

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

FRANKLIN COUNTY

REGULAR AUDIT

JANUARY 1, 2013 – DECEMBER 31, 2013





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 Wilson Shannon & Snow, Inc., for the audit period January 1, 2013 through December 31, 2013. 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 15, 2014

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**CITY OF UPPER ARLINGTON COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

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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, (the CIC) a component unit of the City of Upper Arlington, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the CIC's 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 CIC'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 CIC's internal control. Accordingly, we express no such 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.

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS
Ten West Locust Street
Newark, Ohio 43055
(740) 345-6611
1-800-523-6611
FAX (740) 345-5635

City of Upper Arlington Community Improvement Corporation
Franklin County
Independent Auditor's Report

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, 2013, and the respective changes in its financial position and its cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted *Management's discussion and analysis* that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2014, on our consideration of the CIC'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 CIC's internal control over financial reporting and compliance.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
June 23, 2014

CITY OF UPPER ARLINGTON COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
December 31, 2013

ASSETS

Current assets

Cash and cash equivalents (Note 1)	\$	15,766
Intergovernmental receivable		6,000
Total current assets		21,766

Total assets	\$	21,766
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LIABILITIES AND NET POSITION

Current liabilities

Accounts payable	\$	1,125
Total current liabilities		1,125

Net Position

Unrestricted		20,641
Total net position		20,641

Total liabilities and net position	\$	21,766
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*The accompanying notes are an integral part of the financial statements

CITY OF UPPER ARLINGTON COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
For the Year Ended December 31, 2013

	Unrestricted
Revenues:	
Interest	\$ 30
Total revenues	30
Expenses:	
Memberships	1,190
Professional services	375
Sponsorship	1,000
Audit fees	1,705
Insurance	1,599
Website hosting fees	1,125
Miscellaneous	268
Total expenses	7,262
Change in net position	(7,232)
Net position at beginning of year	27,873
Net position at end of year	\$ 20,641

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

CITY OF UPPER ARLINGTON COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2013

Cash flows from operating activities:

Change in net position	\$	(7,232)
Adjustments to reconcile change in net position to cash used by operating activities:		
(Increase) in intergovernmental receivables		(6,000)
Increase in accounts payable		<u>1,125</u>
Net cash used by operating activities		<u>(12,107)</u>
Net decrease in cash and cash equivalents		(12,107)
Cash and cash equivalents, beginning of year		<u>27,873</u>
Cash and cash equivalents, end of year	\$	<u><u>15,766</u></u>

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

CITY OF UPPER ARLINGTON COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2013

NOTE 1 – Summary of Significant Accounting Policies:

A. Organization

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 of Upper Arlington in the revitalization and enhancement of property, and to advance, encourage, and promote industrial, economic, commercial and civic development. 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 position: unrestricted net position, temporarily restricted net position, and permanently restricted net position. At December 31, 2013, the net position of the CIC is 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 is considered to be cash and cash equivalents.

E. Concentration of Credit Risk

The CIC 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
FRANKLIN COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2013**

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 Position

The CIC did not have any restrictions on cash as of December 31, 2013.

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.



**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, Franklin County, (the CIC) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the CIC's financial statements and have issued our report thereon dated June 23, 2014.

Internal Control over Financial Reporting

As part of our financial statement audit, we considered the CIC's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the CIC'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 CIC'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.

Wilson, Shannon & Snow, Inc.

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Compliance and Other Matters

As part of reasonably assuring whether the CIC'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 CIC's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the CIC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
June 23, 2014



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 28, 2014**