

**CAMBRIDGE-GUERNSEY COMMUNITY
IMPROVEMENT CORPORATION**

GUERNSEY COUNTY

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 and 2015





Dave Yost • Auditor of State

Board of Trustees
Cambridge-Guernsey Community Improvement Corporation
9900 Brick Church Road, Suite 2
Cambridge, OH 43725

We have reviewed the *Independent Auditor's Report* of the Cambridge-Guernsey Community Improvement Corporation, Guernsey County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2016 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Cambridge-Guernsey Community Improvement Corporation is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

September 20, 2018

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CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORPORATION
GUERNSEY COUNTY
December 31, 2017, 2016 and 2015

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INDEPENDENT AUDITOR'S REPORT

Cambridge-Guernsey Community Improvement Corporation
Guernsey County
9900 Brick Church Road
Suite 2
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), which comprise the statements of financial position as of December 31, 2017, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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.

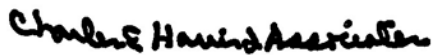
We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Cambridge-Guernsey Community Improvement Corporation, Guernsey County, Ohio, as of December 31, 2017, 2016, and 2015, and the changes in financial position and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2018, 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.



Charles E. Harris & Associates, Inc.
June 25, 2018

CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORPORATION
GUERNSEY COUNTY
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

| | <u>2017</u> | <u>2016</u> |
|---|--------------------------|--------------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 249,319 | \$ 257,140 |
| Cash held for custodial purposes | 31,375 | 10,000 |
| Accounts receivable | - | 1,102 |
| Notes receivable | 5,728 | 9,673 |
| Prepaid expenses | 1,631 | 2,597 |
| Total Current Assets | <u>288,053</u> | <u>280,512</u> |
| Property and Equipment: | | |
| Furniture and Equipment | 41,377 | 40,817 |
| Automobiles | 19,867 | 19,867 |
| Leasehold Improvement | - | 6,000 |
| | <u>61,244</u> | <u>66,684</u> |
| Accumulated Depreciation | <u>(47,032)</u> | <u>(41,443)</u> |
| Net Property and Equipment | 14,212 | 25,241 |
| Other Assets | | |
| Workers Comp. Deposit | 100 | 100 |
| Organization Costs | 750 | 750 |
| Total Other Assets | <u>850</u> | <u>850</u> |
| TOTAL ASSETS | <u><u>\$ 303,115</u></u> | <u><u>\$ 306,603</u></u> |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities: | | |
| Accounts payable | \$ 3,189 | \$ 1,763 |
| Cash held for custodial purposes | 31,375 | 10,000 |
| Accrued and withheld taxes | 4,552 | 4,690 |
| Total Current Liabilities | <u>39,116</u> | <u>16,453</u> |
| NET ASSETS | | |
| Unrestricted net assets | <u>263,999</u> | <u>290,150</u> |
| Total Net Assets | <u>263,999</u> | <u>290,150</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$ 303,115</u></u> | <u><u>\$ 306,603</u></u> |

See accompanying notes to the basic financial statements.

**CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORPORATION
GUERNSEY COUNTY
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017 AND 2016**

| | <u>2017</u> | <u>2016</u> |
|--|-------------------|-------------------|
| PUBLIC SUPPORT AND REVENUE: | | |
| Interest income | \$ 535 | \$ 488 |
| Donations - Corporations | 43,775 | 47,700 |
| Donations - Public Entities | 117,634 | 129,481 |
| Grants and projects | 11,000 | 1,102 |
| Reimbursements and other income | 703 | 415 |
| Total Public Support and Revenue | <u>173,647</u> | <u>179,186</u> |
| EXPENSES: | | |
| Advertising | 1,625 | 1,751 |
| Auto Expense | 3,409 | 3,196 |
| Bank Service Charges | 369 | 208 |
| Contributions | 3,000 | - |
| Data processing fees | 624 | 210 |
| Depreciation | 7,858 | 7,759 |
| Dues & subscriptions | 959 | 813 |
| Grants | - | 1,102 |
| Insurance | 15,945 | 15,995 |
| Lease expense | 1,777 | 2,323 |
| Licenses, fees, permits | 228 | 300 |
| Miscellaneous | 2,300 | 1 |
| Office & postage expense | 1,730 | 288 |
| Professional fees | 1,896 | 6,078 |
| Repairs and maintenance | 448 | 240 |
| Rent | 9,950 | 10,200 |
| Salaries and Wages | 119,733 | 118,258 |
| Seminars, conferences and meetings | 1,785 | 1,349 |
| Supplies | 3,668 | 2,684 |
| Payroll taxes | 9,321 | 9,433 |
| Telephone | 9,125 | 7,746 |
| Travel & entertainment | 317 | 414 |
| Total Expenses | <u>196,067</u> | <u>190,348</u> |
| OTHER INCOME/(EXPENSES) | | |
| Loss on Disposal of Assets | (3,731) | - |
| Total Other Income/(Expense) | <u>(3,731)</u> | <u>-</u> |
| Decrease in Unrestricted Net Assets | <u>(26,151)</u> | <u>(11,162)</u> |
| NET ASSETS AT BEGINNING OF YEAR | <u>290,150</u> | <u>301,312</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 263,999</u> | <u>\$ 290,150</u> |

See accompanying notes to the basic financial statements.

**CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORPORATION
GUERNSEY COUNTY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

| | <u>2017</u> | <u>2016</u> |
|--|--------------------------|--------------------------|
| Cash Flows from Operating Activities | | |
| Changes in net assets from activities | \$ (26,151) | \$ (11,162) |
| Adjustments to reconcile increase(decrease) in position To net cash provided by operating activities: | | |
| Depreciation | 7,858 | 7,759 |
| Loss on disposal of assets | 3,731 | |
| (Increase) Decrease in: | | |
| Accounts receivable | 1,102 | (1,102) |
| Prepaid expenses | 966 | (4) |
| Notes receivable | 3,945 | (7,656) |
| (Increase) Decrease in: | | |
| Accounts payable | 1,426 | 879 |
| Cash held for custodial purposes | 21,375 | 10,000 |
| Accrued and withheld taxes | (138) | (245) |
| Net cash provided (used) by operating activities | <u>14,114</u> | <u>(1,531)</u> |
| Cash Flows from Investing Activities | | |
| Purchase of property and equipment | (560) | - |
| Net cash provided (used) by investing activities | <u>(560)</u> | <u>-</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 13,554 | (1,531) |
| Cash and Cash Equivalents at Beginning of Year | <u>267,140</u> | <u>268,671</u> |
| Cash and Cash Equivalents at End of Year | <u><u>\$ 280,694</u></u> | <u><u>\$ 267,140</u></u> |

See accompanying notes to the basic financial statements.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

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.

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

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 material 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 non-profit organization by the State of Ohio. Therefore, no provision has been made for federal or Ohio income taxes in 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 2017 and 2016, respectively.

Uses 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.

Basis of Presentation

New assets and revenues, gain 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:

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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

Temporarily restricted assets – Net assets subject to donor-imposed stipulation that they may or will be met either by actions 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 investment 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 reclassification between the applicable class of 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. NOTE RECEIVABLE

The CIC loaned money to the Cambridge Airport in May 2013. The original loan of \$17,677 is payable in monthly installments of \$506 at an interest rate of 2%, and was paid off in April of 2016. An additional loan of \$11,938 was made in May of 2016, payable in monthly installments of \$342 at an interest rate of 2%. Payments are due the first of each month.

4. 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 the Federal Deposit Insurance Corporation (FDIC) limits.

5. RISK MANAGEMENT

Commercial Insurance

The CIC obtained commercial insurance for the following risks:

- Comprehensive property and general liability; and
- Wrongful acts dishonesty bond

Claims did not exceed coverage in the last three years.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
(Continued)**

6. CONTINGENT LIABILITIES/SUBSEQUENT EVENTS

Management believes there are not pending claims or lawsuits.

**CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORPORATION
GUERNSEY COUNTY
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015**

| | <u>2016</u> | <u>2015</u> |
|---|--------------------------|--------------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 257,140 | \$ 268,671 |
| Cash held for custodial purposes | 10,000 | - |
| Accounts receivable | 1,102 | - |
| Notes receivable | 9,673 | 2,017 |
| Prepaid expenses | 2,597 | 2,593 |
| Total Current Assets | <u>280,512</u> | <u>273,281</u> |
| Property and Equipment: | | |
| Furniture and Equipment | 40,817 | 40,817 |
| Automobiles | 19,867 | 19,867 |
| Leasehold Improvement | 6,000 | 6,000 |
| | <u>66,684</u> | <u>66,684</u> |
| Accumulated Depreciation | <u>(41,443)</u> | <u>(33,684)</u> |
| Net Property and Equipment | 25,241 | 33,000 |
| Other Assets | | |
| Workers Comp. Deposit | 100 | 100 |
| Organization Costs | 750 | 750 |
| Total Other Assets | <u>850</u> | <u>850</u> |
| TOTAL ASSETS | <u><u>\$ 306,603</u></u> | <u><u>\$ 307,131</u></u> |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities: | | |
| Accounts payable | \$ 1,763 | \$ 884 |
| Cash held for custodial purposes | 10,000 | - |
| Accrued and withheld taxes | 4,690 | 4,935 |
| Total Current Liabilities | <u>16,453</u> | <u>5,819</u> |
| NET ASSETS | | |
| Unrestricted net assets | <u>290,150</u> | <u>301,312</u> |
| Total Net Assets | <u>290,150</u> | <u>301,312</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$ 306,603</u></u> | <u><u>\$ 307,131</u></u> |

See accompanying notes to the basic financial statements

**CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORPORATION
GUERNSEY COUNTY
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017 AND 2016**

| | <u>2016</u> | <u>2015</u> |
|---|-------------------|-------------------|
| PUBLIC SUPPORT AND REVENUE: | | |
| Interest income | \$ 488 | \$ 461 |
| Donations - Corporations | 47,700 | 46,750 |
| Donations - Public Entities | 129,481 | 146,817 |
| Grants and projects | 1,102 | 5,700 |
| Reimbursements and other income | 415 | 4,880 |
| Total Public Support and Revenue | <u>179,186</u> | <u>204,608</u> |
| EXPENSES: | | |
| Advertising | 1,751 | 1,748 |
| Auto Expense | 3,196 | 4,387 |
| Bank Service Charges | 208 | 234 |
| Contributions | - | 50 |
| Data processing fees | 210 | 290 |
| Depreciation | 7,759 | 7,112 |
| Dues & subscriptions | 813 | 723 |
| Grants | 1,102 | 1,600 |
| Insurance | 15,995 | 13,630 |
| Lease expense | 2,323 | 2,097 |
| Licenses, fees, permits | 300 | 100 |
| Miscellaneous | 1 | 2,000 |
| Office & postage expense | 288 | 717 |
| Professional fees | 6,078 | 1,242 |
| Repairs and maintenance | 240 | 240 |
| Rent | 10,200 | 10,200 |
| Salaries and Wages | 118,258 | 122,231 |
| Seminars, conferences and meetings | 1,349 | 2,156 |
| Supplies | 2,684 | 3,270 |
| Payroll taxes | 9,433 | 9,501 |
| Telephone | 7,746 | 8,403 |
| Travel & entertainment | 414 | 247 |
| Total Expenses | <u>190,348</u> | <u>192,178</u> |
| Increase/(Decrease) in Unrestricted Net Assets | <u>(11,162)</u> | <u>12,430</u> |
| NET ASSETS AT BEGINNING OF YEAR | <u>301,312</u> | <u>288,882</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 290,150</u> | <u>\$ 301,312</u> |

See accompanying notes to the basic financial statements.

**CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORPORATION
GUERNSEY COUNTY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

| | <u>2016</u> | <u>2015</u> |
|--|--------------------------|--------------------------|
| Cash Flows from Operating Activities | | |
| Changes in net assets from activities | \$ (11,162) | \$ 12,430 |
| Adjustments to reconcile increase(decrease) in position To net cash provided by operating activities: | | |
| Depreciation | 7,759 | 7,112 |
| Loss on disposal of assets | - | |
| (Increase) Decrease in: | | |
| Accounts receivable | (1,102) | - |
| Prepaid expenses | (4) | (72) |
| Notes receivable | (7,656) | 5,968 |
| (Increase) Decrease in: | | |
| Accounts payable | 879 | (6,338) |
| Cash held for custodial purposes | 10,000 | (139) |
| Accrued and withheld taxes | (245) | 222 |
| Net cash provided (used) by operating activities | <u>(1,531)</u> | <u>19,183</u> |
| Cash Flows from Investing Activities | | |
| Purchase of property and equipment | - | (22,078) |
| Net cash provided (used) by investing activities | <u>-</u> | <u>(22,078)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (1,531) | (2,895) |
| Cash and Cash Equivalents at Beginning of Year | <u>268,671</u> | <u>271,566</u> |
| Cash and Cash Equivalents at End of Year | <u><u>\$ 267,140</u></u> | <u><u>\$ 268,671</u></u> |

See accompanying notes to the basic financial statements.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

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.

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

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 material 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 non-profit organization by the State of Ohio. Therefore, no provision has been made for federal or Ohio income taxes in 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 2016 and 2015, respectively.

Uses 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.

Basis of Presentation

New assets and revenues, gain 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:

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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

Temporarily restricted assets – Net assets subject to donor-imposed stipulation that they may or will be met either by actions 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 investment 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 reclassification between the applicable class of 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. NOTE RECEIVABLE

The CIC loaned money to the Cambridge Airport in May 2013. The original loan of \$17,677 is payable in monthly installments of \$506 at an interest rate of 2%, and was paid off in April of 2016. An additional loan of \$11,938 was made in May of 2016, payable in the monthly installments of \$342 at an interest rate 2%. Payments are due the first of each month.

4. 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 the Federal Deposit Insurance Corporation (FDIC) limits.

5. RISK MANAGEMENT

Commercial Insurance

The CIC obtained commercial insurance for the following risks:

- Comprehensive property and general liability; and
- Wrongful acts dishonesty bond

Claims did not exceed coverage in the last three years.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015
(Continued)**

6. CONTINGENT LIABILITIES/SUBSEQUENT EVENTS

Management believes there are not pending claims or lawsuits.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Cambridge-Guernsey Community Improvement Corporation
Guernsey County
9900 Brick Church Road
Suite 2
Cambridge, Ohio 43725

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Cambridge-Guernsey Community Improvement Corporation, Guernsey County (the Corporation), which comprise the statement of financial position as of and for the years ended December 31, 2017, 2016, and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 25, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing opinions on the effectiveness of Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
June 25, 2018



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
OCTOBER, 2 2018**