

AUDITED FINANCIAL STATEMENTS

STARK COUNTY COMMUNITY IMPROVEMENT CORPORATION
CANTON, OHIO

December 31, 2003



**Auditor of State
Betty Montgomery**

Board of Trustees
Stark County Community Improvement Corporation

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, 2003 through December 31, 2003. 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 cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

July 14, 2004

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HALL, KISTLER & COMPANY LLP
CONSULTANTS AND CERTIFIED PUBLIC ACCOUNTANTS

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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 (Corporation) (a nonprofit organization) as of December 31, 2003, 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 U.S. 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, 2003, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2004, 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 7, 2004

BKR
INTERNATIONAL

STATEMENT OF FINANCIAL POSITION

STARK COUNTY COMMUNITY IMPROVEMENT CORPORATION

December 31, 2003

| <u>ASSETS</u> | | |
|--|----------------------------------|-------------------|
| Cash and cash equivalents | | \$ 66,421 |
| Certificates of deposit | | 378,149 |
| Notes receivable | | 50,000 |
| | TOTAL ASSETS | <u>\$ 494,570</u> |
| | | |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Real estate transfer proceed payable to Stark County | | \$ 64,550 |
| Unrestricted net assets | | 430,020 |
| | TOTAL LIABILITIES AND NET ASSETS | <u>\$ 494,570</u> |

STATEMENT OF ACTIVITIES

STARK COUNTY COMMUNITY IMPROVEMENT CORPORATION

Year ended December 31, 2003

| | | |
|--|----|-----------------------|
| Revenues: | | |
| Interest income | \$ | 5,761 |
| Dividend income | | 75 |
| Total revenues | | <u>5,836</u> |
| Expenses Paid: | | |
| NEOTEC dues | | 25,000 |
| Grants | | 16,000 |
| Professional fees | | 4,607 |
| Financial analysis expense | | 52 |
| Miscellaneous expense | | 182 |
| Total expenses | | <u>45,841</u> |
| Change in net assets | | (40,005) |
| Unrestricted net assets at beginning of year | | <u>470,025</u> |
| Unrestricted net assets at end of year | \$ | <u><u>430,020</u></u> |

STATEMENT OF CASH FLOWS

STARK COUNTY COMMUNITY IMPROVEMENT CORPORATION

Year ended December 31, 2003

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|-----------------|
| Change in net assets | \$ (40,005) |
| Net cash (used in) operating activities | <u>(40,005)</u> |

CASH FLOW FROM INVESTING ACTIVITIES

| | |
|---|--------------|
| Purchases of certificates of deposits | <u>(292)</u> |
| Net cash (used in) investing activities | <u>(292)</u> |

NET (DECREASE) IN CASH AND CASH EQUIVALENTS (40,297)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 106,718

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 66,421

NOTES TO FINANCIAL STATEMENTS

STARK COUNTY COMMUNITY IMPROVEMENT CORPORATION

December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Stark County Community Improvement Corporation (Corporation) is a not-for-profit organization formed to advance, encourage and promote industrial, economic, commercial and civic development 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

The Corporation reports information regarding its financial position and activities according to classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. There were no temporarily restricted or permanently restricted net assets at December 31, 2003.

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.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Facilities and Services

Stark County provides the Corporation with office space and various office and management services without charge. The value of the donated facilities is not recognized in the accompanying financial statements because no objective basis is available to measure the value. The donated services are not reflected in the accompanying financial statements because they do not meet the recognition criteria under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*.

Income Taxes

The Corporation is exempt from Federal income taxes under Section 501(c)(6) of the Internal Revenue Code.

NOTE B - NOTES RECEIVABLE

Stark County Port Authority, interest at 3%. The \$50,000 balloon payment is deferred until six months after the Crane property is sold or leased. Interest is due for 2003 but is waived during the deferment period and is not due with the balloon payment.

\$ 50,000

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, 2003, and have issued our report thereon dated May 7, 2004. We conducted our audit in accordance with U.S. 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, Keitler & Company LLP

Certified Public Accountants

Canton, Ohio
May 7, 2004



**Auditor of State
Betty Montgomery**

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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
JULY 27, 2004**