

CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORP.

ANNUAL REPORT

DECEMBER 31, 2012 AND 2011

**Wolfe, Wilson, & Phillips, Inc.
37 South Seventh Street
Zanesville, Ohio 43701**



Dave Yost • Auditor of State

Board of Trustees
Cambridge-Guernsey Community Improvement Corporation
806 Cochran Avenue
Cambridge, Ohio 43725

We have reviewed the *Independent Auditors' Report* of the Cambridge-Guernsey Community Improvement Corporation, Guernsey County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 2012 through December 31, 2012. 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 cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

August 19, 2013

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WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701

INDEPENDENT AUDITORS' REPORT

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

To the Board of Directors

We have audited the accompanying statements of Cambridge-Guernsey Community Improvement Corporation (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2012 and 2011, and the related statements of activities and net assets 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United State of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 State of America. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organizations preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cambridge-Guernsey Community Improvement Corporation as of December 31, 2012 and 2011, and the changes in its net assets and cash flows for the years then ended in conformity with 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 19, 2013 on our consideration of the Cambridge-Guernsey Community Improvement 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 Cambridge-Guernsey Community Improvement Corporation's internal control over financial reporting and compliance.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
June 19, 2013

CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORP.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011

	2012	2011
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 249,669	\$ 252,274
Cash held for custodial purposes	394	205
Prepaid expenses	2,324	2,307
Total Current assets	252,387	254,786
Property and Equipment:		
Furniture and Fixtures	23,379	23,379
Automobiles	27,328	22,253
Leasehold improvements	6,000	6,000
	56,707	51,632
Accumulated Depreciation	32,077	26,156
Net Property and Equipment	24,630	25,476
Other Assets:		
Workers Comp. Deposit	100	100
Organizational costs	750	750
Total Other Assets	850	850
TOTAL ASSETS	\$ 277,867	\$ 281,112
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 2,216	\$ 2,072
Cash held for custodial purposes	394	205
Accrued and withheld taxes	4,106	5,074
Total Current Liabilities	6,716	7,351
NET ASSETS		
Unrestricted Net Assets	271,151	273,761
Total Net Assets	271,151	273,761
TOTAL LIABILITIES AND NET ASSETS	\$ 277,867	\$ 281,112

See notes to financial statements.

CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORP.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
PUBLIC SUPPORT AND REVENUE		
Interest income	\$ 338	\$ 514
Reimbursements and other income	7,307	5,609
Donations - Corporations	52,700	41,500
Donations - Public Entities	109,000	98,659
Grants and projects	4,440	12,250
Vehicle donation	5,075	-
Lease Income	50	275
Total Public Support and Revenue	178,910	158,807
 EXPENSES:		
Advertising	1,344	3,742
Auto Expense	5,903	5,518
Bank service charges	161	96
Data processing fees	125	286
Depreciation	5,921	6,001
Dues & subscriptions	1,867	1,915
Grants - Cambridge Main Street	1,600	1,600
Grants visitation assistance	-	2,625
Insurance	12,497	12,210
Lease expense	2,294	2,558
Licenses, fees, permits	100	100
Miscellaneous	-	322
Office & postage expense	896	1,412
Professional fees	2,012	2,189
Repairs and maintenance	230	370
Rent	10,200	10,200
Salaries & wages	113,790	111,414
Seminars, conferences and meetings	2,074	2,056
Supplies	2,901	3,611
Payroll taxes	9,079	8,979
Telephone	8,497	8,051
Travel & entertainment	29	124
Total Expenses	181,520	185,379
 OTHER INCOME AND EXPENSE		
Realized gain (loss) on sale of fixed assets	-	(8,586)
 Increase (Decrease) in Unrestricted Net Assets	(2,610)	(35,158)
 NET ASSETS AT BEGINNING OF YEAR	273,761	308,919
 NET ASSETS AT END OF YEAR	\$ 271,151	\$ 273,761

See notes to financial statements.

CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORP.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash Flows from Operating Activities		
Changes in net assets from activities	\$ (2,610)	\$ (35,158)
Adjustments to reconcile increase(decrease) in net assets To net assets provided by operating activities		
Depreciation	5,921	6,001
Realized (gain)/loss on sale of fixed assets	-	8,586
(Increase) Decrease in:		
Prepaid expenses	(18)	(221)
Increase (Decrease) in:		
Accounts payable	145	(222)
Cash held for custodial purposes	189	(1,402)
Accrued and withheld taxes	(968)	48
Net cash provided (used) by operating activities	<u>2,659</u>	<u>(22,368)</u>
Cash Flows from Investing Activities		
Proceeds from sale of fixed assets/land for resale	-	7,142
Purchase of property and equipment	(5,075)	(1,011)
Net cash provided (used) by investing activities	<u>(5,075)</u>	<u>6,131</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,416)	(16,237)
Cash and Cash Equivalents at Beginning of Year	<u>252,479</u>	<u>268,716</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 250,063</u></u>	<u><u>\$ 252,479</u></u>

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.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

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 2012 and 2011, respectively.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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. CONCENTRATION OF CREDIT RISK

The CIC's cash is placed with institutions with high credit ratings. This investment policy limits the CIC's exposure to concentration of credit risk. The CIC did not carry amounts in excess of federally insured limits with the local banks

3. 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.

CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORP.
NOTES TO FINANCIAL STATEMENTS

4. FUNDING

The CIC receives 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. The amount received was \$48,640 for 2011. 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.

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

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

Cambridge-Guernsey Community Improvement Corporation
806 Cochran Avenue
Cambridge, Ohio 43725

To the Board of Directors:

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 Cambridge-Guernsey Community Improvement Corporation, Guernsey County as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, and have issued our report thereon dated June 19, 2013.

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*.

Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required By Government Auditing Standards
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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.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
June 19, 2013



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
AUGUST 29, 2013**