



**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION  
FRANKLIN COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**



**Dave Yost • Auditor of State**



**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION  
FRANKLIN COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Financial Statements	
Statement of Financial Position for the Year Ended December 31, 2010.....	3
Statement of Activities for the Year Ended December 31, 2010.....	4
Statement of Cash Flows for the Year Ended December 31, 2010 .....	5
Statement of Financial Position for the Year December 31, 2009 .....	6
Statement of Activities for the Year Ended December 31, 2009.....	7
Statement of Cash Flows for the Year Ended December 31, 2009 .....	8
Notes to the Financial Statements .....	9
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	11
Schedule of Prior Audit Findings.....	13

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Westerville Industry and Commerce Corporation  
Franklin County  
21 South State Street  
Westerville, Ohio 43086

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 and for the years ended December 31, 2010 and 2009, 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 opinions.

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, 2010 and 2009, and the respective changes in financial position and cash flows, thereof, 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 May 31, 2011, 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 "Dave Yost".

**Dave Yost**  
Auditor of State

May 31, 2011

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**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION  
FRANKLIN COUNTY**

**STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**Assets**

**Current Assets:**

Cash	\$ 74,580
Loans receivable	20,000
<b>Total Current Assets</b>	<u>94,580</u>

**Non-current Assets:**

Loans Receivable	<u>206,900</u>
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<b>Total Assets</b>	<u>301,480</u>
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**Net Assets**

Unrestricted Net Assets	<u>\$ 301,480</u>
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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, 2010**

<b>Operating Revenue</b>	
Member Dues	\$ 9
<b>Total operating revenue</b>	<u>9</u>
<b>Operating Expenses</b>	
Forgiven Loan Expense	(5,000)
Professional Consulting Expense	(3,800)
Miscellaneous Expenses	(368)
<b>Total operating expenses</b>	<u>(9,168)</u>
<b>Operating Loss</b>	(9,159)
<b>Nonoperating income</b>	
Interest revenue	449
<b>Total nonoperating income</b>	<u>449</u>
<b>Change in Net Assets</b>	(8,710)
<b>Net Assets, beginning of year</b>	<u>310,190</u>
<b>Net Assets, end of year</b>	<u><u>\$ 301,480</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, 2010**

<b>Cash flows from operating activities</b>	
Cash received from member dues	\$ 9
Cash dispersed for operating expenses	(368)
Cash loan payments to businesses	(68,900)
Cash dispersed for professional consulting	(3,800)
<b>Net cash used by operating activities</b>	<u>(73,059)</u>
<b>Cash flows from investing activities</b>	
Interest earned on investments	449
<b>Net cash provided by investing activities</b>	<u>449</u>
<b>Net decrease in cash and cash equivalents</b>	(72,610)
<b>Cash and cash equivalents, beginning of year</b>	<u>147,190</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 74,580</u></u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
<b>Operating loss</b>	(9,159)
<b>Changes in assets and liabilities:</b>	
Increase in loans receivable	<u>(63,900)</u>
<b>Net cash used by operating activities</b>	<u><u>\$ (73,059)</u></u>

**Non-cash Operating Activities:** The Corporation forgave a \$5,000 loan during the fiscal year.

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

**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION  
FRANKLIN COUNTY**

**STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2009**

<b>Assets</b>	
<b>Current Assets:</b>	
Cash	\$ 147,190
Loans receivable	<u>5,000</u>
<b>Total Current Assets</b>	<u>152,190</u>
<b>Non-current Assets:</b>	
Loans Receivable	<u>158,000</u>
<b>Total Assets</b>	<u>310,190</u>
<b>Net Assets</b>	
Unrestricted Net Assets	<u><u>\$ 310,190</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, 2009**

<b>Operating Revenue</b>	
Member Dues	\$ 9
Funds received from the City of Westerville	20,000
<b>Total operating revenue</b>	<u>20,009</u>
 <b>Operating Expenses</b>	
Forgiven Loan Expense	(20,000)
Professional Consulting Expense	(4,000)
Miscellaneous Expenses	(2,151)
<b>Total operating expenses</b>	<u>(26,151)</u>
 <b>Operating Loss</b>	 (6,142)
 <b>Nonoperating income</b>	
Interest revenue	1,310
<b>Total nonoperating income</b>	<u>1,310</u>
 <b>Change in Net Assets</b>	 (4,832)
 <b>Net Assets, beginning of year</b>	 <u>315,022</u>
 <b>Net Assets, end of year</b>	 <u><u>\$ 310,190</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, 2009**

<b>Cash flows from operating activities</b>	
Cash received from member dues	\$ 9
Cash received from City of Westerville	20,000
Cash dispersed for operating expenses	(2,151)
Cash loan payments to businesses	(55,000)
Cash dispersed for professional consulting	(4,000)
<b>Net cash used by operating activities</b>	<u>(41,142)</u>
<b>Cash flows from investing activities</b>	
Interest earned on investments	<u>1,310</u>
<b>Net cash provided by investing activities</b>	1,310
<b>Net decrease in cash and cash equivalents</b>	(39,832)
<b>Cash and cash equivalents, beginning of year</b>	<u>187,022</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 147,190</u></u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
<b>Operating loss</b>	(6,142)
<b>Changes in assets and liabilities:</b>	
Increase in loans receivable	<u>(35,000)</u>
<b>Net cash used by operating activities</b>	<u><u>\$ (41,142)</u></u>

**Non-cash Operating Activities:** The Corporation forgave a \$20,000 loan during the fiscal year.

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

**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

**1. DESCRIPTION OF ENTITY**

The Westerville Industry and Commerce Corporation (the Corporation) is a not-for-profit community improvement corporation organized and existing under Chapter 1724 of the Ohio Revised Code. The Corporation was established September 20, 1965, as certified by the Secretary of State of Ohio. The Board has seven (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, as a nonprofit community improvement corporation, 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 POLICES**

**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, 2010 and 2009 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.

**4. LOANS RECEIVABLE**

The Board reviews and approves the awarding of certain loans to corporations wishing to locate within the City of Westerville as a means to incentivize job creation. Repayment of the loans is normally forgiven if certain income tax revenues are generated by the company within a specified period of time. For fiscal year 2010, a loan of \$5,000 was forgiven and for fiscal year 2009, a loan of \$20,000 was forgiven. When repayment does occur, the monies repaid are used to fund additional loans. The receivable represents the loans outstanding at the balance sheet date, net uncollectible loans.

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## 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  
21 South State Street  
Westerville, Ohio 43086

To the Board of Trustees:

We have audited the basic financial statements of Westerville Industry and Commerce Corporation, Franklin County, Ohio (the Corporation) as of and for the years ended December 31, 2010 and 2009, which collectively comprise the Corporation's financial statements and have issued our report thereon dated May 31, 2011. 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 as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Corporation's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **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 that we must report under *Government Auditing Standards*.

We did note a certain matter not requiring inclusion in this report that we reported to the Corporation's management in a separate letter dated May 31, 2011.

We intend this report solely for the information and use of the management and the Board of Trustees. We intend it for no one other than these specified parties.

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

**Dave Yost**  
Auditor of State

May 31, 2011



**WESTERVILLE INDUSTRY AND COMMERCE CORPORATION  
FRANKLIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2008-001	Tax Filing Requirements – Form 990 filing	Yes	
2008-002	Not-for-Profit Status – ORC 1724.08	Yes	

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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  
JULY 7, 2011**