

GALION COMMUNITY  
IMPROVEMENT CORPORATION

AUDITED GENERAL PURPOSE  
FINANCIAL STATEMENTS AND  
AUDITORS' REPORT

FOR THE  
YEAR ENDED  
DECEMBER 31, 2001





**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, 2001 through December 31, 2001. 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, 2001, 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, 2001, 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, 2001

**ASSETS**

Current Assets

Cash	\$ 1,218,822
Loans Receivable	197,575
Worker's Compensation Deposit	25
Property and Equipment (Net of Accumulated Depreciation)	<u>127,353</u>
<b>Total Assets</b>	<b><u><u>\$ 1,543,775</u></u></b>

**LIABILITIES AND EQUITY**

Current Liabilities

Accounts Payable	\$ 439
Withholdings Payable	3,946
Accrued FUTA	4
Accrued Workers Compensation	<u>58</u>
<b>Total Current Liabilities</b>	<b><u>4,448</u></b>

Equity

Net Assets	<u>1,539,327</u>
<b>Total Equity</b>	<b><u>1,539,327</u></b>
<b>Total Liabilities and Equity</b>	<b><u><u>\$ 1,543,775</u></u></b>

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



GALION COMMUNITY IMPROVEMENT CORPORATION  
STATEMENT OF ACTIVITIES  
DECEMBER 31, 2001

**REVENUE**

City Contract	\$ 147,775
Enterprise Zone	3,500
Interest Income	41,097
Miscellaneous Income	22,604

**Total Revenue**

214,976

**EXPENSES**

Advertising	3,321
Business Development	612
Computer Updates	1,968
Contract Labor	640
Depreciation Expense	5,073
Dues and Subscriptions	2,955
Enterprise Zone	500
Equipment Rental	133
Insurance	12,092
Meetings and Travel	2,230
Milage/Parking	2,150
Office	2,082
Other	967
Payroll Expenses	10,064
Postage & Delivery	369
Professional Services	1,225
Real Estate Taxes	398
Rent - Building	1,425
Repairs & Maintenance	315
Salaries - Administrative	81,762
Seminars & Education	1,420
Subscriptions	514
Telephone	3,625
Utilities	1,093

**Total Expenses**

136,932

GALION COMMUNITY IMPROVEMENT CORPORATION  
STATEMENT OF ACTIVITIES  
DECEMBER 31, 2001  
(Continued)

Excess of Revenues over Expenses	78,044
Net Assets - January 1, 2001	<u>1,461,283</u>
<b>Net Assets - December 31, 2001</b>	<b><u><u>\$ 1,539,327</u></u></b>

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

GALION COMMUNITY IMPROVEMENT CORPORATION  
STATEMENT OF CASH FLOWS  
DECEMBER 31, 2001

**Cash flows from Operating Activities:**

Excess of Revenue over Expenses \$ 73,928

Adjustments to reconcile excess of revenue over  
expenses to cash used by operating activities:

Depreciation 5,073

**Changes in certain assets and liabilities:**

(Increase) Decrease in:

Notes Receivable - RLF #1 84,751

Notes Receivable - RLF #2 71,177

Accounts Receivable - City 40,568

Increase (Decrease) in:

Enterprise Zone Payable (1,250)

Payroll Taxes Payable 3,161

Total Adjustments 198,407

**Net cash provided by Operating Activities 277,408**

Net Increase (Decrease) in Cash 277,408

Cash - January 1, 2001 941,414

**Cash - December 31, 2001 \$ 1,218,822**

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

GALION COMMUNITY IMPROVEMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2001

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, 2001:

<b>Revolving Loan Fund # 1:</b>	
Enterprise Fabrication	\$ 27,134
<b>Revolving Loan Fund # 2:</b>	
Galion Solid Waste	98,321
Prints & Paints	<u>72,120</u>
TOTAL	<u>\$ 197,575</u>

GALION COMMUNITY IMPROVEMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2001  
(Continued)

D. Fixed Assets

A summary of the fixed assets for Galion Community Improvement Corporation at December 31, 2001, is presented as follows:

Land	\$114,975
Office Equipment	34,697
Accumulated Depreciation	<u>(22,320)</u>
Total	<u>\$127,352</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, 2001, 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, 2001

**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, 2001

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.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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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**