



**GALION COMMUNITY IMPROVEMENT CORPORATION
CRAWFORD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006



Mary Taylor, CPA
Auditor of State

**GALION COMMUNITY IMPROVEMENT CORPORATION
CRAWFORD COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Statement of Financial Position - December 31, 2007	3
Statement of Activities for the Year Ended December 31, 2007	4
Statement of Cash Flows for the Year Ended December 31, 2007.....	5
Statement of Financial Position - December 31, 2006	6
Statement of Activities for the Year Ended December 31, 2006	7
Statement of Cash Flows for the Year Ended December 31, 2006.....	8
Notes to the Financial Statements	9
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11

THIS PAGE INTENTIONALLY LEFT BLANK



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Galion Community Improvement Corporation
Crawford County
106 Harding Way East
Galion, Ohio 44833

To the Board of Trustees:

We have audited the accompanying statements of financial position of the Galion Community Improvement Corporation, Crawford County, Ohio, (the Corporation) as of December 31, 2007, and 2006, and the related statements of activities and cash flows for the years then ended, as listed in the table of contents. 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 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, Crawford County, Ohio, as of December 31, 2007, and 2006, and the changes in net assets and 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 27, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

June 27, 2008

**GALION COMMUNITY IMPROVEMENT CORPORATION
CRAWFORD COUNTY**

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2007**

Assets:	
Cash	\$ 105,658
Fixed Assets (less accumulated depreciation)	<u>60,597</u>
Total Assets	<u><u>166,255</u></u>
Liabilities:	
Accounts Payable	1,046
Net Assets:	
Unrestricted Net Assets	<u>165,209</u>
Total Liabilities and Net Assets	<u><u>\$ 166,255</u></u>

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

**GALION COMMUNITY IMPROVEMENT CORPORATION
CRAWFORD COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007**

Revenue:	
Local Grant	\$ 10,000
Earnings on Investments	<u>4,393</u>
Total Revenue	<u>14,393</u>
Expenses:	
Meetings and Travel	118
Contractual Services	25,000
Telephone	704
Insurance	2,284
Professional Services	1,310
Property Taxes	817
Depreciation	714
Business Development	<u>1,000</u>
Total Expenses	<u>31,947</u>
Decrease in Unrestricted Net Assets	(17,554)
Net Assets, Beginning of Year	<u>182,763</u>
Net Assets, End of Year	<u><u>\$ 165,209</u></u>

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

**GALION COMMUNITY IMPROVEMENT CORPORATION
CRAWFORD COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2007**

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	\$ (17,554)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Depreciation	714
Decrease in accounts payable	<u>(459)</u>
NET CASH USED BY OPERATING ACTIVITIES	(17,299)
CASH, BEGINNING OF YEAR	<u>122,957</u>
CASH, END OF YEAR	<u><u>\$ 105,658</u></u>

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

**GALION COMMUNITY IMPROVEMENT CORPORATION
CRAWFORD COUNTY**

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2006**

Assets:	
Cash	\$ 122,957
Fixed Assets (less accumulated depreciation)	<u>61,311</u>
Total Assets	<u><u>184,268</u></u>
Liabilities:	
Accounts Payable	1,505
Net Assets:	
Unrestricted Net Assets	<u>182,763</u>
Total Liabilities and Net Assets	<u><u>\$ 184,268</u></u>

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

**GALION COMMUNITY IMPROVEMENT CORPORATION
CRAWFORD COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006**

Revenue:	
Enterprise Zone Fees	3,350
Earnings on Investments	<u>3,420</u>
Total Revenue	<u>6,770</u>
Expenses:	
Meetings and Travel	288
Contractual Services	25,000
Telephone	578
Insurance	2,466
Professional Services	5,569
Property Taxes	1,502
Repairs	107
Depreciation	<u>1,428</u>
Total Expenses	<u>36,938</u>
Decrease in Unrestricted Net Assets	(30,168)
Net Assets, Beginning of Year	<u>212,931</u>
Net Assets, End of Year	<u><u>\$ 182,763</u></u>

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

**GALION COMMUNITY IMPROVEMENT CORPORATION
CRAWFORD COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2006**

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	\$ (30,168)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Depreciation	1,428
Increase in accounts payable	<u>807</u>
NET CASH USED BY OPERATING ACTIVITIES	(27,933)
CASH, BEGINNING OF YEAR	<u>150,890</u>
CASH, END OF YEAR	<u><u>\$ 122,957</u></u>

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

**GALION COMMUNITY IMPROVEMENT CORPORATION
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Galion Community Improvement Corporation (the Corporation), was incorporated in 1979. The Corporation is a nonprofit entity which was formed for the purpose of advancing, encouraging, and promoting the industrial, economic, commercial, and civic development of the City of Galion, Ohio, and the surrounding area.

The Corporation's management believes these financial statements present all activities for which the Corporation is financially accountable.

B. 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.

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization 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. As of December 31, 2007, and 2006, net assets are unrestricted.

D. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Property

Acquisitions of property in excess of \$50 are capitalized. Land is carried at cost. Depreciation is computed using the straight-line method over a useful life of 5-7 years for office equipment.

F. Income Taxes

The Corporation is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and Chapters 1702 and 1724 of the Ohio Revised Code.

**GALION COMMUNITY IMPROVEMENT CORPORATION
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

2. FIXED ASSETS

A summary of fixed assets at December 31 follows:

	<u>2007</u>	<u>2006</u>
Land	\$ 60,597	\$ 60,597
Office equipment	34,697	34,697
Less: accumulated depreciation	<u>(34,697)</u>	<u>(33,983)</u>
Net fixed assets	<u>\$ 60,597</u>	<u>\$ 61,311</u>

3. RISK MANAGEMENT

Commercial Insurance

The Corporation has obtained comprehensive property and general liability insurance through a private carrier.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Galion Community Improvement Corporation
Crawford County
106 Harding Way East
Galion, Ohio 44833

To the Board of Trustees:

We have audited the financial statements of the Galion Community Improvement Corporation, Crawford County, Ohio, (the Corporation) as of and for the years ended December 31, 2007, and 2006, and have issued our report thereon dated June 27, 2008. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Corporation's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the 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 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 Corporation's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Corporation's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Corporation's internal control will not prevent or detect a material financial statement misstatement.

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 internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Corporation's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management and the Board of Trustees. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

June 27, 2008



Mary Taylor, CPA
Auditor of State

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 16, 2008