

Downtown Wilmington Community
Improvement Corporation
Wilmington, Ohio

Financial Statements

For the Year Ending December 31, 2009 and 2008



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, 2008 through December 31, 2009. 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 14, 2010

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Downtown Wilmington Community
Improvement Corporation

For the Year Ending December 31, 2009 and 2008

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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, 2009 and 2008, 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, 2009 and 2008, 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 May 24, 2010, 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.

Salvatore Consiglio, CPA, Inc.
May 24, 2010

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

	2009	2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 12,936	\$ 7,420
Security deposit	275	275
Total current assets	13,211	7,695
 Property net of Depreciation	 191,384	 198,239
 Total Assets	 \$ 204,595	 \$ 205,934
LIABILITIES AND NET ASSETS		
Liabilities:		
Current Liabilities		
Accounts payable	\$ 51	\$ -
Payroll taxes payable	959	862
Current loan payable	1,329	1,161
Total current liabilities	2,339	2,023
Noncurrent Liabilities		
Security deposit payable	1,275	800
Loan payable	141,445	142,774
Total noncurrent liabilities	142,720	143,574
 Total Liabilities	 145,059	 145,597
Net Assets:		
Unrestricted net assets:		
Operating	10,926	6,033
Capital assets	48,610	54,304
Total unrestricted net assets	59,536	60,337
 Total Liabilities and Net Assets	 \$ 204,595	 \$ 205,934

See accompanying notes to financial statements

DOWNTOWN WILMINGTON COMMUNITY IMPROVEMENT CORPORATION
Statement of Activities
December 31,

	2009	2008
REVENUES:		
Grant Program Income	\$ 9,000	\$ 9,000
Membership Income	41,097	53,760
Rental Income	13,400	9,963
Program Income	8,740	6,786
Miscellaneous Income	-	908
Total Revenue	72,237	80,416
EXPENSES:		
Salaries and related expenses	32,628	33,725
Professional fees	600	738
Contractual services	1,752	11,200
Supplies	303	-
Dues	450	-
Utilities	1,128	2,138
Website expenses	480	-
Insurance	1,722	2,231
Training	1,675	2,069
Rental expense	3,750	6,000
Miscellaneous expense	1,454	1,907
Taxes	2,731	3,097
Program expenses	13,493	20,644
Interest expense	4,018	4,181
Depreciation	6,855	6,201
Total Expenses	73,039	94,131
Excess revenue over expenses	(802)	(13,715)
Net Assets – unrestricted at beginning of year	60,337	74,052
Net Assets – unrestricted at end of year	\$ 59,536	\$ 60,337

See accompanying notes to financial statements

DOWNTOWN WILMINGTON COMMUNITY IMPROVEMENT CORPORATION
Statement of Cash Flows
For the Year Ended December 31,

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash from Program Revenue	\$ 8,740	\$ 6,786
Cash from Membership Dues	41,097	53,760
Cash from Rental Income	13,875	10,488
Cash from Grants	9,000	9,000
Cash from Other Sources	-	908
Cash Paid for Operating Expenses	(66,035)	(87,068)
	6,677	(6,127)
CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES		
Capital Expenditure	-	(37,884)
Loan Proceeds received	-	25,000
Debt principal payment	(1,161)	(1,072)
	(1,161)	(13,956)
Net cash provided (used) by operating activities	6,677	(6,127)
Net cash provided (used) by capital and related activities	(1,161)	(13,956)
Net increase (decrease) in cash	5,516	(20,083)
Cash and cash equivalents - Beginning of year	7,420	27,503
	\$ 12,936	\$ 7,420
Cash and cash equivalents - End of year	\$ 12,936	\$ 7,420
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net Operating Income (Loss)	\$ (802)	\$ (13,715)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities		
- Depreciation	6,855	6,201
- Increase in accounts payable	51	-
- Increase in payroll taxes payable	98	862
- Increase in tenant security deposits	475	525
	6,879	6,389
Net cash provided by operating activities	\$ 6,677	\$ (6,127)

See accompanying notes to financial statements

DOWNTOWN WILMINGTON COMMUNITY IMPROVEMENT CORPORATION
Notes to Financial Statements
December 31, 2009 and 2008

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.

DOWNTOWN WILMINGTON COMMUNITY IMPROVEMENT CORPORATION
Notes to Financial Statements
December 31, 2009 and 2008

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 - 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 \$6,855 (2009) and \$6,201 (2008).

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 the rate for 2009 year was 9%. The interest expense incurred for the years ending December 31, 2009 and 2008 are \$4,018 and \$4,181. The outstanding principal balance \$42,774 as of December 31, 2009 and \$43,935 at December 31, 2008.

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. The loan agreement was amended on June 19, 2008 increasing the term loan to \$100,000. 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, 2009 and 2008:

DESCRIPTION	BALANCE 12/31/07	ISSUED	RETIRED	BALANCE 12/31/08	DUE NEXT YEAR
Loan Payable	\$120,007	\$25,000	\$1,072	\$143,935	\$1,161
TOTAL	\$120,007	\$25,000	\$1,072	\$143,935	\$1,161

DOWNTOWN WILMINGTON COMMUNITY IMPROVEMENT CORPORATION
Notes to Financial Statements
December 31, 2009 and 2008

NOTE 2: LOAN PAYABLE – (Continued)

DESCRIPTION	BALANCE 12/31/08	ISSUED	RETIRED	BALANCE 12/31/09	DUE NEXT YEAR
Loan Payable	\$143,935	\$0	\$1,161	\$142,774	\$1,329
TOTAL	<u>\$143,935</u>	<u>\$0</u>	<u>\$1,161</u>	<u>\$142,774</u>	<u>\$1,329</u>

Maturities of the debt are as follows:

<u>Years</u>	<u>Principal</u>
2010	\$1,329
2011	1,449
2012	1,579
2013	1,721
2014	1,876
2015-2025	134,820
Total	<u>\$142,774</u>

NOTE 3: FINANCIAL STATEMENT PRESENTATION

The Agency has adopted Accounting Standards Codification (ASC) Topic 958, Not-for-Profit Entities: Presentation of Financial Statements. Under ASC Topic 958, 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.

NOTE 4: CAPITAL ASSETS

The following is a summary of changes in capital assets for 2008 and 2009:

<u>DESCRIPTION</u>	<u>BALANCE 01/01/08</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 12/31/08</u>
Land	\$ 11,500	\$ -	\$ -	\$ 11,500
Building	179,551	37,884	-	217,435
Equipment	1,936	-	-	1,936
Total Capital Assets	<u>192,987</u>	<u>37,884</u>	<u>-</u>	<u>230,871</u>
Accumulated Depreciation				
Building	(24,495)	(6,201)	-	(30,696)
Equipment	(1,936)	-	-	(1,936)
Total Accumulated Depreciation	<u>(26,431)</u>	<u>(6,201)</u>	<u>-</u>	<u>(32,632)</u>
Total Capital Assets, Net	<u>\$ 166,556</u>	<u>\$ 31,683</u>	<u>\$ -</u>	<u>\$ 198,239</u>

DOWNTOWN WILMINGTON COMMUNITY IMPROVEMENT CORPORATION
Notes to Financial Statements
December 31, 2009 and 2008

NOTE 4: CAPITAL ASSETS (Continued)

<u>DESCRIPTION</u>	<u>BALANCE</u>			<u>BALANCE</u>
	<u>01/01/09</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>12/31/09</u>
Land	\$ 11,500	\$ -	\$ -	\$ 11,500
Building	217,435	-	-	217,435
Equipment	1,936	-	-	1,936
Total Capital Assets	<u>230,871</u>	<u>-</u>	<u>-</u>	<u>230,871</u>
Accumulated Depreciation				
Building	(30,696)	(6,855)	-	(37,551)
Equipment	(1,936)	-	-	(1,936)
Total Accumulated Depreciation	<u>(32,632)</u>	<u>(6,855)</u>	<u>-</u>	<u>(39,487)</u>
Total Capital Assets, Net	<u>\$ 198,239</u>	<u>\$ (6,855)</u>	<u>\$ -</u>	<u>\$ 191,384</u>



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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, 2009 and 2008, which collectively comprise the Downtown Wilmington Community Improvement Corporation, Ohio basic financial statements and have issued my report thereon dated May 24, 2010. 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 and management and is not intended to be and should not be used by anyone other than those specified parties.

Salvatore Consiglio, CPA, Inc.
May 24, 2010



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 27, 2010