

CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORP.

ANNUAL REPORT

DECEMBER 31, 2011 AND 2010

**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, 2011 through December 31, 2011. 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

August 7, 2012

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

INDEPENDENT AUDITORS' REPORT

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

To the Board of Directors

We have audited the accompanying statements of financial position of The Cambridge-Guernsey Community Improvement Corp. (a nonprofit organization) as of December 31, 2011 and 2010, and the related statements of activities and net assets and cash flows for the years then ended. These financial statements are the responsibility of the Cambridge-Guernsey Community Improvement Corp. management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with 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. Those standards require that we plan and perform the audits 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 audits provide 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 Cambridge-Guernsey Community Improvement Corp., as of December 31, 2011 and 2010, and the changes in its net assets and cash flows for the year 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 a report dated June 14, 2012, on our consideration of the Cambridge-Guernsey Community Improvement Corporation's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
June 14, 2012

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CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORP.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 252,274	\$ 267,109
Cash held for custodial purposes	205	1,607
Prepaid expenses	2,307	2,086
Total Current assets	254,786	270,802
Property and Equipment:		
Land	-	-
Furniture and Fixtures	23,379	22,368
Automobiles	22,253	22,253
Leasehold improvements	6,000	6,000
	51,632	50,621
Accumulated Depreciation	26,156	20,155
Net Property and Equipment	25,476	30,466
Other Assets:		
Workers Comp. Deposit	100	100
Organizational costs	750	750
Land/Building for resale	-	15,727
Total Other Assets	850	16,577
TOTAL ASSETS	\$ 281,112	\$ 317,845
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 2,072	\$ 2,293
Cash held for custodial purposes	205	1,607
Accrued and withheld taxes	5,074	5,026
Total Current Liabilities	7,351	8,926
NET ASSETS		
Unrestricted Net Assets	273,761	308,919
Total Net Assets	273,761	308,919
TOTAL LIABILITIES AND NET ASSETS	\$ 281,112	\$ 317,845

See notes to financial statements.

CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORP.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
PUBLIC SUPPORT AND REVENUE		
Interest income	\$ 514	\$ 1,554
Reimbursements and other income	5,609	4,771
Donations - Corporations	41,500	41,500
Donations - Public Entities	98,659	141,723
Grants and projects	12,250	4,500
Lease Income	275	25
Total Public Support and Revenue	158,807	194,073
 EXPENSES:		
Advertising	3,742	2,710
Auto Expense	5,518	4,552
Bank service charges	96	65
Data processing fees	286	285
Depreciation	6,001	6,354
Dues & subscriptions	1,915	1,919
Grants - Cambridge Main Street	1,600	1,600
Grants - Guernsey County 911 Mapping Project	-	5,000
Grants visitation assistance	2,625	-
Insurance	12,210	10,555
Lease expense	2,558	2,456
Licenses, fees, permits	100	100
Miscellaneous	322	345
Office & postage expense	1,412	1,100
Professional fees	2,189	2,134
Repairs and maintenance	370	375
Rent	10,200	10,200
Salaries & wages	111,414	107,722
Seminars, conferences and meetings	2,056	2,018
Supplies	3,611	2,940
Payroll taxes	8,979	8,636
Taxes: Real estate	-	343
Telephone	8,051	7,679
Travel & entertainment	124	446
Total Expenses	185,379	179,534
 OTHER INCOME AND EXPENSE		
Realized gain (loss) on sale of fixed assets	(8,586)	65
 Increase (Decrease) in Unrestricted Net Assets	(35,158)	14,604
 NET ASSETS AT BEGINNING OF YEAR	308,919	294,315
 NET ASSETS AT END OF YEAR	\$ 273,761	\$ 308,919

See notes to financial statements.

CAMBRIDGE-GUERNSEY COMMUNITY IMPROVEMENT CORP.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 and 2010

	2011	2010
Cash Flows from Operating Activities		
Changes in net assets from activities	\$ (35,158)	\$ 14,604
Adjustments to reconcile increase(decrease) in net assets To net assets provided by operating activities		
Depreciation	6,001	6,354
Realized (gain)/loss on sale of fixed assets	8,586	(65)
(Increase) Decrease in:		
Prepaid expenses	(221)	41
Increase (Decrease) in:		
Accounts payable	(222)	(410)
Cash held for custodial purposes	(1,402)	841
Accrued and withheld taxes	48	365
Net cash provided (used) by operating activities	(22,368)	21,730
Cash Flows from Investing Activities		
Proceeds from sale of fixed assets/land for resale	7,142	9,254
Purchase of property and equipment	(1,011)	(22,253)
Net cash provided (used) by investing activities	6,131	(12,999)
Net Increase (Decrease) in Cash and Cash Equivalents	(16,237)	8,731
Cash and Cash Equivalents at Beginning of Year	268,716	259,985
Cash and Cash Equivalents at End of Year	\$ 252,479	\$ 268,716

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 2011 and 2010, 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. LAND AND BUILDINGS HELD FOR RESALE OR LEASE

A summary of the properties and their valuation is as follows:

	<u>Value 12/31/11</u>	<u>Value 12/31/10</u>	<u>Valuation Based on</u>
Land – Downtown Cambridge	\$ -	\$ 15,385	FMV after Building razing
Land – beside Industrial Park	-	342	FMV
Total	<u>\$ -</u>	<u>\$ 15,727</u>	

The land was sold on December 16th, 2011 for \$7,500, less costs of \$359, which resulted in a loss \$8,586.

5. 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 and \$92,713, for 2011 and 2010, respectively. 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.**

To the Board of Directors
Cambridge-Guernsey Community Improvement Corporation
806 Cochran Avenue
Cambridge, Ohio 43725

We have audited the financial statements of Cambridge-Guernsey Community Improvement Corporation as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated June 14, 2012. 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 *Government Auditing Standards*, issued by the comptroller General of the United States.

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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Corporation's internal control over financial reporting.

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 a combination of deficiencies resulting in more than a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cambridge-Guernsey Community Improvement Corporation's combined financial statements are free of 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*.

This report is intended for the information of the Board of Directors, and the Auditor of State and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
June 14, 2012



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 21, 2012**