

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

**FRANKLIN COUNTY**

**REGULAR AUDIT**

**JANUARY 1, 2021 – DECEMBER 31, 2021**





OHIO AUDITOR OF STATE  
KEITH FABER



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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, 2021 through December 31, 2021. 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 "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

**July 21, 2022**

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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 Audit of Financial Statements**

#### ***Opinion***

We have audited the financial statements of the City of Upper Arlington Community Improvement Corporation, Franklin County, Ohio (the CIC), as of and for the year ended December 31, 2021, 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 City of Upper Arlington Community Improvement Corporation, Franklin County, Ohio as of December 31, 2021, and the respective changes in financial position and cash flows thereof 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.

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

***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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2022, 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 17, 2022



**City of Upper Arlington Community Improvement Corporation**  
**Statement of Financial Position**  
**December 31, 2021**

**ASSETS**

Current assets

Cash and cash equivalents (Note 1)	\$ 4,284
Total current assets	4,284

<b>Total assets</b>	\$ 4,284
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**LIABILITIES AND NET POSITION**

Current liabilities

Accounts payable	\$ -
Total current liabilities	-

Net assets

Without donor restrictions	4,284
Total net assets	4,284

<b>Total liabilities and net assets</b>	\$ 4,284
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\*The accompanying notes are an integral part of the financial statements

**City of Upper Arlington Community Improvement Corporation**  
**Statement of Activities**  
**For the Year Ended December 31, 2021**

	<u>Without Donor Restrictions</u>
<b>REVENUES</b>	
Interest	\$ -
Intergovernmental	-
Total revenues	<u>-</u>
<b>EXPENSES</b>	
<b>Management and General:</b>	
Memberships	175
Professional services	450
Audit fees	1,515
Insurance	1,709
Total expenses	<u>3,849</u>
Change in net assets	(3,849)
Net assets at beginning of year	<u>8,133</u>
Net assets at end of year	<u><u>\$ 4,284</u></u>

\*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, 2021**

**Cash flows from operating activities:**

Change in net assets	\$	(3,849)
Adjustments to reconcile change in net assets to cash used by operating activities:		
Decrease in accounts payable		(450)
Net cash used by operating activities		<u>(4,299)</u>
Net decrease in cash and cash equivalents		(4,299)
Cash and cash equivalents, beginning of year		8,583
Cash and cash equivalents, end of year	\$	<u><u>4,284</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, 2021**

**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 ASC 958, Financial Statement for Not-For-Profit Organizations. Under ASC 958, the CIC is required to report information regarding its financial position and activities according to three classes of net assets: assets without donor restrictions and asset with donor restrictions. At December 31, 2021, the net assets of the CIC are without donor restrictions. Additionally, as permitted by this statement, the CIC does not use fund accounting.

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, 2021**

G. Tax Exempt Status

The CIC is exempt from federal income tax under Section 501 (c) (6) of the Internal Revenue Code.

**NOTE 2 – Application of Accounting Standards Update**

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements for Not-for-Profit Entities (Topic 958). The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Corporation has adjusted the presentation of these statements accordingly.

**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 \$2,000,000 in aggregate. Settlements did not exceed insurance coverage in the past three years. There was no reduction in insurance coverage from the prior year.

**NOTE 5 – Functional Expense**

The CIC has determined the costs incurred for the year ending December 31, 2021 are all management and general in nature and has been reflected as such on the Statement of Activities.

**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 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 City of Upper Arlington Community Improvement Corporation, Franklin County, a component unit of the City of Upper Arlington, (the CIC) as of and for the year ended December 31, 2021, 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 17, 2022.

***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 17, 2022

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# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF UPPER ARLINGTON 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 8/2/2022**

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