

**COMMUNITY IMPROVEMENT CORPORATION
OF WILMINGTON**

FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

with

INDEPENDENT AUDITORS' REPORT



Dave Yost • Auditor of State

Board of Directors
Community Improvement Corporation of Wilmington
170 Marion Drive
Wilmington, Ohio 45177

We have reviewed the *Independent Auditors' Report* of the Community Improvement Corporation of Wilmington, Clinton County, prepared by Wagenseller, Foley, Hollingsworth & Co., for the audit period January 1, 2009 through December 31, 2010. 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

December 14, 2011

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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 balance sheets of the Community Improvement Corporation of Wilmington as of December 31, 2010 and 2009, and the related statements of activities 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 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 Community Improvement Corporation of Wilmington as of December 31, 2010 and 2009, and the changes in its net assets and its 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 May 28, 2011, on our consideration of Community Improvement Corporation of Wilmington internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* and should be read in conjunction with this report in considering the results of our audit.

Wagenseller, Foley, Hollingsworth & Co.

May 28, 2011

COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON Exhibit A
BALANCE SHEETS
DECEMBER 31, 2010 AND 2009

ASSETS

	<u>2010</u>	<u>2009</u>
CURRENT ASSETS		
Cash and equivalents (Note 2)	\$ 784,691	\$ 20,662
Certificates of deposit (Note 3)	952,954	1,911,711
Payroll tax claims receivable	<u>-</u>	<u>605</u>
Total current assets	<u>1,737,645</u>	<u>1,932,978</u>
 OTHER ASSETS		
Certificates of deposit (Note 3)	55,752	106,467
Industrial park land and improvements (Notes 4 and 5)	<u>805,285</u>	<u>805,285</u>
	<u>861,037</u>	<u>911,752</u>
	<u>\$ 2,598,682</u>	<u>\$ 2,844,730</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 425	\$ 292
Accrued payroll and related costs	<u>5,461</u>	<u>11,806</u>
Total current liabilities	<u>5,886</u>	<u>12,098</u>
 NET ASSETS		
Unrestricted Net Assets - Exhibit B	<u>2,592,796</u>	<u>2,832,632</u>
	<u>\$ 2,598,682</u>	<u>\$ 2,844,730</u>

See Notes to Financial Statements

COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON Exhibit B
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010		2009
REVENUES:			
Interest income	39,133	\$	66,443
Net rental income	13,128		13,128
Other	13		-
	52,274		79,571
Total revenues received			
EXPENSES:			
Community development	250,000		9,911
Executive director's salary	22,230		23,833
Payroll taxes and fringe benefits	5,912		6,441
Payroll services	394		415
Insurance	2,375		2,179
Professional fees	5,250		7,104
Real estate taxes	2,537		2,526
Board meetings and conferences	2,003		3,601
State compliance costs	394		276
Office supplies and postage	111		226
Travel expenses	175		609
Interest	-		30
Other	729		2,088
	292,110		59,239
Total expenditures paid			
CHANGE IN NET ASSETS	(239,836)		20,332
NET ASSETS - January 1	2,832,632		2,812,300
NET ASSETS - December 31	\$ 2,592,796	\$	2,832,632

See Notes to Financial Statements

COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON Exhibit C
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (239,836)	\$ 20,332
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Effects of change in operating assets and liabilities:		
Decrease (increase) in payroll tax claim receivable	605	(605)
Increase (decrease) in accounts payable	133	(186)
Increase (decrease) in accrued payroll	<u>(6,345)</u>	<u>703</u>
Net cash (used) provided by operating activities	<u>(245,443)</u>	<u>20,244</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of certificates of deposit	(902,239)	(1,425,421)
Proceeds from maturing certificates of deposit	<u>1,911,711</u>	<u>1,426,253</u>
Net cash provided by investing activities	<u>1,009,472</u>	<u>832</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of short-term borrowings	<u>-</u>	<u>(20,000)</u>
Net cash (used) by financing activities	<u>-</u>	<u>(20,000)</u>
INCREASE IN CASH AND EQUIVALENTS	764,029	1,076
CASH AND EQUIVALENTS - January 1	<u>20,662</u>	<u>19,586</u>
CASH AND EQUIVALENTS - December 31	<u><u>\$ 784,691</u></u>	<u><u>\$ 20,662</u></u>

See Notes to Financial Statements

COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

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.

Financial Statement Presentation

These financial statements have been prepared on the accrual basis of accounting in accordance with Statement of 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.

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, revenues and expenses, as well as affecting the disclosures provided. Future results could differ from the current estimates.

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.

Farming Activities

The Corporation participates with local agricultural producers in farming its tillable undeveloped land under multiple year *cash rent* contracts that are subject to competitive bidding.

2. Cash and Equivalents

Cash and equivalents consisted of the following at December 31, 2010 and 2009:

	2010	2009
Non-interest bearing demand account	\$ 400,080	-
Interest bearing money market account	384,611	-
Interest bearing demand account	-	20,662
	\$ 784,691	\$ 20,662

See Independent Auditors' Report

COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

3. Certificates of deposit

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.

The Wilmington Savings Bank secured a Standby Letter of Credit in January of 2009 to provide deposit protection for the balances maintained at Wilmington Savings Bank by the Corporation. The letter of credit can be modified at any time for future withdrawals, deposits, or changes in FDIC insurance protection, and is renewable in June of each year. At December 31, 2010, the letter provided \$1,000,000 of deposit protection.

A schedule of the deposit certificates held by the Corporation as of December 31, 2010 and 2009 is included immediately following these notes.

4. Land Transactions

The Corporation has approached various small business owners whose original business plan was dependent upon their proximity to the old DHL sort center to let them know that the Corporation might have a future interest in their property, should they make it available for sale.

5. Farm Cash Rent Contracts

At the end of 2008, Mr. Shae Schneder contracted with the Corporation to rent approximately 109 acres of tillable land for the 2009 growing season at \$120 per acre and agreed to extend the contract through 2010.

Mr. Schneder has contracted to rent approximately 129 acres of tillable land for the 2011 growing season at \$120 per acre. The additional acreage represents the tillable portion of the land the Corporation acquired in April of 2011. (See footnote 7 below).

6. Gifts of Cash and Other

On October 24, 2011, the Corporation donated \$250,000 to the Clinton County Port Authority to provide the working capital needed to facilitate the transfer of the DHL Wilmington Air Park to the Port Authority. Noting that the Clinton County Port Authority is not permitted to borrow funds to use as working capital and the Trustee's belief that the transfer of the Wilmington Airpark to the Clinton County Port Authority will promote industrial development in the area, the donation was unanimously approved by the trustees on January 30, 2010.

During October of 2009, the Trustees of the Corporation approved a ten thousand dollar grant to the Murphy Theatre for a needed upgrade to their heating system. The project was completed in December of 2009 at a net cost to the Corporation of \$9,461.

The Corporation contributed \$450 to the CMH Foundation for the benefit of Clinton Memorial Hospital, and provided tickets to its board members for attendance at the 50th anniversary meeting of the Wilmington Chamber of Commerce.

7. Subsequent Events

On April 11, 2011, the Corporation purchased 21.589 acres of land from the Clinton County Port Authority for \$107,945. The Corporation plans to clear the land of existing structures, and rent 20 plus acres as farm land over the short term.

At the annual meeting of the Trustees, the President of the Clinton County Port Authority made a request for a donation of \$250,000 to help fund a bond to provide cash to build a new hangar at the Wilmington Air Park. The cost to build the new hangar would be approximately \$15 million, and could bring about 259 new jobs to the area. The Clinton County Port Authority would lease the facility to Air Transport Services Group, Inc. (ATSG) and Airborne Maintenance & Engineering Services (AMES) for a 23-year period and ATSG/AMES would buy all of the equipment for the facility. It is expected that the State of Ohio would also participate in the project.

The request was taken under advisement by the trustees.

COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON
SCHEDULE OF CERTIFICATES OF DEPOSIT
DECEMBER 31, 2010 AND 2009

Financial Institution	Maturity Date	Interest Rate	2010 Amount	2009 Amount
National Bank & Trust Company	March 24, 2012	4.17%	\$ 19,061	\$ 18,284
National Bank & Trust Company	October 18, 2010	3.75%	-	108,980
National Bank & Trust Company	August 23, 2010	2.72%	-	117,623
National Bank & Trust Company	September 30, 2010	2.47%	-	50,938
National Bank & Trust Company	November 1, 2010	1.74%	-	70,822
National Bank & Trust Company	November 18, 2012	2.96%	10,340	10,039
Wilmington Savings Bank	March 26, 2010	2.57%	-	188,347
Wilmington Savings Bank	May 23, 2010	4.00%	-	181,315
Wilmington Savings Bank	August 25, 2010	4.25%	-	77,978
Wilmington Savings Bank	January 13, 2010	1.09%	-	25,761
Wilmington Savings Bank	January 26, 2010	1.09%	-	49,227
Wilmington Savings Bank	October 2, 2010	2.85%	-	200,238
Wilmington Savings Bank	October 24, 2010	2.40%	-	76,253
Wilmington Savings Bank	December 26, 2010	2.25%	-	252,930
Wilmington Savings Bank	February 3, 2011	2.00%	79,722	78,144
Wilmington Savings Bank	September 2, 2010	2.00%	-	135,898
Wilmington Savings Bank	October 9, 2010	1.80%	-	291,204
Wilmington Savings Bank	October 23, 2010	1.80%	-	84,197
Wilmington Savings Bank	January 14, 2012	2.24%	26,351	-
Wilmington Savings Bank	September 29, 2011	2.27%	192,786	-
Wilmington Savings Bank	March 3, 2011	1.00%	241,182	-
Wilmington Savings Bank	August 27, 2011	1.35%	80,533	-
Wilmington Savings Bank	October 2, 2011	1.10%	205,130	-
Wilmington Savings Bank	October 9, 2011	1.40%	67,942	-
Wilmington Savings Bank	October 25, 2011	1.40%	85,659	-
Total carrying value of all certificates			1,008,706	2,018,178
Carrying value of certificates maturing within one year			<u>952,954</u>	<u>1,911,711</u>
Carrying value of certificates maturing after one year			<u>\$ 55,752</u>	<u>\$ 106,467</u>

See Independent Auditors' Report

WAGENSELLER, FOLEY, HOLLINGSWORTH & CO.
CERTIFIED PUBLIC ACCOUNTANTS

**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors
Community Improvement Corporation of Wilmington

We have audited the financial statements of Community Improvement Corporation of Wilmington, (the Corporation) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated May 28, 2011. We conducted our audits 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.

Internal Controls 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 auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies of internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect of the determination of financial statement amounts. However, providing an opinion of 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors and the Executive Director, and the Ohio Auditor of State and is not intended to be and should not be used by anyone other than these specified parties.

Wagenseller, Foley, Hollingsworth & Co.

May 28, 2011



Dave Yost • Auditor of State

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
DECEMBER 29, 2011**