awarding of grants to commercial and industrial customers for implementing energy efficiency projects. Grants are not repaid by the companies. The amounts disbursed for grants are recorded as an expense on the statement of activities.

9. RELATED PARTY

The City of Westerville is identified as a related party to the Corporation. The City provides the majority of the Corporation's funding. During 2018, the City paid the Corporation \$567,466 for support of the Corporation's incentive programs.

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**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017**

Assets

Current Assets:

Cash	\$ 623,852
Intergovernmental Receivable	39,351
Loans Receivable	<u>40,000</u>
	703,203

Non-current Assets:

Loans Receivable	<u>515,023</u>
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Total Assets	<u>1,218,226</u>
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Liabilities

Current Liabilities:

Accounts Payable	<u>4,351</u>
Total Current Liabilities	4,351

Net Assets

Temporarily Restricted for Façade Program	143,892
Temporarily Restricted for Energy Efficiency Program	21,900
Unrestricted Net Assets	<u>1,048,083</u>

Total Liabilities and Net Assets	<u><u>\$ 1,218,226</u></u>
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The notes to the financial statements are an integral part of this statement.

**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Unrestricted	Restricted for Façade Program	Restricted for Energy Savings Program	Total
Operating Revenue				
Member Dues & Other Revenues	\$ 12	\$ -	\$ -	\$ 12
Funds Received from the City of Westerville	60,000	-	60,787	120,787
Total Operating Revenue	\$ 60,012	\$ -	\$ 60,787	\$ 120,799
Net assets released from restrictions				
Satisfaction of program restrictions	150,830	(92,818)	(58,012)	-
Operating Expenses				
Forgiven Loan Expense	(35,000)	-	-	(35,000)
Energy Savings Program Expense	(58,012)	-	-	(58,012)
Façade Program Expense	(92,818)	-	-	(92,818)
Professional Consulting Expense	(3,622)	-	-	(3,622)
Real Estate Expense	(11,051)	-	-	(11,051)
Miscellaneous Expenses	(282)	-	-	(282)
Total operating expenses	(200,785)	-	-	(200,785)
Total Operating Income (Loss)	\$ 10,057	\$ (92,818)	\$ 2,775	\$ (79,986)
Nonoperating Income (Expenses)				
Interest Revenue	344	-	-	344
Total Nonoperating Income (expenses)	344	-	-	344
Change in Net Assets	10,401	(92,818)	2,775	(79,642)
Net Assets, beginning of year	1,037,682	236,710	19,125	1,293,517
Net Assets, end of year	\$ 1,048,083	\$ 143,892	\$ 21,900	\$ 1,213,875

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

**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

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

Cash flows from operating activities	
Cash received from member dues	\$ 12
Cash received from City of Westerville	81,436
Cash disbursed for operating expenses	(1,707)
Cash loan payments to businesses	(175,000)
Cash energy grant to businesses	(57,945)
Cash FIP grant to businesses	(98,559)
Cash disbursed for real estate transactions	(11,051)
Cash disbursed for professional consulting	<u>(3,622)</u>
Net cash (used) by operating activities	(266,436)
Cash flows from investing activities	
Interest earned on investments	<u>344</u>
Net cash provided by investing activities	344
Net (decrease) in cash	(266,092)
Cash, beginning of year	<u>889,944</u>
Cash, end of year	<u><u>\$ 623,852</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating (loss)	(79,986)
Changes in assets and liabilities:	
(Increase) in loans receivable	(140,000)
(Increase) in intergovernmental receivable	(39,351)
Decrease in accounts payable	<u>(7,099)</u>
Net cash (used) by operating activities	<u><u>(266,436)</u></u>

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

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**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

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

1. DESCRIPTION OF ENTITY

The Westerville Industry and Commerce Corporation (the Corporation) is a not-for-profit community improvement corporation organized and existing under Chapter 1724 of the Ohio Revised Code. The Corporation was established September 20, 1965, as certified by the Secretary of State of Ohio. The Board has seven (7) members. Three members of the Board are from the public sector and four members are from the private sector. One of the public sector members also serves as a member of Westerville City Council. The Corporation, as a nonprofit community improvement corporation, was formed for the purpose of advancing, encouraging, and promoting the industrial, economic, commercial and civic development of the City of Westerville.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements of the Corporation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net asset, and permanently restricted net asset. As of December 31, 2017, net assets are either restricted or unrestricted. The Corporation applies temporarily restricted resources first when expenditures are incurred for purposes for which either temporarily restricted or unrestricted amounts are available.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. CASH DEPOSITS

At December 31, 2017, the bank balance was \$630,767. The Federal Deposit Insurance Corporation (FDIC) covered \$250,000 of this bank balance. The remaining amount was collateralized by the bank's public entity deposit pool.

4. LOANS RECEIVABLE

The Board reviews and approves the awarding of certain loans to corporations wishing to locate within the City of Westerville as a means to incentivize job creation. Repayment of the loans is normally forgiven if certain income tax revenues are generated by the company within a specified period of time. For fiscal year 2017, loans of \$20,000, \$10,000 and \$5,000 were forgiven. When repayment does occur, the monies repaid are used to fund additional loans. The receivable represents the loans outstanding at the balance sheet date, net uncollectible loans.

5. FAÇADE IMPROVEMENT PROGRAM

The Board reviews and approves the awarding of grants to corporations to improve company buildings in the Uptown Westerville area as a means to keep the area in shape. Grants are not repaid by the companies. The amounts disbursed for grants are recorded as an expense on the income statement.

**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

6. COMMERCIAL AND INDUSTRIAL ENERGY SAVINGS PROGRAM

The Board reviews and approves the awarding of grants to commercial and industrial customers for implementing energy efficiency projects. Grants are not repaid by the companies. The amounts disbursed for grants are recorded as an expense on the income statement.

7. RELATED PARTY

The City of Westerville is identified as a related party to the Corporation. The City provides the majority of the Corporation's funding. During 2017, the City paid the Corporation \$81,436 for support of the Corporation's incentive programs.



88 East Broad Street, 5th Floor
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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**

Westerville Industry and Commerce Corporation
Franklin County
21 South State Street
Westerville, Ohio 43086

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 Westerville Industry and Commerce Corporation, Franklin County, (the Corporation) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, and have issued our report thereon dated May 26, 2020.

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 2018-001 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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2018-001.

Corporation's Response to Finding

The Corporation's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not subject the Corporation's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 report is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

May 26, 2020

**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018 and 2017**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2018-001

Implementation of ASU 2016-14 – Material Weakness / Material Noncompliance

On August 8, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*, effective for periods beginning after December 15, 2017. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return.

Additionally, **Ohio Rev. Code § 1724.05** requires community improvement corporations to file annual reports with the Auditor of State within 120 days of their fiscal year end.

The Corporation originally filed their fiscal year 2018 financial report with the Hinkle system on April 24, 2018. However, in the original filing the Corporation failed to implement ASU 2016-14. This reporting deficiency is the result of the Corporation not having a process to track and implement changes to reporting requirements.

Failure to implement ASU 2016-14 resulted in multiple reporting deficiencies including but not limited to:

- Improper classification of Net Assets with respect to Donor Restrictions
- Reporting and/or disclosing in accordance with Functional Expenses requirements
- Incomplete disclosure notes as required by ASU 2016-14 for:
 - Availability and Liquidity
 - Nature and amount of donor restrictions

Due to management decisions necessary in implementing ASU 2016-14 these deficiencies were corrected by the Corporation at the request of the audit team. The Corporation refiled the 2018 Hinkle file on January 30, 2020, which is identified as a late filing as it is passed the 120 day deadline of April 30, 2019. The refiled financial report has adequately implemented ASU 2016-14.

Not having a process in place to track and implement changes to reporting requirements could result in incorrect information being presented by the Corporation and cause confusion among stakeholders and other report users.

We recommend the Corporation develop a process for ensuring changes in reporting requirements are identified and implemented.

Officials' Response

The Corporation understands the importance of financial reporting, the proper classification and full disclosure of financial statement items. The Corporation is reviewing a process to ensure that all new FASB changes in reporting requirements are identified, reviewed and implemented in future years. The Corporation would like to note that although the requirements of the new accounting standard were not implemented in 2018, the total net assets for both 2017 and 2018 remained unchanged after the corrections were made to follow the new standard.

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**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**21 SOUTH STATE STREET
WESTERVILLE, OHIO 43086**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2018 and 2017**

Finding Number	Finding Summary	Status	Additional Information
2016-001	Financial Reporting – Material Weakness issued due to various audit adjustments issued.	Fully Corrected	The current year audit did not identify any misstatements.

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OHIO AUDITOR OF STATE KEITH FABER



WESTERVILLE INDUSTRY AND COMMERCE CORPORATION

FRANKLIN 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
JUNE 18, 2020**