

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

**BASIC
FINANCIAL STATEMENTS**

(AUDITED)

FOR THE YEAR ENDED DECEMBER 31, 2016



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, 2016 through December 31, 2016. 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

September 5, 2018

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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, a not-for-profit corporation, as of and for the year ended December 31, 2016 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, 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 applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

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, 2016, 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 20, 2018, 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.



Julian & Grube, Inc.
June 20, 2018

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

The discussion and analysis of the Big Walnut Area Community Improvement Corporation's (the "Corporation") financial performance provides an overall review of the Corporation's financial activities for the year ended December 31, 2016. The intent of this discussion and analysis is to look at the Corporation'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 Corporation's financial performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

- In total, net position was \$186,454 at December 31, 2016. This represents an increase of \$113,055, or 154.03%, from December 31, 2015.
- During 2016, the Corporation had operating revenues of \$37,235 and operating expenses of \$29,341 resulting in \$7,894 of operating income. Nonoperating revenues consisted of interest income of \$161 and contributions and donations of \$105,000. Total change in net position for the year was an increase of \$113,055.

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 Corporation's financial activities. The *Statement of Net Position* and *Statement of Revenues, Expenses and Changes in Net Position* provide information about the activities of the Corporation, including all short-term and long-term financial resources and obligations.

Reporting the Corporation's Financial Activities

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

These documents look at all financial transactions and ask the question, "How did we do financially during 2016?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position 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 Corporation's *net position* and changes in net position. This change in net position is important because it tells the reader that, for the Corporation as a whole, the *financial position* of the Corporation 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 Corporation 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 11-15 of this report.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016

The table below provides a summary of the Corporation's net position at December 31, 2016 and 2015.

	Net Position	
	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Current assets	\$ 156,199	\$ 56,459
Capital assets, net	<u>32,206</u>	<u>35,366</u>
Total assets	<u>188,405</u>	<u>91,825</u>
<u>Liabilities</u>		
Current liabilities	<u>1,951</u>	<u>18,426</u>
Total liabilities	<u>1,951</u>	<u>18,426</u>
<u>Net Position</u>		
Net investment in capital assets	32,206	35,366
Restricted for facade program	50,000	-
Unrestricted	<u>104,248</u>	<u>38,033</u>
Total net position	<u>\$ 186,454</u>	<u>\$ 73,399</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2016, the Corporation's net position totaled \$186,454.

At December 31, 2016, capital assets include land, buildings, and building improvements. The Corporation's net investment in capital assets at December 31, 2016, was \$32,206.

A portion of the Corporation's net position, \$50,000, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$104,248 may be used to meet the Corporation's ongoing obligations.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

The table below shows the changes in net position for 2016 and 2015.

Change in Net Position

	<u>2016</u>	<u>2015</u>
<u>Operating revenues</u>		
Rental income	\$ 27,360	\$ 27,360
Other	<u>9,875</u>	<u>27,743</u>
Total operating revenues	<u>37,235</u>	<u>55,103</u>
<u>Operating expenses</u>		
Administrative and general operating	11,708	16,987
Facility operating and maintenance	-	7,709
Economic development	9,842	18,475
Other	4,631	6,797
Depreciation	<u>3,160</u>	<u>3,621</u>
Total operating expenses	<u>29,341</u>	<u>53,589</u>
Operating income	<u>7,894</u>	<u>1,514</u>
<u>Nonoperating revenues</u>		
Interest income	161	70
Contributions and donations	<u>105,000</u>	<u>-</u>
Total nonoperating revenues	<u>105,161</u>	<u>70</u>
Change in net position	113,055	1,584
Net position at beginning of year	<u>73,399</u>	<u>71,815</u>
Net position at end of year	<u>\$ 186,454</u>	<u>\$ 73,399</u>

During 2016, the Corporation relied upon rental income to support operations.

Expenses decreased \$24,248 from 2015 or 45.25% due to the reduced utility, legal and economic development grant expenses in 2016 versus 2015.

During 2016, the Village of Obetz contributed \$100,000 to the Corporation of which \$50,000 is for a facade program and remaining \$50,000 is for the general operations of the Corporation.

Capital Assets

At December 31, 2016, the Corporation had \$32,206 total capital assets, net of depreciation. See Note 8 to the basic financial statements.

Debt Obligations

At December 31, 2016, the Corporation had no long-term debt obligations.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Current Financial Related Activities

The Corporation is reliant upon rental payments to support operations. The Village of Obetz contributes funding to the Corporation when needed.

The Corporation is the Village of Obetz's agent for industrial and commercial economic development. The purpose of the Corporation is to advance, encourage, and promote industrial, economic, commercial and civic development of the Village of Obetz.

Contacting the Corporation's Financial Management

This financial report is designed to provide our clients and creditors with a general overview of the Corporation's finances and to show the Corporation's accountability for the money it receives. If you have questions about this report or need additional financial information contact M. Matthew Cramblit, Treasurer, Big Walnut Area Community Improvement Corporation, 4175 Alum Creek Drive, OH, 43207.

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

STATEMENT OF NET POSITION
DECEMBER 31, 2016

ASSETS

Current assets:

Cash	\$ 152,960
Accounts receivable	2,280
Prepayments	959
	<hr/>
Total current assets	156,199

Noncurrent assets:

Capital assets:

Non-depreciable capital assets	10,500
Depreciable capital assets, net	21,706
	<hr/>

Total non-current capital assets	32,206
	<hr/>

Total assets	188,405
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LIABILITIES

Accounts payable	625
Intergovernmental payable	1,326
	<hr/>
Total liabilities	1,951
	<hr/>

NET POSITION

Investment in capital assets	32,206
Restricted for facade program	50,000
Unrestricted	104,248
	<hr/>
Total net position	\$ 186,454
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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, 2016

<u>OPERATING REVENUES</u>	
Rental income	\$ 27,360
Other	9,875
Total operating revenues	37,235
<u>OPERATING EXPENSES</u>	
Administrative and general operating	11,708
Economic development	9,842
Other	4,631
Depreciation	3,160
Total operating expenses	29,341
OPERATING INCOME	7,894
<u>NON-OPERATING REVENUES</u>	
Interest income	161
Contributions and donations	105,000
Total nonoperating revenues	105,161
CHANGE IN NET POSITION	113,055
Net position at beginning of year	73,399
NET POSITION AT END OF YEAR	\$ 186,454

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, 2016

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash received from rental income	\$ 22,800
Cash received from other operations	23,718
Cash payments for administrative and general operating	(24,775)
Cash payments for facility operating and maintenance	(280)
Cash payments for economic development	(9,842)
Cash payments for other operating expenses	(5,479)
	6,142
Net cash provided by operating activities	6,142
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>	
Cash received from contributions and donations	115,000
	115,000
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Interest received	161
	161
NET INCREASE IN CASH	121,303
Cash at beginning of year	31,657
CASH AT END OF YEAR	\$ 152,960
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	
Operating income	\$ 7,894
Adjustments:	
Depreciation	3,160
Changes in assets and liabilities:	
Decrease in accounts receivable	11,563
(Decrease) in accounts payable	(15,241)
Increase in intergovernmental payable	1,046
(Decrease) in unearned revenue	(2,280)
	6,142
Net cash provided by operating activities	\$ 6,142

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, 2016

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 Temp, 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, 2016

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., and building improvements. Assets are reported at cost or estimated cost. Donated property is reported at its acquisition value on the date donated. 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.

G. Capital Contributions

The Corporation did not receive any capital contributions in 2016.

H. Net Position

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is 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. At December 31, 2016, the Corporation reported \$50,000 of restricted net position for monies received that are restricted in use by the contributor of the funds.

The Corporation applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

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 2016, the Corporation has implemented GASB Statement No. 72, "Fair Value Measurement and Application", GASB Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68", GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", GASB Statement No. 77, "Tax Abatement Disclosures", GASB Statement No. 78, "Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans" and GASB Statement No. 79, "Certain External Investment Pools and Pool Participants".

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of GASB Statement No. 72 did not have an effect on the financial statements of the Corporation.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES - (Continued)

GASB Statement No. 73 improves the usefulness of information about pensions included in the general purposes external financial reports of state and local governments for making decisions and assessing accountability. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 76 identifies - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 77 requires governments that enter into tax abatement agreements to disclose certain information about the agreement. GASB Statement No. 77 also requires disclosures related to tax abatement agreements that have been entered into by other governments that reduce the reporting government's tax revenues. The implementation of GASB Statement No. 77 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 78 establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) that meets the criteria in paragraph 4 of Statement 68 and that (a) is not a state or local governmental pension plan, (b) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance also establishes additional note disclosure requirements for governments that participate in those pools. The implementation of GASB Statement No. 79 did not have an effect on the financial statements of the Corporation.

NOTE 4 - CASH

At December 31, 2016, the carrying amount of the Corporation's deposits was \$152,960. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2016, the entire bank balance of \$152,960 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 5 - CONTRIBUTED BUILDING

In 1998, the Corporation received as a donation a building with a fair 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. Under agreement between the Corporation and the Village of Obetz, upon vacancy of the building by its tenant, the building and all related improvement and equipment are to be sold by the Corporation to the Village of Obetz for \$1.

NOTE 6 - CONTRIBUTION AND DONATIONS

During 2016, the Corporation received a \$100,000 contribution from the Village of Obetz. Of the total, \$50,000 is restricted for use in a facade program and the remaining \$50,000 may be used for general operations of the Corporation.

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 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 is as follows:

	Balance <u>1/1/16</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/16</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>				
Buildings	431,051	-	-	431,051
Building improvements	<u>31,599</u>	<u>-</u>	<u>-</u>	<u>31,599</u>
<i>Total Capital Assets Being Depreciated</i>	<u>462,650</u>	<u>-</u>	<u>-</u>	<u>462,650</u>
<i>Less Accumulated Depreciation:</i>				
Buildings	(431,051)	-	-	(431,051)
Building improvements	<u>(6,733)</u>	<u>(3,160)</u>	<u>-</u>	<u>(9,893)</u>
<i>Total Accumulated Depreciation</i>	<u>(437,784)</u>	<u>(3,160)</u>	<u>-</u>	<u>(440,944)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 24,866</u>	<u>\$ (3,160)</u>	<u>\$ -</u>	<u>\$ 21,706</u>

NOTE 9 - FOOD BANK COMMITMENT

During 2015 and 2016, the Corporation has collected \$8,224 in donations that the Corporation has committed to distribution to the local food bank upon establishment. At December 31, 2016, \$8,224 is reported as a component of unrestricted net position on the Corporation's statement of net position.

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 2016, 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.

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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 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, a not-for-profit corporation, as of and for the year ended December 31, 2016 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 20, 2018.

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 report is not suitable for any other purpose.



Julian & Grube, Inc.
June 20, 2018



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
SEPTEMBER 18, 2018**