



OHIO AUDITOR OF STATE  
**KEITH FABER**





**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON  
CLINTON COUNTY  
DECEMBER 31, 2022 AND 2021**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Community Improvement Corporation of Wilmington  
Clinton County  
Wilmington, Ohio 45177

To the Corporation:

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the financial statements of the Community Improvement Corporation of Wilmington, Clinton County, Ohio (the Corporation), (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation, as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable).

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2024, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's 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.



Keith Faber  
Auditor of State  
Columbus, Ohio  
June 26, 2024

**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON**  
**STATEMENT OF FINANCIAL POSITION**  
December 31, 2022

<b>ASSETS</b>	
	2022
<b>CURRENT ASSETS</b>	
Cash and equivalents	\$ 1,917,308
Total Current Assets	1,917,308
<b>OTHER ASSETS</b>	
Industrial park land and improvements	4,344,013
Total Other Assets	4,344,013
<b>FIXED ASSETS</b>	
Office equipment	899
Buildings	151,970
	152,869
Less accumulated depreciation	(1,558)
Total fixed assets net of accumulated depreciation	151,311
<b>TOTAL ASSETS</b>	<b>\$ 6,412,632</b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>LONG TERM LIABILITIES</b>	
Mortgage note payable	3,770,000
<b>NET ASSETS</b>	
Without donor restrictions	2,642,632
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 6,412,632</b>

See the accompanying notes to the basic financial statements.

**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

<b>OPERATING ACTIVITIES</b>	
	<u>2022</u>
<b>REVENUES</b>	
Interest Income	\$ 20,616
Net Rental Income	28,905
Purchase Option Forfeiture	10,000
Other Income	<u>28,625</u>
Total Revenues Received	<u>88,146</u>
<b>EXPENSES</b>	
Community/Business Development	349,678
Supporting Services: Management and General	<u>32,962</u>
Total Expenses	<u>382,640</u>
<b>NET CHANGE IN ASSETS</b>	(294,494)
<b>NET ASSETS - January 1</b>	2,937,126
<b>NET ASSETS - December 31</b>	<u><u>\$ 2,642,632</u></u>

See the accompanying notes to the basic financial statements.



**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>2022</b>		
	Community and Business Development	Management and General	Total
Grants	\$ 270,000	\$ -	\$ 270,000
Executive Director's Salary	10,500	10,500	21,000
Payroll Taxes and Fringe Benefits	921	921	1,842
Insurance	-	4,690	4,690
Professional Fees	-	12,452	12,452
Real Estate Taxes	2,638	-	2,638
Repairs and Maintenance	225	-	225
Depreciation Expense	1,513	45	1,558
Board Meetings and Conferences	-	3,797	3,797
Office Supplies and Postage	-	133	133
Dues and Subscriptions	-	180	180
Interest Expense	63,881	-	63,881
Miscellaneous Expense	-	244	244
	<b>\$ 349,678</b>	<b>\$ 32,962</b>	<b>\$ 382,640</b>
Totals	<b>\$ 349,678</b>	<b>\$ 32,962</b>	<b>\$ 382,640</b>

See the accompanying notes to the basic financial statements.

**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash from Rental Income	\$ 28,905
Cash from Other Sources	49,241
Cash Paid for Operating Expenses	(381,082)
Net Cash Provided(Used) by Operating Activities	(302,936)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Capital Expenditure	(24,297)
Liquidation(purchase) of Certificate of Deposits	252,349
Net Cash Provided(Used) by Financing Activities	228,052
<b>NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(74,884)
<b>CASH AND CASH EQUIVALENTS - JANUARY 1</b>	1,992,192
<b>CASH AND CASH EQUIVALENTS - DECEMBER 31</b>	\$ 1,917,308
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Change in Net Assets	\$ (294,494)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	1,558
(Decrease) in Deferred Purchase Option	(10,000)
Net Cash Provided(Used) by Operating Activities	\$ (302,936)

See the accompanying notes to the basic financial statements.

COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022

**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.

**2. Summary of Significant Accounting Policies**

The financial statements of the Corporation have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), which requires the corporation to report information regarding its financial position and activities according to the existence or absence of donor imposed restrictions.

*Net Assets without donor restrictions* represent funds available for grants and expenses which are not otherwise limited by donor restrictions. These assets, which include board-designated funds, may be used at the discretion of the Corporation's management and the Board of Directors.

*Net Assets with donor restrictions* consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or specific passage of time. Some donor restrictions are perpetual in nature whereby principal is to be maintained intact in perpetuity and that only income from investment thereof can be expended either for the general purpose of the Corporation, or purposes specified by the donor. The Corporation maintains separate balances in its accounting records to account for the amounts available for donor-restricted purposes. Currently the Corporation has no net assets with donor restrictions imposed as they are without donor restriction.

*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 Topic 958, *Financial Statements for Not-for-Profit Organizations* 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.

*Concentration of Credit Risk*

Financial instruments that potentially subject The Community Improvement Corporation of Wilmington to concentrations of credit risk consist of cash and cash equivalents. The Company maintains its cash and cash equivalents in various bank accounts, that at times, may exceed federally insured limits with high credit quality

COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022

**2. Summary of Significant Accounting Policies (Continued)**

financial institutions. The Company has not experienced, nor does it anticipate, any losses with respect to such accounts.

*Fair Value of Financial Instruments*

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

*Subsequent events*

Management has evaluated the impact of events that have occurred subsequent to December 15, 2023, the date the financial statements were available to be issued for purposes of recognition and disclosure in the financial statements.

*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.

*Buildings and Office Equipment*

Property is capitalized at cost. The buildings owned by the Corporation are being depreciated over estimated useful lives of 20 – 27.5 years and equipment over 5 years using the straight-line method. Depreciation expense was \$1,588 in 2022.

*Accrued Liabilities*

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

*Operating Revenues and Expenses*

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

*Functional Expenses*

The cost of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among community/business development and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Executive director's salary	Time and effort
Payroll taxes and fringe benefits	Time and effort

COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022

**2. Summary of Significant Accounting Policies (Continued)**

*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.

*Income Taxes*

The Community Improvement Corporation of Wilmington (CIC) is recognized under IRC section 501c(3) and is exempt from income tax. The CIC would be subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the code. The CIC has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; and to identify and evaluate other matters that may be considered tax positions. The Community Improvement Corporation of Wilmington has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

*Adoption of New Accounting Standard*

In May 2014, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers) which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in the United States of America generally accepted accounting principles. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. ASC 606 is effective for annual reporting periods beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. The Corporation adopted ASC 606 with a date of initial application of January 1, 2019. As part of the adoption of ASC 606, the Corporation elected to use the following transition practical expedients: (1) all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price have been reflected in the aggregate; and (2) ASC 606 is applied only to contracts that are not completed at the initial date of application. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients. There was no change that resulted from adoption. This reclassification had no effect on net income, and therefore, there was no adjustment to the opening balance of Equity. The Corporation does not expect the adoption of the new revenue standard to have a material impact on its Net Income on an ongoing basis.

On August 18, 2016, FSAB issued ASU 2016-14, Not-For-Profit Entities (Topic 958)-Presentation of Financial Statements of Not-For-Profits Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Community Improvement Corporation of Wilmington has adjusted the presentation of these statement accordingly. The ASU has been applied retrospectively to all periods presented.

**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022**

**3. Availability and Liquidity**

The following represents Community Improvement Corporation of Wilmington's financial assets at December 31, 2022:

	2022
Financial assets at year-end:	
Cash and equivalents	\$ <u>1,917,308</u>
Total financial assets	<u>1,917,308</u>
Amounts not available to be used within one year	-
Financial assets available to meet general expenditures over the next twelve months	\$ <u><u>1,917,308</u></u>

**4. Deposits and Investments**

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

	2022
Checking Accounts	\$ 1,303,590
Money Market	<u>613,718</u>
Total	\$ <u><u>1,917,308</u></u>

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.

**5. Capital Assets**

The Corporation's land and buildings are valued at cost and held for lease. The following is a summary of changes in capital assets for the year ended 2022:

	Balance 2021	Additions	Deductions	Balance 2022
Capital Assets:				
Land and improvements- not being depreciated	\$ <u>702,585</u>	\$ <u>3,641,428</u>	\$ -	\$ <u>4,344,013</u>
Buildings	\$ -	\$ 151,970	\$ -	\$ 151,970
Office equipment	-	899	-	899
Accumulated Depreciation				
Buildings	-	( 1,513)	-	( 1,513)
Office equipment	-	( 45)	-	( 45)

**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022**

	_____	_____	_____	_____
Net Buildings and Equipment	\$ -	\$ 151,311	\$ -	\$ 151,311
Capital Assets – Net	\$ 702,585	\$ 3,792,739	\$ -	\$ 4,495,324

**6. Mortgage Note Payable**

Variable rate mortgage note (5% at December 31, 2022) secured by land and buildings carried on the balance sheet at \$3,791,085. The mortgage calls for monthly payments, interest only, for the first three years beginning September 19, 2022; 48 monthly payments of \$22,200 (including interest); and 215 monthly payments of \$26,975 (including interest) through August 2047. The mortgage is collateralized by a checking account with a required minimum balance of \$942,500.

The annual maturities of long-term debt are as follows:

December 31	Amount
2023	\$ -
2024	-
2025	25,076
2026	78,368
2027	82,434
Later Years	<u>3,584,122</u>
	<u>\$ 3,770,000</u>

**7. Risk Management**

*Commercial Insurance*

The Corporation has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions

**8. Economic Development Agreement**

On July 25, 2019 the Corporation entered into a joint economic development agreement with the Clinton County Port Authority, Board of Clinton County Commissioners, City of Wilmington and the Clinton County Convention and Visitors Bureau. The Clinton County Port Authority will be the lead agency in providing services to promote economic welfare and improve economic opportunities in Clinton County. The agreement is for five years from June 1, 2019 to June 1, 2024 and can be cancelled with at least ninety days written notice. Under the agreement the corporation is obligated to contribute \$20,000 each year to the Clinton County Port Authority.

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**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON**  
**STATEMENT OF FINANCIAL POSITION**  
December 31, 2021

<b>ASSETS</b>	
	2021
<b>CURRENT ASSETS</b>	
Cash and equivalents	\$ 1,992,192
Certificates of deposit	252,349
Total Current Assets	2,244,541
<b>OTHER ASSETS</b>	
Industrial park land and improvements	702,585
Total Other Assets	702,585
<b>TOTAL ASSETS</b>	<b>\$ 2,947,126</b>

<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>	
Deferred purchase option revenue	\$ 10,000
Total current liabilities	10,000
<b>NET ASSETS</b>	
Without donor restrictions	2,937,126
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,947,126</b>

See the accompanying notes to the basic financial statements.

**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

<b>OPERATING ACTIVITIES</b>	
	<u>2021</u>
<b>REVENUES</b>	
Interest Income	\$ 5,936
Net Rental Income	<u>16,800</u>
Total Revenues Received	<u>22,736</u>
<b>EXPENSES</b>	
Community/Business Development	33,894
Supporting Services: Management and General	<u>26,084</u>
Total Expenses	<u>59,978</u>
<b>NET CHANGE IN ASSETS</b>	(37,242)
<b>NET ASSETS - January 1</b>	2,974,368
<b>NET ASSETS - December 31</b>	<u><u>\$ 2,937,126</u></u>

See the accompanying notes to the basic financial statements.

**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>2021</b>		
	Community and Business Development	Management and General	Total
Grants	\$ 20,000	\$ -	\$ 20,000
Executive Director's Salary	10,500	10,500	21,000
Payroll Taxes and Fringe Benefits	910	911	1,821
Insurance	-	3,828	3,828
Professional Fees	-	6,963	6,963
Real Estate Taxes	2,484	-	2,484
Board Meetings and Conferences	-	3,237	3,237
Dues and Subscriptions	-	400	400
Miscellaneous Expense	-	245	245
	<b>\$ 33,894</b>	<b>\$ 26,084</b>	<b>\$ 59,978</b>
Totals	<b>\$ 33,894</b>	<b>\$ 26,084</b>	<b>\$ 59,978</b>

See the accompanying notes to the basic financial statements.

**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash from Rental Income	\$ 16,800
Cash from Purchase Option	10,000
Cash from Other Sources	5,936
Cash Paid for Operating Expenses	(59,978)
Net Cash Provided(Used) by Operating Activities	(27,242)
<b>CASH FLOWS FROM INVESTING AND RELATED ACTIVITIES:</b>	
Liquidation(purchase) of Certificate of Deposits	(1,885)
Net Cash Provided(Used) by Financing Activities	(1,885)
<b>NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(29,127)
<b>CASH AND CASH EQUIVALENTS - JANUARY 1</b>	2,021,319
<b>CASH AND CASH EQUIVALENTS - DECEMBER 31</b>	\$ 1,992,192
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Change in Net Assets	\$ (37,242)
Increase in Deferred Purchase Option	10,000
Net Cash Provided(Used) by Operating Activities	\$ (27,242)

See the accompanying notes to the basic financial statements.

COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021

**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.

**2. Summary of Significant Accounting Policies**

The financial statements of the Corporation have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), which requires the corporation to report information regarding its financial position and activities according to the existence or absence of donor imposed restrictions.

*Net Assets without donor restrictions* represent funds available for grants and expenses which are not otherwise limited by donor restrictions. These assets, which include board-designated funds, may be used at the discretion of the Corporation's management and the Board of Directors.

*Net Assets with donor restrictions* consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or specific passage of time. Some donor restrictions are perpetual in nature whereby principal is to be maintained intact in perpetuity and that only income from investment thereof can be expended either for the general purpose of the Corporation, or purposes specified by the donor. The Corporation maintains separate balances in its accounting records to account for the amounts available for donor-restricted purposes. Currently the Corporation has no net assets with donor restrictions imposed as they are without donor restriction.

*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 Topic 958, *Financial Statements for Not-for-Profit Organizations* 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.

*Concentration of Credit Risk*

Financial instruments that potentially subject The Community Improvement Corporation of Wilmington to concentrations of credit risk consist of cash and cash equivalents. The Company maintains its cash and cash equivalents in various bank accounts, that at times, may exceed federally insured limits with high credit quality

COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED DECEMBER 31, 2021

**2. Summary of Significant Accounting Policies (Continued)**

financial institutions. The Company has not experienced, nor does it anticipate, any losses with respect to such accounts.

*Fair Value of Financial Instruments*

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

*Subsequent events*

Management has evaluated the impact of events that have occurred subsequent to December 15, 2023, the date the financial statements were available to be issued for purposes of recognition and disclosure in the financial statements.

*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.

*Buildings and Office Equipment*

Property is capitalized at cost. The buildings owned by the Corporation are being depreciated over estimated useful lives of 20 – 27.5 years and equipment over 5 years using the straight-line method.

*Accrued Liabilities*

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

*Operating Revenues and Expenses*

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

*Functional Expenses*

The cost of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among community/business development and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Executive director’s salary	Time and effort
Payroll taxes and fringe benefits	Time and effort

COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021

**2. Summary of Significant Accounting Policies (Continued)**

*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.

*Income Taxes*

The Community Improvement Corporation of Wilmington (CIC) is recognized under IRC section 501c(3) and is exempt from income tax. The CIC would be subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the code. The CIC has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; and to identify and evaluate other matters that may be considered tax positions. The Community Improvement Corporation of Wilmington has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

*Adoption of New Accounting Standard*

In May 2014, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers) which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in the United States of America generally accepted accounting principles. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. ASC 606 is effective for annual reporting periods beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. The Corporation adopted ASC 606 with a date of initial application of January 1, 2019. As part of the adoption of ASC 606, the Corporation elected to use the following transition practical expedients: (1) all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price have been reflected in the aggregate; and (2) ASC 606 is applied only to contracts that are not completed at the initial date of application. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients. There was no change that resulted from adoption. This reclassification had no effect on net income, and therefore, there was no adjustment to the opening balance of Equity. The Corporation does not expect the adoption of the new revenue standard to have a material impact on its Net Income on an ongoing basis.

On August 18, 2016, FSAB issued ASU 2016-14, Not-For-Profit Entities (Topic 958)-Presentation of Financial Statements of Not-For-Profits Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Community Improvement Corporation of Wilmington has adjusted the presentation of these statement accordingly. The ASU has been applied retrospectively to all periods presented.

**3. Availability and Liquidity**

The following represents Community Improvement Corporation of Wilmington's financial assets at December 31, 2021:

**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021**

**3. Availability and Liquidity (continued)**

	2021
Financial assets at yearend:	
Cash and equivalents	\$ 1,992,192
Certificates of deposit	252,349
Total financial assets	2,244,541
Amounts not available to be used within one year	-
Financial assets available to meet general expenditures over the next twelve months	\$ 2,244,541

**4. Deposits and Investments**

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

	2021
Checking Accounts	\$ 650,670
Certificates of Deposit	252,349
Money Market	1,341,522
Total	\$ 2,244,541

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.

**5. Capital Assets**

The Corporation's land and buildings are valued at cost and held for lease. The following is a summary of changes in capital assets for the year ended 2021:

	Balance 2020	Additions	Deductions	Balance 2021
Capital Assets:				
Land and improvements- not being depreciated	\$ 702,585	\$ -	\$ -	\$ 702,585
Capital Assets - Net	\$ 702,585	\$ -	\$ -	\$ 702,585



COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**6. Risk Management**

*Commercial Insurance*

The Corporation has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions

**7. Economic Development Agreement**

On July 25, 2019 the Corporation entered into a joint economic development agreement with the Clinton County Port Authority, Board of Clinton County Commissioners, City of Wilmington and the Clinton County Convention and Visitors Bureau. The Clinton County Port Authority will be the lead agency in providing services to promote economic welfare and improve economic opportunities in Clinton County. The agreement is for five years from June 1, 2019 to June 1, 2024 and can be cancelled with at least ninety days written notice. Under the agreement the corporation is obligated to contribute \$20,000 each year to the Clinton County Port Authority.

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# OHIO AUDITOR OF STATE KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
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800-282-0370

## 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  
Wilmington, Ohio 45177

To the Corporation:

We have audited, in accordance with the 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 (*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, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated June 26, 2024.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

*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 and correct 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 Corporation's financial statements will not be prevented, or detected and corrected, on a timely basis. *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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on 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*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio  
June 26, 2024

# OHIO AUDITOR OF STATE KEITH FABER



**COMMUNITY IMPROVEMENT CORPORATION OF WILMINGTON**

**CLINTON COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 7/9/2024**

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)