

GROVEPORT COMMUNITY IMPROVEMENT CORPORATION
(A Component Unit of the City of Groveport)
FRANKLIN COUNTY, OHIO

FINANCIAL STATEMENTS
(AUDITED)

FOR THE YEAR ENDED
DECEMBER 31, 2015

JEFF GREEN, FINANCE DIRECTOR



Dave Yost • Auditor of State

Board of Trustees
Groveport Community Improvement Corporation
655 Blacklick Street
Groveport, Ohio 43125

We have reviewed the *Independent Auditor's Report* of the Groveport Community Improvement Corporation, Franklin County, prepared by Julian & Grube, Inc., for the audit period January 1, 2015 through December 31, 2015. 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 Groveport Community Improvement Corporation is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 19, 2016

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GROVEPORT COMMUNITY IMPROVEMENT CORPORATION
(A Component Unit of the City of Groveport)
Franklin County, Ohio

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Julian & Grube, Inc.

Serving Ohio Local Governments

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

Independent Auditor's Report

Groveport Community Improvement Corporation
Franklin County
655 Blacklick Street
Groveport, Ohio 43125

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the Groveport Community Improvement Corporation, Franklin County, Ohio, a component unit of the City of Groveport, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Groveport Community Improvement Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing those risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Groveport Community Improvement Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Groveport Community Improvement Corporation's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of 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 Groveport Community Improvement Corporation, Franklin County, Ohio, as of December 31, 2015, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2016, on our consideration of the Groveport Community Improvement Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 Groveport Community Improvement Corporation's internal control over financial reporting and compliance.



Julian & Grube, Inc.
June 20, 2016

**GROVEPORT COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
(UNAUDITED)**

The discussion and analysis of the Groveport Community Improvement Corporation, Franklin County (the Corporation) financial performance provides an overall review of the Corporation's financial activities for the year ended December 31, 2015. The intent of this discussion and analysis is to look at the Corporation's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Corporation's financial performance.

Financial Highlights

Key financial highlights for are as follows:

- The total net position of the Corporation increased \$201 to \$6,933 at December 31, 2015.
- Total revenues for 2015 were \$11,800 which represents a decrease of \$6,350 from 2014. Expenses were \$11,599 which represents a decrease of \$2,037. The decrease in revenue is attributed to no donation revenue received in 2015 which also corresponded in lower expenses within the purchased services, materials and supplies and advertising expense categories.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the Corporation as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of revenues, expenses, and change in net position provide information about the activities of the Corporation as a whole, presenting both an aggregate view of the Corporation's finances and a longer-term view of those finances.

Reporting the Corporation as a Whole

Statement of Net Position and the Statement of Revenues, Expenses and Change in Net Position

The Statement of Net Position and the Statement of Revenues, Expenses and Change in Net Position answer the question, "How did we do financially during 2015?" These statements present all assets and liabilities both financial and capital, and short-term and long-term, using the accrual basis of accounting and economic resource focus, which is similar to the accounting used by most private – sector companies. The accrual basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

These two statements report the Corporation's net position and change in that position. This change in net position is important because it tells the reader that, for the Corporation as a whole, the financial position of the Corporation has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

**GROVEPORT COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
(UNAUDITED)**

Summary of Net Position

The table below provides a summary of the Corporation's net position for 2015 and 2014:

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Current assets	\$ 6,933	\$ 6,732
Total assets	<u>6,933</u>	<u>6,732</u>
<u>Net Position</u>		
Unrestricted	<u>6,933</u>	<u>6,732</u>
Total net position	<u>\$ 6,933</u>	<u>\$ 6,732</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2015 and 2014, the Corporation's assets exceeded liabilities by \$6,933 and \$6,732, respectively. The balance of unrestricted net position may be used to meet the Corporation's ongoing obligations.

The table below shows the changes in net position for years 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Revenues:		
Sponsorship	\$ 10,050	\$ 10,050
Donations	-	7,000
Rental	1,750	1,100
Total Revenues	<u>11,800</u>	<u>18,150</u>
Expenses:		
Purchased services	5,812	6,633
Materials and supplies	5,504	5,661
Advertising	45	1,205
Other	238	137
Total Expenses	<u>11,599</u>	<u>13,636</u>
Changes in net position/operating income (loss)	201	4,514
Beginning Net Position	<u>6,732</u>	<u>2,218</u>
Ending Net Position	<u>\$ 6,933</u>	<u>\$ 6,732</u>

**GROVEPORT COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
(UNAUDITED)**

Total revenues for 2015 were \$11,800 which represents a decrease of \$6,350 from 2014. Expenses were \$11,599 which represents a decrease of \$2,037. The decrease in revenue is attributed to no donation revenue received in 2015 which also corresponded in lower expenses within the purchased services, materials and supplies and advertising expense categories.

Economic Conditions and Outlook

The Corporation will continue to be a vital asset as it relates to marketing and developing business within the Historic Downtown. Currently there are no immediate plans for business ventures or projects in the horizon.

Contacting the Corporation's Financial Management

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the Corporation's finances and to show the Corporation's accountability for the money it receives. If you have questions about this report or need additional financial information contact Jeff Green, Executive Director, 655 Blacklick Street, Groveport, Ohio 43125.

BASIC
FINANCIAL STATEMENTS

**GROVEPORT COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF NET POSITION
DECEMBER 31, 2015**

Assets:

Current assets:

Cash and cash equivalents	<u>\$ 6,933</u>
Total current assets	<u>6,933</u>

Total assets	<u>6,933</u>
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Net Position:

Unrestricted	<u>6,933</u>
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Total net position	<u><u>\$ 6,933</u></u>
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

**GROVEPORT COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

STATEMENT OF REVENUES, EXPENSES AND
CHANGE IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

Revenues:	
Sponsorship	\$ 10,050
Rental	<u>1,750</u>
Total revenues	<u>11,800</u>
Expenses:	
Materials and supplies	5,504
Purchased services	5,812
Other	238
Advertising	<u>45</u>
Total expenses	<u>11,599</u>
Change in net position/operating income	<u>201</u>
Net position at beginning of year	<u>6,732</u>
Net position at end of year	<u><u>\$ 6,933</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

**GROVEPORT COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

Cash flows from operating activities:	
Cash received from sponsorships	\$ 10,050
Cash received from rentals	1,750
Cash payments for supplies and goods and services	<u>(11,599)</u>
Net cash provided by operating activities	<u>201</u>
Net increase in cash and cash equivalents	201
Cash and cash equivalents at beginning of year	<u>6,732</u>
Cash and cash equivalents at end of year	<u><u>\$ 6,933</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	<u>\$ 201</u>
Net cash provided by operating activities	<u><u>\$ 201</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

**GROVEPORT COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 1 - DESCRIPTION OF THE REPORTING ENTITY

The Groveport Community Improvement Corporation (the "Corporation") was created in 2002 and incorporated as a not-for-profit corporation under Title XVII, Chapters 1702 and 1724 of the Ohio Revised Code for the purpose to advance, encourage, and promote industrial, economic, commercial and civic development for the City of Groveport (the "City"). The Corporation has been designated as the City's agent for industrial and commercial distributions and research development.

The Board of Trustees is to be comprised of ten members. The Trustees shall be chosen from two (2) categories in accordance with the following:

- A. Trustees who qualify for inclusion in Category A. shall be the following elected or appointed officials of the City of Groveport: Member of Council, Member of the City Planning Commission, Mayor, City Administrator, Law Director, Finance Director or Chief Building Officer.
- B. Those persons who qualify for inclusion in Category B shall be members of the Corporation who are not elected or appointed officials of the City of Groveport.

There shall always be three (3) Trustees selected from persons who qualify for this inclusion in Category A, and four (4) Trustees who qualify for inclusions in Category B.

The election of trustees shall take place at the first meeting of the Trustees in January. The elected and appointed officials of the City shall be elected for one (1) year and shall continue in the office until their successors are elected and qualified. All remaining Trustees shall be elected for two (2) years and shall continue in office until their successors are elected and qualified.

The City is a charter municipal corporation incorporated under the laws of the State of Ohio. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39, *The Financial Reporting Entity* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, the City's primary government and basic financial statements include component units which are defined as legally separate organizations for which the City is financially accountable. Financial accountability is defined as the appointment of a voting majority of the organization's board and either: 1) the City's ability to impose its will over the organization, or 2) the possibility that the organization will provide a financial benefit or impose a financial burden to the City. The Corporation is a legally separate entity and is reported by the City as a discretely presented component unit in the City's basic financial statements. The Corporation does not have any component units and does not include any other organizations in its presentation. The Corporation's management believes these basic financial statements present all activities for which the Corporation is financially accountable.

**GROVEPORT COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Corporation's significant accounting policies are described below.

A. Basis of Accounting

The basic financial statements of the Corporation are prepared using the accrual basis of accounting in conformity with GAAP. Revenues are recognized when earned and expenses are recognized when incurred.

B. Basis of Presentation

The Corporation's basic financial statements consist of a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows.

C. Cash and Cash Equivalents

For the purpose of the statement of cash flows, all cash in the Corporation's checking account is considered to be cash and cash equivalents. All monies received by the Corporation are deposited in a demand deposit account.

D. Federal Income Tax

The Corporation is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code.

E. Net Position

Net position represents the difference between assets and liabilities. The Corporation does not report restricted net position.

F. Operating Revenue & Expenses

Operating revenues consist primarily of fees for providing services and other income. Operating expenses include the cost of providing these services, including administrative expenses.

Nonoperating revenues and expenses are all revenues and expenses not meeting the definition of operating revenues and expenses. Nonoperating revenues include grants and interest from investments. Nonoperating expenses include interest expense and other nonoperating expenses. The Corporation did not have any nonoperating revenues or expenses for the year ended December 31, 2015.

**GROVEPORT COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 3 - CASH AND CASH EQUIVALENTS

At December 31, 2015, the carrying amount of the Corporation's deposits was \$6,933 and the bank balance was \$8,633. Based on criteria described in GASB Statement No. 40, "*Deposits and Investment Risk Disclosures*", as of December 31, 2015 the entire bank balance was covered by the Federal Deposit Insurance Corporation. There are no significant statutory restrictions regarding the deposits of funds held by the Corporation.

NOTE 4 - RISK MANAGEMENT

The Corporation is not exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. There have been no claims filed the last three years.

NOTE 5 - CONTINGENT LIABILITIES

The Corporation is not involved in material litigation as either plaintiff or defendant.

NOTE 6 - RELATED PARTY TRANSACTIONS

The Corporation is a component unit of the City of Groveport. As described in Note 1, Trustees of the Corporation shall be the following elected or appointed officials of the City of Groveport: Member of Council, Member of the City Planning Commission, Mayor, City Administrator, Law Director, Finance Director or Chief Building Officer.

There were no transactions between the City of Groveport and the Corporation for 2015.



Julian & Grube, Inc.
Serving Ohio Local Governments

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

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

Groveport Community Improvement Corporation
Franklin County
655 Blacklick Street
Groveport, Ohio 43125

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 Groveport Community Improvement Corporation, Franklin County, Ohio, a component unit of the City of Groveport, as of and for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise the Groveport Community Improvement Corporation's basic financial statements and have issued our report thereon dated June 20, 2016.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Groveport Community Improvement Corporation's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Groveport Community Improvement Corporation's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Groveport Community Improvement Corporation's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. 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 and responses that we consider a material weakness. We consider finding 2015-001 to be a material weakness.

Board of Trustees
Groveport Community Improvement Corporation

Compliance and Other Matters

As part of reasonably assuring whether the Groveport Community Improvement Corporation's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Groveport Community Improvement Corporation's Response to Findings

The Groveport Community Improvement Corporation's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Groveport Community Improvement Corporation's response 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 Groveport Community Improvement Corporation's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Groveport Community Improvement Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
June 20, 2016

**GROVEPORT COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2015**

FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2015-001

Material Weakness – Financial Statement Presentation

Accurate financial reporting is required in order to provide management and citizens with objective and timely information to enable well-informed decisions.

Two outstanding checks totaling \$1,700 were excluded from the financial statements.

The audited financial statements and the Corporation’s records have been adjusted for the misstatements identified during the audit.

In general, an accounting and information system should be designed to provide management with accurate and timely information to enable well-informed business decisions to be made.

We recommend that the Corporation consult with their auditors and/or an accounting/consulting firm to consider obtaining an overall review of the financial statements and notes prior to submitting to the auditor as an additional internal control to help ensure accurate financial reporting.

Client Response: The Corporation’s limited transactions in the past have not provided the need for an elaborate accounting system. Additional procedures will be implemented to incorporate more extensive accounting procedures in the future.



Dave Yost • Auditor of State

GROVEPORT COMMUNITY IMPROVEMENT 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
AUGUST 2, 2016**