

AUDITED FINANCIAL STATEMENTS

STARK COUNTY COMMUNITY IMPROVEMENT CORPORATION
CANTON, OHIO
(A Component Unit of Stark County)

December 31, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Trustees
Stark County Community Improvement Corporation
110 Central Plaza South
Canton, Ohio 44702

We have reviewed the Independent Auditor's Report of the Stark County Community Improvement Corporation, Stark County, prepared by Hall, Kistler & Company LLP, for the audit period January 1, 2001 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 Stark County Community Improvement Corporation is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

July 16, 2002

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HALL, KISTLER & COMPANY LLP
CONSULTANTS AND CERTIFIED PUBLIC ACCOUNTANTS

soundideas. solidanswers.

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Stark County Community Improvement Corporation
Canton, Ohio

We have audited the accompanying statement of financial position of the Stark County Community Improvement Corporation (a component of Stark County) (a nonprofit organization) as of December 31, 2001, 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 generally accepted auditing standards 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 Stark County Community Improvement Corporation as of December 31, 2001, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally excepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 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.

Hall, Kistler & Company LLP

Certified Public Accountants

Canton, Ohio
May 30, 2002



STATEMENT OF FINANCIAL POSITION

STARK COUNTY COMMUNITY IMPROVEMENT CORPORATION
(A Component Unit of Stark County)

December 31, 2001

<u>ASSETS</u>		
Cash and cash equivalents		\$ 37,751
Certificates of deposit		377,446
Notes receivable		100,000
	TOTAL ASSETS	<u>\$ 515,197</u>

<u>LIABILITIES AND NET ASSETS</u>		
Real estate transfer proceed payable to Stark County		\$ 64,550
Unrestricted net assets		450,647
	TOTAL LIABILITIES AND NET ASSETS	<u>\$ 515,197</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES

STARK COUNTY COMMUNITY IMPROVEMENT CORPORATION

(A Component Unit of Stark County)

Year ended December 31, 2001

Revenues:	
Interest income	\$ 16,548
Financial analysis fees	2,750
Dividend income	590
Application fees	500
Total revenues	<u>20,388</u>
Expenses Paid:	
Professional fees	4,955
Financial analysis expense	100
Miscellaneous expense	30
Total expenses	<u>5,085</u>
Change in net assets	15,303
Unrestricted net assets at beginning of year	<u>435,344</u>
Unrestricted net assets at end of year	<u>\$ 450,647</u>

See notes to financial statements.

STATEMENT OF CASH FLOWS

STARK COUNTY COMMUNITY IMPROVEMENT CORPORATION
(A Component Unit of Stark County)

Year ended December 31, 2001

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 15,303
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Decrease in assets:	
Accrued interest receivable	250
Net cash provided by operating activities	<u>15,553</u>

CASH FLOW FROM INVESTING ACTIVITIES

Purchases of certificates of deposits	(101,189)
Net cash (used in) investing activities	<u>(101,189)</u>

NET (DECREASE) IN CASH AND CASH EQUIVALENTS (85,636)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 123,387

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 37,751

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

STARK COUNTY COMMUNITY IMPROVEMENT CORPORATION (A Component Unit of Stark County)

December 31, 2001

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Stark County Community Improvement Corporation (Corporation) is a component unit of Stark County, Ohio (County) as defined in Government Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. It is a legally separate not-for-profit organization. The Corporation was formed to create or retain jobs and employment opportunities for industrial, commercial and research development companies in the Stark County 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

As a component unit of Stark County, the Corporation is considered a governmental entity. Accordingly, the Stark County Community Improvement Corporation adopted Governmental Accounting Standards Board (GASB) Statement No. 29, *The Use of Not-for-Profit Accounting and Financial Reporting Principles by Governmental Entities*.

The Stark County Community Improvement Corporation applies all applicable GASB pronouncements and all FASB statements and interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements.

Cash and Cash Equivalents

The Corporation considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash equivalents are carried at cost, which approximates market.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Revenue Recognition

Revenue and expenses are recorded on the accrual basis.

Income Taxes

No provision has been made in these statements for income taxes, as the Corporation is a not-for-profit corporation qualifying under Section 501(c)(6) of the Internal Revenue Code.

NOTE B - NOTES RECEIVABLE

Stark County Port Authority, interest only at 3% until December 1, 2002 when \$50,000 is due and December 1, 2003 when remaining balance is due

\$ 100,000

Summary of balances:

Current notes receivable

\$ 50,000

Noncurrent notes receivable

50,000

\$ 100,000

NOTE C - CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Corporation to concentration of credit risk include cash in banks. Accounts at each bank are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 2001, the Company's uninsured cash balance was approximately \$87,300.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Trustees
Stark County Community Improvement Corporation
Canton, Ohio

We have audited the financial statements of the Stark County Community Improvement Corporation (Corporation) as of and for the year ended December 31, 2001, and have issued our report thereon dated May 30, 2002. We conducted our audit in accordance with generally accepted auditing standards 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.

This report is intended for the information of the Board of Trustees, management and the Auditor of the State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.

Hall, Kistler & Company LLP

Certified Public Accountants

Canton, Ohio
May 30, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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STARK COUNTY COMMUNITY IMPROVEMENT CORPORATION

STARK 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 6, 2002**