



Dave Yost • Auditor of State

**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON
CLINTON COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Basic Financial Statements:	
Balance Sheet as of December 31, 2016 and 2015.....	3
Statement of Activities and Change in Net Assets For the Years Ended December 2016 and 2015.....	4
Statement of Cash Flows For the Years Ended December 31, 2016 and 2015	5
Notes to the Financial Statements For the Years Ended December 31, 2016 and 2015.....	7
Independent Auditor's 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.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Community Improvement Corporation of Wilmington
Clinton County
1088 Xenia Ave
Wilmington, Ohio 45177

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the Community Improvement Corporation of Wilmington, Clinton County, Ohio (the Corporation), as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Corporations preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Community Improvement Corporation of Wilmington, Clinton County, Ohio, as of December 31, 2016 and 2015, and the changes in its financial position and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Corporate Centre of Blue Ash, 11117 Kenwood Road, Blue Ash, Ohio 45242
Phone: 513-361-8550 or 800-368-7419 Fax: 513-361-8577

www.ohioauditor.gov

Other Matters

Required Supplementary Information

The Corporation has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2018, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

January 10, 2018

**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON
BALANCE SHEET
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

ASSETS		
	2016	2015
CURRENT ASSETS		
Cash and equivalents	\$720,107	\$746,587
Certificates of deposit	793,382	789,062
TOTAL current assets	1,513,489	1,535,649
Other Assets		
Industrial park land and improvements	893,613	893,613
TOTAL other assets	893,613	893,613
	\$2,407,102	\$2,429,262
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued payroll and related costs	\$803	\$0
TOTAL other assets	803	0
NET ASSETS		
Unrestricted net assets	2,406,299	2,429,262
	\$2,407,102	\$2,429,262

See accompanying notes to the basic financial statements.

**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
REVENUES:		
Interest Income	\$5,257	\$5,687
Net rental income	22,800	22,800
Other income	1,031	0
TOTAL REVENUE RECEIVED	29,088	28,487
EXPENSES		
Community Development	10,000	150,000
Executive Directors Salary	21,000	21,000
Payroll taxes and fringe benefits	2,887	2,999
Payroll services	632	975
Insurance	3,817	3,817
Professional fees	2,575	3,575
Real Estate taxes	7,081	6,650
Board Meeting and conference	3,564	4,148
Office Supplies and postage	25	213
Dues and subscriptions	470	470
Miscellaneous expense	0	155
TOTAL EXPENSES	52,051	194,002
Net Change in Assets	(22,963)	(165,515)
Net Assets - January 1	2,429,262	2,594,777
Net Asset - December 31	\$2,406,299	\$2,429,262

See accompanying notes to the basic financial statements.

COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash from Rental Income	\$22,800	\$22,800
Cash from Grants	0	0
Cash from Other Source	6,288	5687
Cash Paid for Operating Expenses	(51,248)	(194,002)
Net cash provided (used) by Operating Activities	<u>(22,160)</u>	<u>(165,515)</u>
CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES:		
Capital expenditures	0	0
Purchase of certificates of deposit	(4,320)	(4,528)
Net cash provided by Investing Activities	<u>(4,320)</u>	<u>(4,528)</u>
Net increase (decrease) in cash and cash Equivalents	(26,480)	(170,043)
Cash and cash equivalents- January 1	<u>746,587</u>	<u>916,630</u>
Cash and cash equivalents- December 31	<u><u>\$720,107</u></u>	<u><u>\$746,587</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Changes in net assets	(\$22,963)	(\$165,515)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	0	0
Net proceeds from sale of assets	0	0
(Decrease) in accounts payable	0	0
Increase (Decrease) in payroll taxes payable	803	0
Increase in tenant security deposits	<u>0</u>	<u>0</u>
Net cash provide (used) by opearting activities	<u><u>(\$22,160)</u></u>	<u><u>(\$165,515)</u></u>

See accompanying notes to the basic financial statements.

This page intentionally left blank.

**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON
CLINTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

NOTE 1 - DESCRIPTION OF THE ENTITY

The Community Improvement Corporation of Wilmington, Clinton County, Ohio (the Corporation), is a not-for-profit organization which derives the major source of its revenues from rental income. The Corporation was formed to cultivate and promote industrial development in the Wilmington, Ohio area.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Corporation have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The Corporation also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The most significant of the Corporation's accounting policies are described below.

Basis of Presentation

The Corporation's basic financial statements consist of a single-purpose business-type activity which is reported on the accrual basis of accounting using the economic resources measurement focus.

With this measurement focus, all assets and liabilities associated with the operation are included on the balance sheet. The operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net total assets. The statement of cash flows provides information about how the Corporation finances and meets the cash flow needs of its proprietary activities.

Financial Accounting Standards Number 117 (SFAS 117) *Financial Statements for Not-For-Profit Organizations*. SFAS 117 requires net assets and revenues, expenses, gains and losses to be classified based on the existence or absence of donor-imposed restrictions.

All of the Corporation's assets and revenues are unrestricted.

Cash and Equivalents

For purposes of the statement of cash flows, the Corporation considers cash on hand and in demand accounts with a maturity of 90 days or less to be cash.

Fair Value of Financial Instruments

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

Industrial Park Land and Improvements

Industrial park 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.

**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON
CLINTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Liabilities

All payables and accrued liabilities are reported on the proprietary fund financial statements.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Corporation, these revenues are rental receipts. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3 - DEPOSITS AND INVESTMENTS

The Corporation maintains a pool of deposits. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

	2016	2015
Checking Accounts	290,807	317,974
Certificates of Deposit	793,382	789,062
Money Market	429,300	428,613
Total	1,513,489	1,535,649

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in addition to amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities, the face value of which is at least 110% of the total value of public monies on deposit at the institution.

NOTE 4 - CAPITAL ASSETS

The Corporation's land and buildings are valued at cost and held for lease. Capital asset activity for the years ended December 31, 2016 and 2015:

	<u>Balance</u>		<u>Balance</u>
	<u>1/1/2015</u>	<u>Additions</u>	<u>12/31/16</u>
		<u>Deductions</u>	
Capital Assets, not being depreciated:			
Land and Improvements	\$893,613	0	\$893,613
Capital Assets, Net	\$893,613	\$(0)	\$893,613

NOTE 5- SUBSEQUENT EVENTS

On August 4, 2017, Bright Farms purchased 20.045 acres from the Corporation at a price of \$460,000 less settlement charges.

**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON
CLINTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(Continued)**

NOTE 6 – RISK MANAGEMENT

Commercial Insurance

The Corporation has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions

This page intentionally left blank.



Dave Yost • Auditor of State

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

Community Improvement Corporation of Wilmington
Clinton County
1088 Xenia Ave
Wilmington, Ohio 45177

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Community Improvement Corporation of Wilmington, Clinton County, (the Corporation) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated January 10, 2018.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Corporation's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Corporation's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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, opining 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

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

Dave Yost
Auditor of State

Columbus, Ohio

January 10, 2018



Dave Yost • Auditor of State

COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON OHIO

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
FEBRUARY 1, 2018