



OHIO AUDITOR OF STATE
KEITH FABER



**GROW LICKING COUNTY COMMUNITY IMPROVEMENT CORPORATION
LICKING COUNTY
DECEMBER 31, 2023 and 2022**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Grow Licking County Community Improvement Corporation
Licking County
20 S. 2nd St, 4th Floor
Newark, OH 43055

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Grow Licking County Community Improvement Corporation, Licking County, Ohio (the Corporation), (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2023 and 2022, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Corporation, as of December 31, 2023 and 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 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.

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 Corporation's ability to continue as a going concern for one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable).

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 GAAS 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 GAAS 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 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 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 13, 2025, 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. 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 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 Corporation's internal control over financial reporting and compliance.

Grow Licking County Community Improvement Corporation
Licking County
Independent Auditor's Report
Page 3

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink that reads "Tiffany L Ridenbaugh". The signature is written in a cursive, flowing style.

Tiffany L Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

June 13, 2025

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GROW LICKING COUNTY COMMUNITY IMPROVEMENT CORPORATION
LICKING COUNTY, OHIO

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

ASSETS

Current Assets:

Equity in Cash and Cash Equivalents	247,856
Accounts Receivable	13,750
Prepaid	2,668
Promise to Give - Use of Facilities	14,583
Total Current Assets	<u>278,857</u>

Noncurrent Assets:

Fixed Assets	6,323
Accumulated Depreciation	<u>(6,323)</u>
Fixed Assets, Net	<u>-</u>

TOTAL ASSETS	<u>278,857</u>
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LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities:

Accounts Payable	9,845
Payroll Liability	<u>322</u>
Total Current Liabilities	<u>10,167</u>

TOTAL LIABILITIES	<u>10,167</u>
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NET ASSETS

With Donor Restrictions	14,583
Without Donor Restrictions	254,107

TOTAL NET ASSETS	<u>268,690</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>278,857</u>
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GROW LICKING COUNTY COMMUNITY IMPROVEMENT CORPORATION
LICKING COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	With Donor Restrictions	Without Donor Restrictions
OPERATING REVENUES AND OTHER SUPPORT		
Contributions	-	406,000
Grants	-	20,000
Program Revenue	-	17,600
Other	-	7,625
Total Operating Revenues and Other Support	-	451,225
EXPENSES		
General	-	117,978
Contractual Services	-	9,021
Personal Services	-	281,322
Supplies	-	6,371
Other	495	4,741
Bad Debt	-	16,075
Rent	25,000	1,427
Total Expenses	25,495	436,935
CHANGE IN NET ASSETS	(25,495)	14,290
NET ASSETS, BEGINNING OF YEAR	40,078	239,817
NET ASSETS, END OF YEAR	14,583	254,107

GROW LICKING COUNTY COMMUNITY IMPROVEMENT CORPORATION
licking county, ohio

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	(11,205)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Amortization of Promise to Give as Rent Expense	25,000
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(2,250)
(Increase) Decrease in Prepaid Expenses and Deposits	7,888
Increase (Decrease) in Accounts Payable	9,845
Increase (Decrease) in Credit Card Payable	(14)
Increase (Decrease) in Payroll Liability	322
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>29,586</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	29,586
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	218,270
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>247,856</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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 donor 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.

The Corporation reported \$14,583 of net assets with donor restrictions at December 31, 2023 associated with the reduced-cost use of facilities provided by the Licking County Board of Commissioners.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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. 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.

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, 2023 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. Grants and Contribution Receivables

All grants and contribution receivables are considered available for unrestricted use, unless specifically restricted by the donor. Amounts are stated at original amounts, less an estimated allowance for doubtful accounts. Uncollectible accounts are charged as decreases in net assets during the period in which they are determined to be uncollectible. Management believes all amounts are collectible as of December 31, 2023 and no allowance has been recorded.

J. Revenue and Revenue Recognition

Revenue is recognized when earned. Program revenue and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Conditional promises to give are not recognized until the conditions or which they depend have been substantially met or the donor has explicitly release the restriction. There were no deferred revenues as of December 31, 2023.

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 are advertising and marketing costs which totaled \$71,143.

NOTE 2 – CASH

The bank balance of cash deposits, including a Certificate of Deposit on December 31, 2023, was \$247,856. Deposits are fully insured by the Federal Deposit Insurance Corporation.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (ASC Topic 326)*: Measurement of Credit Losses on Financial Instruments (ASC 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts. CECL applies to financial instruments such as loans and accounts receivable but does not apply to promises to give (pledges receivable) of a not-for-profit entity. The Corporation adopted ASC Topic 326 on January 1, 2023 using the modified retrospective method. The adoption of this standard has no material impact on the Corporation's financial statements.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable, which may consist of pledges, grants and program revenues, are reported net of either an allowance for credit losses (trade receivables) or an allowance for uncollectible pledges (contributions and grants). As of December 31, 2023, the Corporation had no allowances for uncollectable pledges or allowances for credit losses. Accounts receivable balances that are still outstanding after management has used reasonable collection effects are written off through a reduction to the allowance and accounts receivable. The Corporation reported accounts receivable of \$13,750 at December 31, 2023, of which \$6,875 exceeds 90 days.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 5 - RISK MANAGEMENT

The Corporation has obtained commercial insurance for the following risks:

- Comprehensive property and general liability.
- Executive.
- Errors and omissions.

There have been no claims on this commercial coverage in any of the three preceding years. There has been no significant reduction in coverage from the prior year.

NOTE 6 – CONTINGENCIES

A. Grants and Programs

The Corporation received \$20,000 in financial assistance from the Licking County Foundation in the form of grants and \$17,600 from the Licking County Jobs and Family Services in the form of program revenue. The disbursement of funds received generally requires compliance with terms and conditions specified in the grant or contractual 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.

B. Litigation

The Corporation is not involved in any litigation that, in the opinion of management, would have a material effect on the basic financial statements at December 31, 2023.

NOTE 7 - FIXED ASSETS

Property and Equipment activity for the year ended December 31, 2023, was as follows:

<u>Description</u>	<u>Balance 12/31/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2023</u>
Furniture & Equipment	\$ 6,323	\$ -	\$ -	\$ 6,323
Total Property and Equipment, Cost	6,323	-	-	6,323
Accumulated Depreciation	(6,323)	-	-	(6,323)
Total Fixed Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 8 - AVAILABILITY AND LIQUIDITY

The following represents the Corporation's financial assets on December 31, 2023:

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 8 - AVAILABILITY AND LIQUIDITY – (Continued)

Financial assets at December 31, 2023	
Cash and cash equivalents	\$ 247,856
Accounts receivable	<u>13,750</u>
Financial assets available to meet general expenses over the next twelve months	
	<u>\$ 261,606</u>

Of the financial assets that total \$261,606, no donor restrictions existed at December 31, 2023 that make them unavailable for general expenses 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. Financial assets are structured to be available as general expenses, liabilities and other obligations come due.

NOTE 9 - 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 3% 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 \$3,652 for employer contributions and \$550 for management fees, for the year ended December 31, 2023.

NOTE 10 – PROMISES TO GIVE – USE OF FACILITIES

The Corporation is party to a \$1 per year lease with the Licking County Board of Commissioners through June 30, 2024 for the Corporation's office space. The contribution of reduced-cost facilities is recorded as an asset at its estimated fair value and is being amortized as rent expense on the statement of activities.

The in-kind use of facilities began August 1, 2022 with an estimated fair market value of \$50,000 through the end of the lease date of June 30, 2024 with the option to renew for an additional two years. For the year ended December 31, 2023, the Corporation amortized \$25,000 in rent expense and recognized a remaining Promise to Give – Use of Facilities current asset of \$14,583 associated with this in-kind contribution.

NOTE 11 – SUBSEQUENT EVENTS

The Corporation has evaluated subsequent events through June 13, 2025, the date the financial statements were available to be issued.

GROW LICKING COUNTY COMMUNITY IMPROVEMENT CORPORATION
LIICKING COUNTY, OHIO

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS

Current Assets:

Equity in Cash and Cash Equivalents	218,270
Accounts Receivable	11,500
Prepaid	10,556
Promise to Give - Use of Facilities	39,583
Total Current Assets	<u>279,909</u>

Noncurrent Assets:

Fixed Assets	6,323
Accumulated Depreciation	<u>(6,323)</u>
Fixed Assets, Net	<u>-</u>

TOTAL ASSETS	<u><u>279,909</u></u>
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LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities:

Credit Cards Payable	<u>14</u>
Total Current Liabilities	<u>14</u>

TOTAL LIABILITIES	<u>14</u>
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NET ASSETS

With Donor Restrictions	40,078
Without Donor Restrictions	239,817

TOTAL NET ASSETS	<u>279,895</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>279,909</u></u>
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GROW LICKING COUNTY COMMUNITY IMPROVEMENT CORPORATION
licking county, ohio

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	With Donor Restrictions	Without Donor Restrictions
OPERATING REVENUES AND OTHER SUPPORT		
Contributions	-	391,400
Grants	495	20,000
Program Revenue	-	3,500
Other	50,000	28
Total Operating Revenues and Other Support	50,495	414,928
EXPENSES		
General	-	98,717
Contractual Services	-	13,284
Personal Services	-	235,791
Supplies	-	5,186
Other	-	7,215
Bad Debt	-	26,000
Rent	10,417	6,925
Total Expenses	10,417	393,118
CHANGE IN NET ASSETS	40,078	21,810
NET ASSETS, BEGINNING OF YEAR	-	218,007
NET ASSETS, END OF YEAR	40,078	239,817

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	61,888
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Amortization of Promise to Give as Rent Expense	10,417
Depreciation Expense	98
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(4,500)
(Increase) Decrease in Prepaid Expenses and Deposits	(6,107)
Increase (Decrease) in Accounts Payable	(6,175)
Increase (Decrease) in Credit Card Payable	(1,064)
Increase (Decrease) in Payroll Liability	(223)

NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>54,334</u>
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NONCASH INVESTING AND FINANCING TRANSACTIONS

Contributions of Nonfinancial Assets	(50,000)
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NET DECREASE IN CASH AND CASH EQUIVALENTS	4,334
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>213,936</u>
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CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>218,270</u></u>
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GROW LICKING COUNTY COMMUNITY IMPROVEMENT CORPORATION
LICKING COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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.

In-Kind Contributions: The Corporation recognizes in-kind contributions of space, supplies and services in accordance with the guidelines outlined in FASB ASC 958-605.

In accordance with FASB ASC 958-605, in-kind contributions of services are recognized as revenue in the financial statements if the services received (a) create or enhance nonfinancial assets (primarily property or other tangible or intangible assets) or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services that do not meet this criteria, and promises to give such services, are not recognized.

GROW LICKING COUNTY COMMUNITY IMPROVEMENT CORPORATION
LUICKING COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

In-kind contributions of use of facilities (leased office space), has been recognized in the accompanying financial statements, in order to comply with FASB ASC 958-605. The in-kind use of facilities has an annual rent of \$1.00 per year, beginning August 1, 2022, and a FMV of \$50,000 through the end of the lease date of June 30, 2024. The option to renew with the same conditions is available to the Corporation.

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. 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.

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, 2022 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, 2022.

J. Receivables

The Corporation uses the allowance method of accounting for doubtful accounts. All accounts were considered to be fully collectible at December 31, 2022. Therefore, no allowance for doubtful accounts has been recorded in these financial statements.

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.

GROW LICKING COUNTY COMMUNITY IMPROVEMENT CORPORATION
LICKING COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

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, including a Certificate of Deposit on December 31, 2022, was \$212,775. Deposits are fully insured by the Federal Deposit Insurance Corporation.

NOTE 3 - RESTRICTION OF NET ASSETS

The Corporation had \$40,078 net assets with donor restrictions on December 31, 2022, due to a \$495 grant received for a leadership class that will take place in 2023 and recognizing \$39,583 for the unused portion of their rental lease.

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.
- Executive.
- Errors and omissions.

There have been no claims on 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.

GROW LICKING COUNTY COMMUNITY IMPROVEMENT CORPORATION
licking county, ohio
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 7 – CONTINGENCIES

A. Grants

The Corporation periodically receives financial assistance from the Licking County Foundation in the form of grants. There were two grants received in 2022 totaling \$20,495. 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.

NOTE 8 - FIXED ASSETS

Property and Equipment activity for the year ended December 31, 2022, was as follows:

	Balance		Balance	
	<u>1/1/2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/2022</u>
Furniture and Equipment	\$ 6,323	\$ -	\$ -	\$ 6,323
Less: Accumulated Depreciation	\$ (6,225)	\$ 98	\$ -	\$ (6,323)
Total Fixed Assets, Net	\$ 98	\$ 98	\$ -	\$ -

NOTE 9 - AVAILABILITY AND LIQUIDITY

The following represents the Corporation's financial assets on December 31, 2022:

Of the total financial assets, \$40,078.00 have 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 \$91,779 for the year ended December 31, 2022.

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

Financial assets at December 31, 2022:

Cash and cash equivalents	\$ 212,775
Accounts receivable	11,500
Undeposited Funds	5,495
Prepaid Expenses	10,556
Promise to give - use of facilities	39,583
Total financial assets	<u>279,909</u>
Less those unavailable for general expenditures within one year, due to:	
Donor-restrictions	(40,078)
Total financial assets available to meet general expenses over the next twelve months	<u>\$ 239,831</u>

GROW LICKING COUNTY COMMUNITY IMPROVEMENT CORPORATION
LICKING COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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 3% 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 \$2,556 for employer contributions and \$550 for management fees, for the year ended December 31, 2022.

NOTE 11 - LEASES

The Corporation leases office space from the Board of Licking County Commissioners. The Corporation pays \$1.00 per year under the lease agreement. The lease began August 1, 2022, and expires June 30, 2024, with the option to renew for an additional 2 years.

In accordance with ASU 2020-07 and FASB ASC 958, the Fair Market Value of the non-financial in-kind contribution by the Board of Licking County is estimated at \$50,000 through the end of the lease agreement, June 30, 2024. The Promise to Give-Use of Facilities is documented in the financial statements.

Fair Market Value Calculation:

	Annual Market Rent <u>(per Lease Agreement)</u>
2022	10,417
2023	25,000
2024	<u>14,583</u>
Undiscounted value of lease at 08/2022 (lease inception) *	50,000

Present value Calculation:

\$47,975.45	assumed discount rate	4% **
	payments/year	12
	# payments	24
	\$ payment/month	\$2,083

The Corporation believes that the simple method of using the monthly lease value of \$2,083 with no projected increase in annual lease fair value and no offsetting discounting back to present value results in amounts that are representative of the true fair value of the below-market lease at lease inception and throughout the lease term.

With an expected floor for the value of the lease of \$47,975, the amount of difference to the recorded amount of \$50,000 would be deemed immaterial to the financial statements. It is further expected that if projections of the lease fair values for future years were made, that the present value would be higher than \$47,975 and again immaterially different from the amount recorded.

NOTE 12 – SUBSEQUENT EVENTS

The Corporation has evaluated subsequent events through June 13, 2025, the date the financial statements were available to be issued.

OHIO AUDITOR OF STATE KEITH FABER

65 East State Street
Columbus, Ohio 43215
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800-282-0370

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
20 S. 2nd St, 4th Floor
Newark, OH 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 (*Government Auditing Standards*), the financial statements of the Grow Licking County Community Improvement Corporation, Licking County, Ohio (the Corporation) as of and for the year ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated June 13, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

The Corporation's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Corporation's response to the finding identified in our audit and described in the accompanying schedule of findings. The Corporation's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

June 13, 2025

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

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022**

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

FINDING NUMBER 2023-001

Financial Statement Presentation – Significant Deficiency

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs A14 & .A16.

Due to deficiencies in the Corporation's financial statement monitoring and review process, the Corporation's financial statements and notes to the financial statements reflect the following adjustments in 2023 and 2022:

In 2023:

- Net Assets, Beginning of Year with donor restrictions was increased \$495 and Net Assets, Beginning of Year for the "without donor restrictions" was reduced by the same amount.
- Bad debt expense was decreased by \$14,500 and Net Assets, Beginning of Year for the "without donor restrictions" was reduced by the same amount.

In 2022:

- Management did not present its financial statements and note disclosures in accordance with all applicable requirements specified by Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958: Financial Statements for Not-for-Profit Organizations. As a result, the financial statements were adjusted to break out \$50,000 of other revenues, \$495 of grants and \$10,417 of rent expenses "with donor restrictions".
- Accounts Receivable was reduced by \$14,500 and Bad Debt expense was increased by the same amount.
- The Notes to the Financial Statements were updated to include the required subsequent event note disclosure.

Failure to accurately post and report transactions could result in material errors in the Corporation's financial statements, which reduces the Corporation's ability to monitor financial activity and to make sound decisions that affect the overall available cash positions of the Corporation.

The Corporation should review and implement internal controls to ensure financial transactions are accurately recorded and reported.

Officials' Response: The Corporation has developed internal controls over the financial reporting process to ensure that financial transactions are accurately recorded and reported in future years.

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

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022**

2. OTHER – FINDINGS FOR RECOVERY

FINDING NUMBER 2023-002

Finding for Recovery Repaid Under Audit – Unallowable Travel Expenditure

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951) provides that expenditures made by a governmental unit should serve a public purpose. Typically, the determination of what constitutes a “proper public purpose” rests with the judgement of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. Auditor of State Bulletin 2003-005 Expenditures of Public Funds/Proper “Public Purpose” states that the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

Per AOS Bulletin 2003-005, the Auditor of State’s Office does not view the expenditure of public funds for alcoholic beverages as a proper public purpose and will issue findings for recovery for such expenditures as manifestly arbitrary and incorrect.

In May 2022, Ms. Alexis Fitzsimmons, Executive Director, traveled to Arizona to visit the Arizona Intel plant. Included in her expenditures for the trip paid by the Corporation’s credit card, Ms. Fitzsimmons expended \$6.26 plus tax of \$.49, totaling \$6.75 for the purchase of an alcoholic beverage, which is an improper public purchase.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code §117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Alexis Fitzsimmons in the amount of \$6.75, and in favor of the Corporation’s Assets Without Donor Restrictions.

On January 31, 2025, \$6.75 was withheld from Alexis Fitzsimmons’ paycheck and remitted to the Corporation’s Assets Without Donor Restrictions. As a result, we have determined this Finding for Recovery is fully repaid under audit.

Officials’ Response: The Corporation has updated financial policy reflecting that all alcoholic beverages are prohibited expenses.

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 8/5/2025

65 East State 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