



Dave Yost • Auditor of State

**CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORPORATION
GUERNSEY COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Statements of Financial Position – December 31, 2013 and 2012	3
Statements of Activities – For the Years Ended December 31, 2013 and 2012	4
Statement of Cash Flows – For the Years Ended December 31, 2013 and 2012	5
Notes to Financial Statements	6
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	9

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INDEPENDENT AUDITOR'S REPORT

Cambridge-Guernsey Community Improvement Corporation
Guernsey County
806 Cochran Ave.
Cambridge, Ohio 43725

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the Cambridge-Guernsey Community Improvement Corporation, Guernsey County, Ohio (the Corporation), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Corporation's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cambridge-Guernsey Community Improvement Corporation, Guernsey County, Ohio, as of December 31, 2013, and the changes in its financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Prior Period Financial Statements Audited by a Predecessor Auditor

The Corporation's basic financial statements include the financial statements of the Corporation as of December 31, 2012 and for the year then ended for comparative purposes. We did not audit these financial statements. Those statements were audited by other auditors whom expressed an unmodified opinion dated June 19, 2013.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2014, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

December 5, 2014

CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORP.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2013 AND 2012

	2013	2012
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 254,371	\$ 249,669
Cash held for custodial purposes	414	394
Note receivable	14,314	-
Prepaid expenses	2,473	2,324
Total Current assets	271,572	252,387
 Property and Equipment:		
Furniture and Fixtures	28,379	23,379
Automobiles	22,253	27,328
Leasehold improvements	6,000	6,000
	56,632	56,707
Accumulated Depreciation	38,458	32,077
Net Property and Equipment	18,174	24,630
 Other Assets:		
Workers Comp. Deposit	100	100
Organizational costs	750	750
Total Other Assets	850	850
 TOTAL ASSETS	 \$ 290,596	 \$ 277,867
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 1,794	\$ 2,216
Cash held for custodial purposes	414	394
Accrued and withheld taxes	5,889	4,106
Total Current Liabilities	8,097	6,716
 NET ASSETS		
Unrestricted Net Assets	282,499	271,151
Total Net Assets	282,499	271,151
 TOTAL LIABILITIES AND NET ASSETS	 \$ 290,596	 \$ 277,867

See notes to financial statements.

CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORP.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
PUBLIC SUPPORT AND REVENUE		
Interest income	\$ 520	\$ 338
Reimbursements and other income	2,647	7,307
Donations - Corporations	49,763	52,700
Donations - Public Entities	140,815	109,000
Grants and projects	11,500	4,440
Vehicle donation	-	5,075
Lease Income	-	50
Total Public Support and Revenue	205,245	178,910
 EXPENSES:		
Advertising	2,992	1,344
Auto Expense	5,848	5,903
Bank service charges	180	161
Contributions	5,075	-
Data processing fees	-	125
Depreciation	6,381	5,921
Dues & subscriptions	1,660	1,867
Grants - Cambridge Main Street	1,600	1,600
Insurance	13,762	12,497
Lease expense	2,152	2,294
Licenses, fees, permits	100	100
Office & postage expense	1,431	896
Professional fees	2,136	2,012
Repairs and maintenance	120	230
Rent	10,200	10,200
Salaries & wages	116,329	113,790
Seminars, conferences and meetings	2,018	2,074
Supplies	3,228	2,901
Payroll taxes	9,059	9,079
Telephone	9,354	8,497
Travel & entertainment	272	29
Total Expenses	193,897	181,520
 Increase (Decrease) in Unrestricted Net Assets	11,348	(2,610)
 NET ASSETS AT BEGINNING OF YEAR	271,151	273,761
 NET ASSETS AT END OF YEAR	\$ 282,499	\$ 271,151

See notes to financial statements.

CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORP.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 and 2012

	2013	2012
Cash Flows from Operating Activities		
Changes in net assets from activities	\$ 11,348	\$ (2,610)
Adjustments to reconcile increase(decrease) in net assets		
To net assets provided by operating activities		
Depreciation	6,381	5,921
Donated fixed assets	5,075	
(Increase) Decrease in:		
Prepaid expenses	(149)	(18)
Note receivable	(14,314)	
Increase (Decrease) in:		
Accounts payable	(422)	145
Cash held for custodial purposes	20	189
Accrued and withheld taxes	1,783	(968)
Net cash provided (used) by operating activities	9,722	2,659
Cash Flows from Investing Activities		
Proceeds from sale of fixed assets/land for resale	-	-
Purchase of property and equipment	(5,000)	(5,075)
Net cash provided (used) by investing activities	(5,000)	(5,075)
Net Increase (Decrease) in Cash and Cash Equivalents	4,722	(2,416)
Cash and Cash Equivalents at Beginning of Year	250,063	252,479
Cash and Cash Equivalents at End of Year	\$ 254,785	\$ 250,063

See notes to financial statements.

**CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORP.
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Cambridge-Guernsey Community Improvement Corp. (CIC) is an Ohio non-profit corporation. The Internal Revenue Service has determined the organization is exempt from federal income tax under Section 501 (a) of the Internal revenue Code as an organization described in Section 501 (c) (3) of the Internal Revenue Code.

The CIC is a county-wide entity whose purpose is to enhance the industrial base of Guernsey County while creating the opportunity for new industry and jobs.

Land, Building, and Equipment

Land, building, and equipment are carried at cost less accumulated depreciation. Depreciation is provided over the useful lives of the related assets. Maintenance and repairs are charged to operations when incurred. Renewals and betterments of a nature considered to materially extend the useful lives of the assets are capitalized. When assets are retired or otherwise disposed of, the assets and related allowances for depreciation and amortization are eliminated from the accounts and any resulting gain or loss is reflected in income.

Depreciation, for financial reporting purposes, is based on the following policies:

<u>Description</u>	<u>Useful Life</u>	<u>Method</u>
Auto	5 years	Straight line
Leasehold Improvements	39 years	Straight line
Furniture and fixtures	5-10 years	Straight line

Cash Equivalents

For purposes of the statement of cash flows, the CIC considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents.

Income Taxes

The CIC is exempt from federal income taxes under Internal Revenue Code Section 501 (c) (3) and has been recognized as a nonprofit organization by the State of Ohio. Therefore, no provision has been made for federal or Ohio income taxes in the accompanying financial statements. In addition, the CIC has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for 2013 and 2012, respectively.

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 may differ from these estimates.

Donated Property

The value of donated property is recognized as revenue at its fair market value on the date of donation.

**CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORP.
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

Net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the CIC and changes there are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the CIC and/or passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the CIC. Generally, the donors of these assets permit the CIC to use all or part of the income earned on related investments for general or specific use.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor stipulation purpose has been fulfilled and /or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

2. CASH HELD FOR CUSTODIAL PURPOSES

The CIC receives and holds cash for various local organizations or activities. This cash is separated on the statement of position as cash held for custodial purposes, as it cannot be used for any CIC operations. A corresponding liability is also shown in the same amount. The custodial accounts revenue and expenses are not shown on the statement of activities.

3. FUNDING

The CIC received monies from the Guernsey County Department of Job and Family Services each year, passed through from the State of Ohio in the form of TANF (Temporary Assistance for Needy Families) funds. On May 12, 2011 the CIC received a letter from the Guernsey County Department of Job and Family Services noting that the proposed budget from the State of Ohio includes a 27.5% cut to the TANF monies for the state's fiscal year of July 1, 2011 through June 30, 2012. Then, on August 26th, 2011, a letter from the Guernsey County Department of Job and Family Services stated that there is no funding for TANF contracts beyond September 30, 2011.

4. NOTE RECEIVABLE

The CIC loaned money to the Cambridge Airport in May, 2013. The original loan of \$17,676.56 is payable in monthly installments of \$506.20 at an interest rate of 2%. Payments are due the first of each month.

**CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORP.
NOTES TO FINANCIAL STATEMENTS**

5. CONCENTRATION OF RISK

The CIC maintains its cash account in one commercial bank in Ohio. At times throughout the year, the CIC may have deposits in excess of Federal Deposit Insurance Corporation (FDIC) limits.



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

Cambridge-Guernsey Community Improvement Corporation
Guernsey County
806 Cochran Ave
Cambridge, Ohio 43725

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Cambridge-Guernsey Community Improvement Corporation, Guernsey County, Ohio (the Corporation), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated December 5, 2014, wherein we noted the Corporation presented basic financial statements as of and for the year ended December 31, 2012 for comparison purposes. Those financial statements were audited by other auditors as described in our report on the Corporation's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that those auditors separately reported.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Corporation's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Corporation's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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, opining 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Dave Yost
Auditor of State

Columbus, Ohio

December 5, 2014



Dave Yost • Auditor of State

CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORPORATION

GUERNSEY 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
DECEMBER 18, 2014**