

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

FRANKLIN COUNTY, OHIO

AUDIT REPORT

For the Years Ended December 31, 2009 & 2008

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



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Big Walnut Area Community Improvement Corporation, Franklin County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2008 through December 31, 2009. 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 Area 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

June 14, 2011

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BIG WALNUT AREA COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY, OHIO
AUDIT REPORT
For the Years Ended December 31, 2009 & 2008

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

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, 2009 and 2008, 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 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 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, 2009 and 2008, 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 May 31, 2011 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.
May 31, 2011

Big Walnut Community Improvement Corporation
Statement of Financial Position
As of December 31, 2009 and 2008

	2009	2008
ASSETS		
Current Assets:		
Cash	\$ 74,301	\$ 74,774
Accounts Receivable	9,560	2,280
Total Current Assets	\$ 83,861	\$ 77,054
Fixed Assets:		
Land Improvements	9,125	9,125
Building	431,051	431,051
Total Fixed Assets	440,176	440,176
Accumulated Depreciation	(436,118)	(435,510)
Total Fixed Assets, Net	4,058	4,666
TOTAL ASSETS	\$ 87,919	\$ 81,720
NET ASSETS:		
Unrestricted	\$ 87,919	\$ 81,720

See Accompanying Notes to the Financial Statements

Big Walnut Community Improvement Corporation
Statement of Activities
For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
REVENUES:		
Rent	\$ 27,360	\$ 27,360
Interest	618	820
Other Revenue	5,000	20,060
TOTAL REVENUES	<u>\$ 32,978</u>	<u>\$ 48,240</u>
EXPENSES:		
Administrative and general operating	9,890	5,259
Facility operating and maintenance	11,164	10,362
Economic development	5,117	10,305
Depreciation	608	608
TOTAL EXPENSES	<u>26,779</u>	<u>26,534</u>
Change in Net Assets	6,199	21,706
Net Assets, beginning of year-Restated Note 6	<u>81,720</u>	<u>60,014</u>
Net Assets, end of year	<u>\$ 87,919</u>	<u>\$ 81,720</u>

See Accompanying Notes to the Financial Statements

Big Walnut Community Improvement Corporation
Statement of Cash Flows
For the Years Ended December 31, 2009 and 2008

	2009	2008
Cash Flows from Operating Activities:		
Change in net assets	\$ 6,199	\$ 21,706
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Accounts Receivable	(7,280)	-
Depreciation	608	608
Net Cash Provided by (Used for) Operating Activities	(473)	22,314
Cash at Beginning of Year	74,774	52,460
Cash at End of Year	\$ 74,301	\$ 74,774

See Accompanying Notes to the Financial Statements

BIG WALNUT AREA COMMUNITY IMPROVEMENT CORPORATION

FRANKLIN COUNTY, OHIO

Notes to the Financial Statements

December 31, 2009 and 2008

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.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial statement presentation

The Corporation follows the recommendations of the Financial Accounting Standards Board ASC 958, *Financial Statements of Not-For-Profit Organizations*. Under ASC 958, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

There were no temporarily or permanently restricted net assets as of December 31, 2009 or 2008.

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.

BIG WALNUT AREA COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY, OHIO

Notes to the Financial Statements
December 31, 2009 and 2008

1. Summary of Significant Accounting Policies - (Continued)

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.

Contributions

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 2009 and 2008.

2. Cash

At December 31, 2009 and 2008 the Corporation's carrying values of cash were \$74,301 and \$74,774 and the bank balances were \$74,376 and \$74,774, respectively. The bank balances at December 31, 2009 and 2008 were insured by the Federal Deposit Insurance Corporation (FDIC).

3. Fixed Assets

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). The building is depreciated using the straight line method over the estimated useful life of ten years. The building, although still in use, was fully depreciated at the end of 2007.

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.

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

Notes to the Financial Statements
December 31, 2009 and 2008

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. Team Columbus Soccer, LLC exercised its renewal option in September 2009 for an additional five years ending December 31, 2014.

6. Prior Period Adjustment

The Corporation purchased a sign for the business park in 2001 in the amount of \$19,850. The business park was subsequently sold to the developer in 2004. After several years of debate it was decided by mutual agreement that the sign should have reverted to the developer during the sale. Therefore, the Corporation adjusted the beginning net asset balance at January 1, 2008 in the amount of \$11,749 to reflect the disposition of the sign.

7. Litigation

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

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

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

Big Walnut Area Community Improvement Corporation
Franklin County, Ohio
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 (the Corporation), as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated May 31, 2011. 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 *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 opining on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Corporation's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a deficiency in internal control over financial reporting, that we consider a material weakness.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-BWCIC-02 described in the accompanying Schedule of Findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Corporation's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grants 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 such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2009-BWCIC-01 and 02.

The Corporation's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Corporation's responses and, accordingly, we express no opinion on them.

We also noted certain other matters that we have reported to management of the Corporation in a separate letter dated May 31, 2011.

We intend this report solely for the information and use of management and the Board of Trustees. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Charles E. Harris" followed by "Associates" in a smaller, less legible script.

Charles E. Harris and Associates, Inc.

May 31, 2011

**BIG WALNUT AREA COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY, OHIO
SCHEDULE OF AUDIT FINDINGS
For the Years Ended December 31, 2009 and 2008**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2009-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 file an annual financial report for 2009 or 2008.

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:

We did not receive a management response.

Finding Number 2009-BWCIC-02 Noncompliance Citation and Material Weakness

Ohio Rev. Code Section 149.351 (A), requires that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commission provided for under sections 149.38 to 149.42 of the Revised Code. Such records shall be delivered by outgoing officials and employees to their successors and shall not be otherwise removed, transferred or destroyed unlawfully.

The Corporation could not locate minutes from several board meetings and had to reconstruct certain financial records. Therefore, the Corporation could not produce financial statements on a timely basis.

We recommend the Corporation implement procedures to preserve records in accordance with the Ohio Revised Code.

Management's Response

We did not receive a response from management.

BIG WALNUT AREA COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
For the Years Ended December 31, 2009 and 2008

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2007-BWCIC-01	Material Noncompliance- Financial Statements not filed with AOS	No	Repeated as 2009-BWCIC-01



Dave Yost • 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
JUNE 28, 2011**