

***BIG WALNUT AREA COMMUNITY IMPROVEMENT  
CORPORATION***

***FRANKLIN COUNTY, OHIO***

**AUDIT REPORT**

**For the Years Ended December 31, 2007 & 2006**

***CHARLES E. HARRIS & ASSOCIATES, INC.***  
**Certified Public Accountants and Government Consultants**





Mary Taylor, CPA  
Auditor of State

Board of Trustees  
Big Walnut Community Improvement Corporation  
4175 Alum Creek Drive  
Obetz, Ohio 43207

We have reviewed the *Independent Auditor's Report* of the Big Walnut Community Improvement Corporation, Franklin County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2006 through December 31, 2007. 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 Big Walnut Community Improvement Corporation is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

April 21, 2009

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**BIG WALNUT COMMUNITY IMPROVEMENT CORPORATION**  
**FRANKLIN COUNTY, OHIO**  
**AUDIT REPORT**  
For the Years Ended December 31, 2007 & 2006

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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**INDEPENDENT AUDITOR'S REPORT**

Big Walnut Area Community Improvement Corporation  
Franklin County, Ohio  
4175 Alum Creek Drive  
Obetz, Ohio 43207

The Board of Trustees:

We have audited the accompanying statement of financial position of the Big Walnut Area Community Improvement Corporation (the Corporation), Franklin County as of December 31, 2007 and 2006, and the related statement of activities and cash flows for the years then ended. These financial statements are the responsibility of the 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above presently fairly, in all material respects, the financial position of the Big Walnut Area Community Improvement Corporation as of December 31, 2007 and 2006, and the changes in its net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2009 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, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

***Charles E. Harris & Associates, Inc.***  
March 6, 2009

**Big Walnut Community Improvement Corporation**  
**Statement of Financial Position**  
**As of December 31, 2007 and 2006**

	2007	2006
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash	\$ 52,460	\$ 48,550
Accounts Receivable	2,280	2,280
<b>Total Current Assets</b>	54,740	50,830
<b>Fixed Assets:</b>		
Land Improvements	28,975	28,975
Building	431,051	431,051
Total Fixed Assets	460,026	460,026
Accumulated Depreciation	(443,003)	(397,967)
<b>Total Fixed Assets, Net</b>	17,023	62,059
<b>TOTAL ASSETS</b>	\$ 71,763	\$ 112,889
<b>NET ASSETS:</b>		
Unrestricted	\$ 71,763	\$ 112,889

See Accompanying Notes to the Financial Statements

**Big Walnut Community Improvement Corporation**  
**Statement of Activities**  
**For the Years Ended December 31, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>REVENUES:</b>		
Rent	\$ 26,960	\$ 27,360
Interest	1,501	1,190
Other Revenue	10,000	-
<b>TOTAL REVENUES</b>	<u>38,461</u>	<u>28,550</u>
<b>EXPENSES:</b>		
Administrative and general operating	3,546	2,316
Facility operating and maintenance	12,397	10,564
Economic development	18,608	9,342
Depreciation	45,036	45,036
<b>TOTAL EXPENSES</b>	<u>79,587</u>	<u>67,258</u>
Decrease in net assets	(41,126)	(38,708)
Net Assets, beginning of year-Restated, Note 7	<u>112,889</u>	<u>151,597</u>
Net Assets, end of year	<u>\$ 71,763</u>	<u>\$ 112,889</u>

See Accompanying Notes to the Financial Statements



**Big Walnut Community Improvement Corporation**  
**Statement of Cash Flows**  
**For the Years Ended December 31, 2007 and 2006**

	2007	2006
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ (41,126)	\$ (38,708)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	45,036	45,036
Net Cash Provided by Operating Activities	3,910	6,328
Cash at Beginning of Year	48,550	42,222
Cash at End of Year	\$ 52,460	\$ 48,550

See Accompanying Notes to the Financial Statements

**BIG WALNUT AREA COMMUNITY IMPROVEMENT CORPORATION**

**FRANKLIN COUNTY, OHIO**

Notes to the Financial Statements

December 31, 2007 and 2006

1. Summary of Significant Accounting Policies:

Organization

Big Walnut Area Community Improvement Corporation of Franklin County, Ohio (the Corporation) is a not-for-profit corporation formed pursuant to Chapter 1724 of the Ohio Revised Code to facilitate the economic development process in the Village of Obetz and the surrounding area. The Corporation encourages the interaction of member communities and businesses therein, markets and/or promotes development within southeastern Franklin County, and proposes policies and makes recommendations to assist in local economic development activities.

Financial statement presentation

These financial statements have been prepared on the accrual basis of accounting in accordance with Statement of Financial Accounting Standards (SFAS) No. 117 *Financial Statements for Not-For-Profit Organizations*. SFAS No. 117 requires net assets and revenues, expenses, gains and losses to be classified based on the existence or absence of donor-imposed restrictions.

Cash

For purposes of cash flows, the Corporation considers cash on hand and in demand accounts with a maturity of 90 days or less to be cash.

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.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and depreciation

Property and equipment are recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives (ten to fifteen years) of the respective assets.

**BIG WALNUT AREA COMMUNITY IMPROVEMENT CORPORATION**  
**FRANKLIN COUNTY, OHIO**

Notes to the Financial Statements  
December 31, 2007 and 2006

1. Summary of Significant Accounting Policies - (Continued)

Contributions

The Corporation also follows the recommendations of the Financial Accounting Standards Board in its Statements of Financial Accounting Standards (SFAS No. 116, *Accounting for Contributions Received and Contributions Made*). Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Corporation did not receive any contributions in 2007 and 2006.

2. Cash

At December 31, 2007 and 2006 the Corporation's carrying values of cash were \$52,460 and \$48,550 and the bank balances were \$52,605 and \$49,216, respectively. The bank balances at December 31, 2007 and 2006 were insured by the Federal Deposit Insurance Corporation (FDIC).

3. Contributed Building

In 1998, the Corporation received as a donation a building with a fair market value of \$431,051. The building is currently leased to Team Columbus Soccer, LLC and serves as the practice facility of the Columbus Crew (See Note 5).

4. Lease Commitment:

The Corporation leases the land from the Village of Obetz upon which the Columbus Crew practice facility is situated. The annual lease payment is \$1. Upon expiration of the lease or upon vacation of the building by its tenant, the building and all equipment are to be sold by the Corporation to the Village of Obetz for \$1.

5. Building Lease Income:

The Corporation (lessor) entered into a five year lease agreement, beginning January 1, 2005, with an option to renew for an additional five years, with Team Columbus Soccer, LLC (lessee) to lease a building known as the Columbus Crew Training Facility as well as adjacent land. The lease provided for rental payments of \$2,280 per month.

**BIG WALNUT AREA COMMUNITY IMPROVEMENT CORPORATION**

**FRANKLIN COUNTY, OHIO**

Notes to the Financial Statements

December 31, 2007 and 2006

6. Litigation

The Corporation is not party to any legal proceedings as either plaintiff or defendant.

7. Prior Period Adjustment

An accounting error of \$10,975 related to the accrual of a receivable at December 31, 2005 was discovered in 2007. The net assets at January 1, 2006 were decreased by that amount to correct the error.

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***Charles E. Harris & Associates, Inc.***  
***Certified Public Accountants***

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Big Walnut Area Community Improvement Corporation  
4175 Alum Creek Drive  
Obetz, Ohio 43207

The Board of Trustees:

We have audited the financial statements of the Big Walnut Area Community Improvement Corporation, Franklin County, Ohio (the Corporation) as of December 31, 2007 and 2006 and for the years then ended, and have issued our report thereon dated March 6, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the Corporation's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Corporation's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Corporation's financial statements that is more than inconsequential will not be prevented or detected by the Corporation's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Corporation's internal control.

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2007-BWCIC-01.

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

We also noted certain other matters that we have reported to management of the Corporation in a separate letter dated March 6, 2009.

This report is intended solely for the information and use of management and the Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.

***Charles E. Harris and Associates, Inc.***

March 6, 2009

**BIG WALNUT AREA COMMUNITY IMPROVEMENT CORPORATION**  
**FRANKLIN COUNTY, OHIO**  
**SCHEDULE OF AUDIT FINDINGS**  
**For the Years Ended December 31, 2007 and 2006**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**Finding Number 2007-BWCIC-01 Material Noncompliance**

Annual Report Not Filed

Ohio Revised Code 1724.05 requires community improvement corporations to prepare and file annual unaudited GAAP financial reports with the Auditor of State within 120 days of the fiscal year end.

Contrary to this requirement, the Corporation failed to make the necessary adjustments to its cash basis statements to prepare GAAP basis financial statements and failed to file an annual financial report for 2007 or 2006.

Although the adjustments to convert the Corporation's financial statements in 2007 and 2006 to GAAP basis were not material, the potential for misleading financials is potentially material. We have proposed adjustments with which management has concurred and the accompanying financial statements have been adjusted accordingly.

Also failure to file an annual report could result in the cancellation of the Corporation's articles of incorporation by the Secretary of State.

We recommend that the Corporation implement procedures to ensure that annual financial reports are filed as required by the Ohio Revised Code.

Management's Response:

Management indicated they will complete financial statements and submit to the Auditor of State on a timely basis in the future.

**BIG WALNUT AREA COMMUNITY IMPROVEMENT CORPORATION**  
**FRANKLIN COUNTY, OHIO**  
**SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For the Years Ended December 31, 2007 and 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2005-01	Material Weakness- Audit adjustments not posted to accounting system	Yes	
2005-02	Material Weakness- Records not readily available	Yes	
2005-03	Material Weakness- Bank reconciliations not performed timely	Yes	
2005-04	Material Weakness- Financial statements not on GAAP basis	Yes	
2005-05	Reportable Condition- Disbursements not properly documented	No	Moved to management letter





Mary Taylor, CPA  
Auditor of State

**BIG WALNUT AREA 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  
MAY 7, 2009**