



Butler & Correll LLC

Certified Public Accountants and Consultants

AUDITED FINANCIAL STATEMENTS

STARK COUNTY COMMUNITY IMPROVEMENT CORPORATION

CANTON, OHIO

December 31, 2007 and 2006



Mary Taylor, CPA
Auditor of State

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 Butler & Correll LLC, for the audit period January 1, 2006 through December 31, 2007. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 29, 2008

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Stark County Community Improvement Corporation
Canton, Ohio

We have audited the accompanying statements of financial position of the Stark County Community Improvement Corporation (a nonprofit organization) as of December 31, 2007 and 2006, and the related statements of activities and cash flows for the years 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 audits.

We conducted our audits 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 audits provide a reasonable basis for our opinions.

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, 2007 and 2006, 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 our report dated June 26, 2008, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not

to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and important for assessing the results of our audit.

BUTLER : CORRELL, LLC

Certified Public Accountants

Canton, Ohio
June 26, 2008

STATEMENTS OF FINANCIAL POSITION

STARK COUNTY COMMUNITY IMPROVEMENT CORPORATION

December 31, 2007 and 2006

<u>ASSETS</u>	<u>2007</u>	<u>2006</u>
Cash and cash equivalents	\$ 227,082	\$ 256,514
Certificates of deposit	489,637	383,920
Total Assets	<u>\$ 716,719</u>	<u>\$ 640,434</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
Liabilities:		
Real estate transfer proceeds payable to Stark County	\$ 221,432	\$ 181,432
Net Assets:		
Unrestricted	495,287	459,002
Total Net Assets	<u>495,287</u>	<u>459,002</u>
Total Liabilities and Net Assets	<u>\$ 716,719</u>	<u>\$ 640,434</u>

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

STATEMENTS OF ACTIVITIES

STARK COUNTY COMMUNITY IMPROVEMENT CORPORATION

Years ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Revenues:		
Bond issuance fees	\$ 11,375	\$ -
Interest income	<u>25,630</u>	<u>23,172</u>
Total Revenues	37,005	23,172
Expenses:		
Professional fees	<u>720</u>	<u>6,982</u>
Total Expenses	<u>720</u>	<u>6,982</u>
Change in net assets	36,285	16,190
Unrestricted net assets at beginning of year	<u>459,002</u>	<u>442,812</u>
Unrestricted net assets at end of year	<u>\$ 495,287</u>	<u>\$ 459,002</u>

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

STATEMENTS OF CASH FLOWS

STARK COUNTY COMMUNITY IMPROVEMENT CORPORATION

Years ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 36,285	\$ 16,190
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Increase in liabilities:		
Real estate transfer proceeds payable to Stark County	<u>40,000</u>	<u>40,000</u>
Cash provided by operating activities	<u>76,285</u>	<u>56,190</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from collection of notes receivables	-	50,000
Purchases of certificates of deposit	<u>(105,717)</u>	<u>(4,781)</u>
Cash provided by (used in) investing activities	<u>(105,717)</u>	<u>45,219</u>
 NET INCREASE (DECREASE) IN CASH AND CASH	(29,432)	101,409
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>256,514</u>	<u>155,105</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 227,082</u>	<u>\$ 256,514</u>

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

NOTES TO FINANCIAL STATEMENTS

STARK COUNTY COMMUNITY IMPROVEMENT CORPORATION

December 31, 2007 and 2006

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 previously adopted Statement of Financial Accounting Standards (SFAS) No. 117 "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Corporation 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. The Corporation only had unrestricted net assets at December 31, 2007 and 2006.

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.

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 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, 2007 and 2006, the Corporation's uninsured cash balances were \$365,601 and \$291,296, respectively.

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 Stark County Community Improvement Corporation as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated June 26, 2008. We conducted our audits 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Stark County Community Improvement Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Stark County Community Improvement Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Stark County Community Improvement Corporation's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliability in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance

As part of obtaining reasonable assurance about whether Stark County 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 grant agreements, 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 audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Trustees, others within the entity and appropriate county and state agencies and is not intended to be and should not be used by anyone other than these specified parties.

BUTLER : CORRELL, LLC
Certified Public Accountants

Canton, Ohio
June 26, 2008



Mary Taylor, CPA
Auditor of State

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 12, 2008**