

**COMMUNITY IMPROVEMENT CORPORATION
OF WILMINGTON**

FINANCIAL STATEMENTS

DECEMBER 31, 2008 AND 2007

with

INDEPENDENT AUDITORS' REPORT



Mary Taylor, CPA

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, 2007 through December 31, 2008. 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

October 5, 2009

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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 financial position of Community Improvement Corporation of Wilmington as of December 31, 2008 and 2007, and the related statements of activities and changes 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 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, 2008 and 2007, and its activities and changes in net assets and 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 27, 2009, 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 27, 2009

COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON Exhibit A
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2008 AND 2007

ASSETS

	<u>2008</u>	<u>2007</u>
CURRENT ASSETS		
Cash and equivalents (Note 2)	\$ 19,586	\$ 25,291
Certificates of deposit (Note 3)	<u>1,464,215</u>	<u>1,754,001</u>
Total current assets	<u>1,483,801</u>	<u>1,779,292</u>
 OTHER ASSETS		
Certificates of deposit (Note 3)	554,797	66,821
Industrial park land and improvements (Notes 4 and 5)	<u>805,285</u>	<u>775,566</u>
	<u>1,360,082</u>	<u>842,387</u>
	<u>\$ 2,843,883</u>	<u>\$ 2,621,679</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Short-term borrowings (Note 6)	\$ 20,000	\$ -
Accounts payable	478	928
Accrued payroll and related costs	11,030	4,613
Accrued interest	<u>73</u>	<u>-</u>
Total current liabilities	<u>31,581</u>	<u>5,541</u>
 NET ASSETS		
Unrestricted Net Assets - Exhibit B	<u>2,812,302</u>	<u>2,616,138</u>
	<u>\$ 2,843,883</u>	<u>\$ 2,621,679</u>

See Notes to Financial Statements

COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON Exhibit B
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
REVENUES:		
Proceeds from the sale of land	\$ 175,000	\$ 80,970
Interest income	87,006	90,903
Net rental income	<u>13,128</u>	<u>13,128</u>
Total revenues received	<u>275,134</u>	<u>185,001</u>
EXPENSES:		
Carrying value of property sold plus transaction costs	30,281	15,243
Executive director's salary	26,000	26,000
Payroll taxes and fringe benefits	4,670	4,843
Payroll services	490	1,662
Insurance	2,732	2,789
Survey costs	500	93
Professional fees	7,738	6,215
Consultants	800	1,450
Real estate taxes	463	906
Repairs and maintenance	160	168
Board meetings and conferences	2,916	3,124
Community development	450	610
Office supplies and postage	504	563
Telephone	-	48
Travel expenses	664	582
Other	<u>602</u>	<u>194</u>
Total expenditures paid	<u>78,970</u>	<u>64,490</u>
CHANGE IN NET ASSETS	196,164	120,511
NET ASSETS - January 1	<u>2,616,138</u>	<u>2,495,627</u>
NET ASSETS - December 31	<u><u>\$ 2,812,302</u></u>	<u><u>\$ 2,616,138</u></u>

COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON Exhibit C
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 196,164	\$ 120,511
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Carrying value of property sold	(29,719)	14,363
Effects of change in operating assets and liabilities:		
Increase (decrease) in accounts payable	(450)	546
Increase (decrease) in accrued payroll	6,417	(3,216)
Increase (decrease) in accrued interest	73	-
Increase (decrease) in customer deposits	-	(5,000)
Net cash provided by operating activities	<u>172,485</u>	<u>127,204</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of certificates of deposit	(2,033,744)	(1,768,711)
Proceeds from certificates of deposit	<u>1,835,554</u>	<u>1,648,974</u>
Net cash used by investing activities	<u>(198,190)</u>	<u>(119,737)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Short-term borrowings	<u>20,000</u>	<u>-</u>
Net cash provided by financing activities	<u>20,000</u>	<u>-</u>
DECREASE IN CASH AND EQUIVALENTS	(5,705)	7,467
CASH AND EQUIVALENTS - January 1	<u>25,291</u>	<u>17,824</u>
CASH AND EQUIVALENTS - December 31	<u>\$ 19,586</u>	<u>\$ 25,291</u>

See Notes to Financial Statements

COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

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, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Interest bearing demand account	\$ <u>19,586</u>	\$ <u>25,291</u>

See Independent Auditors' Report

COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

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.

A schedule of the deposit certificates held by the Corporation as of December 31, 2008 and 2007 is included immediately following these notes.

4. Land Transactions

On March 7, 2007 the Corporation sold 2.142 acres of land fronting on Davids Drive to Wilmington Acquisitions LLC, the local purchasing agent for LGK Development, LLC of Boulder Colorado. The buyers intend to erect a building on the property to lease to the Federal government.

During September 2007 the Corporation sold a crescent shaped 0.023 acre parcel of land that was created by the relocation of Davids Drive to existing property owners. The \$6,000 sale enabled the property owners to maintain their frontage on the road and control the access to their property.

During October of 2007 the Corporation began negotiations with EMSAR, a medical equipment services company located in Wilmington, for the purchase of approximately 5.00 acres of land near Olinger Circle and Davids Drive. The sale was consummated on February 1, 2008 for \$175,000.

The Corporation repurchased 2.48 acres of land from a small business owner whose business plan was dependent upon its proximity to the DHL sort center. The land was purchased in December for \$60,000.

5. Industrial Park Land and Improvements

The Corporation granted an easement along the relocated Davids Drive to Vectren Energy Delivery of Ohio, Inc. The easement will allow the company to relocate gas pipelines which would be covered by the new road.

The Corporation's Executive Director negotiated a favorable settlement with DP&L, Inc. for their minor breach of existing easement boundaries. The company agreed to provide street light fixtures and installation on four of the power poles they installed outside of their easement.

6. Short-Term Borrowings

The Corporation borrowed \$20,000 from the National Bank & Trust Company for 60 days at 4.5% to provide ready cash in conjunction with the repurchase of 2.48 acres of land in December of 2008. The note is due on January 31, 2009.

7. Cash Farm Rent

At the end of 2007 Mr. Shae Schneder contracted with the Corporation to rent approximately 109.4 acres of tillable land for the 2008 growing season at \$120 per acre. On November the 8th of this year, Mr. Schneder, contracted to rent approximately 100.0 acres of land for the 2009 growing season for \$120 per acre.

8. Gifts of Cash and Other

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.

9. Subsequent Events

During January of 2009 the Wilmington Savings Bank secured a \$1,400,000 Standby Letter of Credit 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.

See Independent Auditors' Report

COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON
SCHEDULE OF CERTIFICATES OF DEPOSIT
DECEMBER 31, 2008 AND 2007

Financial Institution	Maturity Date	Interest Rate	2008 Amount	2007 Amount
National Bank & Trust Company	March 24, 2012	4.17%	\$ 17,539	\$ 16,822
National Bank & Trust Company	January 11, 2008	5.25%	-	56,147
National Bank & Trust Company	January 23, 2008	5.15%	-	60,738
National Bank & Trust Company	April 1, 2008	5.00%	-	195,640
National Bank & Trust Company	September 13, 2008	5.00%	-	33,312
National Bank & Trust Company	September 21, 2008	5.00%	-	69,661
National Bank & Trust Company	October 3, 2008	4.89%	-	86,200
National Bank & Trust Company	March 28, 2009	4.40%	52,251	50,000
National Bank & Trust Company	January 12, 2009	4.41%	59,350	-
National Bank & Trust Company	April 24, 2009	4.40%	78,085	-
National Bank & Trust Company	May 1, 2009	4.17%	77,921	-
National Bank & Trust Company	October 18, 2010	3.75%	104,975	-
Wilmington Savings Bank	January 25, 2008	3.88%	-	48,901
Wilmington Savings Bank	February 22, 2008	2.86%	-	109,798
Wilmington Savings Bank	February 28, 2008	2.86%	-	125,877
Wilmington Savings Bank	March 26, 2008	2.86%	-	176,888
Wilmington Savings Bank	May 22, 2008	5.21%	-	113,574
Wilmington Savings Bank	May 23, 2008	5.21%	-	51,617
Wilmington Savings Bank	June 26, 2008	5.35%	-	236,460
Wilmington Savings Bank	August 24, 2008	5.02%	-	71,263
Wilmington Savings Bank	September 28, 2008	5.02%	-	277,791
Wilmington Savings Bank	December 3, 2008	4.65%	-	40,133
Wilmington Savings Bank	January 25, 2009	4.12%	48,850	-
Wilmington Savings Bank	August 1, 2009	4.16%	77,919	-
Wilmington Savings Bank	February 23, 2009	3.92%	114,407	-
Wilmington Savings Bank	March 26, 2010	2.57%	183,345	-
Wilmington Savings Bank	April 2, 2009	3.10%	194,490	-
Wilmington Savings Bank	May 23, 2010	4.00%	174,205	-
Wilmington Savings Bank	June 26, 2009	4.00%	247,736	-
Wilmington Savings Bank	August 25, 2010	4.25%	74,733	-
Wilmington Savings Bank	September 2, 2009	4.00%	131,046	-
Wilmington Savings Bank	October 8, 2009	4.25%	291,423	-
Wilmington Savings Bank	October 23, 2009	4.25%	90,737	-
Total carrying value of all certificates			2,019,012	1,820,822
Carrying value of certificates maturing within one year			<u>1,464,215</u>	<u>1,754,001</u>
Carrying value of certificates maturing after one year			<u>\$ 554,797</u>	<u>\$ 66,821</u>

See Notes to Financial Statements

WAGENSELLER, FOLEY, HOLLINGSWORTH & CO.
CERTIFIED PUBLIC ACCOUNTANTS

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

**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***

We have audited the financial statements of Community Improvement Corporation of Wilmington, (the Corporation) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated May 27, 2009. 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 *control deficiency* 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 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 generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Corporation's financial statements that is more than inconsequential will not be prevented or detected by the Corporation's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Corporation's internal control.

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 deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in 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 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 is not intended to be and should not be used by anyone other than these specified parties.

Wagenseller, Foley, Hollingsworth & Co.

May 27, 2009



Mary Taylor, CPA
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
OCTOBER 15, 2009**