

Downtown Wilmington Community
Improvement Corporation
Wilmington, Ohio

Financial Statements

For the Years Ending December 31, 2005 and 2004



**Auditor of State
Betty Montgomery**

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, 2004 through December 31, 2005. 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.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

November 13, 2006

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Downtown Wilmington Community
Improvement Corporation

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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, 2005 and 2004, 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, 2005 and 2004, 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 September 29, 2006, 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 our 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.



Salvatore Consiglio, CPA, Inc.
September 29, 2006

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

	2005	2004
ASSETS		
Current assets:		
Cash and cash equivalents	\$11,488	\$11,257
Security Deposit	275	275
Total current assets	11,763	11,532
Property net of Depreciation	68,000	71,091
Total Assets	\$79,763	\$82,623
 LIABILITIES AND NET ASSETS		
Liabilities:		
Loan Payable	\$46,892	\$47,708
Security Deposit Payable	275	275
Total Liabilities	47,167	47,983
 Net Assets:		
Unrestricted net assets:		
Operating	11,488	11,257
Fixed assets	21,108	23,383
Total unrestricted net assets	32,596	34,640
Total Liabilities and Net Assets	\$79,763	\$82,623

See accompanying notes to financial statements

DOWNTOWN WILMINGTON COMMUNITY IMPROVEMENT CORPORATION
Statement of Activities
December 31,

	2005	2004
REVENUES:		
Contributions	\$7,494	\$7,132
Membership Income	61,548	52,817
Rental Income	6,600	7,150
Sales	45	235
Miscellaneous Income	56	38
	75,743	67,372
EXPENSES:		
General and Administrative Expenses:		
Salaries and related expenses	38,063	32,757
Professional Fees	855	380
Contractual Services	1,736	1,248
Supplies	1,545	1,861
Utilities	1,494	1,318
Insurance	725	675
Maintenance and Repair	319	262
Rental Expense	6,000	6,000
Miscellaneous Expense	3,031	2,487
Program Expenses	16,565	16,779
Interest Expense	4,363	4,422
Depreciation	3,091	3,414
	77,787	71,603
Changes in Net Assets	(2,044)	(4,231)
Net Assets – unrestricted at beginning of year	34,640	38,871
	\$32,596	\$34,640
Net Assets – unrestricted at end of year	\$32,596	\$34,640

See accompanying notes to financial statements

DOWNTOWN WILMINGTON COMMUNITY IMPROVEMENT CORPORATION
Statement of Cash Flows
December 31,

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash from Contributions	\$7,494	\$7,132
Cash from Membership Dues	61,548	52,817
Cash from Rental Income	6,600	7,150
Cash from Other Sources	101	1,615
Cash Paid for Operating Expenses	(74,696)	(68,189)
Net cash provided by operating activities	1,047	525
CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES		
Debt payment – principle	(816)	(757)
Net cash used by capital and related activities	(816)	(757)
Net increase (decrease) in cash and cash equivalents	231	(232)
Cash and cash equivalents as of beginning of year	11,257	11,489
Cash and cash equivalents as of end of year	\$11,488	\$11,257
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	(\$2,044)	(\$4,231)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	3,091	3,414
Decreases in account receivable	0	1,342
Net cash provided by operating activities	\$1,047	\$525

See accompanying notes to financial statements

DOWNTOWN WILMINGTON COMMUNITY IMPROVEMENT CORPORATION
Notes to Financial Statements
December 31, 2005

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.

The Agency source of funding includes contribution received from the City of Wilmington, revenue earned from services rendered and membership fees. For the years ending December 31, 2005 and 2004 contribution from the City of Wilmington represented 33% and 22%, respectively.

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 and 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.

DOWNTOWN WILMINGTON COMMUNITY IMPROVEMENT CORPORATION
Notes to Financial Statements
December 31, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 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. For the year ended December 31, 2005 and 2004, depreciation expense amounted to \$3,091 and \$3,414, respectively.

NOTE 2: LOAN PAYABLE

In June 2000, the Agency obtained an \$85,000 mortgage loan to finance the purchase and repairs of a building. The interest expense incurred for the year ending December 31, 2005 and 2004 are \$4,363 and \$4,422, respectively.

The outstanding principal balance on the mortgage is \$46,892 as of December 31, 2005 and \$47,708 at December 31, 2004.

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.

DOWNTOWN WILMINGTON COMMUNITY IMPROVEMENT CORPORATION
Notes to Financial Statements
December 31, 2005

NOTE 4: CAPITAL ASSETS

The following is a summary of the changes in capital assets:

	Balance 12/31/04	Additions	Deletion	Balance 12/31/05
Capital Assets Being Depreciated:				
Buildings	\$85,000	0	0	\$85,000
Computer Equipment	1,936	0	0	1,936
Total Capital Assets Being Depreciated	86,936	0	0	86,936
Accumulated Depreciation	(15,845)	(3,091)	0	(18,936)
Total Capital Assets, Net	\$71,091	(\$3,091)	\$0	\$68,000

	Balance 12/31/03	Additions	Deletion	Balance 12/31/04
Capital Assets Being Depreciated:				
Buildings	\$85,000	0	0	\$85,000
Computer Equipment	1,936	0	0	1,936
Total Capital Assets Being Depreciated	86,936	0	0	86,936
Accumulated Depreciation	(12,431)	(3,414)	0	(15,845)
Total Capital Assets, Net	\$74,505	(\$3,414)	\$0	\$71,091



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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

I have audited the financial statements of the Downtown Wilmington Community Improvement Corporation, Ohio, as of and for the year ended December 31, 2005 and 2004, and have issued my report thereon dated September 29, 2006. I conducted my audit in accordance with auditing standards generally accepted in the United State 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's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal component does not reduce to a relatively low level the risk that misstatement in amounts that would be material in relation the financial statements being auditing may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Downtown Wilmington Community Improvement Corporation, Ohio's financial statements are free of material misstatement, I 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 determination of financial statement 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 results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors, management, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



Salvatore Consiglio, CPA, Inc.

September 29, 2006



**Auditor of State
Betty Montgomery**

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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
NOVEMBER 30, 2006**