

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

**BASIC  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**MATT CRAMBLIT, FINANCE DIRECTOR**





# 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 Julian & Grube, Inc., for the audit period January 1, 2014 through December 31, 2014. 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

July 19, 2016

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**BIG WALNUT AREA 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

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

To the Board of Trustees:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the Big Walnut Area Community Improvement Corporation, Franklin County, Ohio, as of and for the year ended December 31, 2014 and the related notes to the financial statements, which collectively comprise the Big Walnut Area Community Improvement Corporation's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited 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 reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Big Walnut Area 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 to the extent needed to opine on the effectiveness of the Big Walnut Area Community Improvement Corporation's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Big Walnut Area Community Improvement Corporation, Franklin County, Ohio, as of December 31, 2014, and the changes in its financial position and its cash flows for the year then ended in accordance with the 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 6, 2016, on our consideration of the Big Walnut Area 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. That report describes the scope of our internal control testing 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 Big Walnut Area Community Improvement Corporation's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc." with a stylized flourish at the end.

Julian & Grube, Inc.  
June 6, 2016

**Big Walnut Area Community Improvement Corporation**  
**Statement of Net Position**  
**As of December 31, 2014**

**ASSETS**

Current Assets:

Cash	\$ 31,748
Accounts Receivable	<u>5,000</u>
Total Current Assets	<u>36,748</u>

Noncurrent assets:

Capital Assets:

Non-depreciable capital assets	10,500
Depreciable capital assets, net	<u>24,567</u>
Total non-current capital assets	<u>35,067</u>

Total assets	<u>71,815</u>
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**NET POSITION**

Investment in capital assets	35,067
Unrestricted	<u>36,748</u>
Total net position	<u><u>\$ 71,815</u></u>

**Big Walnut Area Community Improvement Corporation**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended December 31, 2014**

	2014
<b><u>OPERATING REVENUES</u></b>	
Rental income	\$ 27,360
Other operating revenue	5,000
Total operating revenue	32,360
 <b><u>OPERATING EXPENSES</u></b>	
Administrative and general operating	10,510
Facility operating and maintenance	8,677
Economic development	2,282
Depreciation	2,890
Total operating expenses	24,359
 OPERATING INCOME/CHANGE IN NET POSITION	 8,001
 <b>Non-operating revenue:</b>	
Interest income	88
 Change in net assets	 8,089
 Net position at beginning of year	 63,726
 <b>NET POSITION AT END OF YEAR</b>	 <b>\$ 71,815</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Big Walnut Area Community Improvement Corporation**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2014**

	2014
<b>Cash Flows from Operating Activities:</b>	
Change in net position	\$ 8,089
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Accounts Receivable	5,000
Depreciation	2,890
Net Cash Provided by (Used for) Operating Activities	15,979
Cash Provided by (Used for) Capital and Related Financing Activities	(20,131)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(20,131)
Net increase/(decrease) in cash	(4,152)
Cash at Beginning of Year	35,900
Cash at End of Year	\$ 31,748

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

**NOTE 1 - PURPOSE AND NATURE OF OPERATIONS**

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. Any person, partnership or corporation being a resident of Obetz or its surrounding territory or being engaged in business in Obetz or its surrounding territory may become a member of the Corporation. 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.

The Corporation operates under the direction of a seven member board of trustees which is comprised of four trustees elected at large and the Mayor, Council President Pro Tem and Administrator of the Village of Obetz. The at large trustees serve three year terms and are elected by the membership at the annual meeting of the trustees.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles general accepted in the United States of America. Revenues are recognized when earned and expenses are recognized when incurred.

**B. Cash**

Cash consists of deposits held by a credit union in interest and non-interest bearing accounts.

**C. 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.

**D. 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. Actual results could differ from those estimates.

**E. Property and Depreciation**

The Corporation's only significant assets are a building donated to the Corporation in 1998 (See Note 4), a parcel of land on Maureen Blvd., a transferable franchise agreement with Wings and Rings, Inc., building improvements, and land improvements. Assets are reported at cost or estimated cost. Depreciation is provided on the straight-line method over the estimated remaining useful lives of the respective assets, 10 years for building and building improvements and 15 years for land improvements.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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

**F. Contributions**

Donated property is recorded as a contribution at its fair market value on the date donated. The Corporation did not receive any contributions in 2014.

**G. Net Position**

Net position are classified based on the existence or absence of imposed restrictions.

**H. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the Corporation. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the Corporation. All revenues and expenses not meeting this definition are reported as non-operating.

**NOTE 3 - CASH**

The carrying value of cash deposits at December 31, 2014 was \$31,748. Deposits are fully insured by the National Credit Union Administration.

**NOTE 4 - 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 6).

**NOTE 5 - 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 vacancy 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.

**NOTE 6 - BUILDING LEASE INCOME**

The Corporation (lessor) entered into a renewable five year lease agreement, beginning January 1, 1997, with Team Columbus Soccer, LLC (lessee) to lease the building known as the Columbus Crew Training Facility as well as adjacent land. The current lease provides for rental payments of \$2,280 per month through December 31, 2015.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

**NOTE 7 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2014 is as follows:

	Balance <u>1/1/14</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/14</u>
<i>Non-depreciable capital assets:</i>				
Land	\$ -	\$ 5,500	\$ -	\$ 5,500
Franchise agreement	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
<i>Total Non-Depreciable Capital Assets</i>	<u>-</u>	<u>10,500</u>	<u>-</u>	<u>10,500</u>
<i>Capital Assets Being Depreciated:</i>				
Land improvements	9,125	3,100	-	12,225
Buildings	431,051	-	-	431,051
Building improvements	<u>18,000</u>	<u>6,531</u>	<u>-</u>	<u>24,531</u>
<i>Total Capital Assets Being Depreciated</i>	<u>458,176</u>	<u>9,631</u>	<u>-</u>	<u>467,807</u>
<i>Less Accumulated Depreciation:</i>				
Land improvements	(7,499)	(763)	-	(8,262)
Buildings	(431,051)	-	-	(431,051)
Building improvements	<u>(1,800)</u>	<u>(2,127)</u>	<u>-</u>	<u>(3,927)</u>
<i>Total Accumulated Depreciation</i>	<u>(440,350)</u>	<u>(2,890)</u>	<u>-</u>	<u>(443,240)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 17,826</u>	<u>\$ 6,741</u>	<u>\$ -</u>	<u>\$ 24,567</u>

**NOTE 8 - ANNUAL CONTRIBUTION**

The Corporation receives an annual \$5,000 contribution from the owner of the building located at 4850 Frusta Dr., Obetz, Ohio. The payment was negotiated by the Village of Obetz in exchange for a 15 year tax abatement on the building. Payments began in 2003 and will continue through 2017.

**NOTE 9 - RISK MANAGEMENT**

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to contracted personnel; and natural disasters. For 2014, the Corporation had property and casualty insurance through USI Midwest.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**NOTE 9 - RISK MANAGEMENT - (Continued)**

Settled claims have not exceeded commercial coverage in the past three years. There was no significant reduction in coverage from the prior year.

**NOTE 10 - LITIGATION**

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

**NOTE 11 - CHANGE IN ACCOUNTING PRINCIPLES**

For 2014, the CIC has implemented GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* and GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*.

GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The Statement improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The implementation of GASB Statement No. 69 did not have an effect on the financial statements of the CIC.

GASB Statement No. 70 improves the recognition, measurement, and disclosures for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the CIC.



**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 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  
4175 Alum Creek Drive  
Obetz, Ohio 43207

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 Big Walnut Area Community Improvement Corporation, Franklin County, Ohio, as of and for the year ended December 31, 2014 and the related notes to the financial statements, which collectively comprise the Big Walnut Area Community Improvement Corporation's basic financial statements and have issued our report thereon dated June 6, 2016.

**Internal Control Over Financial Reporting**

As part of our financial statement audit, we considered the Big Walnut Area 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 Big Walnut Area 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 Big Walnut Area 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  
Big Walnut Area Community Improvement Corporation

### **Compliance and Other Matters**

As part of reasonably assuring whether the Big Walnut Area 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 Big Walnut Area 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 Big Walnut Area 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 6, 2016



# Dave Yost • Auditor of State

**BIG WALNUT 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, 2016**