

Downtown Wilmington Community  
Improvement Corporation  
Wilmington, Ohio

Financial Statements

For the Year Ending December 31, 2007 and 2006





Mary Taylor, CPA  
Auditor of State

Board of Trustees  
Downtown Wilmington Community Improvement Corporation  
69 North South Street  
Wilmington, Ohio 45177

We have reviewed the *Independent Auditors' Report* of the Downtown Wilmington Community Improvement Corporation, Clinton County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period January 1, 2006 through December 31, 2007. 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 Downtown Wilmington Community Improvement Corporation is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

July 9, 2008

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Downtown Wilmington Community  
Improvement Corporation

For the Year Ending December 31, 2007 and 2006

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## Independent Auditors' Report

Board of Trustees  
Downtown Wilmington Community Improvement Corporation

I have audited the accompanying statements of financial position of Downtown Wilmington Community Improvement Corporation, Ohio, (a nonprofit corporation) as of and for the year ended December 31, 2007 and 2006, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Downtown Wilmington Community Improvement Corporation, Ohio, management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Downtown Wilmington Community Improvement Corporation, Ohio, as of December 31, 2007 and 2006, and the change in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United State of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 3, 2008, on my consideration of Downtown Wilmington Community Improvement Corporation, Ohio's internal control over financial reporting and my 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 my testing of internal control over financial reporting 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 Auditing Standards and should be read in conjunction with this report in considering the result of my audit.

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Salvatore Consiglio, CPA, Inc.  
June 3, 2008

DOWNTOWN WILMINGTON COMMUNITY IMPROVEMENT CORPORATION  
Statement of Financial Position  
December 31,

	<b>2007</b>	<b>2006</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$27,503	\$12,951
Security Deposit	275	275
	27,778	13,226
Total current assets		
Property net of Depreciation	166,556	64,909
Total Assets	\$194,334	\$78,135
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Current Liabilities		
Current loan Payable	\$1,132	\$983
Noncurrent Liabilities		
Loan Payable	118,875	45,007
Security Deposit Payable	275	275
	120,282	46,265
Total Liabilities		
Net Assets:		
Unrestricted net assets:		
Operating	27,503	12,951
Capital assets	46,549	18,919
	74,052	31,870
Total unrestricted net assets		
Total Liabilities and Net Assets	\$194,334	\$78,135

See accompanying notes to financial statements

DOWNTOWN WILMINGTON COMMUNITY IMPROVEMENT CORPORATION  
Statement of Activities  
December 31,

	2007	2006
<b>REVENUES:</b>		
Grant Program Income	\$40,000	\$21,559
Membership Income	53,750	45,951
Rental Income	6,212	6,600
Program Income	8,990	3,893
Miscellaneous Income	944	0
	109,896	78,003
<b>EXPENSES:</b>		
General and Administrative Expenses:		
Salaries and related expenses	29,422	42,803
Professional fees	2,346	968
Contractual services	1,750	4,210
Supplies	576	80
Utilities	1,735	1,685
Insurance	1,095	675
Maintenance and repairs	1,864	0
Training	0	745
Rental expense	6,000	5,500
Taxes	1,098	0
Program expenses	13,228	14,695
Interest expense	4,196	4,277
Depreciation	4,404	3,091
	67,714	78,729
Excess revenue over expenses	42,182	(726)
Net Assets – unrestricted at beginning of year	31,870	32,596
Net Assets – unrestricted at end of year	\$74,052	\$31,870

See accompanying notes to financial statements



DOWNTOWN WILMINGTON COMMUNITY IMPROVEMENT CORPORATION

Statement of Cash Flows

For the Year Ended December 31,

	<b>2007</b>	<b>2006</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash from Program Revenue	\$8,990	\$3,893
Cash from Membership Dues	53,750	45,951
Cash from Rental Income	6,212	6,600
Cash from Grants	40,000	21,559
Cash from Other Sources	944	0
Cash Paid for Operating Expenses	(63,310)	(74,610)
	<b>46,586</b>	<b>2,365</b>
<b>Net cash provided (used) by operating activities</b>		
<b>CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES</b>		
Capital Expenditure	(106,051)	0
Loan Proceeds received	75,000	0
Debt principal payment	(983)	(902)
	<b>(32,034)</b>	<b>(902)</b>
<b>Net cash provided (used) by capital and related activities</b>		
Net increase (decrease) in cash	14,552	1,463
Cash and cash equivalents - Beginning of year	12,951	11,488
	<b>\$27,503</b>	<b>\$12,951</b>
<b>Cash and cash equivalents - End of year</b>		
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Net Operating Income (Loss)	\$42,182	(\$726)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities		
- Depreciation	4,404	3,091
	<b>\$46,586</b>	<b>\$2,365</b>
<b>Net cash provided by operating activities</b>		

See accompanying notes to financial statements

DOWNTOWN WILMINGTON COMMUNITY IMPROVEMENT CORPORATION  
Notes to Financial Statements  
December 31, 2007 and 2006

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization and Nature of Activities

The Downtown Wilmington Community Improvement Corporation (the Agency) is a nonprofit organization incorporated in the State of Ohio. The Agency was formed to further develop the revitalization of downtown Wilmington.

In November of 2002, the Downtown Wilmington Community Improvement Corporation (DWCIC), through a competitive application process with Historical Ohio Inc., was named a Main Street community. This designation entitles the DWCIC to the resources and expertise of this state organization. The "Main Street Wilmington Program" became a branch of the DWCIC, with a separate checking account established to designate those activities. As a branch of the Downtown Wilmington Community Improvement Corporation, the goals of the program and the DWCIC are one and the same, therefore the revenues and expenses are reported in whole on these financial statements.

Public Support and Revenue

Contributions received are generally available for unrestricted use in the current year unless specifically restricted by the donor. If restricted contributions are received it is recorded as temporarily restricted until the donor restriction is satisfied. At that point, the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Taxes

The Agency is a nonprofit organization as described in Section 501(c)(6) of the Internal Revenue Code and is exempt from federal and state income taxes.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the use of management's estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Agency considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents.

DOWNTOWN WILMINGTON COMMUNITY IMPROVEMENT CORPORATION  
Notes to Financial Statements  
December 31, 2007 and 2006

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property and Equipment

Property is capitalized at cost. It is the Agency's policy to capitalize expenditures for items in excess of \$500. Lesser amounts are expensed. The building owned by the Agency is being depreciated over estimated useful lives of 27 ½ - 39 years and computer equipment is depreciated over 3 years using a straight-line method, with a half of a year's depreciation recognized in the years of acquisition. Depreciation expense amounted to \$4,404(2007) and \$3,091(2006).

**NOTE 2: LOAN PAYABLE**

In February 2001, the Agency obtained an \$54,742 mortgage loan to finance the purchase and repairs of a building. The loan matures on February 15, 2025 and carries a variable interest rate. The rate for 2007 year was 9%. The interest expense incurred for the years ending December 31, 2007 and 2006 are \$ 4,196 and \$ 4,277. The outstanding principal balance \$45,007 as of December 31, 2007 and \$45,990 at December 31, 2006.

On June 22, 2007, the Downtown Wilmington Community Improvement Corporation received financial assistance from the City of Wilmington with a UDAG Term Loan (loan number 242.740.5574) in the amount of \$75,000 with an interest rate of 0% and no payment due until maturity, June 22, 2014. This loan is designated for the purchase and renovations of property at 59 W. Sugartree Street.

The following is a summary of changes in long-term debt for the year ended December 31, 2007 and 2006:

DESCRIPTION	BALANCE 12/31/05	ISSUED	RETIRED	BALANCE 12/31/06
Loan Payable	\$46,892	\$0	\$902	\$45,990
TOTAL	\$46,892	\$ 0	\$ 902	\$45,990

DESCRIPTION	BALANCE 12/31/06	ISSUED	RETIRED	BALANCE 12/31/07
Loan Payable	\$45,990	\$75,000	\$983	\$120,007
TOTAL	\$45,990	\$75,000	\$ 983	\$120,007

DOWNTOWN WILMINGTON COMMUNITY IMPROVEMENT CORPORATION  
Notes to Financial Statements  
December 31, 2007 and 2006

**NOTE 2: LOAN PAYABLE (Continued)**

Maturities of the debt are as follows:

<u>Years</u>	<u>Principal</u>
2008	\$1,132
2009	1,234
2010	1,345
2011	1,467
2012	1,598
2013-2017	<u>113,231</u>
Total	<u><u>\$120,007</u></u>

**NOTE 3: FINANCIAL STATEMENT PRESENTATION**

The Agency has adopted Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Agency 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. In addition, the Agency is required to present a statement of cash flows.



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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

Board of Trustees  
Downtown Wilmington Community Improvement Corporation, Ohio

I have audited the financial statements of the business-type activities of the Downtown Wilmington Community Improvement Corporation, Ohio, Ohio, as of and for the year ended December 31, 2007 and 2006, which collectively comprise the Downtown Wilmington Community Improvement Corporation, Ohio basic financial statements and have issued my report thereon dated June 3, 2008. I conducted my 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.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Downtown Wilmington Community Improvement Corporation, Ohio, Ohio's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the entity'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 entity'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 authority's financial statements that is more than inconsequential will not be prevented or detected by the authority'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 authority's internal control.

My 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. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Downtown Wilmington Community Improvement Corporation, Ohio financial statements are free of material misstatement, I performed tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The result of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Board of Directors, management, and federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.

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Salvatore Consiglio, CPA, Inc.

June 3, 2008



**Mary Taylor, CPA**  
Auditor of State

**DOWNTOWN WILMINGTON COMMUNITY IMPROVEMENT CORPORATION**

**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  
JULY 22, 2008**