



**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  
935 Eastwind Drive  
Westerville, Ohio 43082

To the Board of Trustees:

We have audited the accompanying financial statements of the Westerville Industry and Commerce Corporation, Franklin County, Ohio (the Corporation), as of December 31, 2004 and December 31, 2003, 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 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 respective financial position of the Westerville Industry and Commerce Corporation, Franklin County, Ohio, as of December 31, 2004 and December 31, 2003, and the respective 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 November 14, 2005, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

**Betty Montgomery**  
Auditor of State

November 14, 2005

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**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION  
FRANKLIN COUNTY**

**STATEMENT OF FINANCIAL POSTION  
AS OF DECEMBER 31, 2004**

Assets	
Current Assets:	
Cash	\$ 56,006
Loans receivable	<u>245,280</u>
 Total assets	 <u><u>301,286</u></u>
 Liabilities	
Current liabilities	<u>-</u>
 Total current liabilities	 <u>-</u>
 Net Assets	
Unrestricted	<u>301,286</u>
 Total liabilities and net assets	 <u><u>\$ 301,286</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 POSTION  
AS OF DECEMBER 31, 2003**

Assets	
Current Assets:	
Cash	\$ 80,628
Loans receivable	<u>220,280</u>
 Total assets	 <u><u>300,908</u></u>
 Liabilities	
Current liabilities	<u>-</u>
 Total current liabilities	 <u>-</u>
 Net Assets	
Unrestricted	<u>300,908</u>
 Total liabilities and net assets	 <u><u>\$ 300,908</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, 2004**

Operating Revenue	
Total operating revenue	<u>\$ -</u>
Operating Expenses	
Total operating expenses	<u>-</u>
Change in Net Assets	-
Nonoperating income(expenses)	
Interest revenue	378
Net Assets, beginning of year	<u>300,908</u>
Net Assets, end of year	<u><u>\$ 301,286</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, 2003**

Operating Revenue	
Member dues	\$       7
Reimbursed meeting	<u>1,200</u>
Total operating revenue	1,207
Operating Expenses	<u>3,307</u>
Total operating expenses	<u>3,307</u>
Change in Net Assets	<u>(2,100)</u>
Nonoperating income(expenses)	
Interest revenue	1,464
Net Assets, beginning of year	<u>301,544</u>
Net Assets, end of year	<u><u>\$ 300,908</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, 2004**

Cash flows from operating activities:	
Cash loan payments to businesses	<u>\$ (25,000)</u>
Net cash provided (used) by operating activities	(25,000)
Cash flows from investing activities	
Interest earned on investments	<u>378</u>
Net cash provided (used) by investing activities	<u>378</u>
Net increase (decrease) in cash / cash equivalents	(24,622)
Cash / cash equivalents, beginning of year	<u>80,628</u>
Cash / cash equivalents, end of year	<u><u>\$ 56,006</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	-
Change in assets and liabilities:	
Decrease (increase) in loans receivable	<u>(25,000)</u>
Net cash provided (used) by operating activities	<u><u>\$ (25,000)</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, 2003**

Cash flows from operating activities:	
Cash received from member dues	\$ 7
Cash received from meeting	1,200
Cash disbursed for operating expenses	(3,307)
Cash received from loan repayment	25,000
Cash loan payments to businesses	<u>(120,280)</u>
Net cash provided (used) by operating activities	(97,380)
Cash flows from investing activities	
Interest earned on investments	<u>1,464</u>
Net cash provided (used) by investing activities	<u>1,464</u>
Net increase (decrease) in cash / cash equivalents	(95,916)
Cash / cash equivalents, beginning of year	<u>176,544</u>
Cash / cash equivalents, end of year	<u><u>\$ 80,628</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	(2,100)
Change in assets and liabilities:	
Decrease (increase) in loans receivable	<u>(95,280)</u>
Net cash provided (used) by operating activities	<u><u>\$ (97,380)</u></u>

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

**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

**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, 2004 and 2003 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.

**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.

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## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Westerville Industry and Commerce Corporation  
Franklin County  
935 Eastwind Drive  
Westerville, Ohio 43082

To 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, 2004 and December 31, 2003, and have issued our report thereon dated November 14, 2005. 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 the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Corporation's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the Corporation's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. However, in a separate letter to the Corporation's management dated November 14, 2005, we reported other matters related to noncompliance we deemed immaterial.

Westerville Industry and Commerce Corporation  
Franklin County  
Independent Accountants' Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Required by *Governmental Auditing Standards*  
Page 2

We intend this report solely for the information and use of the management and Board of Trustees. It is not intended for 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

November 14, 2005





**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  
FEBRUARY 9, 2006**