

NEW ALBANY
COMMUNITY IMPROVEMENT CORPORATION
(A Component Unit of the Village of New Albany)
Franklin County, Ohio

BASIC
FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 2010

JAMES M. NICHOLSON, DIRECTOR OF FINANCE



Dave Yost • Auditor of State

Board of Trustees
New Albany Community Improvement Corporation
99 West Main Street
New Albany, Ohio 43054

We have reviewed the *Independent Auditor's Report* of the New Albany Community Improvement Corporation, Franklin County, prepared by Julian & Grube, Inc., for the audit period January 1, 2010 through December 31, 2010. 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 New Albany 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 21, 2011

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**NEW ALBANY
COMMUNITY IMPROVEMENT CORPORATION
(A Component Unit of the Village of New Albany)
Franklin County, Ohio**

**BASIC FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 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 Auditor's Report

Board of Trustees
New Albany Community Improvement Corporation
99 West Main Street
New Albany, Ohio 43054

We have audited the accompanying basic financial statements of the New Albany Community Improvement Corporation, Franklin County, Ohio, a component unit of the Village of New Albany, as of and for the year ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of the New Albany 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 material respects, the respective financial position of the New Albany Community Improvement Corporation, Franklin County, Ohio, as of December 31, 2010, and the changes in financial position and its cash flows for the year 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 June 9, 2011, on our consideration of the New Albany 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. 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 Trustees
New Albany Community Improvement Corporation

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.
June 9, 2011

**NEW ALBANY
COMMUNITY IMPROVEMENT CORPORATION
(A Component Unit of the Village of New Albany)**

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

The management's discussion and analysis of the New Albany Community Improvement Corporation's (the "CIC") financial performance provides an overall review of the CIC's financial activities for the year ended December 31, 2010. The intent of this discussion and analysis is to look at the CIC's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the CIC's financial performance.

Financial Highlights

Key financial highlights for 2010 are as follows:

- In total, net assets were \$986,833 at December 31, 2010.
- The CIC had operating expenses of \$281,667 for 2010. Total change in net assets for the year was a decrease of \$281,667.

Using these Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the CIC's financial activities. The *Statement of Net Assets* and *Statement of Revenues, Expenses and Changes in Net Assets* provide information about the activities of the CIC, including all short-term and long-term financial resources and obligations.

Reporting the CIC's Financial Activities

Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Net Assets and the Statement of Cash Flows

These documents look at all financial transactions and ask the question, "How did we do financially during 2010?" The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the CIC's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the CIC as a whole, the *financial position* of the CIC has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. These statements can be found on pages 7 and 8 of this report.

The statement of cash flows provides information about how the CIC finances and meets the cash flow needs of its operations. The statement of cash flows can be found on page 9 of this report.

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. These notes to the basic financial statements can be found on pages 10-12 of this report.

**NEW ALBANY
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

The table below provides a summary of the CIC's net assets at December 31, 2010 and December 31, 2009.

	<u>2010</u>	<u>2009</u>
Assets		
Current assets: cash	\$ 1,000	\$ 1,000
Capital assets, net	<u>985,833</u>	<u>1,267,500</u>
Total assets	<u>\$ 986,833</u>	<u>\$ 1,268,500</u>
Net Assets		
Invested in capital assets	985,833	1,267,500
Unrestricted	<u>1,000</u>	<u>1,000</u>
Total net assets	<u>\$ 986,833</u>	<u>\$ 1,268,500</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2010, the CIC's net assets totaled \$986,833.

At year-end, capital assets represented 99.90% of total assets. Capital assets consisted of equipment. There is no debt related to these capital assets. Capital assets are used to provide services and are not available for future spending.

**NEW ALBANY
COMMUNITY IMPROVEMENT CORPORATION
(A Component Unit of the Village of New Albany)**

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

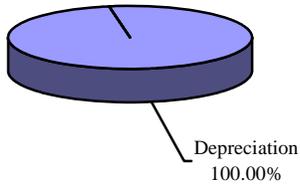
The table below shows the changes in net assets for 2010 and the period ended December 31, 2009.

Change in Net Assets

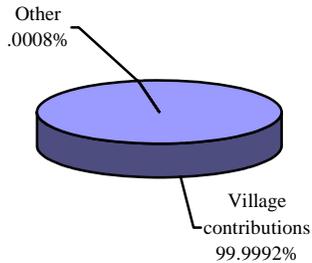
	2010	2009
<u>Operating revenues:</u>		
Village contributions	\$ -	\$ 1,301,000
Other	-	10
Total operating revenues	\$ -	\$ 1,301,010
<u>Operating expenses:</u>		
Depreciation	281,667	32,500
Other	-	10
Total operating expenses	\$ 281,667	\$ 32,510
Change in net assets	\$ (281,667)	\$ 1,268,500
Net assets at beginning of year	1,268,500	-
Net assets at end of year	\$ 986,833	\$ 1,268,500

The charts below illustrate the revenues and expenses for the CIC during 2010 and the period ended December 31, 2009.

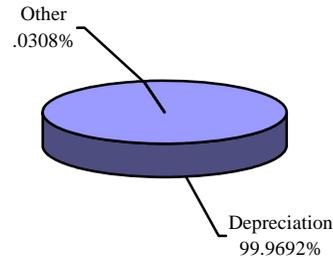
2010 Expenses



2009 Revenues



2009 Expenses



**NEW ALBANY
COMMUNITY IMPROVEMENT CORPORATION
(A Component Unit of the Village of New Albany)**

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

Capital Assets

At December 31, 2010 and December 31, 2009, the CIC had \$985,833 and \$1,267,500, respectively, in equipment. See Note 4 to the basic financial statements for more detail on the capital assets.

Current Financial Related Activities

The CIC is sponsored by the Village of New Albany. The CIC is reliant upon village contributions for its funding.

The CIC is the Village of New Albany's agent for industrial and commercial distributions and research development. The purpose of the CIC is to advance, encourage, and promote industrial, economic, commercial and civic development of the Village of New Albany.

Contacting the CIC's Financial Management

This financial report is designed to provide our clients and creditors with a general overview of the CIC's finances and to show the CIC's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. James M. Nicholson, Director of Finance, New Albany Community Improvement Corporation, 99 West Main Street, P.O. Box 188, New Albany, OH, 43054.

**BASIC
FINANCIAL STATEMENTS**

**NEW ALBANY
COMMUNITY IMPROVEMENT CORPORATION
(A Component Unit of the Village of New Albany)**

**STATEMENT OF NET ASSETS
DECEMBER 31, 2010**

ASSETS

Current assets:

Cash	\$ 1,000
Total current assets	<u>1,000</u>

Noncurrent assets:

Capital assets, net	<u>985,833</u>
Total non-current capital assets	<u>985,833</u>
Total assets	<u>986,833</u>

NET ASSETS

Invested in capital assets	985,833
Unrestricted	<u>1,000</u>
Total net assets	<u>\$ 986,833</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEW ALBANY
COMMUNITY IMPROVEMENT CORPORATION
(A Component Unit of the Village of New Albany)**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010

OPERATING EXPENSES

Depreciation	\$ 281,667
Total operating expenses	<u>281,667</u>
OPERATING LOSS / CHANGE IN NET ASSETS	<u>(281,667)</u>
Net assets at beginning of year	<u>1,268,500</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 986,833</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEW ALBANY
COMMUNITY IMPROVEMENT CORPORATION
(A Component Unit of the Village of New Albany)**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

Cash at beginning of year	\$ 1,000
CASH AT END OF YEAR	<u>\$ 1,000</u>
 <u>RECONCILIATION OF OPERATING LOSS</u>	
<u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	
Operating loss	\$ (281,667)
Adjustments:	
Depreciation	<u>281,667</u>
Net cash provided by operating activities	<u>\$ -</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEW ALBANY
COMMUNITY IMPROVEMENT CORPORATION
(A Component Unit of the Village of New Albany)**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 1 - DESCRIPTION OF THE REPORTING ENTITY

The New Albany Community Improvement Corporation (the "CIC") was formed pursuant to Ordinance O-15-2006 passed April 4, 2006 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 of the Village of New Albany (the "Village"). The CIC has been designated as the Village's agent for industrial and commercial distributions and research development.

The Board of Trustees is to be comprised of nine members. The following four elected or appointed officials of the Village of New Albany ("Village Representatives") constitute four of the members of the Board of Trustees: Mayor (or appointed permanent designee), Council President Pro Tempore (or permanent designee), Village Administrator and the Village Director of Development. The Village Representatives hold office for as long as they hold their position at the Village. In addition to the four Village Representatives, there are five members appointed by a majority vote of Village Council ("Trustees at Large"). Three of the Trustees at Large will serve a term of three years. The two remaining Trustees at Large will serve a term of two years.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the CIC 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 CIC also applies Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The CIC has the option to also apply FASB guidance issued after November 30, 1989, subject to this same limitation. The CIC has elected not to apply this FASB guidance. The CIC's significant accounting policies are described below.

A. Basis of Accounting

The basic financial statements of the CIC are prepared using the accrual basis of accounting in conformity with GAAP.

**NEW ALBANY
COMMUNITY IMPROVEMENT CORPORATION
(A Component Unit of the Village of New Albany)**

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Basis of Presentation

The CIC'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.

The CIC distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the CIC's principal ongoing operation. The principal operating revenues of the CIC are contributions from the Village. Operating expenses for the CIC primarily include depreciation expense on capital assets purchased by the CIC. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses. The CIC did not have any nonoperating revenues or expenses in 2010.

C. Federal Income Tax

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

D. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, all cash in the CIC's checking account is considered to be cash and cash equivalents. All monies received by the CIC are deposited in a demand deposit account.

E. Capital Assets and Depreciation

The CIC's capital assets consist of equipment which is recorded at cost. The CIC maintains a capitalization threshold of \$5,000. Improvements are capitalized; however, the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

The CIC's equipment is depreciated using the straight-line method over an estimated useful life of five years.

F. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The CIC has no restricted net assets.

G. Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

**NEW ALBANY
COMMUNITY IMPROVEMENT CORPORATION
(A Component Unit of the Village of New Albany)**

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 3 - DEPOSITS

At December 31, 2010, the carrying amount of the CIC's deposits was \$1,000. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2010, the entire bank balance of \$1,000 was covered by the Federal Deposit Insurance Corporation. There are no significant statutory restrictions regarding the deposits and investments of funds held by the not-for-profit corporation.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010, was as follows:

	Balance <u>12/31/09</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>12/31/10</u>
<i>Capital assets, being depreciated:</i>				
Equipment	\$ 1,300,000	\$ -	\$ -	\$ 1,300,000
Total capital assets, being depreciated	<u>1,300,000</u>	<u>-</u>	<u>-</u>	<u>1,300,000</u>
<i>Less: accumulated depreciation:</i>				
Equipment	(32,500)	(281,667)	-	(314,167)
Total accumulated depreciation	<u>(32,500)</u>	<u>(281,667)</u>	<u>-</u>	<u>(314,167)</u>
Total capital assets, net	<u>\$ 1,267,500</u>	<u>\$ (281,667)</u>	<u>\$ -</u>	<u>\$ 985,833</u>

NOTE 5 - LITIGATION

The CIC is involved in no material litigation as either plaintiff or defendant.



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 on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board of Trustees
New Albany Community Improvement Corporation
99 West Main Street
New Albany, Ohio 43054

We have audited the financial statements of the New Albany Community Improvement Corporation, Franklin County, Ohio, a component unit of the Village of New Albany, as of and for the year ended December 31, 2010 and have issued our report thereon dated June 9, 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the New Albany 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 New Albany Community Improvement Corporation's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the New Albany 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 New Albany 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 Trustees
New Albany Community Improvement Corporation

Compliance and Other Matters

As part of reasonably assuring whether the New Albany 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 effect 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 New Albany 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.
June 9, 2011



Dave Yost • Auditor of State

NEW ALBANY 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, 2011**