



**LAGRANGE COMMUNITY IMPROVEMENT CORPORATION
LORAIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007



Mary Taylor, CPA
Auditor of State

**LAGRANGE COMMUNITY IMPROVEMENT CORPORATION
LORAIN COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

LaGrange Community Improvement Corporation
Lorain County
355 South Center Street
LaGrange, Ohio 44050

To the Board of Directors:

We have audited the accompanying financial statements of LaGrange Community Improvement Corporation, Lorain County, Ohio, (the Corporation) as of and for the years ended December 31, 2008 and December 31, 2007, 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 LaGrange Community Improvement Corporation, Lorain County, Ohio, as of December 31, 2008 and December 31, 2007, and the changes in its financial position and its cash flows for the years 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 October 12, 2009, 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.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

October 12, 2009

**LAGRANGE COMMUNITY IMPROVEMENT CORPORATION
LORAIN COUNTY**

Management's Discussion and Analysis
For the Years Ended December 31, 2008 and 2007
(Unaudited)

This discussion and analysis, along with the accompanying financial report, of the LaGrange Community Improvement Corporation (the "Corporation") is designed to provide our creditors and other interested parties with a general overview of the Corporation and its financial activities.

FINANCIAL HIGHLIGHTS

The total assets of the Corporation equaled liabilities and net assets on December 31, 2008 and 2007. The Corporation's net assets were \$367,800 and \$359,926 on December 31, 2008 and 2007 respectively.

The Corporation's revenues have decreased by \$343,444 from 2007 to 2008. This decrease is due to no sale of property in 2008. The Corporation also experienced decreased expenses by \$9,565 from 2007 to 2008.

The Corporation issued no long term debt in 2008 or 2007.

OVERVIEW OF BASIC FINANCIAL STATEMENTS

The Corporation is a single enterprise fund using proprietary fund accounting, similar to private sector business. The Basic Financial Statements are presented using the accrual basis of accounting.

The **Statements of Financial Position** includes all of the Corporation's assets and liabilities. This statement provides information about the nature and amounts of investments in resources (assets) owned by the Corporation, and obligations owed by the Corporation (liabilities). The Corporation's net assets (equity) are the difference between assets and liabilities.

The **Statements of Activities** provides information on the Corporation's operations over the past year. Revenues are reported when earned and expenses are reported when incurred.

The **Statements of Cash Flows** provide information about the Corporation's cash receipts and cash disbursements. It summarizes the net changes in cash resulting from operating and investing activities.

NET ASSETS

Table 1 summarizes the Net Assets of the Corporation.

TABLE 1

	<u>2008</u>	<u>2007</u>	<u>Change</u>
Assets:			
Cash and cash equivalents	\$ <u>367,800</u>	\$ <u>359,926</u>	\$ <u>7,874</u>
Total Assets	367,800	359,926	7,874
Liabilities:			
	<u>-</u>	<u>-</u>	<u>-</u>
Net assets:			
Unrestricted net assets	\$ <u><u>367,800</u></u>	\$ <u><u>359,926</u></u>	\$ <u><u>7,874</u></u>

**LAGRANGE COMMUNITY IMPROVEMENT CORPORATION
LORAIN COUNTY**

Management's Discussion and Analysis
For the Years Ended December 31, 2008 and 2007
(Unaudited)

STATEMENT OF ACTIVITIES

Table 2 below summarizes the changes in Revenues and Expenses and the resulting change in Net Assets.

TABLE 2

	<u>2008</u>	<u>2007</u>	<u>Change</u>
Operating Revenues:			
Interest Income	\$ 12,890	\$ 4,992	\$ 7,898
Sale of Property	-	350,000	(350,000)
Operating Income	<u>658</u>	<u>2,000</u>	<u>(1,342)</u>
Total operating revenues	<u>13,548</u>	<u>356,992</u>	<u>(343,444)</u>
Operating Expenses:			
Operating	<u>5,674</u>	<u>15,239</u>	<u>(9,565)</u>
Total operating expenses	<u>5,674</u>	<u>15,239</u>	<u>(9,565)</u>
Changes in net assets	7,874	341,753	(333,879)
Net assets at beginning of year	<u>359,926</u>	<u>18,173</u>	<u>341,753</u>
Net assets at end of year	\$ <u><u>367,800</u></u>	\$ <u><u>359,926</u></u>	\$ <u><u>7,874</u></u>

Revenues decreased by \$343,444 due in part to no sales of property in the Business Park during 2008.

Expenses decreased by \$9,565 from 2007 to 2008 due in part to the lack of property sales and associated fees.

CONTACT INFORMATION

Questions regarding this report and requests for additional information should be forwarded to Sheila D. Lanning, Village Fiscal Officer, Village of LaGrange, 355 South Center Street, LaGrange Ohio 44050.

**LAGRANGE COMMUNITY IMPROVEMENT CORPORATION
LORAIN COUNTY**

Statement of Financial Position

December 31, 2008 and 2007

Assets

	<u>2008</u>	<u>2007</u>
Assets:		
Cash and cash equivalents	\$ <u>367,800</u>	\$ <u>359,926</u>
Total assets	\$ <u><u>367,800</u></u>	\$ <u><u>359,926</u></u>

Liabilities and Net Assets

Liabilities:	\$ <u> -</u>	\$ <u> -</u>
Net Assets:		
Unrestricted	<u>367,800</u>	<u>359,926</u>
Total liabilities and net assets	\$ <u><u>367,800</u></u>	\$ <u><u>359,926</u></u>

The accompanying notes are an integral part of these financial statements

**LAGRANGE COMMUNITY IMPROVEMENT CORPORATION
LORAIN COUNTY**

Statement of Activities

For The Years Ended December 31, 2008 and 2007

	2008 <u>Unrestricted</u>	2007 <u>Unrestricted</u>
Revenue:		
Interest Income	\$ 12,890	\$ 4,992
Sale of Property	-	350,000
Operating Income	<u>658</u>	<u>2,000</u>
Total revenue	<u>13,548</u>	<u>356,992</u>
Expenses:		
Operating	<u>5,674</u>	<u>15,239</u>
Total expenses	<u>5,674</u>	<u>15,239</u>
Increases in net assets	7,874	341,753
Net assets at beginning of year	<u>359,926</u>	<u>18,173</u>
Net assets at end of year	\$ <u><u>367,800</u></u>	\$ <u><u>359,926</u></u>

The accompanying notes are an integral part of these financial statements

**LAGRANGE COMMUNITY IMPROVEMENT CORPORATION
LORAIN COUNTY**

Statement of Cash Flows

For The Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash Flows from Operating Activities:		
Increase in net assets	\$ <u>7,874</u>	\$ <u>341,753</u>
Net increase in cash and cash equivalents	7,874	341,753
Cash and cash equivalents at beginning of year	<u>359,926</u>	<u>18,173</u>
Cash and cash equivalents at end of year	\$ <u><u>367,800</u></u>	\$ <u><u>359,926</u></u>

The accompanying notes are an integral part of these financial statements

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**LAGRANGE COMMUNITY IMPROVEMENT CORPORATION
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The LaGrange Community Improvement Corporation (the Corporation) was incorporated in 2005 under the authority of Ohio Revised Code section 1724. 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 38.96 acres of property jointly owned by the Village of LaGrange and LaGrange Township.

The Corporation was formed by a partnership of the Village of LaGrange and LaGrange Township. The Board of Directors consists of three to five members. The Village and Township are entitled to appoint two members with the fifth member being appointed by a majority vote of the other Board members. At any point in time at least 40% of the Board members must be elected officials of either the Village or Township. During the audit period the Board consisted of four members.

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

B. Basis of Accounting

These financial statements of the Corporation have been prepared on the accrual basis of accounting, which recognizes revenues when earned and expenses when incurred.

C. Basis of Presentation

Under Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*, 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, based upon existence or absence of donor-imposed restrictions. The Corporation does not have any temporarily restricted or permanently restricted net assets

D. Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Corporation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Corporation does not own any investments. The Corporation values certificates of deposit at cost.

E. Income Taxes

The Corporation is tax exempt, under Section 501(c)(3) of the Internal Revenue Code of 1986. No provision for Federal income taxes has been reported in its financial statements.

F. Capital Assets

Proceeds from the sale of parcels of property are owned equally by the Village and the Township. Net assets not yet distributed are held in a bank Certificate of Deposit and the checking account.

**LAGRANGE COMMUNITY IMPROVEMENT CORPORATION
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

F. Capital Assets (Continued)

Complete distribution of proceeds from the property sales will not be complete until the obligation of the CDBG grant has been met. The CDBG grant was awarded to Lorain County Commissioners on behalf of the Village and Township.

2. Deposits

The carrying amount of cash at December 31 was as follows:

	<u>2008</u>	<u>2007</u>
Demand deposits	\$8,393	\$13,409
Certificates of deposit	359,407	346,517
Total deposits	<u>\$367,800</u>	<u>\$359,926</u>

Custodial Credit Risk: Custodial credit risk for deposits is the risk that in the event of bank failure, Corporation will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2008 and December 31, 2007, \$117,800 and \$109,951 of the Corporations bank balance of \$367,800 and \$359,926 was uninsured and uncollateralized, respectively. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Corporation to a successful claim by the F.D.I.C.

The Corporation has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Corporation or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.



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

LaGrange Community Improvement Corporation
Lorain County
355 South Center Street
LaGrange, Ohio 44050

To the Board of Directors:

We have audited the financial statements of the LaGrange Community Improvement Corporation, Lorain County, Ohio, (the Corporation) as of and for the years ended December 31, 2008 and December 31, 2007, and have issued our report thereon dated October 12, 2009. 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.

We noted a certain matter that we reported to the Corporation's management in a separate letter dated October 12, 2009.

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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 Directors. 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

October 12, 2009



Mary Taylor, CPA
Auditor of State

LAGRANGE COMMUNITY IMPROVEMENT CORPORATION

LORAIN 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
NOVEMBER 10, 2009**