



**CANAL WINCHESTER INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2007-2006



Mary Taylor, CPA
Auditor of State

**CANAL WINCHESTER INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Canal Winchester Industry and Commerce Corporation
Franklin County
36 S. High Street
Canal Winchester, Ohio 43110

To the Board of Trustees:

We have audited the accompanying financial statements of the Canal Winchester Industry and Commerce Corporation, Franklin County, Ohio (the Corporation), as of and for the years ended December 31, 2007 and December 31, 2006, 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 financial position of the Canal Winchester Industry and Commerce Corporation, Franklin County, Ohio, as of December 31, 2007 and 2006, 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 29, 2008, 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

August 29, 2008

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**CANAL WINCHESTER INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2007**

Assets:	
Cash	\$ 17,911
Liabilities:	
Accounts Payable	40
Net Assets:	
Unrestricted	<u>17,871</u>
Total Liabilities and Net Assets	<u><u>\$ 17,911</u></u>

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

**CANAL WINCHESTER INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007**

Change in Unrestricted Net Assets:

Revenue:	
Sale of Land	<u>\$ 1,400</u>
Total Revenue	<u>1,400</u>
Expenses:	
Improvements	4,108
Miscellaneous	<u>1,302</u>
Total Expenses	<u>5,410</u>
Decrease in Unrestricted Net Assets	(4,010)
Net Assets, Beginning of Year	<u>21,881</u>
Net Assets, End of Year	<u><u>\$ 17,871</u></u>

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

**CANAL WINCHESTER INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2007**

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	\$ (4,010)
Adjustment to reconcile decrease in net assets to net cash used by operating activities:	
Decrease in accounts payable	(151)
NET CASH USED BY OPERATING ACTIVITIES	(4,161)
CASH, BEGINNING OF YEAR	<u>22,072</u>
CASH, END OF YEAR	<u><u>\$ 17,911</u></u>

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

**CANAL WINCHESTER INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2006**

Assets:	
Cash	\$ 22,072
Liabilities:	
Accounts Payable	191
Net Assets:	
Unrestricted	<u>21,881</u>
Total Liabilities and Net Assets	<u>\$ 22,072</u>

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

**CANAL WINCHESTER INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006**

Change in Unrestricted Net Assets:

Revenue:	
Gain on Sale of Land	<u>\$ 131,000</u>
Total Revenue	<u>131,000</u>
Expenses:	
Improvements	127,255
Professional Services	2,450
Maintenance	4,628
Miscellaneous	<u>1,302</u>
Total Expenses	<u>135,635</u>
Decrease in Unrestricted Net Assets	(4,635)
Net Assets, Beginning of Year	<u>26,516</u>
Net Assets, End of Year	<u><u>\$ 21,881</u></u>

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

**CANAL WINCHESTER INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2006**

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	\$ (4,635)
Adjustment to reconcile decrease in net assets to net cash provided by operating activities:	
Increase in accounts payable	191
NET CASH USED FOR OPERATING ACTIVITIES	(4,444)
CASH, BEGINNING OF YEAR	<u>26,516</u>
CASH, END OF YEAR	<u><u>\$ 22,072</u></u>

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

**CANAL WINCHESTER INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

The Canal Winchester Industry and Commerce Corporation (the Corporation), was incorporated in 1994. The Corporation is a nonprofit entity which was formed to encourage and promote the industrial, economic, commercial, and civic development of the Village of Canal Winchester, Ohio, a related organization.

The Corporation's management believes these financial statements present all activities for which the Corporation is financially accountable.

B. Basis of Accounting

Assets and liabilities and revenue and expenses are recognized on the accrual basis of accounting. Therefore, certain revenue and the related assets are recognized when earned rather than when received, and certain expenses are recognized when incurred rather than when the obligation was paid.

C. 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 Organization 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, 2007, and December 31, 2006, net assets are unrestricted.

D. Cash and Cash Equivalents

The Corporation considers short term investments with an original maturity of three months or less to be cash equivalents. The Corporation had no short term investments as of December 31, 2007 and December 31, 2006.

E. Use of Estimates

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

F. 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.

**CANAL WINCHESTER INDUSTRY AND COMMERCE CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

2. LAND FOR RESALE

The Village of Canal Winchester owned approximately 62 acres of land in 2006 and 59 acres of land in 2007 for which the Corporation locates buyers who the Board of Trustees feels will increase industry and commerce in the Village. When a potential buyer is located, the land is transferred from the Village to the Corporation who will proceed with selling the land. No land for resale is reflected on the Corporation's financial statements.

3. DEPOSITS AND INVESTMENTS

The carrying amount of cash at December 31 was as follows:

	<u>2007</u>	<u>2006</u>
Demand deposits	\$17,871	\$21,881

Deposits: Deposits were insured by the Federal Depository Insurance Corporation.

Investments: The Corporation held no investments in 2007 or 2006.

4. RISK MANAGEMENT

Commercial Insurance

The Corporation has obtained comprehensive property and general liability insurance through a private carrier.

5. REAL ESTATE TRANSACTION

In 2007, the Corporation sold a parcel of land in the amount of \$1,400 to Canal Pointe, LLC.

In 2006, the Corporation sold a parcel of land in the amount of \$131,000 to the Alzner Masonry Company.

6. RELATED ORGANIZATION

The Village of Canal Winchester is a legally separate and distinct political subdivision of the State. Two members of the nine-member Board of Trustees of the Corporation are required to be elected or appointed officials of the Village. The Corporation can incur debt, mortgage its property acquired, otherwise issue its obligations for the purpose of acquiring, constructing, improving and equipping buildings, structures and other properties and acquiring sites.



Mary Taylor, CPA

Auditor of State

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

Canal Winchester Industry and Commerce Corporation
Franklin County
36 S. High Street
Canal Winchester, Ohio 43110

To the Board of Trustees:

We have audited the financial statements of the Canal Winchester Industry and Commerce Corporation, Franklin County, Ohio, (the Corporation) as of and for the years ended December 31, 2007, and 2006, and have issued our report thereon dated August 29, 2008. 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 expressing our opinion on the financial statements, but not to opine on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we have opined on the effectiveness of the Corporation'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 performing their assigned functions, to prevent or detect misstatements of a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Corporation's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Corporation's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Corporation's internal control will not prevent or detect a material financial statement misstatement.

Our 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 internal control deficiencies that might be 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.

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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*.

We intend this report solely for the information and use of management and the Board of Trustees. It is not intended for anyone other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

August 29, 2008



Mary Taylor, CPA
Auditor of State

CANAL WINCHESTER INDUSTRY AND COMMERCCE 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
SEPTEMBER 30, 2008**