



Dave Yost • Auditor of State

**COMMUNITY IMPROVEMENT CORPORATION OF
DARKE COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Community Improvement Corporation of 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 Community Improvement Corporation of Darke County, Ohio (the CIC), (a not-for-profit corporation), which comprise the statement of financial position, the related statements of activities and cash flows, as of and for the years ended December 31, 2014 and 2013, 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 those risks of financial statement material 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 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 overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Community Improvement Corporation of Darke County as of December 31, 2014 and 2013, 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.

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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2015, 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

October 27, 2015

**COMMUNITY IMPROVEMENT CORPORATION
OF DARKE COUNTY**

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Assets:		
Cash	\$453,511	\$400,568
Industrial Insurance Deposit	34	34
Accrued Interest Receivable	0	79
Beneficial Interest Held at Darke County Foundation	9,150	29,150
RBEG - Note Receivable	<u>39,921</u>	<u>75,523</u>
Total Assets	<u><u>502,616</u></u>	<u><u>505,354</u></u>
Liabilities:		
Payroll Taxes Payable	<u>5,698</u>	<u>4,616</u>
Total Liabilities	<u><u>5,698</u></u>	<u><u>4,616</u></u>
Net Assets:		
Unrestricted	392,197	397,282
Temporarily Restricted	<u>104,721</u>	<u>103,456</u>
Total Net Assets	<u><u>496,918</u></u>	<u><u>500,738</u></u>
Total Liabilities and Net Assets	<u><u>\$502,616</u></u>	<u><u>\$505,354</u></u>

See accompanying notes to the financial statements.

**COMMUNITY IMPROVEMENT CORPORATION
OF DARKE COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Campaign Contributions	\$135,200		\$135,200
Interest Income	800	\$1,265	2,065
Other Income	1,545		1,545
Conveyance Fees	200,000		200,000
Workforce Training Income	2,200		2,200
Total Revenues	<u>339,745</u>	<u>1,265</u>	<u>341,010</u>
Expenses:			
Salaries	157,151		157,151
Employee Benefits	22,230		22,230
Insurance	2,960		2,960
Event Expenses	8,092		8,092
Payroll Taxes	13,079		13,079
Administration Fee	100		100
Office Lease	14,400		14,400
Office Supplies	4,514		4,514
Repairs and Maintenance	367		367
Miscellaneous	1,475		1,475
Telephone	5,161		5,161
Operating Expense	3,444		3,444
Advertising and Marketing	3,998		3,998
Website Expense	24,948		24,948
Travel and Trade Shows	9,546		9,546
Workforce Development	4,280		4,280
Contractual Services	50,718		50,718
Coalitions	16,500		16,500
Membership Dues	1,240		1,240
Publications	627		627
Total Expenses	<u>344,830</u>		<u>344,830</u>
Change in Net Assets	(5,085)	1,265	(3,820)
Net Assets at Beginning of Year	<u>397,282</u>	<u>103,456</u>	<u>500,738</u>
Net Assets at End of Year	<u>\$392,197</u>	<u>\$104,721</u>	<u>\$496,918</u>

See accompanying notes to the financial statements.

**COMMUNITY IMPROVEMENT CORPORATION
OF DARKE COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Campaign Contributions	\$142,400		\$142,400
Interest Income	631	\$1,856	2,487
Other Income	263	10	273
Conveyance Fees	200,000		200,000
Workforce Training Income			
Grants Received			
Total Revenues	<u>343,294</u>	<u>1,866</u>	<u>345,160</u>
Expenses:			
Salaries	115,358		115,358
Employee Benefits	18,798		18,798
Insurance	2,845		2,845
Payroll Taxes	10,231		10,231
Administration Fee	100		100
Development Reserve	7,272		7,272
Office Lease	14,400		14,400
Office Supplies	4,698		4,698
Miscellaneous	185		185
Telephone	5,383		5,383
Operating Expense	9,126		9,126
Advertising and Marketing	7,585		7,585
Travel and Trade Shows	8,634		8,634
Workforce Development	1,240		1,240
Contractual Services	21,476		21,476
Coalitions	21,500		21,500
Membership Dues	1,088		1,088
Publications	418		418
Total Expenses	<u>250,337</u>		<u>250,337</u>
Change in Net Assets	92,957	1,866	94,823
Net Assets at Beginning of Year	<u>304,325</u>	<u>101,590</u>	<u>405,915</u>
Net Assets at End of Year	<u>\$397,282</u>	<u>\$103,456</u>	<u>\$500,738</u>

See accompanying notes to the financial statements.

**COMMUNITY IMPROVEMENT CORPORATION
OF DARKE COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Cash Flows From Operating Activities:		
Change in Net Assets	(\$3,820)	\$94,823
(Increase) Decrease in Operating Assets		
Accrued Interest Receivable	79	281
Beneficial Interest Held at HOPE Foundation	20,000	(8,000)
Increase (Decrease) in Operating Liabilities		
Payroll Taxes Payable	<u>1,082</u>	<u>651</u>
Net Cash Provided by Operating Activities	<u>17,341</u>	<u>87,755</u>
 Cash Flows From Investing Activities:		
RBEG-Loan Repayments by Darke County Business	<u>35,602</u>	<u>24,477</u>
Net Cash Provided by Investing Activities	<u>35,602</u>	<u>24,477</u>
 Net Increase in Cash	52,943	112,232
Cash at Beginning of Year	<u>400,568</u>	<u>288,336</u>
 Cash at End of Year	<u><u>\$453,511</u></u>	<u><u>\$400,568</u></u>

See accompanying notes to the financial statements.

**COMMUNITY IMPROVEMENT CORPORATION OF DARKE COUNTY
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

1. NATURE OF ACTIVITIES

The Community Improvement Corporation (CIC) of Darke County is a not-for-profit organization which operates for the betterment of Darke County, Ohio. The CIC manages the funds of Darke County's public/private economic development initiative known as Partnering for Progress. The initiative provides funding for the effort's programs, tools, and personnel to meet the needs of current and prospective businesses, as well as the workforce, of Darke County."

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

2. SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of the CIC 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.

A. Basis of Accounting

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

B. Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Not-for-Profit Entities. Under ASC 958 the CIC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The CIC does not have any permanently restricted net assets.

C. 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.

D. Concentration of Credit Risk

The CIC maintains its cash accounts and certificates of deposit in two commercial banks in Ohio at December 31, 2014. 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, 2014, the CIC's cash balances did not exceed \$250,000 for any one bank.

E. 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.

**COMMUNITY IMPROVEMENT CORPORATION OF DARKE COUNTY
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. 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.

3. TEMPORARILY RESTRICTED ASSETS

The RBEG account that the CIC operates 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, 2013, the majority of the money has been used to fund a loan to a qualified Darke County applicant. At December 31, 2014, the balance loaned to a qualified Darke County applicant was \$39,921. As the loan is paid back, the money will be re-deposited into the RBEG account to be loaned out again for future projects.

4. FUNCTIONAL EXPENSE

The CIC has broken down the following expenses between program, management & administrative, and fund raising expense for the year ended December 31, 2014. These expenses are as follows:

	<u>Program</u>	<u>Management and Administrative</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries	\$20,000	\$116,151	\$21,000	\$157,151
Employee Benefits	0	18,827	3,403	22,230
Insurance	2,960	0	0	2,960
Event Expenses	3,600	0	4,492	8,092
Payroll Taxes	1,665	9,667	1,747	13,079
Administration Fee	40	40	20	100
Office Lease	6,480	5,472	2,448	14,400
Office Supplies	1,806	1,806	902	4,514
Repairs and Maintenance	147	147	73	367
Miscellaneous	1,475	0	0	1,475
Telephone	2,322	1,961	878	5,161
Operating Expense	1,378	1,378	688	3,444
Advertising and Marketing	2,398	800	800	3,998
Website Expense	24,948	0	0	24,948
Travel and Trade Shows	8,592	477	477	9,546
Workforce Development	4,280	0	0	4,280
Contractual Services	45,646	5,072	0	50,718
Coalitions	16,500	0	0	16,500
Membership Dues	1,116	124	0	1,240
Publications	251	251	125	627
	<u>\$145,604</u>	<u>\$162,173</u>	<u>\$37,053</u>	<u>\$344,830</u>

The CIC has broken down the following expenses between program, management & administrative, and fund raising expense for the year ended December 31, 2013. These expenses are as follows:

**COMMUNITY IMPROVEMENT CORPORATION OF DARKE COUNTY
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

4. FUNCTIONAL EXPENSE (Continued)

	<u>Program</u>	<u>Management & Administrative</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries	\$6,923	\$92,935	\$15,500	\$115,358
Employee Benefits	0	16,791	2,007	18,798
Insurance	2,845	0	0	2,845
Payroll Taxes	614	8,242	1,375	10,231
Administration Fee	40	40	20	100
Development Reserve	7,272	0	0	7,272
Office Lease	6,480	5,472	2,448	14,400
Office Supplies	1,879	1,879	940	4,698
Miscellaneous	185	0	0	185
Telephone	2,422	2,046	915	5,383
Operating Expense	3,650	3,650	1,826	9,126
Advertising and Marketing	4,551	1,517	1,517	7,585
Travel and Trade Shows	7,771	432	431	8,634
Workforce Development	1,240	0	0	1,240
Contractual Services	19,328	2,148	0	21,476
Coalitions	21,500	0	0	21,500
Membership Dues	980	108	0	1,088
Publications	167	167	84	418
	<u>\$87,847</u>	<u>\$135,427</u>	<u>\$27,063</u>	<u>\$250,337</u>

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.

6. RISK MANAGEMENT

The CIC has obtained commercial insurance for comprehensive property and general liability. The coverage limits are as follows:

Each Occurrence Limit	\$1,000,000
Damage to premises Rented Limit	100,000
Medical Expense Limit	5,000
Personal and Advertising Injury Limit	1,000,000
General Aggregate Limit	2,000,000
Products – Completed Operations Aggregate Limit	2,000,000

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

Community Improvement Corporation of 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 Community Improvement Corporation of Darke County, (the CIC) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the CIC's basic financial statements and have issued our report thereon dated October 27, 2015.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the CIC'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 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 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 that 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 communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

October 27, 2015



Dave Yost • Auditor of State

DARKE COUNTY COMMUNITY IMPROVEMENT CORPORATION

DARKE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 1, 2015**