

**NEW ALBANY COMMUNITY IMPROVEMENT CORPORATION**  
**(A Component Unit of the City of New Albany)**

**FRANKLIN COUNTY**

**REGULAR AUDIT**

**JANUARY 1, 2023 – DECEMBER 31, 2023**





OHIO AUDITOR OF STATE  
KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

Board of Trustees  
New Albany Community Improvement Corporation  
99 West Main Street  
New Albany, Ohio 43054

We have reviewed the *Independent Auditor's Report* of the New Albany Community Improvement Corporation, Franklin County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2023 through December 31, 2023. 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 New Albany Community Improvement Corporation is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads 'Keith Faber'.

Keith Faber  
Auditor of State  
Columbus, Ohio

**June 26, 2024**

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**NEW ALBANY COMMUNITY IMPROVEMENT CORPORATION  
FRANKLIN COUNTY**

**TABLE OF CONTENTS**

<b><u>TITLE</u></b>	<b><u>PAGE</u></b>
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	5
FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION	9
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION	10
STATEMENT OF CASH FLOWS	11
NOTES TO THE BASIC FINANCIAL STATEMENTS	13
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i>	18

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## INDEPENDENT AUDITOR'S REPORT

New Albany Community Improvement Corporation  
Franklin County  
99 West Main Street  
New Albany, Ohio 43054

To the Board of Trustees:

### **Report on the Audit of Financial Statements**

#### ***Opinion***

We have audited the financial statements of the New Albany Community Improvement Corporation, Franklin County, Ohio (the CIC), a component unit of the City of New Albany, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the CIC's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the New Albany Community Improvement Corporation, Franklin County, Ohio as of December 31, 2023, and the changes in financial position and cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the CIC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CIC's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CIC's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the CIC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



New Albany Community Improvement Corporation  
Franklin County  
Independent Auditor's Report

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2024, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CIC's 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.



Newark, Ohio  
June 3, 2024

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**NEW ALBANY  
COMMUNITY IMPROVEMENT CORPORATION  
(A Component Unit of the City of New Albany)  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(UNAUDITED)**

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The discussion and analysis of the New Albany Community Improvement Corporation’s (the “CIC”) financial performance provides an overall review of the CIC’s financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the CIC’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 CIC’s financial performance.

### **Financial Highlights**

Key financial highlights for 2023 are as follows:

- In total, net position was \$103,338 at December 31, 2023.
- The CIC had operating revenues of \$296,528 and operating expenses of \$266,365 for 2023. Total change in net position for the year was an increase of \$30,164.

### **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 CIC’s financial activities. The *Statement of Net Position* and *Statement of Revenues, Expenses and Change in Net Position* provide information about the activities of the CIC, including all short-term and long-term financial resources and obligations.

### **Reporting the CIC’s Financial Activities**

#### **Statement of Net Position, Statement of Revenues, Expenses, and Change 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 2023?” The Statement of Net Position and the Statement of Revenues, Expenses and Change 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 CIC’s *net position* and changes in net position. This change in net position is important because it tells the reader that, for the CIC as a whole, the *financial position* of the CIC 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 9 and 10 of this report.

The statement of cash flows provides information about how the CIC finances and meets the cash flow needs of its operations. The statement of cash flows can be found on page 11 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 13-17 of this report.

**NEW ALBANY  
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FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(UNAUDITED)**

The table below provides a summary of the CIC's net position at December 31, 2023 and December 31, 2022.

	<u>2023</u>	<u>2022</u>
<b><u>Assets</u></b>		
Current assets	\$ 145,529	\$ 100,954
<b>Total assets</b>	<b><u>\$ 145,529</u></b>	<b><u>\$ 100,954</u></b>
<b><u>Liabilities</u></b>		
Current liabilities	42,191	27,780
<b>Total liabilities</b>	<b><u>\$ 42,191</u></b>	<b><u>\$ 27,780</u></b>
<b><u>Net Position</u></b>		
Unrestricted	103,338	73,174
<b>Total net position</b>	<b><u>\$ 103,338</u></b>	<b><u>\$ 73,174</u></b>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2023, the CIC's net position totaled \$103,338.

At year-end, the CIC had capital assets consisted of equipment with cost and accumulated depreciation of \$1,316,860. There is no debt related to these capital assets. Capital assets are used to provide services and are not available for future spending.

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**NEW ALBANY  
COMMUNITY IMPROVEMENT CORPORATION  
(A Component Unit of the City of New Albany)  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(UNAUDITED)**

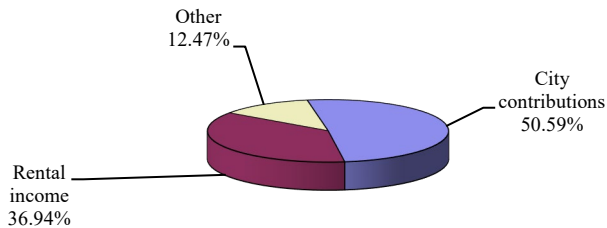
The table below shows the changes in net position for 2023 and 2022.

**Change in Net Position**

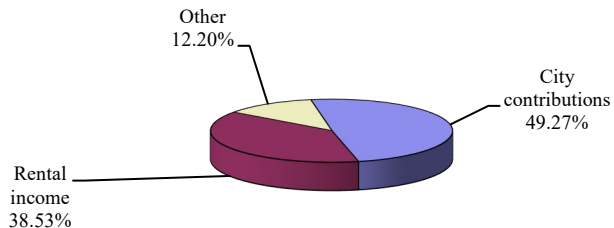
	<u>2023</u>	<u>2022</u>
<b><u>Operating revenues:</u></b>		
City contributions	\$ 150,000	\$ 150,000
Rental income	109,548	117,293
Other operating revenues	<u>36,980</u>	<u>37,133</u>
<b>Total operating revenues</b>	<b><u>\$ 296,528</u></b>	<b><u>\$ 304,426</u></b>
<b><u>Operating expenses:</u></b>		
Purchased services	266,365	237,922
Other	<u>-</u>	<u>62</u>
<b>Total operating expenses</b>	<b><u>\$ 266,365</u></b>	<b><u>\$ 237,984</u></b>
<b><u>Non-operating revenues:</u></b>		
Interest income	<u>1</u>	<u>-</u>
<b>Total non-operating revenues</b>	<b><u>\$ 1</u></b>	<b><u>\$ -</u></b>
<b>Change in net position</b>	<b><u>\$ 30,164</u></b>	<b><u>\$ 66,442</u></b>
Net position at beginning of year	<u>73,174</u>	<u>6,732</u>
<b>Net position at end of year</b>	<b><u>\$ 103,338</u></b>	<b><u>\$ 73,174</u></b>

The charts below illustrate the revenues and expenses for the CIC during 2023 and 2022.

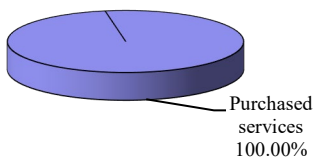
**2023 Revenues**



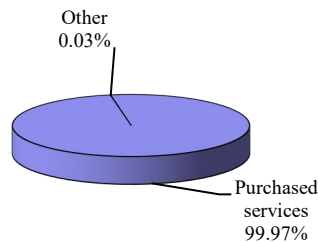
**2022 Revenues**



**2023 Expenses**



**2022 Expenses**



**NEW ALBANY  
COMMUNITY IMPROVEMENT CORPORATION  
(A Component Unit of the City of New Albany)  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(UNAUDITED)**

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**Capital Assets**

At both December 31, 2023 and December 31, 2022, the CIC had \$1,316,860 in equipment. These assets are presented as fully depreciated each year. See Note 5 to the basic financial statements for more details on the capital assets.

**Current Financial Related Activities**

The CIC is sponsored by the City of New Albany. The CIC is reliant upon city contributions for its funding.

The CIC is the City of New Albany's agent for industrial and commercial distributions and research development. The purpose of the CIC is to advance, encourage, and promote industrial, economic, commercial and civic development of the City of New Albany.

**Contacting the CIC's Financial Management**

This financial report is designed to provide our clients and creditors with a general overview of the CIC's finances and to show the CIC's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Bethany Staats, CPA, Director of Finance, New Albany Community Improvement Corporation, 99 West Main Street, P.O. Box 188, New Albany, Ohio, 43054.

**NEW ALBANY  
COMMUNITY IMPROVEMENT CORPORATION  
(A Component Unit of the City of New Albany)  
FRANKLIN COUNTY, OHIO**

**STATEMENT OF NET POSITION  
DECEMBER 31, 2023**

**ASSETS**

Current assets:

Cash	\$ 135,756
Accounts receivable	7,573
Prepayments	2,200
	<hr/>
Total assets	145,529
	<hr/>

**LIABILITIES**

Current liabilities:

Accounts payable	29,755
Unearned revenue	12,436
	<hr/>
Total liabilities	42,191
	<hr/>

**NET POSITION**

Unrestricted	103,338
	<hr/>
Total net position	\$ 103,338
	<hr/> <hr/>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEW ALBANY  
COMMUNITY IMPROVEMENT CORPORATION  
(A Component Unit of the City of New Albany)  
FRANKLIN COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGE IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2023

<b><u>OPERATING REVENUES</u></b>	
City contributions	\$ 150,000
Rental income	109,548
Other operating revenues	36,980
Total operating revenues	296,528
 <b><u>OPERATING EXPENSES</u></b>	
Purchased services	266,365
Total operating expenses	266,365
 OPERATING INCOME	 30,163
 <b><u>NON-OPERATING REVENUES</u></b>	
Interest income	1
Total nonoperating revenues	1
 CHANGE IN NET POSITION	 30,164
Net position at beginning of year	73,174
<b>NET POSITION AT END OF YEAR</b>	<b>\$ 103,338</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**NEW ALBANY  
COMMUNITY IMPROVEMENT CORPORATION  
(A Component Unit of the City of New Albany)  
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from city contributions	\$	150,000
Cash received from rental income		112,708
Cash received from other operations		37,190
Cash payments for purchased services		<u>(253,508)</u>
Net cash provided by operating activities		<u>46,390</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received		<u>1</u>
Net cash provided by investing activities		<u>1</u>

NET CHANGE IN CASH		46,391
Cash at the beginning of the year		89,365
<b>CASH AT END OF YEAR</b>	<b>\$</b>	<b><u><u>135,756</u></u></b>

**RECONCILIATION OF OPERATING INCOME  
TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$	30,163
Changes in assets and liabilities:		
Accounts receivable		1,274
Prepayments		542
Accounts payable		12,315
Unearned revenue		<u>2,096</u>
Net cash provided by operating activities	<b>\$</b>	<b><u><u>46,390</u></u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**NEW ALBANY  
COMMUNITY IMPROVEMENT CORPORATION  
(A Component Unit of the City of New Albany)  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE 1 - DESCRIPTION OF THE REPORTING ENTITY**

The New Albany Community Improvement Corporation (the “CIC”) was formed pursuant to Ordinance O-15-2006 passed April 4, 2006 and incorporated as a not-for-profit corporation under Title XVII, Chapters 1702 and 1724 of the Ohio Revised Code for the purpose to advance, encourage, and promote industrial, economic, commercial and civic development of the City of New Albany (the “City”). The CIC has been designated as the City’s agent for industrial and commercial distributions and research development.

The Board of Trustees is to be comprised of nine members. The following four elected or appointed officials of the City of New Albany (“City Representatives”) constitute four of the members of the Board of Trustees: Mayor (or appointed permanent designee), Council President Pro Tempore (or permanent designee), City Administrator and the City Director of Development. The City Representatives hold office for as long as they hold their position at the City. In addition to the four City Representatives, there are five members appointed by a majority vote of City Council (“Trustees at Large”). Three of the Trustees at Large will serve a term of three years. The two remaining Trustees at Large will serve a term of two years.

The City is a charter municipal corporation incorporated under the laws of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39, *The Financial Reporting Entity*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, the City’s primary government and basic financial statements include component units which are defined as legally separate organizations for which the City is financially accountable. Financial accountability is defined as the appointment of a voting majority of the organization’s board and either 1) the City’s ability to impose its will over the organization, or 2) the possibility that the organization will provide a financial benefit or impose a financial burden to the City. The CIC is a legally separate entity and is reported by the City as a discretely presented component unit in the City’s basic financial statements. The CIC is reported as a component unit of the City due to the City’s ability to impose its will on the operations of the CIC. The CIC does not have any component units and does not include any other organizations in its presentation. The CIC’s management believes these basic financial statements present all activities for which the CIC is financially accountable.

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

The basic financial statements of the CIC have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The CIC’s significant accounting policies are described below.

**A. Basis of Accounting**

The basic financial statements of the CIC are prepared using the accrual basis of accounting in conformity with GAAP.

**B. Basis of Presentation**

The CIC’s basic financial statements consist of a statement of net position, a statement of revenues, expenses and change in net position, and a statement of cash flows.

The CIC distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the CIC’s principal ongoing operation. The principal operating revenues of the CIC are contributions from the City and real estate rental income. Operating expenses for the CIC primarily include depreciation expense on capital assets purchased by the CIC and purchased services. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

**NEW ALBANY  
COMMUNITY IMPROVEMENT CORPORATION  
(A Component Unit of the City of New Albany)  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

**C. Federal Income Tax**

The New Albany Community Improvement Corporation is exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code.

**D. Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, all cash in the CIC's checking account and insured cash sweep (ICS) account is considered to be cash and cash equivalents. All monies received by the CIC are deposited in a demand deposit account.

**E. Capital Assets and Depreciation**

The CIC's capital assets consist of equipment which is recorded at cost. The CIC maintains a capitalization threshold of \$5,000. Improvements are capitalized; however, the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

The CIC's equipment is depreciated using the straight-line method over an estimated useful life of five years.

**F. Prepayments**

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items 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.

**G. Accrued Liabilities**

The CIC has recognized certain expenses due, but unpaid as of December 31, 2023. These expenses are reported as accrued liabilities in the accompanying financial statements.

**H. Net Position**

Net position represents the difference between assets and liabilities. Net 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. The CIC has no restricted net position.

**I. Estimates**

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

**NEW ALBANY  
COMMUNITY IMPROVEMENT CORPORATION  
(A Component Unit of the City of New Albany)  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**Change in Accounting Principles**

For 2023, the CIC has implemented GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements", GASB Statement No. 96, "Subscription Based Information Technology Arrangements", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the CIC.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the CIC.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the CIC.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the CIC.

**NOTE 4 - DEPOSITS**

At December 31, 2023, the carrying amount of the CIC's deposits was \$135,756. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2023, the entire bank balance of \$160,165 was covered by the Federal Deposit Insurance Corporation. There are no significant statutory restrictions regarding the deposits and investments of funds held by the not-for-profit corporation.

**NEW ALBANY  
COMMUNITY IMPROVEMENT CORPORATION  
(A Component Unit of the City of New Albany)  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2023, was as follows:

	Balance <u>12/31/22</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>12/31/23</u>
<i>Capital assets, being depreciated:</i>				
Equipment	\$ 1,316,860	\$ -	\$ -	\$ 1,316,860
Total capital assets, being depreciated	<u>1,316,860</u>	<u>-</u>	<u>-</u>	<u>1,316,860</u>
<i>Less: accumulated depreciation:</i>				
Equipment	<u>(1,316,860)</u>	<u>-</u>	<u>-</u>	<u>(1,316,860)</u>
Total accumulated depreciation	<u>(1,316,860)</u>	<u>-</u>	<u>-</u>	<u>(1,316,860)</u>
Total capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 6 - LITIGATION**

The CIC is involved in no material litigation as either plaintiff or defendant.

**NOTE 7 - CONTRIBUTIONS FROM CITY OF NEW ALBANY**

The CIC received \$150,000 in contributions from the City during the year.

**NOTE 8 - RISK MANAGEMENT**

The CIC 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 2023, the CIC had property and casualty insurance through Westfield Insurance.

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

**NOTE 9 - RECEIVABLES**

The CIC is the lessee of a building located at 8000 Walton Parkway, New Albany which includes Phase I and Phase II space. As the lessee, the CIC entered into a lease and makes monthly payments of \$8,853. Since this agreement is on a month-to-month basis it does not meet the definition of a lease under GASB Statement No. 87. The CIC subleases office space in the building to start-up businesses in the City. As a lessor, the CIC charges rent and internet subscription fees to tenants. The CIC also receives a monthly revenue sharing amount with Cogeco US Enterprise, LLC dba Breezeline. There was \$7,573 in accounts receivable as of December 31, 2023.

**NEW ALBANY  
COMMUNITY IMPROVEMENT CORPORATION  
(A Component Unit of the City of New Albany)  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE 10 - PURCHASED SERVICES**

For the fiscal year ended December 31, 2023, purchased services expenses were as follows:

Contract services	\$ 159,905
Facilities and equipment	709
Insurance	4,317
Operations	431
General expense - Rent & CAM	<u>101,003</u>
Total	<u>\$ 266,365</u>

**NOTE 11 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The CIC will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**NOTE 12 - SUBSEQUENT EVENTS**

On February 27, 2024, the CIC entered into a 10-year lease agreement with Waters Edge at New Albany, LLC for space located at 7775 Walton Parkway where the CIC moved its operations after the lease at 8000 Walton Parkway ended on March 31, 2024. Until the permanent space is improved, the CIC also entered into a temporary licensing agreement for space in the same building.

On February 29, 2024, the CIC entered into a management and licensing agreement with Brick House Blue, LLC to further develop and expand upon its co-working and meeting space located at 7775 Walton Parkway.

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

New Albany Community Improvement Corporation  
Franklin County  
99 West Main Street  
New Albany, Ohio 43054

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the New Albany Community Improvement Corporation, Franklin County, a component unit of the City of New Albany, (the CIC) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the CIC’s basic financial statements and have issued our report thereon dated June 3, 2024.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the CIC’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CIC’s internal control. Accordingly, we do not express an opinion on the effectiveness of the CIC’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the CIC’s financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the CIC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CIC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *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 3, 2024

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# OHIO AUDITOR OF STATE KEITH FABER



**NEW ALBANY COMMUNITY IMPROVEMENT CORPORATION**

**FRANKLIN COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 7/9/2024**

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)