



**Auditor of State
Betty Montgomery**

**URBANCREST COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Urbancrest Community Improvement Corporation
Franklin County
500 West Wilson Bridge Rd.
Worthington, Ohio 43085

To the Board of Directors:

We have audited the accompanying statements of financial position of the Urbancrest Community Improvement Corporation, Franklin County, Ohio, (the Corporation) as of December 31, 2002, and December 31, 2001, and the related statements of activities and cash flows for the years 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 the 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also 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, 2002, and December 31, 2001, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Urbancrest Community Improvement Corporation
Franklin County
Independent Accountants' Report
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In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2003, 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

August 22, 2003

**URBANCREST COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF FINANCIAL POSTION
DECEMBER 31, 2002**

ASSETS	
Cash held by Escrow Agent	<u>\$ 525,203</u>
TOTAL ASSETS	<u>525,203</u>
LIABILITIES	
	<u>-</u>
TOTAL LIABILITIES	-
NET ASSETS	<u>525,203</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 525,203</u></u>

The notes to the financial statements are an integral part of this statement.

**URBANCREST COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002**

REVENUE	
INTEREST	\$ 6,610
GAIN ON SALE OF LAND	<u>528,756</u>
TOTAL REVENUE	<u>535,366</u>
EXPENSES	<u>-</u>
INCREASE IN NET ASSETS	535,366
NET ASSETS (DEFICIT) AT THE BEGINNING OF YEAR	<u>(10,163)</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 525,203</u></u>

The notes to the financial statements are an integral part of this statement.

**URBANCREST COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2002**

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in Net Assets	\$ 535,366
Adjustments to reconcile increase in net assets to net cash used by operating activities:	
Gain on Sale of Land	(528,756)
Decrease in accounts payable and accrued expenses	<u>(202,006)</u>
NET CASH USED BY OPERATING ACTIVITIES	(195,396)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of land	1,400,000
Capitalize land development costs	<u>(109,401)</u>
NET CASH GAINED BY INVESTING ACTIVITIES	1,290,599
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on long-term debt	<u>(570,000)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(570,000)</u>
NET INCREASE IN CASH	525,203
CASH, BEGINNING OF YEAR	<u>-</u>
CASH, END OF YEAR	<u><u>\$ 525,203</u></u>

The notes to the financial statements are an integral part of this statement.

**URBANCREST COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2001**

ASSETS	
Land (Note B)	\$ 570,000
Land Development Costs	185,433
Organization Costs (net of accumulated amortization of \$10,007)	<u>6,410</u>
 TOTAL ASSETS	 <u>761,843</u>
 LIABILITIES	
Accounts Payable	116,350
Accrued Interest	85,656
Note Payable	<u>570,000</u>
 TOTAL LIABILITIES	 772,006
 NET ASSETS (DEFICIT)	 <u>(10,163)</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 761,843</u></u>

The notes to the financial statements are an integral part of this statement.

**URBANCREST COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2001**

REVENUE	\$ -
EXPENSE	
AMORTIZATION	<u>3,283</u>
TOTAL EXPENSE	<u>3,283</u>
CHANGE IN NET ASSETS	(3,283)
NET ASSETS (DEFICIT), BEGINNING OF YEAR	<u>(6,880)</u>
NET ASSETS (DEFICIT), END OF YEAR	<u><u>\$ (10,163)</u></u>

The notes to the financial statements are an integral part of this statement.

**URBANCREST COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001**

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>50,042</u>
NET CASH USED BY OPERATING ACTIVITIES	50,042
CASH FLOWS FROM INVESTING ACTIVITIES	
Capitalize land development costs	<u>(50,042)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(50,042)</u>
NET INCREASE (DECREASE) IN CASH	-
CASH, BEGINNING OF YEAR	<u>-</u>
CASH, END OF YEAR	<u><u>\$ -</u></u>

The notes to the financial statements are an integral part of this statement.

**URBANCREST COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND DECEMBER 31, 2001**

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, a related organization, 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 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. As of December 31, 2002 and 2001 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 Corporation 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.

Cash, Cash Equivalents, and Investments – As of December 31, 2002, the Corporation had \$525,203 in cash held by an Escrow Agent. The Corporation considers short term investments with an original maturity of three months or less to be cash equivalents for the cash flows statement. The Corporation had no investments as of December 31, 2002 and 2001.

Amortization – Organization costs were being amortized.

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. This land was sold on July 12, 2002.

**URBANCREST COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND DECEMBER 31, 2001
(CONTINUED)**

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 carried an interest rate of 5%, compounded annually, which was capitalized. Per the original loan agreement all principal and accrued interest was due on December 30, 2001. The due date on the note was extended to June 15, 2002. The principal and accrued interest was paid in full upon closing on the sale of land on July 12, 2002.

NOTE D – RELATED ORGANIZATION

The Village of Urbancrest is a related organization of the Corporation. There were no financial transactions between the Village and the Corporation during 2002 or 2001.



Auditor of State Betty Montgomery

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

Urbancrest Community Improvement Corporation
Franklin County
500 West Wilson Bridge Rd.
Worthington, Ohio 43085

To the Board of Directors:

We have audited the financial statements of the Urbancrest Community Improvement Corporation, Franklin County, Ohio, (the Corporation) as of and for the years ended December 31, 2002, and December 31, 2001, and have issued our report thereon dated August 22, 2003. 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 the 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 the 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.

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Urbancrest Community Improvement Corporation
Franklin County
Independent Accountants' Report On Compliance And On
Internal Control Required By *Government Auditing Standards*
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This report is intended for the information and use of the management and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

August 22, 2003



**Auditor of State
Betty Montgomery**

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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
OCTOBER 9, 2003**