

GROVEPORT COMMUNITY IMPROVEMENT CORPORATION

FRANKLIN COUNTY

BASIC FINANCIAL STATEMENTS

JANUARY 1, 2011 - DECEMBER 31, 2011



Dave Yost • Auditor of State

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

We have reviewed the *Independent Accountants' Report* of the Groveport Community Improvement Corporation, Franklin County, prepared by Julian & Grube, Inc., for the audit period January 1, 2011 through December 31, 2011. 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

October 30, 2012

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

**BASIC FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2011 AND 2010**

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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 Accountants' Report

Groveport Community Improvement Corporation
655 Blacklick Street
Groveport, Ohio 43125

To the Board of Directors:

We have audited the accompanying basic 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, 2011, as listed in the table of contents. These financial statements are the responsibility of the Groveport Community Improvement Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all materials respects, the financial position of the Groveport Community Improvement Corporation, as of December 31, 2011, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying statement of net assets of the Groveport Community Improvement Corporation as of December 31, 2010, and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended were not audited, reviewed, or compiled by us and, accordingly, we do not express an opinion or any other form of assurance on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2012, 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 grants 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 testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Board of Directors
Groveport Community Improvement Corporation
Page Two

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis*, as 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
August 24, 2012

**GROVEPORT COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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 years ended December 31, 2011 and 2010. 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 assets of the Corporation decreased from \$2,223 from December 31, 2009 to \$1,322 at December 31, 2011.
- Total revenues for 2011 and 2010 were \$100 and \$0, respectively. Expenses were \$763 and \$238 at December 31, 2011 and 2010, respectively.

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 assets and statement of revenues, expenses, and changes in net assets 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 Assets and the Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets answer the question, "How did we do financially during 2011 and 2010?" 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 assets and changes in those assets. This change in net assets 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 YEARS ENDED DECEMBER 31, 2011 AND 2010**

Summary of Net Assets

The table below provides a summary of the Corporation's net assets for 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Assets		
Current and other assets	\$ 1,322	\$ 1,985
Total assets	<u>1,322</u>	<u>1,985</u>
Net Assets		
Unrestricted	<u>1,322</u>	<u>1,985</u>
Total net assets	<u>\$ 1,322</u>	<u>\$ 1,985</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2011 and 2010, the Corporation's assets exceeded liabilities by \$1,322 and \$1,985, respectively. The balance of unrestricted net assets may be used to meet the Corporation's ongoing obligations.

The table below shows the changes in net assets for years 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Revenues:		
Donations	\$ 100	\$ -
Total Revenues	<u>100</u>	<u>-</u>
Expenses:		
Advertising	318	238
Other	<u>445</u>	<u>-</u>
Total Expenses	<u>763</u>	<u>238</u>
Changes in net assets/operating loss	(663)	(238)
Beginning Net Assets	<u>1,985</u>	<u>2,223</u>
Ending Net Assets	<u>\$ 1,322</u>	<u>\$ 1,985</u>

Operating revenues and expenditures increased \$100 and \$525, respectively. Expenses are primarily attributed to advertising and related meeting expenses for the Corporation.

**GROVEPORT COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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.

**GROVEPORT COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

STATEMENTS OF NET ASSETS
DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 1,322	\$ 1,985
Total current assets	<u>1,322</u>	<u>1,985</u>
Total assets	<u>1,322</u>	<u>1,985</u>
Net Assets:		
Unrestricted	<u>1,322</u>	<u>1,985</u>
Total net assets	<u>\$ 1,322</u>	<u>\$ 1,985</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

**GROVEPORT COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
Revenues:		
Donations	\$ 100	\$ -
Total revenues	100	-
Expenses:		
Advertising	318	238
Other	445	-
Total expenses	763	238
Change in net asset/operating loss	(663)	(238)
Net assets at beginning of year	1,985	2,223
Net assets at end of year	\$ 1,322	\$ 1,985

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

**GROVEPORT COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**STATEMENTS OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	2011	2010
Cash flows from operating activities:		
Cash received from donations	\$ 100	\$ -
Cash payments to supplies for goods and services	(763)	(238)
Net cash used by operating activities	(663)	(238)
Cash flows from capital and related financing activities:		
Net cash provided by capital and related financing activities	-	-
Cash flows from investing activities:		
Net cash provided by investing activities	-	-
Net (decrease) in cash and cash equivalents	(663)	(238)
Cash and cash equivalents at beginning of year	1,985	2,223
Cash and cash equivalents at end of year	\$ 1,322	\$ 1,985
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (663)	\$ (238)
Net cash used by operating activities	\$ (663)	\$ (238)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

**GROVEPORT COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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*, 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.

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 also applies Financial Standards Board (FASB) guidance issued on or before the option to also apply FASB guidance issued after November 30, 1989, subject to this same limitation. The Corporation has elected not to apply this FASB guidance. The Corporation's significant accounting policies are described below.

**GROVEPORT COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 assets, a statement of revenues, expenses and changes in net assets, 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 Assets

Net assets represent the difference between assets and liabilities. The Corporation does not have restricted net assets.

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.

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS

At December 31, 2011 and 2010, the carrying amount of the Corporation's deposits was \$1,322 and \$1,985. Based on criteria described in GASB Statement No. 40, "*Deposits and Investment Risk Disclosures*", as of December 31, 2011 and 2010, the entire bank balances were covered by the Federal Deposit Insurance Corporation. There are no significant statutory restrictions regarding the deposits of funds held by the Corporation.

**GROVEPORT COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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.

NOTE 5 - CONTINGENT LIABILITIES

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

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Julian & Grube, Inc.
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**Independent Accountants' Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Required by
*Government Auditing Standards***

Groveport Community Improvement Corporation
655 Blacklick Street
Groveport, Ohio 43125

To the Board of Directors:

We have audited the financial statement 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, 2011, and have issued our report thereon dated August 24, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Groveport Community Improvement Corporation's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Groveport Community Improvement Corporation's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Groveport Community Improvement Corporation's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the Groveport Community Improvement Corporation's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Board of Directors
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, providing an opinion 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*.

We intend this report solely for the information and use of management, the Board of Trustees, and others within the Groveport Community Improvement Corporation. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
August 24, 2012



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
NOVEMBER 13, 2012**