

GALION COMMUNITY
IMPROVEMENT CORPORATION

AUDITED GENERAL PURPOSE
FINANCIAL STATEMENTS AND
AUDITORS' REPORT

FOR THE
YEAR ENDED
DECEMBER 31, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Directors
Galion Community Improvement Corporation
106 Harding Way East
Galion, Ohio 44833

We have reviewed the Independent Auditor's Report of the Galion Community Improvement Corporation, Crawford County, prepared by Guillan & Company, for the audit period January 1, 2000 through 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 Galion Community Improvement Corporation is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

August 26, 2002

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GALION COMMUNITY IMPROVEMENT CORPORATION
CRAWFORD COUNTY

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Guillan & Company

Independent Auditor's Report

Board of Directors
Galion Community Improvement Corporation
Galion, Ohio 44833

We have audited the accompanying statement of financial position of the Galion Community Improvement Corporation, a nonprofit organization, 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 Community Improvement 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 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 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 Galion 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 generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated August 2, 2002 on our consideration of the Community Improvement Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. 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.

August 2, 2002

Guillan & Company

GALION COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2000

ASSETS

Current Assets

Cash	\$ 941,414
Loans Receivable	348,947
Accounts Receivable	40,568
Worker's Compensation Deposit	25
Property and Equipment (Net of Accumulated Depreciation)	<u>132,426</u>
Total Assets	<u><u>\$ 1,463,380</u></u>

LIABILITIES AND EQUITY

Current Liabilities

Withholdings Payable	\$ 771
Accrued FUTA	30
Accrued Workers Compensation	46
Enterprise Zone Payables	<u>1,250</u>
Total Current Liabilities	<u>2,097</u>

Equity

Net Assets	<u>1,461,283</u>
Total Equity	<u>1,461,283</u>
Total Liabilities and Equity	<u><u>\$ 1,463,380</u></u>

The notes to the financial statements are an integral part of this statement.

GALION COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF ACTIVITIES
DECEMBER 31, 2000

REVENUE

City Contract	\$ 95,000
Gain on sale of property	19,561
Interest Income	43,052
Leases	3,000
Miscellaneous Income	<u>1,044</u>

Total Revenue 161,657

EXPENSES

Salaries - Administrative	56,669
Fringe Benefits	10,636
Meetings and Travel	4,024
Dues and Subscriptions	6,085
Office	6,566
Telephone	2,931
Insurance	2,115
Advertising	4,670
Professional Services	8,505
Enterprise Zone	1,500
Real Estate Taxes	1,820
Depreciation Expense	3,679
Other	<u>6,082</u>

Total Expenses 115,281

Excess of Revenues over Expenses 46,376

Net Assets - January 1, 2000 1,414,907

Net Assets - December 31, 2000 **\$ 1,461,283**

The notes to the financial statements are an integral part of this statement.

GALION COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF CASH FLOWS
DECEMBER 31, 2000

Cash Flows from Operating Activities:

Excess revenue over expenses	\$ 46,376
Adjustments to reconcile excess revenues over expenses to cash used by operating activities:	
Depreciation	3,679
Changes in certain assets and liabilities:	
(Increase) Decrease in:	
Notes Receivable - RLF #1	237,017
Notes Receivable - RLF #2	70,298
Accounts Receivable - City	(40,568)
Increase (Decrease) in:	
Payroll Taxes Payable	(9)
Total Adjustments	266,738
Net Cash provided by Operating Activities	316,793

Cash flows from Capital and Related Financing Activities:

Proceeds from sale of capital assets	29,571
Net Cash from Capital and Related Financing Activities	29,571
Increase in cash	346,364
Cash - January 1, 2000	595,050
Cash - December 31, 2000	\$ 941,414

The notes to the financial statements are an integral part of this statement.

GALION COMMUNITY IMPROVEMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000

A. Summary of Significant Accounting Policies

Galion Community Improvement Corporation is a “not for profit” corporation; thus it pays no federal income taxes. The financial statements are prepared on an accrual basis of accounting, which recognizes revenues as they are earned and expenses as they are incurred.

The Galion Community Improvement Corporation was formed to, among other things, promote business and industry, in and around the city of Galion, Ohio. To accomplish this end, they aid in the financing of business and loan funds, on a limited basis, to area businesses or industries.

Depreciation - The cost of depreciable equipment is being depreciated over the estimated useful lives of the assets using the straight-line method.

B. Industrial Park Development

Galion Community Improvement Corporation has entered into a performance agreement with the City of Galion, Ohio for the development of an industrial park. The Corporation has provided all funds necessary for the complete construction of a public street and other related public improvements.

C. Loans Receivable

The following is a summary of the loans that make up the Community Improvement Corporation’s “Loans Receivable” balance at December 31, 2000:

Revolving Loan Fund # 1:	
Buckeye Pumps	\$ 38,529
Covert Manufacturing	24,363
Enterprise Fabrication	35,290
Galion/Mansfield Distribution	1,338
Jerry’s (2 loans)	12,365
Revolving Loan Fund # 2:	
Galion Solid Waste	153,148
Prints & Paints	<u>83,914</u>
TOTAL	<u>\$ 348,947</u>

GALION COMMUNITY IMPROVEMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000
(Continued)

D. Fixed Assets

A summary of the fixed assets for Galion Community Improvement Corporation at December 31, 2000, is presented as follows:

Land	\$114,975
Office Equipment	34,697
Accumulated Depreciation	<u>(17,247)</u>
Total	<u>\$132,425</u>

Guillan & Company

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 Directors
Galion Community Improvement Corporation

We have audited the financial statements of the Galion Community Improvement Corporation as of and for the year ended December 31, 2000, and have issued our report thereon dated August 2, 2002. We conducted our audit 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.

Compliance

As part of obtaining reasonable assurance about whether the CIC'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 determined 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 CIC'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 assurances 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 control over financial reporting and its operations that we considered to be material weaknesses.

**Galion Community Improvement Corporation
Crawford County**

This report is intended for the information and use of the audit committee, management, and the Auditor of State and is not intended to be and should not be used by anyone other than these specified parties.

August 2, 2002

Guillan & Company

GALION COMMUNITY IMPROVEMENT CORPORATION
CRAWFORD COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2000

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Galion Community Improvement Corporation.
2. No reportable conditions were disclosed during the audit of the Galion Community Improvement Corporation's financial statements.
3. No instances of noncompliance material to the financial statements were disclosed during the audit of the financial statements.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None

GALION COMMUNITY IMPROVEMENT CORPORATION
CRAWFORD COUNTY

GENERAL COMMENTS
DECEMBER 31, 2000

This report, including the citations and recommendations, was reviewed with and acknowledged by the following officials on August 2, 2002:

William Keir	Director
Jette Cander	Administrative Assistance

These officials were informed that they had five working days for the Auditor of State from the date of the post audit conference to respond to, or contest, in writing, the report contents. No such response was received.

The CIC's personnel were cooperative and available for questions and assistance during regular working hours.



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OFFICE OF THE AUDITOR

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GALION COMMUNITY IMPROVEMENT CORPORATION

CRAWFORD 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
SEPTEMBER 5, 2002**