



Dave Yost • Auditor of State



**WAYNESFIELD GOSHEN COMMUNITY IMPROVEMENT LEAGUE, INC.  
AUGLAIZE COUNTY**

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# Dave Yost • 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, 2010 and 2009, 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, 2010 and 2009, 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 July 21, 2011, 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 black ink that reads "Dave Yost".

**Dave Yost**  
Auditor of State

July 21, 2011

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**WAYNESFIELD GOSHEN COMMUNITY IMPROVEMENT LEAGUE, INC.  
AUGLAIZE COUNTY**

**STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2010 AND 2009**

	<b>2010</b>	<b>2009</b>
<b>Assets:</b>		
<b>Current Assets:</b>		
<b>Checking/Savings:</b>		
<b>Certificate of Deposit:</b>		
Liberty Bank Certificate of Deposit	\$13,195	\$13,159
Liberty National Bank Checking Account	1,620	3,335
Union Bank Checking Account	50	50
Total Current Assets	14,865	16,544
<b>Long-Term Assets:</b>		
<b>Notes Receivable:</b>		
Union Bank Commercial Loan - Equipment		363,489
Union Bank Commercial Loan - Building Expansion		568,361
Union Bank Commercial Loan - Equipment		336,158
Union Bank Commercial Loan - Building Expansion		1,037,745
Total Long-Term Assets		2,305,753
Total Assets	14,865	2,322,297
 <b>Liabilities &amp; Equity:</b>		
<b>Liabilities:</b>		
<b>Long Term Liabilities:</b>		
Union Bank - Bethel Equipment		363,489
Union Bank - Bethel Building Expansion		568,361
Union Bank - Bulding Expansion		1,037,745
Union Bank - Bethel Equipment		336,158
Total Long Term Liabilities		2,305,753
Total Liabilities		2,305,753
Net Assets (Unrestricted)	14,865	16,544
Total Liabilities & Equity	\$14,865	\$2,322,297

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

**WAYNESFIELD GOSHEN COMMUNITY IMPROVEMENT LEAGUE, INC.  
AUGLAIZE COUNTY**

**STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>Revenue:</b>		
Bank Interest Income	\$36	\$88
Note Interest	34,618	78,807
Total Income	<u>34,654</u>	<u>78,895</u>
<b>Expenses:</b>		
Advertising		36
Bank Service Charges		2
Postage and Delivery		153
Interest Expense	34,618	78,807
Professional Fees	1,715	1,400
Total Expenses	<u>36,333</u>	<u>80,398</u>
 Change in Net Assets	 (1,679)	 (1,503)
 Unrestricted Net Assets-Beginning of Year	 <u>16,544</u>	 <u>18,047</u>
 Unrestricted Net Assets-End of Year	 <u><u>\$14,865</u></u>	 <u><u>\$16,544</u></u>

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



**WAYNESFIELD GOSHEN COMMUNITY IMPROVEMENT LEAGUE, INC.  
AUGLAIZE COUNTY**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<b>2010</b>	<b>2009</b>
<b>Cash Flows From Operating Activities:</b>		
Cash Received from Interest Income on Notes	\$34,618	\$78,807
Cash Payments for Interest Expense on Notes	(34,618)	(78,807)
Cash Payments for Other Expenses	(1,715)	(1,591)
Net Cash Provided by Operating Activities	(1,715)	(1,591)
 <b>Cash Flows From investing Activities:</b>		
Investment Income	36	88
Net Cash Flows From Investing Activities	36	88
 <b>Cash Flows From Noncapital Financing Activities</b>		
Note Principal Payments	(2,305,753)	(196,677)
Net Cash Flows From Noncapital Financing Activities	(2,305,753)	(196,677)
 <b>Cash Flows From Capital and Related Financing Activities:</b>		
Note Repayment Receipts	2,305,753	196,677
Net Cash Provided(Used) for Capital and Related Financing Activities	2,305,753	196,677
Net Increase(Decrease) in Cash and Cash Equivalents	(1,679)	(1,503)
Cash and Cash Equivalents-Beginning of Year	16,544	18,047
Cash and Cash Equivalents-End of Year	\$14,865	\$16,544

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

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**WAYNESFIELD GOSHEN COMMUNITY IMPROVEMENT LEAGUE, INC.  
AUGLAIZE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Waynesfield Goshen Community Improvement League, Inc (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 with 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, INC.  
AUGLAIZE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009  
(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>2010</b>	<b>2009</b>
Demand deposits	\$ 1,670	\$ 3,385
Certificates of deposit	13,195	13,159
Total deposits	\$14,865	\$16,544

**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, 2010	\$0	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, 2010	\$0	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, 2010	\$0	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, 2010	\$0	4.875%	November 4, 2025

**WAYNESFIELD GOSHEN COMMUNITY IMPROVEMENT LEAGUE, INC.  
AUGLAIZE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009  
(Continued)**

**4. LONG-TERM OBLIGATIONS**

The changes in the League's long-term obligations at December 31, 2010 were as follows:

	<b>Outstanding 01/01/10</b>	<b>Additions</b>	<b>Deductions</b>	<b>Outstanding 12/31/10</b>
2005 Building Addition	\$1,037,745		\$1,037,745	
2005 Equipment Note	336,158		336,158	
2008 Equipment Note	363,490		363,490	
2008 Building Addition	568,360		568,360	
Total Long Term Obligations	<u>\$2,305,753</u>		<u>\$2,305,753</u>	

  

	<b>Outstanding 01/01/09</b>	<b>Additions</b>	<b>Deductions</b>	<b>Outstanding 12/31/09</b>
2005 Building Addition	\$1,068,178		\$ 30,433	\$1,037,745
2005 Equipment Note	421,588		85,430	336,158
2008 Equipment Note	427,113		63,623	363,490
2008 Building Addition	585,551		17,191	568,360
Total Long Term Obligations	<u>\$2,502,430</u>		<u>\$196,677</u>	<u>\$2,305,753</u>

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. This debt was retired in November 2010.

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. This debt was retired in November 2010.

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. This debt was retired in November 2010.

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. The debt was retired in November 2010.

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# Dave Yost • 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, Inc  
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, 2010 and 2009, and have issued our report thereon dated July 21, 2011. 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 the purpose of expressing our opinion on the financial statements, but not for the purpose to opining 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* 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 *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 timely corrected. We consider finding 2010-01 described in the accompanying schedule of findings to be a material weakness.

### 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 July 21, 2011.

Waynesfield Goshen Community Improvement League, Inc  
Auglaize County  
Independent Accountants' Report On Internal Control Over  
Financial Reporting And On Compliance And Other Matters  
Required By *Government Auditing Standards*  
Page 2

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

July 21, 2011



**WAYNESFIELD GOSHEN COMMUNITY IMPROVEMENT LEAGUE, INC  
AUGLAIZE COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

**FINDING NUMBER 2010-01**

**Material Weakness**

**Accounting Records and Financial Reporting**

Presentation of the financial statements is designed to provide an accurate accounting of the financial position and results of operations of the League to the public. The underlying support for the financial statements is the accounting ledgers maintained throughout the year. When reporting in accordance with generally accepted accounting principles (GAAP), trial balances should be prepared at year-end to provide support for the financial statements. The following errors were identified in the financial statements and accounting records:

- In 2009, interest payments received and remitted on loans were overstated by \$4,610 in the accounting ledgers. The accompanying financial statements have been adjusted to correct this error.
- The 2010 and 2009 beginning and ending net asset balances, in the amounts of \$16,544 and \$14,865, and \$18,047 and \$16,544, respectively, were not included on the operating statement. The accompanying financial statements have been adjusted to include these balances.
- Trial balances were not presented to agree the accounting ledgers to the financial statements.
- The League had a volunteer bookkeeper that maintained the check book ledger; however, there were no transactions recorded in accounting ledgers until after the end of each year.

The failure to record transactions throughout the year and the lack of 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.

The League should appoint a person to maintain the accounting ledgers throughout the year. Financial reports should be presented to the Governing Board during the year for review to help identify errors and/or irregularities in a timely manner. In addition, the year-end financial statements and note disclosures should be reviewed for errors or omissions prior to being filed with the Auditor of State.

**OFFICIALS' RESPONSE:**

We did not receive a response from Officials to this finding.

**WAYNESFIELD GOSHEN COMMUNITY IMPROVEMENT LEAGUE, INC  
AUGLAIZE COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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>
2008-001	Trial Balances and Accounting Records	No	Repeated as Finding 2010-01



# Dave Yost • Auditor of State

**WAYNESFIELD GOSHEN COMMUNITY IMPROVEMENT LEAGUE, INC.**

**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  
SEPTEMBER 13, 2011**