



**Auditor of State
Betty Montgomery**

**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Westerville Industry and Commerce Corporation
Franklin County
33 East Schrock Road
Westerville, Ohio 43081

We have audited the accompanying financial statements of the Westerville Industry and Commerce Corporation, Franklin County, Ohio (the Corporation) as of and for the years ended December 31, 2002 and December 31, 2001, as listed in the table of contents. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Westerville Industry and Commerce Corporation, Franklin County, Ohio, as of December 31, 2002 and December 31, 2001, and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2003 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 grants. 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 results of our audit.

A handwritten signature in black ink that reads "Betty Montgomery".

**Betty Montgomery
Auditor of State**

August 27, 2003

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**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2002**

Assets	
Current Assets:	
Cash	\$ 176,544
Loans receivable	<u>125,000</u>
Total assets	301,544
Liabilities	
Current liabilities:	
	<u>-</u>
Total current liabilities	-
Net Assets	<u>301,544</u>
Total liabilities and net assets	<u><u>\$ 301,544</u></u>

The notes to the financial statements are an integral part of this statement.

**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2001**

Assets	
current assets:	
Cash	\$ 92,323
Loans receivable	<u>206,894</u>
Total assets	299,217
Liabilities	
Current liabilities:	
	<u>-</u>
Total current liabilities	-
Net Assets	<u>299,217</u>
Total liabilities and net assets	<u><u>\$299,217</u></u>

The notes to the financial statements are an integral part of this statement.

**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002**

Operating Revenue	
Member Dues	\$ 8
Total operating revenue	8
Operating Expenses	
Total operating expenses	<u>-</u>
Change in Net Assets	8
Nonoperating income (expenses)	
Interest revenue	2,319
Net Assets, beginning of year	<u>299,217</u>
Net Assets, end of year	<u><u>\$ 301,544</u></u>

The notes to the financial statements are an integral part of this statement.

**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2001**

Operating Revenue	
Member Dues	<u>\$ 7</u>
Total operating revenue	7
Operating Expenses	
Total operating expenses	<u>-</u>
Change in Net Assets	7
Nonoperating income (expenses)	
Interest revenue	1,937
Net Assets, beginning of year	<u>297,273</u>
Net Assets, end of year	<u><u>\$ 299,217</u></u>

The notes to the financial statements are an integral part of this statement.

**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2002**

Cash flows from operating activities:	
Cash received from member dues	\$ 8
Cash received from loan repayments	181,894
Cash loan payments to businesses	<u>(100,000)</u>
Net cash provided (used) by operating activities	81,902
Cash flows from investing activities	
Interest earned on investments	<u>2,319</u>
Net cash provided (used) by investing activities	<u>2,319</u>
Net increase (decrease) in cash / cash equivalents	84,221
Cash / cash equivalents, beginning of year	<u>92,323</u>
Cash / cash equivalents, end of year	<u><u>\$ 176,544</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	8
Change in assets and liabilities:	
Decrease (increase) in loans receivable	<u>81,894</u>
Net cash provided (used) by operating activities	<u><u>\$ 81,902</u></u>

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

**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001**

Cash flows from operating activities:	
Cash received from member dues	<u>\$ 7</u>
Net cash provided (used) by operating activities	<u>7</u>
Cash flows from investing activities	
Interest earned on investments	<u>1,938</u>
Net cash provided (used) by investing activities	<u>1,938</u>
Net increase (decrease) in cash / cash equivalents	1,945
Cash / cash equivalents, beginning of year	<u>90,378</u>
Cash / cash equivalents, end of year	<u><u>\$ 92,323</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	<u>7</u>
Net cash provided (used) by operating activities	<u><u>\$ 7</u></u>

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

**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001**

1. DESCRIPTION OF ENTITY

The Westerville Industry and Commerce Corporation (the Corporation) is a not-for-profit corporation that was established September 20, 1965, as certified by the Secretary of State of Ohio. The Board has 7 members. Three members of the Board are from the public sector and four members are from the private sector. One of the public sector members also serves as a member of Westerville City Council. The Corporation is a nonprofit community improvement corporation which was formed for the purpose of advancing, encouraging, and promoting the industrial, economic, commercial and civic development of the City of Westerville.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The financial statements of the Corporation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Corporation 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. As of December 31, 2002 and 2001 net assets are unrestricted.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes – The Corporation is exempt from federal and state income taxes under Internal Revenue Code Section 501(c) (3) and Chapters 1702 and 1724 of the Ohio Revised Code.

3. CASH AND CASH EQUIVALENTS

Cash is secured by the Federal Depository Insurance Corporation. Cash in excess of FDIC coverage is uncollateralized.

4. LOANS RECEIVABLE

The Board approves the awarding of loans to corporations wishing to locate within the City of Westerville. The loans are normally not required to be repaid if certain income tax revenues are generated by the company within a specified period of time. When repayment does occur, the monies repaid are used to issue additional loans. The receivable represents the loans outstanding at the balance sheet date.

**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001
(Continued)**

5. SUBSEQUENT EVENT

On February 11, 2003 the Board approved a loan to Stewart Title Company in the amount of \$20,000.

On June 11, 2003 the Board approved loans to Concord Counseling Services in the amount of \$5,000 and Leader Technology in the amount of \$20,000.

On July 31, 2003 Results Engineering repaid its \$25,000 loan to the Westerville Industry and Commerce Corporation.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Westerville Industry and Commerce Corporation
33 East Schrock Road
Westerville, Ohio 43081

To the Members of the Board of Trustees:

We have audited the financial statements of the Westerville Industry and Commerce Corporation, Franklin County, Ohio, (the Corporation) as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated August 27, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Corporation in a separate letter dated August 27, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our 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 control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses. However, we noted another matter involving the internal control over financial reporting that does not require inclusion in this report that we have reported to management of the Corporation in a separate letter date August 27, 2003.

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Westerville Industry and Commerce Corporation
Franklin County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended for the information and use of management and the Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

August 27, 2003



**Auditor of State
Betty Montgomery**

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WESTERVILLE INDUSTRY AND COMMERCE CORPORATION

FRANKLIN 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
OCTOBER 16, 2003**