



**URBANCREST COMMUNITY IMPROVEMENT CORPORATION  
FRANKLIN COUNTY  
REGULAR AUDIT  
FOR THE YEAR ENDED DECEMBER 31, 2000**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**URBANCREST COMMUNITY IMPROVEMENT CORPORATION  
FRANKLIN COUNTY**

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Board of Trustees  
Urbancrest Community Improvement Corporation  
Franklin County  
88 N. Fifth St.  
Columbus, Ohio 43215-3232

We have audited the accompanying statement of financial position of the Urbancrest Community Improvement Corporation, Franklin County (the Corporation) as of December 31, 2000, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Urbancrest Community Improvement Corporation as of December 31, 2000, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2002 on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

**JIM PETRO**  
Auditor of State

March 18, 2002

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URBANCREST COMMUNITY IMPROVEMENT CORPORATION  
STATEMENT OF FINANCIAL POSITION  
31-Dec-00

ASSETS

Land (Note B)	\$ 570,000
Land Development Costs	135,391
Organization Costs (net of accumulated amortization of \$6,724)	<u>9,693</u>

**TOTAL ASSETS** 715,084

LIABILITIES AND NET ASSETS

Accounts Payable	94,808
Accrued Interest	57,156
Note Payable (Note C)	<u>570,000</u>

**TOTAL LIABILITIES** 721,964

NET ASSETS (DEFICIT)

Unrestricted	<u>(6,880)</u>
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**TOTAL LIABILITIES AND NET DEFICIT** \$ 715,084

See accompanying notes to financial statements

URBANCREST COMMUNITY IMPROVEMENT CORPORATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2000

UNRESTRICTED NET ASSETS

REVENUE AND SUPPORT	\$ -
EXPENSES	
Amortization	<u>3,283</u>
TOTAL EXPENSES	<u>3,283</u>
DECREASE IN UNRESTRICTED NET ASSETS	(3,283)
NET ASSETS, BEGINNING OF YEAR	<u>(3,597)</u>
NET ASSETS (DEFICIT), END OF YEAR	<u><u>\$ (6,880)</u></u>

See accompanying notes to financial statements

URBANCREST COMMUNITY IMPROVEMENT CORPORATION  
STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED DECEMBER 31, 2000

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	\$ (3,283)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Amortization	3,283
Increase in accounts payable and accrued expenses	<u>49,165</u>
NET CASH USED BY OPERATING ACTIVITIES	49,165
CASH FLOWS FROM INVESTING ACTIVITIES	
Capitalize land development costs	<u>(49,165)</u>
NET CASH USED BY INVESTING ACTIVITIES	(49,165)
NET (DECREASE) INCREASE IN CASH	0
CASH, BEGINNING OF YEAR	<u>0</u>
CASH, END OF YEAR	<u><u>\$ -</u></u>

See accompanying notes to financial statements

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**URBANCREST COMMUNITY IMPROVEMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2000**

**NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES**

**Nature of Activities**

Urbancrest Community Improvement Corporation (“the Corporation”) was incorporated on June 9, 1998. The corporation is a nonprofit community improvement corporation which was formed for the purpose of advancing, encouraging, and promoting the industrial, economic, commercial, and civic development of the Village of Urbancrest, Ohio and the surrounding area.

**Basis of Accounting**

The financial statements of the Corporation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization 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. As of December 31, 2000 net assets are unrestricted.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Property and Equipment**

Acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method.

**Income Taxes**

The organization is exempt from federal and state income taxes under Internal Revenue Code Section 501 ( c ) (3) and Chapters 1702 and 1724 of the Ohio Revised Code.

**URBANCREST COMMUNITY IMPROVEMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended December 31, 2000**

**NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Amortization**

Organization costs are being amortized over 5 years.

**NOTE B - LAND**

On December 30, 1998, the Corporation purchased from the State of Ohio Department of Transportation (ODOT) approximately 55.74 acres of real estate situated in the northwest quadrant of the intersection of I-270 and Harrisburg Pike in the City of Columbus. The Corporation intends to encourage the annexation of this real estate into the Village of Urbancrest. The Corporation also intends to develop and sell this real estate for commercial development in order to promote the industrial and economic development of the Village of Urbancrest.

**NOTE C - NOTE PAYABLE**

As consideration for the land purchase described in Note B, the corporation executed a promissory note in the amount of \$570,000. The note carries an interest rate of 5%, compounded annually. All principal and accrued interest is due on December 30, 2001.

The mortgage which secures the note contains a provision for the release of lots sold from the mortgage, in exchange for 50% of the net proceeds from the parcel which is released.

**NOTE D - IMPROVED ACCESS**

ODOT agrees to allow the Company to improve the vehicular access to Harrisburg Pike at the traffic signal at the westbound off-ramp from I-270 by approving and issuing all necessary permits and approvals as required in connection with improving such access. The Corporation agrees to pay ODOT the sum of Three Hundred Ten Thousand Dollars (\$310,000), prior to the improved access being opened for public use, as full consideration for the enhanced property value created by such Improved Access. The Company also agrees to make all necessary improvements (lane additions, signal changes, etc.) to keep travel capacity at current levels.

**NOTE E - FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Company believes that the fair value of its financial instruments, accounts payable and note payable approximates their carrying value.

**URBANCREST COMMUNITY IMPROVEMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended December 31, 2000**

**NOTE F – SUBSEQUENT EVENTS**

In December 2001 the State of Ohio, Department of Transportation, extended the due date of the note payable to April 28, 2002.

In November 2001, the Corporation signed an agreement with a buyer for the sale of 55 acres of land for \$1,400,000.

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL  
CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Board of Trustees  
Urbancrest Community Improvement Corporation  
Franklin County  
88 N. Fifth St.  
Columbus, Ohio 43215-3232

We have audited the financial statements of the Urbancrest Community Improvement Corporation (the Corporation) as of and for the year ended December 31, 2000, and have issued our report thereon dated March 18, 2002. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Board of Trustees  
Urbancrest Community Improvement Corporation  
Franklin County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of management and the board of trustees, and is not intended to be and should not be used by anyone other than these specified parties.

**JIM PETRO**  
Auditor of State

March 18, 2002



STATE OF OHIO  
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**URBANCREST 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  
MAY 9, 2002**