

CITY OF UPPER ARLINGTON COMMUNITY IMPROVEMENT CORPORATION
(A Component Unit of the City of Upper Arlington)
FRANKLIN COUNTY, OHIO

FINANCIAL STATEMENTS
(AUDITED)

FOR THE YEAR ENDED
DECEMBER 31, 2012



Dave Yost • Auditor of State

Board of Trustees
City of Upper Arlington Community Improvement Corporation
3600 Tremont Road
Upper Arlington, Ohio 43221

We have reviewed the *Independent Auditor's Report* of the City of Upper Arlington Community Improvement Corporation, Franklin County, prepared by Julian & Grube, Inc., for the audit period January 1, 2012 through December 31, 2012. 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 City of Upper Arlington 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

August 2, 2013

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**CITY OF UPPER ARLINGTON COMMUNITY IMPROVEMENT CORPORATION
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

City of Upper Arlington Community Improvement Corporation
Franklin County
3600 Tremont Road
Upper Arlington, Ohio 43221

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the City of Upper Arlington Community Improvement Corporation, Franklin County, Ohio, a component unit of the City of Upper Arlington, which comprise the statement of financial position as of December 31, 2012 and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 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 obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including assessing the risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the City of Upper Arlington 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 for the purpose of expressing an opinion on the effectiveness of the City of Upper Arlington Community Improvement Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as our evaluation of the overall financial statement presentation.

Independent Auditor's Report
Page Two

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the City of Upper Arlington Community Improvement Corporation, Franklin County, Ohio, as of December 31, 2012, and the changes in its net assets and its cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2013, on our consideration of the City of Upper Arlington 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. 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 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 City of Upper Arlington Community Improvement Corporation's internal control over financial reporting and compliance.



Julian & Grube, Inc.
June 14, 2013

City of Upper Arlington Community Improvement Corporation
Statement of Financial Position
December 31, 2012

ASSETS

Current Assets

Cash and cash equivalents (Note 1)	<u>\$ 27,873</u>
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TOTAL ASSETS	<u><u>\$ 27,873</u></u>
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LIABILITIES AND NET ASSETS

Net Assets

Unrestricted	<u>\$ 27,873</u>
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Total net assets	<u>27,873</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 27,873</u></u>
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***The accompanying notes are an integral part of the financial statements.**

**City of Upper Arlington Community Improvement Corporation
Statement of Activities
For the Year Ended December 31, 2012**

Revenues:	<u>Unrestricted</u>
Interest	\$ 52
Total revenues	<u>52</u>
Expenses:	
Memberships	1,000
Website hosting fees	900
Audit fees	1,735
Insurance	1,316
Total expenses	<u>4,951</u>
Change in net assets	(4,899)
Net assets at beginning of year	32,772
Net assets at end of year	<u>\$ 27,873</u>

***The accompanying notes are an integral part of the financial statements.**

The City of Upper Arlington Community Improvement Corporation
Statement of Cash Flows
For the Year Ended December 31, 2012

Cash flows from operating activities:

Decrease in net assets	\$ (4,899)
Net cash provided used in operating activities	<u>(4,899)</u>

Cash flows from investing activities:

Net cash provided by financing activities	<u>-</u>
	<u>-</u>

Cash flows from financing activities:

Net cash provided by financing activities	<u>-</u>
	<u>-</u>

Net decrease in cash and cash equivalents	(4,899)
Beginning of period cash	<u>32,772</u>
End of period cash	<u>\$ 27,873</u>

***The accompanying notes are an integral part of the financial statements.**

CITY OF UPPER ARLINGTON COMMUNITY IMPROVEMENT CORPORATION
UPPER ARLINGTON, OHIO
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

NOTE 1 – Summary of Significant Accounting Policies:

A. Organization

The City of Upper Arlington Community Improvement Corporation (CIC) was formed pursuant to Resolution 19-93 passed on December 13, 1993 and incorporated as a corporation not-for-profit under Section 1702 and 1724 of the Ohio Revised Code. The CIC was created to assist the City in the revitalization and enhancement of property, and to advance, encourage, and promote industrial, economic, commercial and civic development of the City of Upper Arlington. The CIC has been designated as the City of Upper Arlington's agent for economic development.

B. Basis of Accounting

The accounts are maintained and these financial statements are presented on the accrual basis and in conformity with accounting principles generally accepted in the United States of America.

C. Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) 117, Financial Statement for Not-For-Profit Organizations. Under SFAS No. 117 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. At December 31, 2012, the net assets of the CIC are unrestricted.

D. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows and for presentation of the Statement of Financial Position, all cash in checking accounts are considered to be cash and cash equivalents.

E. Concentration of Credit Risk

The Corporation maintains its cash account in one commercial bank in Ohio. The cash balance is fully insured within the limits guaranteed by the Federal Deposit Insurance Corporation.

F. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CITY OF UPPER ARLINGTON COMMUNITY IMPROVEMENT CORPORATION
UPPER ARLINGTON, OHIO
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

G. Tax Exempt Status

The CIC is exempt from federal income tax under Section 501 (c) (6) of the Internal Revenue Code.

NOTE 2 – Restriction of Net Assets

The Corporation did not have any restrictions on net assets as of December 31, 2012.

NOTE 3 – Contingent Liabilities

Management believes there are no pending claims or lawsuits.

NOTE 4 – Risk Management

The CIC is subjected to certain types of risk related to torts and errors and omissions in the performance of its normal functions. The CIC has in place Director's and Officers' liability insurance coverage of up to \$1,000,000 per occurrence and \$1,000,000 in aggregate with a \$2,500 deductible. Settlements did not exceed insurance coverage in the past three years. There was no reduction in insurance coverage from the prior year.



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

City of Upper Arlington Community Improvement Corporation
Franklin County
3600 Tremont Road
Upper Arlington, Ohio 43221

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 City of Upper Arlington Community Improvement Corporation, as of and for the year ended December 31, 2012 and the related notes to the financial statements, and have issued our report thereon dated June 14, 2013.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City of Upper Arlington 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 City of Upper Arlington 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 City of Upper Arlington 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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Board of Trustees
City of Upper Arlington Community Improvement Corporation

Compliance and Other Matters

As part of reasonably assuring whether the City of Upper Arlington 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*.

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 City of Upper Arlington 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 City of Upper Arlington Community Improvement Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Julian & Grube, Inc.
June 14, 2013



Dave Yost • Auditor of State

CITY OF UPPER ARLINGTON 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 15, 2013**