

AUDITED FINANCIAL STATEMENTS

STARK COUNTY COMMUNITY IMPROVEMENT CORPORATION
CANTON, OHIO

December 31, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1st Floor
Columbus, Ohio 43215
Telephone 614-466-4514
800-282-0370
Facsimile 614-728-7398

Board of Trustees
Stark County Community Improvement Corporation
Canton, Ohio

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, 2000 to December 31, 2000. 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.

JIM PETRO
Auditor of State

July 24, 2001

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HALL, KISTLER & COMPANY LLP

Certified Public Accountants

220 Market Avenue, South • Suite 700 • Canton, Ohio • 44702-2100

Phone (330) 453-7633 • Fax (330) 453-9366 • www.hallkistler.com

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 as of December 31, 2000, 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, 2000, 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 reported dated May 25, 2001, on our consideration of the Bureau'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 25, 2001

STATEMENT OF FINANCIAL POSITION

STARK COUNTY COMMUNITY IMPROVEMENT CORPORATION

December 31, 2000

<u>ASSETS</u>		
Cash and cash equivalents		\$ 123,387
Certificates of Deposit		276,257
Accrued interest receivable		250
Notes receivable - noncurrent		<u>100,000</u>
	TOTAL ASSETS	<u>\$ 499,894</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Real estate transfer proceed payable to Stark County		\$ 64,550
Unrestricted net assets		<u>435,344</u>
	TOTAL LIABILITIES AND NET ASSETS	<u>\$ 499,894</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES

STARK COUNTY COMMUNITY IMPROVEMENT CORPORATION

Year ended December 31, 2000

Revenues:	
Interest income	\$ 16,046
Dividend income	927
Application fees	<u>500</u>
Total revenues	17,473
Expenses Paid:	
Professional fees	1,520
Application review expense	<u>100</u>
Total expenses	<u>1,620</u>
Change in net assets	15,853
Unrestricted net assets at beginning of year	<u>419,491</u>
Unrestricted net assets at end of year	<u>\$ 435,344</u>

See notes to financial statements.

STATEMENT OF CASH FLOWS

STARK COUNTY COMMUNITY IMPROVEMENT CORPORATION

Year ended December 31, 2000

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 15,853
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
(Increase) decrease in assets:	
Certificates of deposit	(76,122)
Accrued interest receivable	(250)
Notes receivable - noncurrent	5,877
Increase in liabilities:	
Real estate transfer proceeds payable to Stark County	<u>64,550</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	9,908
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>113,479</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 123,387</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

STARK COUNTY COMMUNITY IMPROVEMENT CORPORATION

December 31, 2000

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Stark County Community Improvement 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 Stark County Community Improvement Corporation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Cash and Cash Equivalents

The Stark County Community Improvement 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 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

\$ -0-

Noncurrent notes receivable

100,000

\$ 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, 2000, the Company's uninsured cash balance totaled \$73,387.



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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 as of and for the year ended December 31, 2000, and have issued our report thereon dated May 25, 2001. 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, Kistler & Company LLP

Certified Public Accountants

Canton, Ohio
May 25, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

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 9, 2001**