

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

**BASIC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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, 2015 through December 31, 2015. 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, 2015 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, 2015, 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

**BASIC
FINANCIAL STATEMENTS**

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

STATEMENT OF NET POSITION
DECEMBER 31, 2015

ASSETS

Current assets:

Cash	\$ 31,657
Accounts receivable	23,843
Prepayments	959
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Total current assets	56,459

Noncurrent assets:

Capital assets:

Non-depreciable capital assets	10,500
Depreciable capital assets, net	24,866
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Total non-current capital assets	35,366
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Total assets	<hr/> <hr/> 91,825
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LIABILITIES

Accounts payable	15,866
Intergovernmental payable	280
Unearned revenue	2,280
	<hr/>
Total liabilities	18,426

NET POSITION

Investment in capital assets	35,366
Unrestricted	38,033
	<hr/>
Total net position	<hr/> <hr/> \$ 73,399

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2015

OPERATING REVENUES

Rental income	\$ 27,360
Other operating revenues	27,743
Total operating revenues	55,103

OPERATING EXPENSES

Administrative and general operating	16,987
Facility operating and maintenance	7,709
Economic development	18,475
Other operating expenses	6,797
Depreciation	3,621
Total operating expenses	53,589

OPERATING INCOME / CHANGE IN NET POSITION	1,514
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Non-operating revenues:

Interest income	70
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Change in net assets.	1,584
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Net position at beginning of year	71,815
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NET POSITION AT END OF YEAR	\$ 73,399
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash received from rental income	\$ 29,640
Cash received from other operations	8,900
Cash payments for administrative and general operating	(2,928)
Cash payments for facility operating and maintenance	(7,429)
Cash payments for economic development	(17,975)
Cash payments for other operating expenses	(6,449)
	3,759
Net cash provided by operating activities	3,759
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Gain on sale of capital assets	3,148
Acquisition of capital assets	(7,068)
	(3,920)
Net cash used in capital and related financing activities	(3,920)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Interest received	70
	70
NET DECREASE IN CASH	(91)
Cash at beginning of year	31,748
CASH AT END OF YEAR	\$ 31,657
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	
Operating income	\$ 1,514
Adjustments:	
Depreciation	3,621
Changes in assets and liabilities:	
Accounts receivable	(18,843)
Prepayments	(959)
Accounts payable	15,866
Intergovernmental payable	280
Unearned revenue	2,280
	2,280
Net cash provided by operating activities	\$ 3,759

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - PURPOSE AND NATURE OF OPERATIONS

The 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. Uses 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. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepayments in the statement of net position. These items are reported as assets on the statement of net position using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expense is reported in the year in which services are consumed.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

F. Property and Depreciation

The Corporation's only significant assets are a building donated to the Corporation in 1998 (See Note 5), 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.

G. 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 2015.

H. Net Position

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

I. 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 - CHANGE IN ACCOUNTING PRINCIPLES

For 2015, the Corporation implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27", and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68".

GASB Statement No. 68 improves the accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The implementation of GASB Statement No. 68 had no effect on the Corporation.

GASB Statement No. 71 improves the accounting and financial reporting by addressing an issue in GASB Statement No. 68, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities. The implementation of GASB Statement No. 71 had no effect on the Corporation.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 4 - CASH

At December 31, 2015, the carrying amount of the Corporation's deposits was \$31,657. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2015, the entire bank balance of \$32,285 was covered by the National Credit Union Administration. There are no significant statutory restrictions regarding the deposits and investments of funds held by the not-for-profit corporation.

NOTE 5 - 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 the Columbus Crew SC and serves as the practice facility of the Columbus Crew SC (See Note 6).

NOTE 6 - LEASE COMMITMENT

The Corporation leases the land from the Village of Obetz upon which the Columbus Crew SC 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 7 - BUILDING LEASE INCOME

The Corporation (lessor) entered into a renewable five year lease agreement, beginning January 1, 1997, with the Columbus Crew SC (lessee) to lease the building known as the Columbus Crew SC Training Facility as well as adjacent land. The current lease provided for rental payments of \$2,280 per month through December 31, 2018.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 is as follows:

	Balance <u>1/1/15</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/15</u>
<i>Non-depreciable capital assets:</i>				
Land	\$ 5,500	\$ -	\$ -	\$ 5,500
Franchise agreement	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
<i>Total Non-Depreciable Capital Assets</i>	<u>10,500</u>	<u>-</u>	<u>-</u>	<u>10,500</u>
<i>Capital Assets Being Depreciated:</i>				
Land improvements	12,225	-	(12,225)	-
Buildings	431,051	-	-	431,051
Building improvements	<u>24,531</u>	<u>7,068</u>	<u>-</u>	<u>31,599</u>
<i>Total Capital Assets Being Depreciated</i>	<u>467,807</u>	<u>7,068</u>	<u>(12,225)</u>	<u>462,650</u>
<i>Less Accumulated Depreciation:</i>				
Land improvements	(8,262)	(815)	9,077	-
Buildings	(431,051)	-	-	(431,051)
Building improvements	<u>(3,927)</u>	<u>(2,806)</u>	<u>-</u>	<u>(6,733)</u>
<i>Total Accumulated Depreciation</i>	<u>(443,240)</u>	<u>(3,621)</u>	<u>9,077</u>	<u>(437,784)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 24,567</u>	<u>\$ 3,447</u>	<u>\$ (3,148)</u>	<u>\$ 24,866</u>

NOTE 9 - 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 10 - 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 2015, the Corporation had property and casualty insurance through USI Midwest.

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

NOTE 11 - LITIGATION

The Corporation is not party to any legal proceedings 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 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, 2015 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.

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Julian & Grube, Inc.
June 6, 2016

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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**