BIG WALNUT AREA COMMUNITY IMPROVEMENT CORPORATION

Financial Statements
(Audited)

For The Years Ended
December 31, 2001, 2000 and 1999

DONNA HUBNER, CLERK/TREASURER

STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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To the Board of Trustees
Big Walnut Area Community Improvement Corporation
1611 Chillicothe Street
Obetz, OH 43207

We have reviewed the Independent Auditor's Report of the Big Walnut Area Community Improvement Corporation, Franklin County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 1999 through December 31, 2001. 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 Big Walnut Area Community Improvement Corporation is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

July 24, 2002

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BIG WALNUT AREA COMMUNITY
IMPROVEMENT CORPORATION

TABLE OF CONTENTS

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Independent Auditor's Report

To The Board of Trustees
Big Walnut Area Community
Improvement Corporation
1611 Chillicothe Street
Obetz, OH 43207

We have audited the accompanying statement of financial position of Big Walnut Area Community Improvement Corporation, a nonprofit organization, hereafter referred to as the "Organization" as of December 31, 2001, 2000 and 1999 and the related statement of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization'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 Big Walnut Area Community Improvement Corporation as of December 31, 2001, 2000 and 1999 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 18, 2002, on our consideration of the Big Walnut Area Community Improvement 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.

Trimble, Julian & Grube, Inc.
June 18, 2002

BIG WALNUT AREA COMMUNITY IMPROVEMENT CORPORATION

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2001, 2000 AND 1999

	2001	2000	1999
ASSETS			
Cash	$ 90,518	$ 108,710	$ 79,753
Accounts Receivable	8,060	8,060	3,623
Fixed Assets:			
Land (See Note 2)	7,601,770	8,397,579	9,249,857
Land Improvements (See Note 9)	28,975	-	-
Building (See Note 6)	431,051	431,051	431,051
Total Fixed Assets	8,061,796	8,828,630	9,680,908
Less: Accumulated Depreciation	(172,785)	(129,135)	(86,120)
Total Fixed Assets, net	7,889,011	8,699,495	9,594,788
TOTAL ASSETS	$7,987,589	$8,816,265	$9,678,164
LIABILITIES			
Deferred Revenue (Note 4)	$ 704,445	$ 778,392	$ 857,260
Notes Payable to Bank (Note 5)	6,296,344	7,332,780	8,589,441
TOTAL LIABILITIES	7,000,789	8,111,172	9,446,701
NET ASSETS, Unrestricted, (Note 1)	986,800	705,093	231,463
TOTAL LIABILITIES AND NET ASSETS	$7,987,589	$8,816,265	$9,678,164

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

BIG WALNUT AREA COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999

	2001	2000	1999
UNRESTRICTED NET ASSETS			
Revenues:			
Sale of Land	$ 1,036,436	$ 1,278,161	$ 283,954
Rent - Land (Note 3)	73,947	78,868	21,981
Rent - Building (Note 8)	24,180	24,180	24,180
Rent - Farm Land	8,000	-	1,608
Interest Income	3,452	3,991	2,411
Other	142	-	-
Total Revenues	1,146,157	1,385,200	334,134
Expenses:			
Cost of Land Sold	$ 795,809	$ 852,278	$ 238,016
Professional Fees	10,225	4,195	8,106
Insurance	1,500	1,500	1,575
Management and General	13,266	10,582	16,346
Depreciation	43,650	43,015	43,015
Total Expenses	864,450	911,570	307,058
TOTAL INCREASE IN NET ASSETS	281,707	473,630	27,076
NET ASSETS, beginning of year - (restated)	705,093	231,463	204,387
NET ASSETS, end of year	$ 986,800	$ 705,093	$ 231,463

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

BIG WALNUT AREA COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999

	2001	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:			
Change in net assets	$ 281,707	$ 473,630	$ 27,076
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:			
Depreciation	43,650	43,015	43,015
Profit from Sale of Land - (See (1) below)	(240,627)	(425,883)	(45,938)
Rental Income (See (2) below)	(73,947)	(78,868)	(21,981)
Net changes in:			
Accounts receivable	-	(4,437)	(3,623)
Net cash provided by (used in) operating activities	10,783	7,457	(1,451)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from the sale of land (See (1) below)	-	21,500	-
Acquisition of land improvements	(28,975)	-	-
Net cash provided by (used in) investing activities	(28,975)	21,500	-
NET INCREASE/(DECREASE) IN CASH	(18,192)	28,957	(1,451)
CASH - Beginning of year (Restated)	108,710	79,753	81,204
CASH - End of year	$ 90,518	$ 108,710	$ 79,753

Supplemental Disclosure: Non Cash Transactions

(1) All transactions related to land sales do not flow through the Organizations cash records (except for 19 acres in which the Organization owned and sold part of for $21,500 in 2000). These transactions are receipted and disbursed by the developer (the lessee). See Note 3.

	2001	2000	1999
Land Sale	$1,036,436	$ 1,278,161	$ 283,954
Cost of Land	(795,809)	(852,278)	(238,016)
Profit from Sale of Land	$ 240,627	$ 425,883	$ 45,938
(2) Rental Income from land is a non cash transaction. See Note 4.	$ 73,947	$ 78,868	$ 21,981
(3) Land value increase and note payable increase in 1999 were cash transactions performed by the developer and recorded by the Organization			$ 157,458

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

BIG WALNUT AREA COMMUNITY IMPROVEMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization and Activities

The Big Walnut Area Community Improvement Corporation (the "Organization") is a not-for-profit community investment corporation formed pursuant to Chapter 1724 of the Ohio Revised Code to facilitate the economic development process in the Village of Obetz and the surrounding area. The Organization encourages the interaction of member communities and businesses therein, markets and/or promotes the occurrence of development with southeastern Franklin County, and proposes policies and makes recommendations to assist in local economic development activities.

Basis of Accounting

The Organization adopted the accrual basis of accounting in 1999. Previously, the modified cash basis of accounting was used. Management believes that the accrual method better matches revenues and expenses in the statement of activities. The cumulative effect of the change did not have an affect on beginning net assets.

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 for 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. No temporarily restricted or permanently restricted net assets were held and accordingly, these financials do not reflect any activity related to these classes of net assets. As permitted by this statement, the Organization does not use fund accounting.

Credit Risk

The Organization maintains its cash balances in several types of financial accounts including a checking, savings and money market account in two financial institutions during 1999 and 2000, and one financial institution during 2001. At December 31, 2001, 2000 and 1999 the Organization's carrying value of cash was $90,518, $108,710 and $79,753, respectively. At December 31, 2001, 2000 and 1999, the Organization's bank balances were $92,327, $111,082 and $80,713, respectively. The bank balances at December 31, 2001, 2000 and 1999 were insured by the Federal Deposit Insurance Corporation (FDIC).

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Use of Estimates

The preparation of financial statements in accordance with accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Specifically, depreciation expense is calculated using an estimate of the useful life of the property.

Contributions

The Organization also follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS No. 116, “Accounting for Contributions Received and Contributions Made”). Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net released from restrictions.

The Organization did not receive any contributions in 2001, 2000 or 1999.

Income Tax Status

The Organization is a not-for-profit organization that the Internal Revenue Service has determined to be exempt from income taxes under Section 501(c) 3 of the Internal Revenue Code.

NOTE 2 - DESCRIPTION OF LAND

In 1997, the Organization acquired 331 acres of land in Franklin County, Ohio. The original purchase of land was recorded at a cost of $8,885,677 which included capitalized raw land costs, all related bank fees and settlement charges required by the Organization, and the excess funds retained by the developer upon the first mortgage proceeds which amounted to $106,768. The cost of the land was increased in 1998 by $2,342,452, the amount of the second mortgage drawn on the bank for purposes of funding the debt service and parkwide infrastructure extension costs as defined in the land lease agreement. The cost of land was again capitalized in 1999 when the developer drew on the second mortgage in the amount of $157,548.

Land is being stated at the lower of cost or market and costs are being recognized in the statement of activities based on the proportionate amount of land sold to the total land available for sale. During 2001, the Organization sold one parcel of land - a total of 21.238 acres. During 2000, the Organization sold two parcels of land - a total of 22.745 acres. During 1999, the Organization sold one parcel of land - a total of 6.352 acres. The total number of acres available for sale (net of non-saleable land) at December 31, 2001, 2000 and 1999, was approximately 202, 224 and 246 acres, respectively.

NOTE 3 - LAND LEASE

On April 30, 1997, the Organization entered into a Lease with Option to Purchase agreement with the developer of the land. The agreement provides for the lease of the property for 10 years ending April 2007 for an initial rental fee of $1,400,970 plus rent for all debt service, loan fees, and loan expenses for the loans taken on the property. The debt service, loan fees and expenses have not been paid as rent to the organization by the developer, but have been paid to the bank as required under the note agreements. Thus, these fees have not been recorded in rental income. The agreement also grants the lessee (developer) the exclusive right and option to purchase the property. The option may be exercised during the option period which expires four months after the loans have been repaid or 2007, whichever is later. The selling price of the property is equal to the mortgage release amount on the loans, as determined by the bank.

In addition, the selling price per the agreement was to include a prorated portion of the infrastructure costs and soft costs (engineering, debt service, development fees) incurred by the developer in preparing the land for sale. However, these infrastructure and soft costs were not included in the selling price negotiated between the organization and the developer and accordingly, have not been included in the sale price of the land parcels sold. Upon expiration or other termination of the lease, all property not sold under the option will be surrendered to the Organization.

NOTE 4 - DEFERRED REVENUE

The initial rental fee on the land, funded by the developer, of $1,400,970 was reduced by the selling price of the first parcel of land $434,075. The rental fee on the lease is being recognized over the life of the lease as land is sold based on the number of acres of land being sold to the total number of acres of land available for sale. Total rent recognized in income on the rental fee for the years ended December 31, 2001, 2000 and 1999 was $73,947, $78,868, and $21,981, respectively. The deferred revenue for the rental fee is $704,445, $778,392, and $857,260 at December 31, 2001, 2000 and 1999, respectively.

NOTE 5 - NOTES PAYABLE TO BANK

The Organization is obligated under a note payable to National City Bank for $7,500,000. The note requires payments of interest monthly during the term of the loan, which accrues at the bank's prime rate. The release price for parcels of land sold are 85% of the sales price or $37,500 per acre for industrial use, whichever is greater. The note matures in May 2004, under an extension from the financial institution in May 2002. The note is secured by a first mortgage lien on 331 acres of real property (Creekside) and a second mortgage on 100 acres of real property (Southpark). The loan is guaranteed by the land developer. The balance outstanding on this note payable at December 31, 2001, 2000 and 1999 was $4,340,438, $5,223,896 and $6,316,724, respectively.

The Organization is obligated under a note payable to National City Bank for $2,500,000. The note requires payments of interest monthly during the term of the loan, which accrues at the bank's prime rate. The release price for parcels of land sold is $7,203 per acre for industrial use. The note matures in May 2004, under an extension from the financial institution in May 2002. The note is secured by a second mortgage on 277.5 acres of real property (Creekside). The loan is guaranteed by the developer and the State of Ohio. The balance outstanding on this note payable at December 31, 2001, 2000 and 1999, was $1,955,906, $2,108,884, and $2,272,717, respectively.

NOTE 6 - CONTRIBUTED BUILDING

During 1998, as part of the lease with option to purchase agreement with the developer of the land, the Organization received a training facility building with a donated fair market value of $431,051. The Organization is responsible for paying for all utilities and other costs. The building is stated at cost. The Organization provides for depreciation of the building using the straight-line method over 10 years, the estimated useful life of the building. Depreciation expense on the building totaled $43,015 for each of the years ended December 31, 2001, 2000 and 1999.

BIG WALNUT AREA COMMUNITY IMPROVEMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999

NOTE 7 - LEASE COMMITMENT

The Organization leases the land that the building is on from the Village of Obetz. The lease term is for five years ending August 31, 2002 with an option for a five year extension. The annual lease payment is $1 and upon expiration of the lease or upon vacating of the facility by its tenant, the building and all equipment are to be sold by the Organization to the Village of Obetz for $1.

NOTE 8 - BUILDING LEASE INCOME

On September 1, 1997, the Organization entered into a lease agreement with Team Columbus Soccer, L.L.C., to lease administrative offices and a training facility for a initial term of five years for a minimum annual base rent of $20,700. Lease payments are required monthly. The Organization is required to pay for all maintenance, taxes, and certain insurance overages. The lease provides for a fee to be paid to the Organization for an early termination and the lease may be renewed for an additional five-year period at a new annual base rent. The total income received on this lease was $24,180 for each of the years ended December 31, 2001, 2000 and 1999.

NOTE 9 - FIXED ASSETS

During 2001, the Organization purchased a sign for its business park in the amount of $19,850 and installed a irrigation system for the soccer field in the amount of $9,125. These assets are being depreciated over 15 years using the straight-line method. Depreciation expense was $635.

NOTE 10 - PRIOR PERIOD ADJUSTMENT

The Organization's Net Assets and Cash have been restated on January 1, 1999 to properly reflect its cash balance due to a previous accounting error. The effect of this prior period adjustment is as follows:

	Cash	Net Assets
Balance as previously stated on December 31, 1998	$70,521	$193,704
Accounting error	10,683	10,683
Restate balance, January 1, 1999	$81,204	$204,387

NOTE 11 - LITIGATION

The Organization is not party to any legal proceedings as either plaintiff or defendant.

TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

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

The Board of Trustees
Big Walnut Area Community
 Improvement Corporation
Obetz, OH 43207

We have audited the financial statements of the Big Walnut Area Community Improvement Corporation (a nonprofit organization) as of and for the years ended December 31, 2001, 2000, and 1999 and have issued our report thereon dated June 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 the Big Walnut Area Community Improvement 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*. However, we noted a certain immaterial instance of noncompliance that we have reported to the management of the Big Walnut Area Community Improvement Corporation in a separate letter dated June 18, 2002.

Board of Trustees
Big Walnut Area Community
Improvement Corporation

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Big Walnut Area Community Improvement 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. However, we noted other matters that we have reported to the Big Walnut Area Community Improvement Corporation in a separate letter dated June 18, 2002.

This report is intended for the information of the Big Walnut Area Community Improvement Corporation and the Board of Trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

Trimble, Julian & Grube, Inc.
June 18, 2002

STATE OF OHIO
OFFICE OF THE AUDITOR
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BIG WALNUT AREA 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
AUGUST 13, 2002