

CORRPRO COMPANIES INC /OH/
Form 11-K
September 28, 2001

1

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE
STOCK PURCHASE, SAVINGS AND SIMILAR
PLANS PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended March 31, 2001.

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from _____ to _____.

Commission File Number 1-12282

A. Full title of the plan and the address of the plan, if different
from that of the issuer named below:

CORRPRO COMPANIES, INC. PROFIT SHARING PLAN AND TRUST

B. Name of issuer of the securities held pursuant to the plan and the
address of its principal executive office:

CORRPRO COMPANIES, INC.
1090 ENTERPRISE DRIVE
MEDINA, OHIO 44256

1

2

CORRPRO COMPANIES, INC.

PROFIT SHARING PLAN AND TRUST

TABLE OF CONTENTS

Page

Edgar Filing: CORRPRO COMPANIES INC /OH/ - Form 11-K

Independent Auditors' Report	3
Statements of Net Assets Available for Benefits	4
Statements of Changes in Net Assets Available for Benefits	5
Notes to Financial Statements	6
Supplemental Schedules:	
Schedule H, line 4i - Schedule of Assets (Held at End of Year) - March 31, 2001	12
Independent Auditors' Consent	13

Note: All other schedules required by the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because the conditions under which they are required are not present.

2

3

INDEPENDENT AUDITORS' REPORT

To the Participants and Plan Administrator of the
Corrpro Companies, Inc. Profit Sharing Plan and Trust:

We have audited the accompanying statements of net assets available for benefits of the Corrpro Companies, Inc. Profit Sharing Plan and Trust (Plan), as of March 31, 2001 and 2000 and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan'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. 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of March 31, 2001 and 2000 and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule H, line 4i - Schedule of Assets (Held at End of Year) - March 31, 2001 is presented

Edgar Filing: CORRPRO COMPANIES INC /OH/ - Form 11-K

for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP
Cleveland, Ohio
September 7, 2001

3

4

CORRPRO COMPANIES, INC.
PROFIT SHARING PLAN AND TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	March 31,	
	2001	2000
	-----	-----
ASSETS:		
Investments:		
Guaranteed investments	\$ 3,135,013	\$ 3,053,511
Mutual funds	9,785,668	12,539,314
Corrpro Companies, Inc. Common stock	744,526	1,253,022
Participant loans	631,368	591,770
	-----	-----
	14,296,575	17,437,617
	-----	-----
Contributions receivable:		
Participants'	150,102	142,193
Employer	163,756	67,191
Accrued interest	3,263	3,638
	-----	-----
Total receivables	317,121	213,022
	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS	\$14,613,696	\$17,650,639
	=====	=====

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

CORRPRO COMPANIES, INC.
 PROFIT SHARING PLAN AND TRUST
 STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year Ended March 31, 2001	2000
	-----	-----
Additions:		
Additions to net assets attributed to:		
Investment income:		
Net (depreciation) appreciation in fair value of investment	\$ (3,981,418)	\$ 654,771
Interest	208,108	192,485
Adjustments	5,689	747
	-----	-----
Total investment income	(3,767,621)	848,003
	-----	-----
Contributions		
Participant	1,974,644	2,079,276
Employer	1,069,447	957,616
	-----	-----
	3,044,091	3,036,892
	-----	-----
Total additions	(723,530)	3,884,895
	-----	-----
Deductions:		
Deductions from net assets attributed to:		
Benefits paid to participants	2,291,679	1,912,011
Administrative expenses	21,734	28,204
	-----	-----
Total deductions	2,313,413	1,940,215
	-----	-----
Net (decrease) increase	(3,036,943)	1,944,680
Net assets available for benefits:		
Beginning of year	17,650,639	15,705,959
	-----	-----
End of year	\$ 14,613,696	\$ 17,650,639
	=====	=====

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

5

6

CORRPRO COMPANIES, INC.

PROFIT SHARING PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - GENERAL DESCRIPTION OF THE PLAN:

General

The Corrpro Companies, Inc. Profit Sharing Plan and Trust (the "Plan") was organized and adopted on April 1, 1984 and restated on April 1, 1999 by Corrpro Companies, Inc. (the "Company") to encourage employee savings and to provide retirement benefits to participants and/or their beneficiaries. It is administered by an advisory committee (the "Committee") appointed by the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan's trustee maintains all records of investment transactions and determines the valuation of the investment portfolio.

The above description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Contributions and Eligibility

The Plan is a defined contribution plan and contains a 401(k) provision which permits employees to contribute elective deferrals of up to 15% of their eligible compensation, subject to certain limitations under the Internal Revenue Code of 1986, as amended (the "Code"). Employees may make elective deferral contributions on the first day of the month following the completion of 30 days of service.

The Plan also provides for an employer contribution to be determined solely at the discretion of the Board of Directors of the Company in accordance with the limitations prescribed by the Plan. For employer contributions, all employees are eligible to benefit beginning the first day of the month following the completion of one month of service. For the fiscal year 2001, the Company matched 100% on the first 3% of a participant's contribution and 50% on the next 2% of a participant's contribution. For the period April 1, 2000 to September 30, 2000, the Company matched the participant's contribution's with cash.

Edgar Filing: CORRPRO COMPANIES INC /OH/ - Form 11-K

Effective October 1, 2000, the Company matched participant's contribution's with Common Stock of Corrpro Companies, Inc. For the fiscal year 2000, the Company matched 100% on the first 3% of a participant's contribution and 50% on the next 2% of a participant's contribution in cash.

With the consent of the Committee and Trustee, an employee may request that the Plan accept all or part of such employee's interest in another qualified plan or individual retirement account. Such rollover contributions are maintained and invested by the Trustee in a similar manner as other participant accounts. The Plan's provisions with respect to rollover contributions were designed to comply with the applicable sections of the Code.

6

7

Vesting

Participants are immediately vested in their elective deferral contributions, employer matching contributions, and rollover contributions plus actual earnings thereon.

Participant Direction of Investments

The Plan provides that each participant or beneficiary may direct the investment of their account balance among the following funds:

Guaranteed CIGNA Fund

The Guaranteed CIGNA Fund is invested primarily in commercial mortgages and private bond placements. This fund has a full guarantee by CIGNA against loss of principal and credited interest. This interest rate is periodically reviewed and revised to reflect current investment conditions.

Life 20, 30, 40, 50 & 60 Funds ("CIGNA LIFETIME FUNDS")

The "CIGNA LIFETIME FUNDS" are a family of five distinct investment portfolios structured to maximize return and minimize risk over a specific time period based on the participant's approximate age. Each fund is primarily invested in a diversified mix of stock and bond funds, designed to fit the time horizons and risk tolerances of investors at different stages of their lives.

Fidelity Growth & Income Fund

The Fidelity Growth & Income Fund is invested in a diversified portfolio of equity and fixed-income securities.

Vanguard Wellington Fund

The Vanguard Wellington Fund is invested in a diversified portfolio of common stocks and bonds designed primarily to seek a conservation of principal and a reasonable income return.

Fidelity Magellan

The Fidelity Magellan is invested primarily in common stock and securities convertible into common stocks of both domestic,

Edgar Filing: CORRPRO COMPANIES INC /OH/ - Form 11-K

multinational and foreign companies. Current income is not a consideration.

Twentieth Century Ultra Fund

The Twentieth Century Ultra Fund is invested primarily in common stocks of medium-sized companies that meet certain technical and fundamental criteria.

Warburg Pincus Advisor Emerging Growth Fund

The Warburg Pincus Advisor Emerging Growth Fund is invested primarily in common stocks and securities of small-to medium-sized companies for capital growth. Current income is not a consideration.

Warburg Pincus Advisor International Equity Fund

The Warburg Pincus Advisor International Equity Fund is invested primarily in common stocks of companies that are generally non-U.S. based. Current income is not a consideration.

Corrpro Companies, Inc. Common Stock Fund

The Corrpro Companies, Inc. Common Stock Fund is invested only in common stock of the Company.

Currently, participating employees can elect to have their current contributions invested in any of the funds available for employee contributions, or in any combination of these funds on a daily basis in one percent increments. Participating employees may also transfer amounts invested in any fund made available for employee contributions on a daily basis in one percent increments.

Participant Accounts

A separate account is maintained for each participant in the Plan, reflecting contributions, investments, investment gains and losses, distributions, loans, withdrawals and transfers. Each participant's account is credited with the participant's elective deferral contribution and an allocation of (a) the employer contributions, (b) plan earnings, and (c) forfeitures of terminated participants' nonvested accounts. Allocations are based on participants' account balances, as defined in the Plan.

Realized and unrealized appreciation (depreciation) and market value changes of investments and investment income of the Plan are allocated on a pro-rata basis to the accounts of participants on a daily basis.

Plan Withdrawals and Distributions

Upon termination of service due to death, disability or retirement, an employee may elect to receive either a lump-sum amount equal to the value of his account or annual installments upon approval by the Trustee. All withdrawals and disbursements are subject to federal income tax upon receipt.

In situations of severe financial hardship, a participant may apply in writing to the Committee for the distribution of his vested account balance. Such hardship withdrawals may result in tax consequences to the employee as defined in the Code.

Termination Provisions

The Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of the Plan's termination, participants will become immediately and fully vested in their participant accounts.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investments

The accompanying statements of net assets available for benefits reflect investments at their fair values as of March 31, 2001 and 2000. The Plan's trustee (CIGNA) maintains all records of investment transactions and determines the valuation of the investment portfolio. Information with respect to: (1) investments held and their market values as presented in the statements of participants' equity and (2) unrealized appreciation and depreciation as presented in the statements of changes in participants' equity has been certified by the Plan's trustee as being complete and accurate.

The Plan has a guaranteed principal and interest contract, Guaranteed Income Fund, with CIGNA. This contract is included in the financial statements at contract value, which approximates fair value because it is fully benefit-responsive. Contract value represents contributions made under the contract, plus earnings, less Plan withdrawals and administrative expenses. There are no reserves against contract value for credit risk of the contract

Edgar Filing: CORRPRO COMPANIES INC /OH/ - Form 11-K

issuer or otherwise. The average yield and crediting interest rates were approximately 5.2% for 2001 and 4.9% for 2000.

Security Transactions and Investment Income

Purchases and sales of securities are reported on a trade date basis. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis.

Proceeds from sales of securities, less market value at the beginning of the Plan year or cost for purchases during the Plan year and net unrealized appreciation (depreciation) based on market price fluctuations during the Plan year or since date of acquisition, are included in the Statements of Changes in Net Assets Available for Benefits.

Plan Expenses

Fees for legal counsel and auditors of the Plan are paid by the Company and thus are not reflected in the accompanying financial statements. Costs specific to various transactions are paid directly by the Plan and are reflected in the accompanying statements.

NOTE 3 - INVESTMENTS:

The following presents investments that represent five percent or more of the Plan's net assets.

	MARCH 31,	
	2001	2000
	-----	-----
CIGNA Guaranteed Income Fund	\$ 3,135,013	\$ 3,053,511
Fidelity Growth and Income Fund	1,663,315	1,921,482
Vanguard Wellington Fund	1,197,278	917,880
Fidelity Magellan Fund	2,336,110	2,987,012
Twentieth Century Ultra Fund	1,740,070	3,002,462
Warburg Pincus Emerging Growth Fund	560,221	921,942
Corrpro Companies, Inc. Common Stock	744,526	1,253,022
Other (including participant loans of \$631,368 and \$591,770 respectively)	2,920,042	3,380,306
	-----	-----
	\$14,296,575	\$17,437,617
	=====	=====

NOTE 4 - TAX STATUS:

Edgar Filing: CORRPRO COMPANIES INC /OH/ - Form 11-K

The Internal Revenue Service has determined and informed the Company by a letter dated July 31, 1995, that the Plan and related Trust are designed in accordance with the applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

NOTE 5 - LOANS TO PARTICIPANTS:

Participants may borrow up to fifty percent of their vested account balances subject to a maximum of \$50,000. All loans bear interest at market rates and are secured by the vested account balances of the respective participants. Interest rates ranged from 7.0% to 9.5% during the current plan year.

NOTE 6 - NEW ACCOUNTING PRONOUNCEMENTS:

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"). SFAS No. 133 requires that an entity recognize all derivatives and measure those instruments at fair value.

SFAS No. 133 is effective for fiscal years beginning after June 15, 2000. Pursuant to SFAS No. 137 and SFAS No. 138, the Plan is required to adopt SFAS No. 133 effective April 1, 2001. Management has not yet determined the impact of SFAS No. 133 on the Plan financial statements.

NOTE 7 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500:

The following is a reconciliation of net assets available for plan benefits per the financial statements to the Form 5500 as of March 31, 2001 and 2000:

	2001 -----	-----
Net assets available for plan benefits per financial statements	\$14,613,696	\$17,
Total receivables	(317,121)	(
	-----	-----
Net assets available for plan benefits per Form 5500	\$14,296,575 =====	\$17, =====

The following is a reconciliation of income per the financial statements to the Form 5500 as of March 31, 2001 and 2000:

2001 -----	-----
	2

Edgar Filing: CORRPRO COMPANIES INC /OH/ - Form 11-K

(Deductions) additions per financial statements	(\$3,036,943)	\$1,
Add accrued receivables beginning of year	213,022	
Less accrued receivables end of year	317,121	
	-----	-----
(Deductions) additions per Form 5500	(\$3,141,042)	\$1,9
	=====	=====

11

12

CORRPRO COMPANIES, INC.
PROFIT SHARING PLAN AND TRUST

PLAN #001 EIN 34-1422570
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS
(HELD AT END OF YEAR) -

MARCH 31, 2001

(a)	(b)	(c)
Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date rate of interest, collateral, par or maturity value	
-----	-----	-----
* CIGNA Guaranteed Income Fund	Guaranteed Insurance Contract, 4.9 % interest rate	
* CIGNA Lifetime20 Fund	Mutual Fund	
* CIGNA Lifetime30 Fund	Mutual Fund	
* CIGNA Lifetime40 Fund	Mutual Fund	
* CIGNA Lifetime50 Fund	Mutual Fund	
* CIGNA Lifetime60 Fund	Mutual Fund	
* Fidelity Growth and Income Fund	Mutual Fund	
* Vanguard Wellington Fund	Mutual Fund	
* Fidelity Magellan Fund	Mutual Fund	
* Twentieth Century Ultra Fund	Mutual Fund	
* Warburg Pincus Emerging Growth Fund	Mutual Fund	
* Warburg Pincus Advisor International Equity Fund	Mutual Fund	
* Corrpro Companies, Inc. Common Stock	Common Stock	
* Cash Transaction Account		
* Participants	Participants loans with various rates of interest from 7.00% to 9.50% and various maturity dates	
* Party in Interest		
** Cost of Participants loans are \$0 as indicated in the instructions		

See accompanying Independent Auditors' Report

INDEPENDENT AUDITORS' CONSENT

To the Board of Directors
Corrpro Companies, Inc.:

We consent to incorporation by reference in the Registration Statement (No. 33-74814) on Form S-8 of Corrpro Companies, Inc. of our report dated September 7, 2001, relating to the financial statements and schedule of the Corrpro Companies, Inc. Profit Sharing Plan and Trust included in this Annual Report on Form 11-K for the year ended March 31, 2001.

KPMG LLP
Cleveland, Ohio
September 26, 2001

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan has duly caused this annual report to be signed on its behalf by the undersigned, hereunto duly authorized.

CORRPRO COMPANIES, INC.
PROFIT SHARING PLAN AND TRUST

By: Corrpro Companies, Inc., as
Plan Administrator

Date: September 28, 2001

By: /s/ Kurt R. Packer

Kurt R. Packer
Executive Vice President,
Chief Financial Officer,
Secretary and Treasurer
(Principal Financial and
Accounting Officer)