

**COMMUNITY IMPROVEMENT CORPORATION  
OF WILMINGTON**

FINANCIAL STATEMENTS

DECEMBER 31, 2000 AND 1999

with

INDEPENDENT AUDITORS' REPORT





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**JIM PETRO, AUDITOR OF STATE**

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Board of Directors  
Community Improvement Corporation of Wilmington  
Wilmington, Ohio

We have reviewed the Independent Auditor's Report of the Community Improvement Corporation of Wilmington, Clinton County, prepared by Wagenseller, Foley, Hollingsworth & Co., for the audit period January 1, 1999 to 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 Community Improvement Corporation of Wilmington is responsible for compliance with these laws and regulations.

**JIM PETRO**  
Auditor of State

June 25, 2001

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**WAGENSELLER, FOLEY, HOLLINGSWORTH & Co.**  
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
Community Improvement Corporation of Wilmington  
Wilmington, Ohio 45177

**INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying statements of assets, liabilities and net assets arising from cash transactions of Community Improvement Corporation of Wilmington (a nonprofit organization) as of December 31, 2000 and 1999, and the related statements of revenues received, expenditures, change in net assets and cash flows for the years then ended. 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 generally accepted auditing standards. 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.

As described in Note 1, the Corporation prepares its financial statements on the basis of cash receipts and disbursements except that the statements include a provision for the depreciation of equipment. This basis is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Community Improvement Corporation of Wilmington as of December 31, 2000 and 1999, and its revenues received, expenditures, change in net assets and cash flows for the years then ended, on the basis of accounting described in Note 1.

*Wagenseller, Foley, Hollingsworth & Co.*

April 19, 2000

**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON**      Exhibit A  
**STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS**  
**ARISING FROM CASH TRANSACTIONS**  
**DECEMBER 31, 2000 AND 1999**

ASSETS

	<u>2000</u>	<u>1999</u>
<b>CURRENT ASSETS</b>		
Cash and equivalents (Note 2)	\$ 1,345,334	\$ 805,440
Industrial park land and improvements held for resale (Notes 3 and 4)	<u>656,309</u>	<u>838,911</u>
Total current assets	<u>2,001,643</u>	<u>1,644,351</u>
 <b>EQUIPMENT</b>		
Industrial park sign	30,712	30,712
Less accumulated depreciation	<u>29,645</u>	<u>29,316</u>
Total current assets	<u>1,067</u>	<u>1,396</u>
	<u>\$ 2,002,710</u>	<u>\$ 1,645,747</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Withheld payroll taxes	\$ 537	\$ 60
 <b>NET ASSETS</b>		
Net Assets - Exhibit B	<u>2,002,173</u>	<u>1,645,687</u>
	<u>\$ 2,002,710</u>	<u>\$ 1,645,747</u>



**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON**  
**STATEMENTS OF REVENUES RECEIVED, EXPENDITURES**  
**AND CHANGE IN NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

Exhibit B

REVENUES RECEIVED	<u>2000</u>	<u>1999</u>
Sale of land and improvements	\$ 522,508	\$ 158,540
Interest income	57,374	35,882
Net farm receipts - Schedule 1	13,473	9,726
Other	180	-
	<hr/>	<hr/>
Total revenues received	593,535	204,148
	<hr/>	<hr/>
EXPENDITURES		
Carrying value of land and improvements sold	182,602	53,974
Executive director's salary	23,833	19,833
Payroll taxes and fringe benefits	2,333	2,106
Insurance	4,438	4,548
Survey costs	1,944	5,143
Professional fees	13,605	12,104
Consultants	2,050	2,525
Real estate taxes	1,809	1,548
Utilities	-	759
Depreciation	329	2,728
Conferences and meetings	2,276	1,671
Office supplies and postage	584	1,108
Telephone	527	562
Payroll services	135	132
Travel expenses	469	338
Other	115	1,453
	<hr/>	<hr/>
Total expenditures paid	237,049	110,532
	<hr/>	<hr/>
EXCESS OF REVENUES RECEIVED OVER EXPENDITURES	356,486	93,616
NET ASSETS - January 1	<u>1,645,687</u>	<u>1,552,071</u>
NET ASSETS - December 31	<u>\$ 2,002,173</u>	<u>\$ 1,645,687</u>

**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON**      Exhibit C  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	2000	1999
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from the sale of land	\$ 522,508	\$ 158,064
Cash received from farming operation	23,434	21,106
Cash received from other sources	180	-
Cash paid to or on behalf of employee	( 26,166)	( 21,879)
Cash paid to vendors and suppliers	( 37,436)	( 43,271)
Interest income	57,374	35,882
Net cash provided by operating activities	539,894	149,902
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Improvements to industrial park	-	( 226,675)
Net cash (used) by investing activities	-	( 226,675)
 <b>INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	539,894	( 76,773)
 <b>CASH AND EQUIVALENTS - January 1</b>	805,440	882,213
 <b>CASH AND EQUIVALENTS - December 31</b>	\$ 1,345,334	\$ 805,440

**RECONCILIATION OF EXCESS OF REVENUES RECEIVED OVER EXPENDITURES  
TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

	2000	1999
Excess of revenues received over expenditures	\$ 356,486	\$ 93,616
Increase in current liabilities	477	60
Carrying value of land and improvements sold	182,602	53,498
Depreciation	329	2,728
	\$ 539,894	\$ 149,902

Accounting policy and other supplemental disclosures:

For purposes of the statement of cash flows, the Corporation considers all time deposits purchased to be cash equivalents.

**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2000 AND 1999**

**1. Summary of Significant Accounting Policies**

This summary of significant accounting policies of Community Improvement Corporation of Wilmington is presented to assist in understanding the Corporation's financial statements. The financial statements and notes are representations of the Corporation's management, who are responsible for their integrity and objectivity.

*Organization*

The Community Improvement Corporation of Wilmington is a not-for-profit organization exempt from income tax under Section 501(c)(6) of the U. S. Internal Revenue Code. The Corporation was formed to cultivate and promote industrial development in the Wilmington, Ohio area.

*Basis of Accounting*

The Corporation's policy is to prepare its financial statements on the basis of cash receipts and disbursements. Under this method of accounting, revenues and related assets are recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statements are not intended to present financial position, results of operations and cash flows in conformity with generally accepted accounting principles. All of the Corporation's assets and revenues are unrestricted.

*Use of Estimates in the Preparation of Financial Statements*

In preparing financial statements, management must make estimates and assumptions. These estimates and assumptions affect the amounts reported for assets, liabilities, receipts and expenditures, as well as affecting the disclosures provided. Future results could differ from the current estimates.

*Fair Value of Financial Instruments*

The carrying value of time deposits approximates fair market value because of the short maturity of those instruments.

*Land and Improvements Held for Resale*

Land and improvements held for resale are stated at cost (average cost method) and depreciation is not recognized.

Expenditures for improvements (water lines, streets, utilities, etc.) are capitalized by spreading the cost of the improvements over all of the land remaining in the unsold land inventory at the date of the expenditure.

*Depreciation*

The Corporation recognizes depreciation on equipment under the straight-line method over the estimated service lives of the related assets.

**2. Cash and Equivalents**

Cash and equivalents consisted of the following at December 31, 2000 and 1999:

	2000	1999	
Cash	\$ 181,988	\$ 15,981	
Time deposits	1,163,346	789,459	
	\$ 1,345,334	\$ 805,440	

**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2000 AND 1999**

**2. Cash and Equivalents (Continued)**

The following is a summary of time deposits held at December 31, 2000 and 1999 on a cash basis:

Financial Institution	Maturity Date	Interest Rate	2000 Amount	1999 Amount
National Bank & Trust Company	February 21, 2001	6.30%	\$ 105,358	\$ -
National Bank & Trust Company	February 24, 2001	6.50%	150,000	-
National Bank & Trust Company	March 19, 2001	6.79%	110,672	-
National Bank & Trust Company	July 18, 2001	7.02%	102,969	-
National Bank & Trust Company	August 5, 2001	5.46%	36,382	34,452
National Bank & Trust Company	February 14, 2002	7.02%	15,536	-
National Bank & Trust Company	March 12, 2002	7.02%	36,042	-
National Bank & Trust Company	March 14, 2002	7.02%	51,488	-
National Bank & Trust Company	February 20, 2000	5.00%	-	92,291
National Bank & Trust Company	March 17, 2000	4.90%	-	103,731
National Bank & Trust Company	April 8, 2000	4.80%	-	65,086
Wilmington Savings Bank	January 6, 2001	6.02%	25,047	-
Wilmington Savings Bank	January 8, 2001	6.02%	29,495	-
Wilmington Savings Bank	February 25, 2001	6.30%	169,961	-
Wilmington Savings Bank	August 5, 2001	6.77%	54,393	-
Wilmington Savings Bank	August 5, 2001	5.94%	54,362	51,227
Wilmington Savings Bank	August 22, 2001	6.77%	51,236	-
Wilmington Savings Bank	September 24, 2001	6.86%	143,301	-
Wilmington Savings Bank	January 31, 2002	6.77%	27,104	-
Wilmington Savings Bank	January 6, 2000	5.12%	-	23,586
Wilmington Savings Bank	January 8, 2000	5.00%	-	27,777
Wilmington Savings Bank	January 12, 2000	5.00%	-	13,879
Wilmington Savings Bank	February 23, 2000	5.35%	-	115,370
Wilmington Savings Bank	February 25, 2000	5.59%	-	50,982
Wilmington Savings Bank	March 25, 2000	5.00%	-	134,350
Wilmington Savings Bank	July 30, 2000	5.35%	-	25,559
Wilmington Savings Bank	August 5, 2000	5.66%	-	51,169
			<u>\$ 1,163,346</u>	<u>\$ 789,459</u>

The Corporation's deposits with the National Bank & Trust Company and the Wilmington Savings Bank exceed federally insured limits. The Corporation does not limit the maximum amount that may be invested in any one bank and has not experienced any losses in such accounts.

**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2000 AND 1999**

**3. Sales of Land**

During February of 2000, the Corporation sold 17.367 acres of land to an investment company, which is associated with the second largest employer in Clinton County. The investment company intends to develop the land for private aviation and business purposes in conjunction with the 15.854 acres of land they purchased from the Corporation during 1999.

The Corporation sold 30.0 acres of land to a Florida based high technology company in July of 2000. The company which develops web sites and provides marketing and distribution assistance to its customers, intends to relocate its headquarters and other facilities at the sight.

The Commissioners of Clinton County, Ohio purchased 5 acres of land from the Corporation to be used for the construction of a new juvenile detention center.

As part of the above sale agreements the purchasers committed to providing city street extensions approximating 3,660 linear feet and other beneficial improvements to the property.

**4. Industrial Park Land and Improvements Held for Resale**

During July of 1998 the Corporation's Board of Directors, committed \$200,000 to a joint project with the City of Wilmington and Southern State Community College to install electric, gas, water, and sewer lines through property owned by the Corporation to the new Southern State Community College site. The project provides ready access to the aforementioned utilities across all of the Corporation's real estate holdings. Therefore, the investment was capitalized in the Corporation's inventory of land and improvements.

The progress billings associated with the clearing of approximately 24 acres of woodlands and a related *wetland delineation survey* were also capitalized in the Corporation's inventory of land and improvements.

**5. Expiration of Purchase Option Agreement**

In December of 1998, the Corporation let a purchase option on its 46 acre tract located at the junctions of Fife Avenue, Davids, and Olinger Drives. Within an 18 month period the buyer may elect to purchase certain parcels within the 46 acre tract for \$10,000 per acre. The purchase option agreement requires that the optioned property be annexed into the City of Wilmington and properly zoned for industrial use by the end of the option term.

*During 1999 the 46 acre tract was annexed into the City of Wilmington and zoned for industrial use.*

The option expired during June of 2000, without action from the option holder.

**6. Land Exchange**

At the end of 1998, the Corporation agreed to exchange 14½ acres of land located near State Route 134, for 14½ acres of land owned by Wilmington College and located adjacent to the Corporation's land holdings. The exchange was finalized during May of 1999 and the College donated their newly acquired land to Clinton County for use as a Justice Center.

**7. Other Commiments**

The Corporation has entered into a joint ventrure with the City of Wilmington and Clinton County to provide public street access to approximately 91 acres of the Corporation's land. The Corporation has committed slightly over \$195,600 to construct about 2,000 linear feet of paved roadway and curbs. The Corporation has also agreed to provide one-third of the related engineering costs.

**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON** Schedule 1  
**SCHEDULE OF FARM RECEIPTS AND DISBURSEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

FARM RECEIPTS	<u>2000</u>	<u>1999</u>
Sales of grain:		
Corn	\$ -	\$ 3,917
Soybeans	13,063	6,620
Wheat	2,044	3,414
Less discounts and fees	( 183)	( 773)
Government program payments	<u>7,220</u>	<u>7,928</u>
Total farm receipts	<u>22,144</u>	<u>21,106</u>
 FARM DISBURSEMENTS		
Fertilizer	2,390	1,977
Chemicals	2,592	2,480
Seed	2,550	2,266
Machine hire:		
Combining and mowing	1,377	1,475
Spreading and spraying	913	40
Tenant farmer's compensation*	( 1,290)	2,441
Miscellaneous	<u>139</u>	<u>701</u>
Total farm disbursements	<u>8,671</u>	<u>11,380</u>
 FARM RECEIPTS IN EXCESS OF FARM DISBURSEMENTS	 <u>\$ 13,473</u>	 <u>\$ 9,726</u>

\* The tenant farmer was compensated for lost agricultural inputs and anticipated yields on farm land sold during the planting season. At the request of the Corporation's Executive Director, Southern State Community College reimbursed the Corporation for a portion of the cost during January of 2000.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON**

**CLINTON 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  
JULY 12, 2001**