

**The City of Upper Arlington Community Improvement Corporation
Statement of Cash Flows**

For the Year Ended December 31, 2010

Cash flows from operating activities:

Increase (decrease) in net assets	\$ (9,404)
Net cash provided by/(used in) operating activities	<u>(9,404)</u>

Cash flows from investing activities:

Net cash provided by financing activities	<u>-</u>
	<u>-</u>

Cash flows from financing activities:

Net cash provided by financing activities	<u>-</u>
	<u>-</u>

Net increase (decrease) in cash and cash equivalents	(9,404)
Beginning of period cash	<u>55,791</u>
End of period cash	<u>\$ 46,387</u>

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

**CITY OF UPPER ARLINGTON COMMUNITY IMPROVEMENT CORPORATION
UPPER ARLINGTON, OHIO**

NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2010

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 in the revitalization and enhancement of property, and to advance, encourage, and promote industrial, economic, commercial and civic development of the City of Upper Arlington. 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 assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At December 31, 2010, all net assets of the CIC are 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 are considered to be cash and cash equivalents.

E. Concentration of Credit Risk

The Corporation 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
UPPER ARLINGTON, OHIO**

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2010

NOTE 1 – Summary of Significant Accounting Policies – (Continued)

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 Assets

The Corporation did not have any restrictions on cash as of December 31, 2010.

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.



Julian & Grube, Inc.
Serving Ohio Local Governments

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**Independent Accountants' Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance With
*Government Auditing Standards***

Board of Trustees
City of Upper Arlington Community Improvement Corporation
Franklin County
3600 Tremont Road
Upper Arlington, Ohio 43221

We have audited the financial statements of the City of Upper Arlington Community Improvement Corporation, Franklin County, Ohio, a component unit of the City of Upper Arlington as of and for the year ended December 31, 2010, and have issued our report thereon dated June 23, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Upper Arlington Community Improvement Corporation's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the City of Upper Arlington Community Improvement Corporation's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City of Upper Arlington Community Improvement Corporation's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the City of Upper Arlington Community Improvement Corporation's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Board of Trustees
City of Upper Arlington Community Improvement Corporation

Compliance and Other Matters

As part of reasonably assuring whether the City of Upper Arlington 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 effect the determination of financial statement amounts. However, providing an opinion 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*.

We intend this report solely for the information and use of management, the Board of Trustees, and others within the City of Upper Arlington Community Improvement Corporation. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
June 23, 2011

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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
SEPTEMBER 1, 2011**