



Mary Taylor, CPA  
Auditor of State



**WAYNESFIELD GOSHEN COMMUNITY IMPROVEMENT LEAGUE  
AUGLAIZE COUNTY**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Waynesfield Goshen Community Improvement League, Inc.  
Auglaize County  
P.O. Box 100  
102 West Wapakoneta Street  
Waynesfield, Ohio 45896

To the Governing Board:

We have audited the accompanying statement of financial position of the Waynesfield Goshen Community Improvement League, Inc., Auglaize County, (the League), as of and for the years ended December 31, 2008 and 2007, and the related statement of activities and cash flows for the years then ended. These financial statements are the responsibility of the League'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 Waynesfield Goshen Community Improvement League, Inc., Auglaize County, as of December 31, 2008 and 2007, and the changes in its 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 October 14, 2009, on our consideration of the League'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.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

October 14, 2009

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**WAYNESFIELD GOSHEN COMMUNITY IMPROVEMENT LEAGUE  
AUGLAIZE COUNTY**

**STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2008 AND 2007**

	<b>2008</b>	<b>2007</b>
<b>Assets:</b>		
<b>Current Assets:</b>		
<b>Checking/Savings:</b>		
<b>Certificate of Deposit:</b>		\$2,161
Liberty Bank Certificate of Deposit	\$13,071	10,172
Liberty National Bank Checking Account	4,926	5,395
Liberty Savings Account		107
Union Bank Checking Account	50	50
Total Current Assets	18,047	17,885
<b>Long-Term Assets:</b>		
<b>Notes Receivable:</b>		
Note Receivable - E Coat		232,208
Union Bank Commercial Loan - Equipment	427,113	
Union Bank Commercial Loan - Building Expansion	585,551	
Union Bank Commercial Loan - Equipment	421,588	544,842
Union Bank Commercial Loan - Building Expansion	1,068,178	1,114,265
Total Long-Term Assets	2,502,430	1,891,315
Total Assets	2,520,477	1,909,200
<b>Liabilities &amp; Equity:</b>		
<b>Liabilities:</b>		
<b>Long Term Liabilities:</b>		
Equipment Note - E Coat		232,208
Union Bank - Bethel Equipment	427,113	
Union Bank - Bethel Building Expansion	585,551	
Union Bank - Bulding Expansion	1,068,178	1,114,265
Union Bank - Bethel Equipment	421,588	544,842
Total Long Term Liabilities	2,502,430	1,891,315
Total Liabilities	2,502,430	1,891,315
Net Assets (Unrestricted)	18,047	17,885
Total Liabilities & Equity	\$2,520,477	\$1,909,200

*The notes to the financial statements are an integral part of these statements.*

**WAYNESFIELD GOSHEN COMMUNITY IMPROVEMENT LEAGUE  
AUGLAIZE COUNTY**

**STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	<b>2008</b>	<b>2007</b>
<b>Revenue:</b>		
Bank Interest Income	\$631	\$173
Note Interest	101,301	108,526
Total Income	101,932	108,699
<b>Expenses:</b>		
Advertising		16
Interest Expense	101,301	104,030
Miscellaneous	469	(600)
Professional Fees		300
Total Expenses	101,770	103,746
 Change in Net Assets	 162	 4,953
 Unrestricted Net Assets-Beg of Year	 17,885	 12,932
 Unrestricted Net Assets-End of Year	 \$18,047	 \$17,885

*The notes to the financial statements are an integral part of these statements.*



**WAYNESFIELD GOSHEN COMMUNITY IMPROVEMENT LEAGUE  
AUGLAIZE COUNTY**

**STATEMENTS OF CASHFLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	<b>2008</b>	<b>2007</b>
<b>Cash Flows From Operating Activities:</b>		
Cash Received from Interest Income on Notes	\$ 101,301	\$ 108,526
Cash Payments for Interest Expense on Notes	(101,301)	(104,030)
Cash Payments for Other Expenses	(469)	284
	(469)	4,780
<b>Cash Flows From investing Activities:</b>		
Investment in Notes	(1,082,329)	-
Investment Income	631	173
	(1,081,698)	173
<b>Cash Flows From Noncapital Financing Activities</b>		
Note Principal Payments	(471,214)	(248,868)
	(471,214)	(248,868)
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Proceeds of Notes	1,082,329	-
Note Repayment Receipts	471,214	248,868
	1,553,543	248,868
Net Increase(Decrease) in Cash and Cash Equivalents	162	4,953
Cash and Cash Equivalents-Beginning of Year	17,885	12,932
<b>Cash and Cash Equivalents-End of Year</b>	<b>\$ 18,047</b>	<b>\$ 17,885</b>

*The notes to the financial statements are an integral part of these statements.*

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**WAYNESFIELD GOSHEN COMMUNITY IMPROVEMENT LEAGUE  
AUGLAIZE COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Waynesfield Goshen Community Improvement League (the League), was organized under the laws of the State of Ohio as a not-for-profit corporation whose purpose is to encourage, promote and assist the industrial, economic, commercial, and civic development of Waynesfield, Ohio. The League arranges financing for business development and may charge a fee to the beneficiary of the financing.

The League may be directed by a board of three to twenty-five members; currently a nine member board serves. The Board is comprised of the appointed and elected officials of the various subdivisions who are provided services and are elected at the annual meeting of the membership. The Board of Trustees believes these financial statements present all activities for which the League is financially responsible.

**B. Basis of Accounting**

The League prepares its financial statements on the accrual basis of accounting in accordance generally accepted accounting principles, consequently, revenues and the related assets are recognized when earned, and expenditures are recognized when the obligation is incurred.

**C. Financial Statement Presentation**

The League had adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements for Not-for-Profit Organizations*. Under SFAS No. 117, the League 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. The Waynesfield Goshen Community Improvement League has no temporarily or permanently restricted net assets. As permitted by the statement, the League does not use fund accounting.

**D. Cash and Cash Equivalents**

Cash is held in checking accounts and a certificate of deposit. For purposes of the statements of cash flows and for presentation on the statement of financial position, investments with original maturities of three months or less are considered to be cash and cash equivalents.

**E. Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**F. Non-Profit Organization – Income Tax Status**

The League is a non-profit organization under IRC Section 501 (c)(4) and is exempt from paying federal income taxes.

**WAYNESFIELD GOSHEN COMMUNITY IMPROVEMENT LEAGUE  
AUGLAIZE COUNTY**

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

**2. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of amounts on deposit and the carrying amount at December 31 was as follows:

	<b>2008</b>	<b>2007</b>
Demand deposits	\$ 4,976	\$ 5,552
Certificates of deposit	13,071	12,333
Total deposits	\$18,047	\$17,885

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**3. NOTES RECEIVABLE**

On January 24, 2005, a loan was granted to HJC Enterprises, LLC, in the amount of \$870,000 for the purposes of equipment purchases and the refinancing of previous equipment purchases of Bethel Engineering and Equipment, Inc. The following represents the current amount outstanding:

<b>Date</b>	<b>Amount Outstanding</b>	<b>Rate</b>	<b>Due Date</b>
December 31, 2008	\$421,588	4.75%	January 24, 2012

On January 24, 2005, a loan was granted to HJC Enterprises, LLC, in the amount of \$1,225,000 for the purposes of a building expansion and the refinancing of the existing loans. The following represents the current amount outstanding:

<b>Date</b>	<b>Amount Outstanding</b>	<b>Rate</b>	<b>Due Date</b>
December 31, 2008	\$1,068,178	4.75%	January 24, 2025

On July 30, 2008, a loan was granted to HJC Enterprises, LLC, in the amount of \$461,116 for the purposes of equipment purchases and the refinancing of previous purchases of Bethel Engineering and Equipment, Inc. The following represents the current amount outstanding:

<b>Date</b>	<b>Amount Outstanding</b>	<b>Rate</b>	<b>Due Date</b>
December 31, 2008	\$427,113	4.875%	August 4, 2013

On July 30, 2008, a loan was granted to HJC Enterprises, LLC, in the amount of \$621,213 for the purposes of a building expansion and the refinancing of the existing loans. The following represents the current amount outstanding:

<b>Date</b>	<b>Amount Outstanding</b>	<b>Rate</b>	<b>Due Date</b>
December 31, 2008	\$585,551	4.875%	November 4, 2025

**WAYNESFIELD GOSHEN COMMUNITY IMPROVEMENT LEAGUE  
AUGLAIZE COUNTY**

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

**4. LONG-TERM OBLIGATIONS**

The changes in the League's long-term obligations at December 31, 2008 were as follows:

	<u>Outstanding 01/01/08</u>	<u>Additions</u>	<u>Deductions</u>	<u>Outstanding 12/31/08</u>
2005 Building Addition	\$1,114,265		\$ 46,087	\$1,068,178
2005 Equipment Note	544,842		123,254	421,588
2001 Equipment Note	232,208		232,208	
2008 Equipment Note		\$ 461,116	34,003	427,113
2008 Building Addition		621,213	35,662	585,551
Total Long Term Obligations	<u>\$1,891,315</u>	<u>\$1,082,329</u>	<u>\$471,214</u>	<u>\$2,502,430</u>

  

	<u>Outstanding 01/01/07</u>	<u>Additions</u>	<u>Deductions</u>	<u>Outstanding 12/31/07</u>
2005 Building Addition	\$1,153,340	\$ -	\$ 39,075	\$1,114,265
2005 Equipment Note	661,391	-	116,549	544,842
2001 Equipment Note	325,452	-	93,244	232,208
Total Long Term Obligations	<u>\$2,140,183</u>	<u>\$ -</u>	<u>\$248,868</u>	<u>\$1,891,315</u>

On May 9, 2001, (2001 Equipment Note) the League obtained a note with Liberty National Bank in the amount of \$980,000 for an equipment loan to Fetter Finishing. The notes were issued for a seven year period with final maturity on November 1, 2008, with an interest rate of 6.625 percent. This debt was retired in November of the year 2008.

On January 24, 2005, (2005 Equipment Note) the League obtained a note with The Union Bank Company in the amount of \$870,000 for an equipment loan and refinancing of Bethel Engineering and Equipment, Inc. equipment loans. The note was issued for a seven year period with the final maturity at January 24, 2012, with an interest rate of 4.75 percent.

On January 24, 2005, (2005 Building Addition) the League obtained a note with The Union Bank Co. in the amount of \$1,225,000 for a building expansion and refinancing of HJC Enterprises, LLC building loans. The note was issued for a twenty year period with the final maturity at January 24, 2025, with an interest rate of 4.75 percent.

On July 30, 2008, (2008 Equipment Note) the League obtained a note with The Union Bank Co. in the amount of \$461,116 for an equipment loan and refinancing of Bethel Engineering and Equipment, Inc. equipment loans. The note was issued for a five year period with the final maturity at September 4, 2013, with an interest rate of 4.875 percent.

On July 30, 2008, (2008 Building Addition) the League obtained a note with The Union Bank Co. in the amount of \$621,213 for a building expansion and refinancing of HJC Enterprises, LLC building loans. The note was issued for 208 monthly payments with the final maturity at November 4, 2025, with an interest rate of 4.875 percent.

Principal and interest requirements to retire debt outstanding at December 31, 2008 are as follows:

**WAYNESFIELD GOSHEN COMMUNITY IMPROVEMENT LEAGUE  
AUGLAIZE COUNTY**

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

**4. LONG-TERM OBLIGATIONS (Continued)**

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$286,088	\$114,053	\$400,141
2010	300,326	99,815	400,141
2011	315,058	85,083	400,141
2012	195,557	72,268	267,825
2013	145,522	63,528	209,050
2014-2018	500,496	245,386	745,882
2019-2023	635,800	110,082	745,882
2024-2025	123,583	2,844	126,427
Total	<u>\$2,502,430</u>	<u>\$793,059</u>	<u>\$3,295,489</u>



# 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*

Waynesfield Goshen Community Improvement League  
Auglaize County  
P.O. Box 100  
102 West Wapakoneta Street  
Waynesfield, Ohio 45896

To the Governing Board:

We have audited the financial statements of the Waynesfield Goshen Community Improvement League, Inc., Auglaize County, (the League), as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated October 14, 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 League'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 League's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the League's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

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 League'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 League's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider finding 2008-001 described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the League's internal control will not prevent or detect a material financial statement misstatement.

**Internal Control Over Financial Reporting  
(Continued)**

Our consideration of the 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 the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe the significant deficiency described above as finding number 2008-001 is a material weakness.

We also noted certain matters that we reported to the League's management in a separate letter dated October 14, 2009.

**Compliance and Other Matters**

As part of reasonably assuring whether the League'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 that we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the League's management in a separate letter dated October 14, 2009.

We intend this report solely for the information and use of the management and the Board of Directors. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

October 14, 2009



**WAYNESFIELD GOSHEN COMMUNITY IMPROVEMENT LEAGUE  
AUGLAIZE COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

**FINDING NUMBER 2008-001**

**Material Weakness - Trial Balances and Accounting Record Problems**

Presentation of the financial statements is designed to provide an accurate accounting of the financial position of the League to the public. Part of the underlying support for the financial statements is the accounting ledgers maintained throughout the year that are used to prepare the trial balances. To accurately present the current year financial statements the reversing, cash transaction, adjusting entries, and prior year-end balances must be accurate and recorded to the correct financial statement. Trial balances should be supported by the individual account information maintained in the accounting records. During the audit of the financial statements, the trial balances, and the accounting records the following problems were noted:

- The accounting ledgers, prepared at year-end, and used to support the activity in the statements presented were not in agreement. During the year 2007, interest payments received and remitted on loans in the amount of \$9,873 were not recorded in the accounting ledgers. This amount has been adjusted in the presented financial statements.
- Trial balances were not presented to agree the accounting ledgers to the financial statements.
- Financial information, in the form of accounting ledgers, were not maintained throughout the audit period. There were no transactions recorded until after year end for each year.

Lack of effective oversight of the internal control process and financial reporting by those charged with governance resulted in the lack of properly prepared accounting records and misstatements of the financial statements.

During the process of accumulating data for the preparation of the year-end financial statements, transactions should be timely recorded throughout the year and should be reviewed for accuracy. In addition, management should review the compilation to verify the accuracy of the financial statement presentation, note disclosures, trial balances, and supporting work papers.

**Officials' Response:**

The Officials' chose not to respond to this comment.

**WAYNESFIELD GOSHEN COMMUNITY IMPROVEMENT LEAGUE  
AUGLAIZE COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2006-001	Trial Balances and Accounting Records	No	Repeated as Finding 2008-001



**Mary Taylor, CPA**  
Auditor of State

**WAYNESFIELD GOSHEN COMMUNITY IMPROVEMENT LEAGUE**

**AUGLAIZE 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 17, 2009**