



**Auditor of State
Betty Montgomery**

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

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Statement of Financial Position - December 31, 2005	3
Statement of Activities for the Year Ended December 31, 2005	4
Statement of Cash Flows for the Year Ended December 31, 2005.....	5
Statement of Financial Position - December 31, 2004	6
Statement of Activities for the Year Ended December 31, 2004	7
Statement of Cash Flows for the Year Ended December 31, 2004.....	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

THIS PAGE INTENTIONALLY LEFT BLANK



**Auditor of State
Betty Montgomery**

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 December 31, 2005, and December 31, 2004, 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 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 Canal Winchester Industry and Commerce Corporation, Franklin County, Ohio, as of December 31, 2005, and December 31, 2004, and the changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

35 N. Fourth St. / Second Floor / Columbus, OH 43215
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2006, 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". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

October 11, 2006

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

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2005**

Assets:	
Cash	\$ 26,516
Liabilities:	
Accounts Payable	-
Net Assets:	
Unrestricted	<u>26,516</u>
Total Liabilities and Net Assets	<u><u>\$ 26,516</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, 2005**

Change in Unrestricted Net Assets:

Revenue:	
Earnings on Investments	\$ 90
Expenses:	
Closing Costs	14,617
Surveying/Professional Services	3,500
Advertising	139
Maintenance	3,992
Miscellaneous	<u>2,939</u>
Total Expenses	<u>25,187</u>
Decrease in Unrestricted Net Assets	(25,097)
Net Assets, Beginning of Year	<u>51,613</u>
Net Assets, End of Year	<u><u>\$ 26,516</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, 2005**

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	\$ (25,097)
Adjustment to reconcile decrease in net assets to net cash used by operating activities:	
Decrease in accounts payable	(106,230)
NET CASH USED BY OPERATING ACTIVITIES	(131,327)
CASH, BEGINNING OF YEAR	<u>157,843</u>
CASH, END OF YEAR	<u><u>\$ 26,516</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, 2004**

Assets:	
Cash	\$ 157,843
Liabilities:	
Accounts Payable	106,230
Net Assets:	
Unrestricted	<u>51,613</u>
Total Liabilities and Net Assets	<u>\$ 157,843</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, 2004**

Change in Unrestricted Net Assets:

Revenue:	
Earnings on Investments	\$ 82
Gain on Sale of Land	<u>66,000</u>
Total Revenue	<u>66,082</u>
Expenses:	
Improvements	96,080
Expansion Fees	10,000
Title/Surveying Fees	3,136
Advertising	1,335
Maintenance	1,964
Miscellaneous	<u>547</u>
Total Expenses	<u>113,062</u>
Decrease in Unrestricted Net Assets	(46,980)
Net Assets, Beginning of Year	<u>98,593</u>
Net Assets, End of Year	<u><u>\$ 51,613</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, 2004**

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	\$ (46,980)
Adjustment to reconcile decrease in net assets to net cash provided by operating activities:	
Increase in accounts payable	95,230
NET CASH PROVIDED BY OPERATING ACTIVITIES	48,250
CASH, BEGINNING OF YEAR	<u>109,593</u>
CASH, END OF YEAR	<u><u>\$ 157,843</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, 2005 AND 2004**

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, 2005, and December 31, 2004, 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, 2005 and December 31, 2004.

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, 2005 AND 2004
(Continued)**

2. LAND FOR RESALE

The Village of Canal Winchester owns approximately 62 acres of land 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>2005</u>	<u>2004</u>
Demand deposits	\$26,516	\$157,843

Deposits: Deposits were insured by the Federal Depository Insurance Corporation in an amount of \$26,516 at December 31, 2005 and \$111,398 at December 31, 2004. At December 31, 2005 and December 31, 2004, \$0 and \$46,445 of deposits respectively, were not insured or collateralized.

Investments: The Corporation held no investments in 2005 or 2004.

4. RISK MANAGEMENT

Commercial Insurance

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

5. REAL ESTATE TRANSACTION

In 2004, the Corporation sold a parcel of land in the amount of \$66,000 to Graham Electric 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.



**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***

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, 2005, and December 31, 2004, and have issued our report thereon dated October 11, 2006. 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 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*.

35 N. Fourth St. / Second Floor / Columbus, OH 43215
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

Canal Winchester Industry and Commerce Corporation
Franklin County
Independent Accountants' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Required by *Government Auditing Standards*
Page 2

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

Betty Montgomery
Auditor of State

October 11, 2006



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

**CANAL WINCHESTER 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
NOVEMBER 14, 2006**