

Jackson Community Improvement Corporation

Financial Statements

December 31, 2001

Adams, Tope & Associates, Inc.
Certified Public Accountants
210 Pearl St.
Jackson, OH 45640



**Auditor of State
Betty Montgomery**

Board of Trustees
Jackson Community Improvement Corporation
203 E. Broadway
Wellston, Ohio 45692

We have reviewed the Independent Auditor's Report of the Jackson Community Improvement Corporation, Jackson County, prepared by Adams, Tope & Associates, Inc., for the audit period January 1, 2001 to December 31, 2002. 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 Jackson Community Improvement Corporation is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

June 8, 2004

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ADAMS, TOPE & ASSOCIATES, INC.

Certified Public Accountants

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Jackson, Ohio 45640
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(740) 286-3002 EMail: ATCPAS@AOL.COM

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Jackson Community Improvement Corporation
Jackson, OH 45640

We have audited the accompanying balance sheet of Jackson Community Improvement Corporation (a nonprofit corporation) as of December 31, 2001, and the related statement of activities and net assets and statement of cash flows for the year then ended. These financial statements are the responsibility of the company'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 *Governmental Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain a 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 Jackson Community Improvement Corporation at December 31, 2001, 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 a report dated November 4, 2002, on our consideration of Jackson 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.

Adams Tope & Associates, Inc.

Adams, Tope, & Associates, Inc.
Nov. 4, 2002

JACKSON COMMUNITY IMPROVEMENT CORPORATION

Statement of Activities and Accumulated Net Assets
For the year ended December 31, 2001

Revenue:

Interest and Reimbursements on long term contract 22,583

Operating Expenses:

Interest Expense 2,456

Loan Service Fee 303

Real Estate Taxes 17,957

Auditing Fee 250

Total Operating Expenses 20,936

Net Operating Income before Extraordinary Item 1,647

Extraordinary Charge to Net Assets (571,141)

Change in Net Assets (569,494)

Beginning of Year Unrestricted Net Assets 590,318

End of Year Unrestricted Net Assets 20,824

See Independent Auditor's Report

The accompanying notes are an integral part of these financial statements.

JACKSON COMMUNITY IMPROVEMENT CORPORATION

Statement of Cash Flows
For the Year Ended December 31, 2001

Cash Flows from Operating Activities

Increase in Net Assets	1,647
Adjustments to reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:	
Decrease (Increase) in Current Receivables	14,319
Increase (Decrease) in Short Term Debt	(8,314)
Increase (Decrease) in Accounts Payable	<u>(84)</u>
Net Cash Provided by Operating Activities	7,568

Cash Flows from Investing Activities

Decrease in Long Term Receivable	<u>65,492</u>
Net Cash Provided by Investing Activities	65,492

Cash Flows from Financing Activities

Decrease in Long Term Loan	<u>(73,040)</u>
Net Cash Provided (Used By) Financing Activities	<u>(73,040)</u>

Net Increase in Cash	20
Cash at Beginning of Year	<u>25,356</u>
Cash at End of Year	<u>25,376</u>

See Independent Auditor's Report
The accompanying notes are an integral part of these financial statements.

JACKSON COMMUNITY IMPROVEMENT CORPORATION

Notes to the Financial Statements

Note 1.

Summary of Significant Accounting Policies and Organizational Information:

Nature of Activities:

Jackson Community Improvement Corporation is a nonprofit corporation incorporated to improve the community by helping to create jobs for the City of Jackson, Ohio and the surrounding area. It does this through ownership and rental of business property to employers who otherwise would not be employers.

Fiscal Year:

The fiscal year begins January 1 of each year and the income and expense accounts are closed on an annual basis.

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 these estimates.

Property and Depreciation:

All property is recorded at cost and depreciation of fixed assets is determined over the useful life of the individual asset by the straight line method. For acquisitions and disposals the actual number of months is used.

Accounting Method:

The accrual basis of accounting is employed which recognizes revenue and the related assets when earned rather than when received, and expenses and liabilities when incurred rather than when the obligations are paid.

Federal Income Tax:

The corporation is a tax-exempt corporation under Section 501 (c) (4) of the Internal Revenue Code. The corporation is classified as an organization other than a private foundation.

Cash and Cash Equivalents:

Cash and Cash Equivalents include cash accounts and highly liquid investments with an initial maturity of three months or less. Fair value approximates carrying amounts.

JACKSON COMMUNITY IMPROVEMENT CORPORATION

Notes to the Financial Statements continued

Note 2.

Long-Term Agreement:

In 1991 Luigino's deeded certain real estate to the organization and leased it back. The agreement called for monthly payments from Luigino's to the organization of \$ 7,700 each and Luigino's is to reimburse the organization for taxes and other costs.

Note 3.

Notes Payable:

The Ohio Department of Development granted a 10-year loan dated September 25, 1992, in the amount of \$ 787,500 that carries a 2% interest rate. The loan calls for monthly payments of \$ 7,604 and a ¼ % annual service fee payable monthly. Payments are due the 1'st of each month. The full loan balance of \$ 80,510 is payable in 2002.

Note 4.

Extraordinary Item:

This amount is to correct prior years' errors that improperly recorded assets.

JACKSON
COMMUNITY IMPROVEMENT CORPORATION
FEIN 31-1040504

OFFICERS & TRUSTEES 12/31/2002

<u>Name & Address</u>	<u>Elective or Appointive Office</u>	<u>Political Subdivision</u>
Harold A. Howe (President) 408 Redondo Drive Jackson, Ohio 45640		
Alan Stockmeister (V. Pres.) 233 Water Street Jackson, Ohio 45640		
Barry L. Smith (Secretary) 233 E. Main Street Jackson, Ohio 45640		
John T. Evans (Treasurer) 143 E. Main Street Jackson, Ohio 45640	Mayor	City of Jackson
Lloyd W. White 2748 McCune Road Jackson, Ohio 45640		
F. Lee Hubbard 226 E. Main Street Jackson, Ohio 45640	Treasurer	County of Jackson
Burleigh F. Oiler 149 David Avenue Jackson, Ohio 45640		

Jackson Community Improvement Corporation incorporated February 23, 1973.

Designated as Agent by the City of Jackson on April 23, 1973.

Designated as Agent by County of Jackson on June 19, 1976.
Dissolved and Rescinded by County of Jackson as of May 15, 1979.

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ADAMS, TOPE & ASSOCIATES, INC.

Certified Public Accountants

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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*

Board of Trustees
Jackson Community Improvement Corporation
Jackson, OH 45640

We have audited the financial statements of Jackson Community Improvement Corporation (a nonprofit organization) as of and for the year ended December 31, 2001, and issued our report thereon dated November 4, 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 Jackson 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Jackson 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 a 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 solely for the information and use of the audit committee, management, others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Adam Tope - Assessor, Inc.

Adams, Tope, & Associates, Inc.

Jackson, OH 45640

November 4, 2002

Jackson Community Improvement Corporation

Financial Statements

December 31, 2002

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In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jackson Community Improvement Corporation at December 31, 2002, 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 a report dated November 7, 2003, on our consideration of Jackson 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.

Adams Tope & Associates, Inc.

Adams, Tope, & Associates, Inc.
Nov. 7, 2003

JACKSON COMMUNITY IMPROVEMENT CORPORATION

Balance Sheet
As of December 31, 2002

ASSETS

Current Assets:

Cash in Bank (Checking Account Oak Hill Banks)	<u>26,237</u>
Total Current Assets	26,237
Total Assets	<u>26,237</u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	<u>-0-</u>
Total Current Liabilities	-0-

Long Term Liabilities:

Total Long-Term Liabilities	<u>-0-</u>
Total Liabilities	<u>-0-</u>

Net Assets:

Unrestricted Net Assets	<u>26,237</u>
Total Liabilities & Net Assets	<u>26,237</u>

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

JACKSON COMMUNITY IMPROVEMENT CORPORATION

Statement of Activities and Accumulated Net Assets
For the year ended December 31, 2002

Revenue:

Interest and Reimbursements on long term contract	25,390
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Operating Expenses:

Interest Expense	653
Loan Service Fee	82
Real Estate Taxes	18,992
Auditing Fee	<u>250</u>

Total Operating Expenses	<u>19,977</u>
Change in Net Assets	5,413

Beginning of Year Unrestricted Net Assets	<u>20,824</u>
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End of Year Unrestricted Net Assets	<u>26,237</u>
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See Independent Auditor's Report

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JACKSON COMMUNITY IMPROVEMENT CORPORATION

Statement of Cash Flows
For the Year Ended December 31, 2002

Cash Flows from Operating Activities

Increase in Net Assets 5,413

Adjustments to reconcile Increase in Net
Assets to Net Cash Provided by Operating Activities:

Decrease (Increase) in Current Receivables 76,109
Increase (Decrease) in Short Term Debt (80,510)
Increase (Decrease) in Accounts Payable (151)
Net Cash Provided by Operating Activities 861

Cash Flows from Investing Activities None

Cash Flows from Financing Activities None

Net Increase in Cash 861

Cash at Beginning of Year 25,376

Cash at End of Year 26,237

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JACKSON COMMUNITY IMPROVEMENT CORPORATION

Notes to the Financial Statements continued

Note 2.

Unrestricted Net Assets:

There are no limits on the organizations use of unrestricted net assets for loan covenants or board designated endowments. The assets may be used in any manner consistent with the purposes of the organization, which are to improve the community.

Note 3.

Interest and Reimbursements on long-term contract:

The organization had a long-term contract with Luigino's Inc. that paid off during the year.

JACKSON
COMMUNITY IMPROVEMENT CORPORATION
FEIN 31-1040504

OFFICERS & TRUSTEES 12/31/2002

<u>Name & Address</u>	<u>Elective or Appointive Office</u>	<u>Political Subdivision</u>
Harold A. Howe (President) 408 Redondo Drive Jackson, Ohio 45640		
Alan Stockmeister (V. Pres.) 233 Water Street Jackson, Ohio 45640		
Barry L. Smith (Secretary) 233 E. Main Street Jackson, Ohio 45640		
John T. Evans (Treasurer) 143 E. Main Street Jackson, Ohio 45640	Mayor	City of Jackson
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Board of Trustees
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Adams Tope & Associates, Inc.

Adams, Tope, & Associates, Inc.
November 7, 2003



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

JACKSON COMMUNITY IMPROVEMENT CORPORATION

JACKSON 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
JUNE 22, 2004**