



OHIO AUDITOR OF STATE
KEITH FABER



**DARKE COUNTY COMMUNITY IMPROVEMENT CORPORATION
DARKE COUNTY
DECEMBER 31, 2020 AND 2019**

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OHIO AUDITOR OF STATE KEITH FABER



One First National Plaza
130 West Second Street, Suite 2040
Dayton, Ohio 45402-1502
(937) 285-6677 or (800) 443-9274
WestRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Darke County Community Improvement Corporation
Darke County
537 South Broadway, Suite 201
Greenville, Ohio 45331

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the Darke County Community Improvement Corporation, Darke County, Ohio (the CIC), as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the CIC'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 CIC'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 CIC's internal control. Accordingly, we express no such 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 CIC, as of December 31, 2020 and 2019, and the changes in its 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.

Emphasis of Matter

As discussed in Note 10 (for the year ended December 31, 2020) and Note 6 (for the year ended December 31, 2019) to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the CIC. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2021, on our consideration of the CIC'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 CIC's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

June 1, 2021

DARKE COUNTY COMMUNITY IMPROVEMENT CORPORATION

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 and 2019

	2020	2019
ASSETS		
Checking	\$ 163,571	\$ 150,978
RBEG Account	105,346	105,196
Certificates of Deposit	325,000	325,000
Accrued Interest Receivable	1,235	2,354
Beneficial Interest Held at Darke County Foundation	<u>18,000</u>	<u>16,000</u>
TOTAL ASSETS	<u><u>613,152</u></u>	<u><u>599,528</u></u>
LIABILITIES		
Payroll Taxes Payable	<u>1,193</u>	<u>1,108</u>
TOTAL LIABILITIES	<u>1,193</u>	<u>1,108</u>
NET ASSETS		
Net Assets without Donor Restrictions	506,613	493,224
Net Assets with Donor Restrictions	<u>105,346</u>	<u>105,196</u>
TOTAL NET ASSETS	<u>611,959</u>	<u>598,420</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 613,152</u></u>	<u><u>\$ 599,528</u></u>

SEE ACCOMPANYING NOTES

DARKE COUNTY COMMUNITY IMPROVEMENT CORPORATION

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL
REVENUES, GAINS AND OTHER SUPPORT			
Campaign Contributions	\$ 106,450	\$ 0	\$ 106,450
Interest Income	7,502	0	7,502
Other Income	1,046	150	1,196
Conveyance Fees	<u>208,500</u>	<u>0</u>	<u>208,500</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>323,498</u>	<u>150</u>	<u>323,648</u>
EXPENSES			
Salaries	159,732	0	159,732
Employee Benefits	49,431	0	49,431
Insurance	3,948	0	3,948
Legal & Accounting	2,010	0	2,010
Event Expenses	748	0	748
Payroll Taxes	12,706	0	12,706
Administration Fee	100	0	100
Office Lease	16,470	0	16,470
Office Supplies	5,601	0	5,601
Repairs and Maintenance	195	0	195
Audit Expense	554	0	554
Telephone	4,267	0	4,267
Operating Expense	1,074	0	1,074
Advertising and Marketing	1,262	0	1,262
Website Expense	25,000	0	25,000
Travel and Trade Shows	4,894	0	4,894
Coalitions	16,500	0	16,500
Membership Dues	1,404	0	1,404
Special Project Expense	3,855	0	3,855
Publications	<u>358</u>	<u>0</u>	<u>358</u>
TOTAL EXPENSES	<u>310,109</u>	<u>0</u>	<u>310,109</u>
CHANGE IN NET ASSETS	13,389	150	13,539
NET ASSETS AT BEGINNING OF YEAR	<u>493,224</u>	<u>105,196</u>	<u>598,420</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 506,613</u></u>	<u><u>\$ 105,346</u></u>	<u><u>\$ 611,959</u></u>

SEE ACCOMPANYING NOTES

DARKE COUNTY COMMUNITY IMPROVEMENT CORPORATION

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL
REVENUES, GAINS AND OTHER SUPPORT			
Campaign Contributions	\$ 114,050	\$ 0	\$ 114,050
Interest Income	7,295	0	7,295
Other Income	917	0	917
Conveyance Fees	222,950	0	222,950
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	345,212	0	345,212
	<hr/>	<hr/>	<hr/>
EXPENSES			
Salaries	152,902	0	152,902
Employee Benefits	46,349	0	46,349
Insurance	3,319	0	3,319
Legal & Accounting	2,758	0	2,758
Event Expense	4,064	0	4,064
Payroll Taxes	12,223	0	12,223
Administration Fee	380	0	380
Office Lease	15,876	0	15,876
Office Supplies	2,951	0	2,951
Repair and Maintenance	285	0	285
Audit Expense	6,007	0	6,007
Telephone	4,419	0	4,419
Operating Expense	770	0	770
Advertising and Marketing	5,562	0	5,562
Website Expense	25,000	0	25,000
Travel and Trade Shows	11,934	0	11,934
Coalitions	16,500	0	16,500
Membership Dues	1,499	0	1,499
Special Project Expense	25,944	0	25,944
Publications	191	0	191
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	338,933	0	338,933
	<hr/>	<hr/>	<hr/>
CHANGE IN NET ASSETS	6,279	0	6,279
NET ASSETS AT BEGINNING OF YEAR	486,945	105,196	592,141
	<hr/>	<hr/>	<hr/>
NET ASSETS AT END OF YEAR	\$ 493,224	\$ 105,196	\$ 598,420
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SEE ACCOMPANYING NOTES

DARKE COUNTY COMMUNITY IMPROVEMENT CORPORATION

STATEMENTS OF CASH FLOWS
DECEMBER 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets		
(Increase) Decrease in Operating Assets	\$ 13,539	\$ 6,279
Accrued Interest Receivable	1,119	(638)
Accounts Receivable	0	0
Beneficial Interest Held at HOPE Foundation	(2,000)	(2,250)
Increase (Decrease) in Operating Liabilities		
Payroll Taxes Payable	<u>85</u>	<u>59</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	12,743	3,450
NET INCREASE IN CASH	12,743	3,450
CASH AT BEGINNING OF YEAR	<u>581,174</u>	<u>577,724</u>
CASH AT END OF YEAR	<u>\$ 593,917</u>	<u>\$ 581,174</u>

SEE ACCOMPANYING NOTES

DARKE COUNTY COMMUNITY IMPROVEMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND DECEMBER 31, 2019

Note 1

Nature of Activities

The Community Improvement Corporation of Darke County (CIC) is a not-for-profit organization which operates for the betterment of Darke County, Ohio. The CIC is conducting a Partnering for Progress campaign to raise funds to provide the county's economic development program with the tools and personnel to meet the needs of current and prospective businesses of Darke County. The CIC's management believes these financial statements present all activities for which the Corporation is financially accountable.

Note 2

Significant Accounting Policies

The summary of significant accounting policies of the Community Improvement Corporation of Darke County is presented to assist in understanding the CIC's financial statements. The financial statements and notes are representations of the CIC's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

The accounts are maintained and these financial statements are presented on the accrual basis of accounting.

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Not-for-profit entities. Under ASU 2016-14 the CIC is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. The CIC does not have any permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Actual results could differ from those estimates.

Concentration of Credit Risk

The CIC maintains its cash accounts and certificates of deposits in four commercial banks in Ohio. The cash balances rarely exceed the limit of \$250,000 that is guaranteed by the Federal Deposit Insurance Corporation. The CIC considers these banks to have a high enough stability that any cash in excess of the limit is at minimal risk. At December 31, 2020, the CIC's cash balances for one bank exceeded the FDIC coverage amount. The CIC had \$19,750 exposed to credit risk.

DARKE COUNTY COMMUNITY IMPROVEMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND DECEMBER 31, 2019

Note 2 Significant Accounting Policies (cont.)

Income Taxes

The CIC is a not-for-profit organization that is considered to be exempt from income taxes under Section 501 (c) (4) of the Internal Revenue Code. The CIC was recognized as tax exempt effective March 1, 2006.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the CIC considers all cash in checking accounts and certificate of deposits, whether unrestricted or restricted, to be cash equivalents.

Note 3 Net Assets With Donor Restrictions

The RBEG account that the CIC has is a matching funds account. The CIC applied for and was awarded a grant from the USDA for the purpose of economic development. As part of the covenants of the USDA program, the CIC has to match a percentage of the funds from the USDA. The RBEG account is the matching funds for the USDA program. The money will remain in the account until such time as an opportunity arises for a USDA revolving loan applicant to be granted a loan under this program. At December 31, 2020, the balance loaned to a qualified Darke County applicant was zero. When loans are paid back, the money will be re-deposited into the RBEG account to be loaned out again for future projects.

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DARKE COUNTY COMMUNITY IMPROVEMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND DECEMBER 31, 2019

Note 4 Functional Expense

The CIC has allocated the following expenses between program, management & administrative, and fundraising expense for the year ended December 31, 2020. These expenses are as follows:

	Program	Management and Administrative	Fund Raising	Total
Salaries	33,813	108,435	17,484	159,732
Employee Benefits	0	43,746	5,685	49,431
Insurance	3,948	0	0	3,948
Legal & Accounting	804	804	402	2,010
Event Expenses	337	0	411	748
Payroll Taxes	2,690	8,626	1,390	12,706
Administration Fee	40	40	20	100
Office Lease	7,412	6,258	2,800	16,470
Office Supplies	2,241	2,240	1,120	5,601
Repairs and Maintenance	78	78	39	195
Audit Expense	0	554	0	554
Telephone	1,920	1,622	725	4,267
Operating Expense	429	430	215	1,074
Advertising and Marketing	758	252	252	1,262
Website Expense	25,000	0	0	25,000
Travel and Trade Shows	4,404	245	245	4,894
Coalitions	16,500	0	0	16,500
Membership Dues	1,264	140	0	1,404
Special Project Expense	3,855	0	0	3,855
Publications	143	143	72	358
	105,636	173,613	30,860	310,109

Note 5 Beneficial Interest Darke County Foundation

Certain contributors who wish to help finance the CIC's activities will only make contributions to an organization that is a 501 (c) (3) tax exempt organization. The Darke County Foundation is a 501 (c) (3) tax exempt organization. Funds paid to the Darke County Foundation are earmarked for later payment to the CIC.

Note 6 Subsequent Event

The CIC has evaluated all events through June 1, 2021, the date the financial statements were available to be issued, and there are no subsequent events to be reported.

DARKE COUNTY COMMUNITY IMPROVEMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND DECEMBER 31, 2019

Note 7

Liquidity

The CIC has \$488,571 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$163,571 and short term certificate of deposits of \$325,000. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The CIC has a goal to maintain financial assets, which consist of cash and short term certificate of deposits, on hand to meet over a year's worth of normal operating expenses, which are on average approximately \$25,900 per month. The CIC has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the CIC invests cash in excess of daily requirements in various short-term investments, including certificate of deposits and long term certificate of deposits.

Note 8

Expense Allocation

The financial statements report certain categories of expenses that are attributable to Program Services, Management Services and Fundraising Services. Therefore these expenses require allocation on a reasonable basis that is consistently applied. The expenses are allocated on the basis of estimates of time and effort.

Note 9

Commercial Insurance Coverage

The CIC has obtained commercial insurance for comprehensive property and general liability. The coverage limits at December 31, 2020 are as follows:

Each Occurrence Limit	\$1,000,000
Personal and Advertising Limit	1,000,000
General Aggregate Limit	2,000,000
Products – Completed Operations Aggregate Limit	2,000,000

Note 10

COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the CIC. The impact on the CIC's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

DARKE COUNTY COMMUNITY IMPROVEMENT CORPORATION

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 and 2018

	2019	2018
ASSETS		
Checking	\$ 150,978	\$ 147,528
RBEG Account	105,196	105,196
Certificates of Deposit	325,000	325,000
Accrued Interest Receivable	2,354	1,715
Beneficial Interest Held at Darke County Foundation	<u>16,000</u>	<u>13,750</u>
TOTAL ASSETS	<u><u>599,528</u></u>	<u><u>593,189</u></u>
LIABILITIES		
Payroll Taxes Payable	<u>1,108</u>	<u>1,048</u>
TOTAL LIABILITIES	<u>1,108</u>	<u>1,048</u>
NET ASSETS		
Net Assets without Donor Restrictions	493,224	486,945
Net Assets with Donor Restrictions	<u>105,196</u>	<u>105,196</u>
TOTAL NET ASSETS	<u>598,420</u>	<u>592,141</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 599,528</u></u>	<u><u>\$ 593,189</u></u>

SEE ACCOMPANYING NOTES

DARKE COUNTY COMMUNITY IMPROVEMENT CORPORATION

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL
REVENUES, GAINS AND OTHER SUPPORT			
Campaign Contributions	\$ 114,050	\$ 0	\$ 114,050
Interest Income	7,295	0	7,295
Other Income	917	0	917
Conveyance Fees	<u>222,950</u>	<u>0</u>	<u>222,950</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>345,212</u>	<u>0</u>	<u>345,212</u>
EXPENSES			
Salaries	152,902	0	152,902
Employee Benefits	46,349	0	46,349
Insurance	3,319	0	3,319
Legal & Accounting	2,758	0	2,758
Event Expenses	4,064	0	4,064
Payroll Taxes	12,223	0	12,223
Administration Fee	380	0	380
Office Lease	15,876	0	15,876
Office Supplies	2,951	0	2,951
Repairs and Maintenance	285	0	285
Audit Expense	6,007	0	6,007
Telephone	4,419	0	4,419
Operating Expense	770	0	770
Advertising and Marketing	5,562	0	5,562
Website Expense	25,000	0	25,000
Travel and Trade Shows	11,934	0	11,934
Coalitions	16,500	0	16,500
Membership Dues	1,499	0	1,499
Special Project Expense	25,944	0	25,944
Publications	<u>191</u>	<u>0</u>	<u>191</u>
TOTAL EXPENSES	<u>338,933</u>	<u>0</u>	<u>338,933</u>
CHANGE IN NET ASSETS	6,279	0	6,279
NET ASSETS AT BEGINNING OF YEAR	<u>486,945</u>	<u>105,196</u>	<u>592,141</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 493,224</u></u>	<u><u>\$ 105,196</u></u>	<u><u>\$ 598,420</u></u>

SEE ACCOMPANYING NOTES

DARKE COUNTY COMMUNITY IMPROVEMENT CORPORATION

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018

	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL
REVENUES, GAINS AND OTHER SUPPORT			
Campaign Contributions	\$ 112,600	\$ 0	\$ 112,600
Interest Income	3,365	0	3,365
Other Income	282	0	282
Conveyance Fees	<u>208,000</u>	<u>0</u>	<u>208,000</u>
 TOTAL REVENUES, GAINS AND OTHER SUPPORT	 <u>324,247</u>	 <u>0</u>	 <u>324,247</u>
EXPENSES			
Salaries	145,564	0	145,564
Employee Benefits	39,922	0	39,922
Insurance	3,330	0	3,330
Legal & Accounting	2,025	0	2,025
Event Expense	4,719	0	4,719
Payroll Taxes	11,687	0	11,687
Administration Fee	100	0	100
Office Lease	15,687	0	15,687
Office Supplies	2,681	0	2,681
Repair and Maintenance	65	0	65
Audit Expense	123	0	123
Telephone	4,348	0	4,348
Operating Expense	1,231	0	1,231
Advertising and Marketing	6,778	0	6,778
Website Expense	25,000	0	25,000
Travel and Trade Shows	8,648	0	8,648
Coalitions	16,500	0	16,500
Membership Dues	1,449	0	1,449
Strategic Planning Expense	8,221	0	8,221
Special Project Expense	8,000	0	8,000
Publications	<u>289</u>	<u>0</u>	<u>289</u>
 TOTAL EXPENSES	 <u>306,367</u>	 <u>0</u>	 <u>306,367</u>
 CHANGE IN NET ASSETS	 17,880	 0	 17,880
 NET ASSETS AT BEGINNING OF YEAR	 <u>469,065</u>	 <u>105,196</u>	 <u>574,261</u>
 NET ASSETS AT END OF YEAR	 <u>\$ 486,945</u>	 <u>\$ 105,196</u>	 <u>\$ 592,141</u>

SEE ACCOMPANYING NOTES

DARKE COUNTY COMMUNITY IMPROVEMENT CORPORATION

STATEMENTS OF CASH FLOWS
DECEMBER 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets		
(Increase) Decrease in Operating Assets	\$ 6,279	\$ 17,880
Accrued Interest Receivable	(638)	(220)
Accounts Receivable	0	0
Beneficial Interest Held at HOPE Foundation	(2,250)	3,950
Increase (Decrease) in Operating Liabilities		
Payroll Taxes Payable	<u>59</u>	<u>(912)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,450	20,698
NET INCREASE IN CASH	3,450	20,698
CASH AT BEGINNING OF YEAR	<u>577,724</u>	<u>557,026</u>
CASH AT END OF YEAR	<u>\$ 581,174</u>	<u>\$ 577,724</u>
SEE ACCOMPANYING NOTES		

DARKE COUNTY COMMUNITY IMPROVEMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND DECEMBER 31, 2018

Note 1

Nature of Activities

The Community Improvement Corporation of Darke County (CIC) is a not-for-profit organization which operates for the betterment of Darke County, Ohio. The CIC is conducting a Partnering for Progress campaign to raise funds to provide the county's economic development program with the tools and personnel to meet the needs of current and prospective businesses of Darke County. The CIC's management believes these financial statements present all activities for which the Corporation is financially accountable.

Note 2

Significant Accounting Policies

The summary of significant accounting policies of the Community Improvement Corporation of Darke County is presented to assist in understanding the CIC's financial statements. The financial statements and notes are representations of the CIC's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

The accounts are maintained and these financial statements are presented on the accrual basis of accounting.

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Not-for-profit entities. Under ASU 2016-14 the CIC is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. The CIC does not have any permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Actual results could differ from those estimates.

Concentration of Credit Risk

The CIC maintains its cash accounts and certificates of deposits in four commercial banks in Ohio. The cash balances rarely exceed the limit of \$250,000 that is guaranteed by the Federal Deposit Insurance Corporation. The CIC considers these banks to have a high enough stability that any cash in excess of the limit is at minimal risk. At December 31, 2019, the CIC's cash balances for one bank exceeded the FDIC coverage amount. The CIC had \$6,727 exposed to credit risk.

DARKE COUNTY COMMUNITY IMPROVEMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND DECEMBER 31, 2018

Note 2 Significant Accounting Policies (cont.)

Income Taxes

The CIC is a not-for-profit organization that is considered to be exempt from income taxes under Section 501 (c) (4) of the Internal Revenue Code. The CIC was recognized as tax exempt effective March 1, 2006.

Cash and Cash Equivalents

For purpose of the statement of cash flows, the CIC considers all cash in checking accounts and certificate of deposits, whether unrestricted or restricted, to be cash equivalents.

Note 3 Net Assets With Donor Restrictions

The RBEG account that the CIC has is a matching funds account. The CIC applied for and was awarded a grant from the USDA for the purpose of economic development. As part of the covenants of the USDA program, the CIC has to match a percentage of the funds from the USDA. The RBEG account is the matching funds for the USDA program. The money will remain in the account until such time as an opportunity arises for a USDA revolving loan applicant to be granted a loan under this program. At December 31, 2019, the balance loaned to a qualified Darke County applicant was zero. As the loan is paid back, the money will be re-deposited into the RBEG account to be loaned out again for future projects.

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DARKE COUNTY COMMUNITY IMPROVEMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND DECEMBER 31, 2018

Note 4 Functional Expense

The CIC has broken down the following expenses between program, management & administrative, and fundraising expense for the year ended December 31, 2019. These expenses are as follows:

	Program	Management and Administrative	Fund Raising	Total
Salaries	30,928	105,181	16,793	152,902
Employee Benefits	0	40,909	5,440	46,349
Insurance	3,319	0	0	3,319
Legal & Accounting	1,103	1,103	552	2,758
Event Expenses	1,829	0	2,235	4,064
Payroll Taxes	2,472	8,409	1,342	12,223
Administration Fee	152	152	76	380
Office Lease	7,144	6,033	2,699	15,876
Office Supplies	1,181	1,180	590	2,951
Repairs and Maintenance	114	114	57	285
Audit Expense	0	6,007	0	6,007
Telephone	1,989	1,679	751	4,419
Operating Expense	308	308	154	770
Advertising and Marketing	3,338	1,112	1,112	5,562
Website Expense	25,000	0	0	25,000
Travel and Trade Shows	10,740	597	597	11,934
Coalitions	16,500	0	0	16,500
Membership Dues	1,349	150	0	1,499
Special Project Expense	25,944	0	0	25,944
Publications	77	76	38	191
	133,487	173,010	32,436	338,933

Note 5 Beneficial Interest Darke County Foundation

Certain contributors who wish to help finance the CIC's activities will only make contributions to an organization that is a 501 (c) (3) tax exempt organization. The Darke County Foundation is a 501 (c) (3) tax exempt organization. Funds paid to the Darke County Foundation are earmarked for later payment to the CIC.

DARKE COUNTY COMMUNITY IMPROVEMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND DECEMBER 31, 2018

Note 6 Subsequent Event

The CIC has evaluated all events through June 1, 2021, the date the financial statements were available to be issued, and the following was noted.

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the CIC. The impact on the CIC's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Note 7 Liquidity

The CIC has \$475,978 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$150,978 and short term certificate of deposits of \$325,000. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The CIC has a goal to maintain financial assets, which consist of cash and short term certificate of deposits, on hand to meet over a year worth of normal operating expenses, which are on average approximately \$28,500 per month. The CIC has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the CIC invests cash in excess of daily requirements in various short-term investments, including certificate of deposits and long term certificate of deposits.

Note 8 Expense Allocation

The financial statements report certain categories of expenses that are attributable to Program Services, Management Services and Fundraising Services. Therefore these expenses require allocation on a reasonable basis that is consistently applied. The expenses are allocated on the basis of estimates of time and effort.

Note 9 Commercial Insurance Coverage

The CIC has obtained commercial insurance for comprehensive property and general liability. The coverages limits at December 31, 2019 are as follows:

Each Occurrence Limit	\$1,000,000
Personal and Advertising Limit	1,000,000
General Aggregate Limit	2,000,000
Products – Completed Operations Aggregate Limit	2,000,000

OHIO AUDITOR OF STATE KEITH FABER



One First National Plaza
130 West Second Street, Suite 2040
Dayton, Ohio 45402-1502
(937) 285-6677 or (800) 443-9274
WestRegion@ohioauditor.gov

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

Darke County Community Improvement Corporation
Darke County
537 South Broadway, Suite 201
Greenville, Ohio 45331

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 Darke County Community Improvement Corporation, Darke County, (the CIC) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the CIC's basic financial statements and have issued our report thereon dated June 1, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the CIC.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the CIC's internal control over financial reporting (internal control) as a basis for designing 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 CIC'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 CIC'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 CIC'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 financial statements. 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 CIC's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the CIC's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

June 1, 2021

OHIO AUDITOR OF STATE KEITH FABER



DARKE COUNTY COMMUNITY IMPROVEMENT CORPORATION

DARKE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 7/13/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov