



OHIO AUDITOR OF STATE
KEITH FABER



**COMMUNITY IMPROVEMENT CORPORATION OF DARKE COUNTY
 DARKE COUNTY
 DECEMBER 31, 2018 AND 2017**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor’s Report	1
Prepared by Management:	
For the Year Ended December 31, 2018	
Statements of Financial Position – December 31, 2018 and 2017	3
Statement of Activities – Year Ended December 31, 2018	4
Statement of Activities – Year Ended December 31, 2017	5
Statements of Cash Flows – December 31, 2018 and 2017	6
Notes to the Financial Statements – December 31, 2018 and December 31, 2017	7
For the Year Ended December 31, 2017	
Statements of Financial Position – December 31, 2017 and 2016	11
Statement of Activities – Year Ended December 31, 2017	12
Statement of Activities – Year Ended December 31, 2016	13
Statements of Cash Flows – December 31, 2017 and 2016	14
Notes to the Financial Statements – December 31, 2017 and December 31, 2016	15
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	19
Prepared by Management:	
Summary Schedule of Prior Audit Findings	21

This page intentionally left blank.



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

Community Improvement Corporation of Darke County
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 an for the years ended December 31, 2018 and 2017, 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 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 Community Improvement Corporation of Darke County as of December 31, 2018 and 2017, and the changes in its net assets 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 December 10, 2019, 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. While we did not opine on the internal control over financial reporting or on compliance, 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

December 10, 2019

COMMUNITY IMPROVEMENT CORPORATION
OF DARKE COUNTY

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 and 2017

	2018	2017
ASSETS		
Checking	\$ 147,528	\$ 76,830
RBEA Account	105,196	105,196
Certificates of Deposit	325,000	375,000
Accrued Interest Receivable	1,715	1,495
Beneficial Interest Held at Darke County Foundation	<u>13,750</u>	<u>17,700</u>
TOTAL ASSETS	<u><u>593,189</u></u>	<u><u>576,221</u></u>
 LIABILITIES		
Payroll Taxes Payable	<u>1,048</u>	<u>1,960</u>
TOTAL LIABILITIES	<u><u>1,048</u></u>	<u><u>1,960</u></u>
 NET ASSETS		
Net Assets without Donor Restrictions	486,945	469,065
Net Assets with Donor Restrictions	<u>105,196</u>	<u>105,196</u>
TOTAL NET ASSETS	<u><u>592,141</u></u>	<u><u>574,261</u></u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 593,189</u></u>	 <u><u>\$ 576,221</u></u>

SEE ACCOMPANYING NOTES

COMMUNITY IMPROVEMENT CORPORATION
OF DARKE COUNTY

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
Grants Received	0	0	0
Conveyance Fees	208,000	0	208,000
Workforce Training Income	0	0	0
	324,247	0	324,247
TOTAL REVENUES, GAINS AND OTHER SUPPORT			
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 Expenses	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
Repairs and Maintenance	65	0	65
Aduit 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
Workforce Development	0	0	0
Contractual Services	0	0	0
Coalitions	16,500	0	16,500
Membership Dues	1,449	0	1,449
Development Reserve	0	0	0
Environmental and Other Project Expenses	0	0	0
Strategic Planning Expense	8,221	0	8,221
Special Project Expense	8,000	0	8,000
Publications	289	0	289
	306,367	0	306,367
TOTAL EXPENSES			
	17,880	0	17,880
CHANGE IN NET ASSETS			
NET ASSETS AT BEGINNING OF YEAR	469,065	105,196	574,261
NET ASSETS AT END OF YEAR	\$ 486,945	\$ 105,196	\$ 592,141

SEE ACCOMPANYING NOTES

COMMUNITY IMPROVEMENT CORPORATION
OF DARKE COUNTY

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017

	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL
REVENUES, GAINS AND OTHER SUPPORT			
Campaign Contributions	\$ 121,525	\$ 0	\$ 121,525
Interest Income	2,781	0	2,781
Other Income	1,147	0	1,147
Grants Received	0	0	0
Conveyance Fees	215,385	0	215,385
Workforce Training Income	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>340,838</u>	<u>0</u>	<u>340,838</u>
EXPENSES			
Salaries	139,230	0	139,230
Employee Benefits	39,481	0	39,481
Insurance	3,260	0	3,260
Legal & Accounting	2,861	0	2,861
Event Expense	3,551	0	3,551
Payroll Taxes	11,449	0	11,449
Administration Fee	100	0	100
Office Lease	15,120	0	15,120
Office Supplies	3,789	0	3,789
Repair and Maintenance	130	0	130
Audit Expense	6,027	0	6,027
Telephone	5,937	0	5,937
Operating Expense	1,612	0	1,612
Advertising and Marketing	8,191	0	8,191
Website Expense	25,000	0	25,000
Travel and Trade Shows	7,269	0	7,269
Contractual Services	0	0	0
Coalitions	18,859	0	18,859
Membership Dues	1,139	0	1,139
Environmental and Other Project Expenses	15,385	0	15,385
Publications	<u>346</u>	<u>0</u>	<u>346</u>
TOTAL EXPENSES	<u>308,736</u>	<u>0</u>	<u>308,736</u>
CHANGE IN NET ASSETS	32,102	0	32,102
NET ASSETS AT BEGINNING OF YEAR	<u>436,963</u>	<u>105,196</u>	<u>542,159</u>
NET ASSETS AT END OF YEAR	<u>\$ 469,065</u>	<u>\$ 105,196</u>	<u>\$ 574,261</u>

SEE ACCOMPANYING NOTES

COMMUNITY IMPROVEMENT CORPORATION
OF DARKE COUNTY

STATEMENTS OF CASH FLOWS
DECEMBER 31, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets		
(Increase) Decrease in Operating Assets	\$ 17,880	\$ 32,102
Accrued Interest Receivable	(220)	(1,230)
Accounts Receivable	0	0
Beneficial Interest Held at HOPE Foundation	3,950	(5,500)
Increase (Decrease) in Operating Liabilities		
Payroll Taxes Payable	<u>(912)</u>	<u>(69)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	20,698	25,302
NET INCREASE IN CASH	20,698	25,302
CASH AT BEGINNING OF YEAR	<u>557,026</u>	<u>531,724</u>
CASH AT END OF YEAR	<u>\$ 577,724</u>	<u>\$ 557,026</u>

SEE ACCOMPANYING NOTES

COMMUNITY IMPROVEMENT CORPORATION OF DARKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND DECEMBER 31, 2017

Note 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 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.

COMMUNITY IMPROVEMENT CORPORATION OF DARKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND DECEMBER 31, 2017

Note 2 Significant Accounting Policies (cont.)

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, 2018, the CIC's cash balances for one bank exceeded the FDIC coverage amount. The CIC had \$2,724 exposed to credit risk.

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, 2018, 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.

COMMUNITY IMPROVEMENT CORPORATION OF DARKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND DECEMBER 31, 2017

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, 2018. These expenses are as follows:

	Program	Management and Administrative	Fund Raising	Total
Salaries	27,338	101,746	16,480	145,564
Employee Benefits	0	35,263	4,659	39,922
Insurance	3,330	0	0	3,330
Legal & Accounting	810	810	405	2,025
Event Expenses	2,124	0	2,595	4,719
Payroll Taxes	2,195	8,169	1,323	11,687
Administration Fee	40	40	20	100
Office Lease	7,059	5,961	2,667	15,687
Office Supplies	1,073	1,072	536	2,681
Repairs and Maintenance	26	26	13	65
Audit Expense	0	123	0	123
Telephone	1,957	1,652	739	4,348
Operating Expense	493	492	246	1,231
Advertising and Marketing	4,066	1,356	1,356	6,778
Website Expense	25,000	0	0	25,000
Travel and Trade Shows	7,784	432	432	8,648
Coalitions	16,500	0	0	16,500
Membership Dues	1,304	145	0	1,449
Strategic Planning Expense	0	8,221	0	8,221
Special Project Expense	8,000	0	0	8,000
Publications	115	116	58	289
	109,214	165,624	31,529	306,367

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.

COMMUNITY IMPROVEMENT CORPORATION OF DARKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND DECEMBER 31, 2017

Note 6 Subsequent Event

The CIC has evaluated all events through December 10, 2019, the date the financial statements were available to be issued, and there are no subsequent events to be reported.

Note 7 Liquidity

The CIC has \$397,528 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$147,528 and short term certificate of deposits of \$250,000. 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 \$26,000 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, 2018 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

COMMUNITY IMPROVEMENT CORPORATION
OF DARKE COUNTY

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 and 2016

	2017	2016
ASSETS		
Cash	\$ 557,026	\$ 531,724
Accrued Interest Receivable	1,495	265
Beneficial Interest Held at Darke County Foundation	<u>17,700</u>	<u>12,200</u>
TOTAL ASSETS	<u><u>576,221</u></u>	<u><u>544,189</u></u>
LIABILITIES		
Payroll Taxes Payable	<u>1,960</u>	<u>2,031</u>
TOTAL LIABILITIES	<u>1,960</u>	<u>2,031</u>
NET ASSETS		
Unrestricted	469,065	436,962
Temporarily Restricted	<u>105,196</u>	<u>105,196</u>
TOTAL NET ASSETS	<u>574,261</u>	<u>542,158</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 576,221</u></u>	<u><u>\$ 544,189</u></u>

SEE ACCOMPANYING NOTES

COMMUNITY IMPROVEMENT CORPORATION
OF DARKE COUNTY

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUES, GAINS AND OTHER SUPPORT			
Campaign Contributions	\$ 121,525	\$ 0	\$ 121,525
Interest Income	2,781	0	2,781
Other Income	1,147	0	1,147
Grants Received	0	0	0
Conveyance Fees	215,385	0	215,385
Workforce Training Income	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>340,838</u>	<u>0</u>	<u>340,838</u>
EXPENSES			
Salaries	139,230	0	139,230
Employee Benefits	39,481	0	39,481
Insurance	3,260	0	3,260
Legal & Accounting	2,861	0	2,861
Event Expenses	3,551	0	3,551
Payroll Taxes	11,449	0	11,449
Administration Fee	100	0	100
Office Lease	15,120	0	15,120
Office Supplies	3,789	0	3,789
Repairs and Maintenance	130	0	130
Audit Expense	6,027	0	6,027
Telephone	5,937	0	5,937
Operating Expense	1,612	0	1,612
Advertising and Marketing	8,191	0	8,191
Website Expense	25,000	0	25,000
Travel and Trade Shows	7,269	0	7,269
Contractual Services	0	0	0
Coalitions	18,859	0	18,859
Membership Dues	1,139	0	1,139
Environmental and Other Project Expenses	15,385	0	15,385
Publications	<u>346</u>	<u>0</u>	<u>346</u>
TOTAL EXPENSES	<u>308,736</u>	<u>0</u>	<u>308,736</u>
CHANGE IN NET ASSETS	32,102	0	32,102
NET ASSETS AT BEGINNING OF YEAR	<u>436,963</u>	<u>105,196</u>	<u>542,159</u>
NET ASSETS AT END OF YEAR	<u>\$ 469,065</u>	<u>\$ 105,196</u>	<u>\$ 574,261</u>

SEE ACCOMPANYING NOTES

COMMUNITY IMPROVEMENT CORPORATION
OF DARKE COUNTY

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUES, GAINS AND OTHER SUPPORT			
Campaign Contributions	\$ 111,680	\$ 0	\$ 111,680
Interest Income	1,536	0	1,536
Other Income	0	0	0
Grants Received	30,000	0	30,000
Conveyance Fees	230,000	0	230,000
Workforce Training Income	4,556	0	4,556
	377,772	0	377,772
TOTAL REVENUES, GAINS AND OTHER SUPPORT			
EXPENSES			
Salaries	112,316	0	112,316
Employee Benefits	27,733	0	27,733
Insurance	3,500	0	3,500
Legal & Accounting	2,055	0	2,055
Event Expense	3,688	0	3,688
Payroll Taxes	9,416	0	9,416
Administration Fee	100	0	100
Office Lease	14,940	0	14,940
Office Supplies	4,730	0	4,730
Repair and Maintenance	260	0	260
Miscellaneous	1,073	0	1,073
Telephone	5,876	0	5,876
Operating Expense	1,832	0	1,832
Advertising and Marketing	12,134	0	12,134
Website Expense	25,000	0	25,000
Travel and Trade Shows	10,257	0	10,257
Contractual Services	7,340	0	7,340
Coalitions	18,883	0	18,883
Membership Dues	1,090	0	1,090
Environmental and Other Project Expenses	60,820	0	60,820
Publications	264	0	264
	323,307	0	323,307
TOTAL EXPENSES			
	54,465	0	54,465
CHANGE IN NET ASSETS			
NET ASSETS AT BEGINNING OF YEAR	382,497	105,196	487,693
NET ASSETS AT END OF YEAR	\$ 436,962	\$ 105,196	\$ 542,158

SEE ACCOMPANYING NOTES

COMMUNITY IMPROVEMENT CORPORATION
OF DARKE COUNTY

STATEMENTS OF CASH FLOWS
DECEMBER 31, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets		
(Increase) Decrease in Operating Assets	\$ 32,102	\$ 54,465
Accrued Interest Receivable	(1,230)	(265)
Accounts Receivable	0	0
Beneficial Interest Held at HOPE Foundation	(5,500)	(5,300)
Increase (Decrease) in Operating Liabilities		
Payroll Taxes Payable	<u>(69)</u>	<u>(5,285)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	25,302	43,615
NET INCREASE IN CASH	25,302	43,615
CASH AT BEGINNING OF YEAR	<u>531,724</u>	<u>488,109</u>
CASH AT END OF YEAR	<u>\$ 557,026</u>	<u>\$ 531,724</u>

SEE ACCOMPANYING NOTES

COMMUNITY IMPROVEMENT CORPORATION OF DARKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND DECEMBER 31, 2016

Note 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 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 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.

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.

COMMUNITY IMPROVEMENT CORPORATION OF DARKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND DECEMBER 31, 2016

Note 2 Significant Accounting Policies (cont.)

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, 2017 the CIC's cash balances did not exceed \$250,000 for any one bank.

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 Temporarily Restricted Assets

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, 2017, 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.

COMMUNITY IMPROVEMENT CORPORATION OF DARKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND DECEMBER 31, 2016

Note 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, 2017. These expenses are as follows:

	Program	Management and Administrative	Fund Raising	Total
Salaries	20,431	101,999	16,800	139,230
Employee Benefits	0	33,897	5,584	39,481
Insurance	3,260	0	0	3,260
Legal & Accounting	1,144	1,144	573	2,861
Event Expenses	1,598	0	1,953	3,551
Payroll Taxes	1,680	8,388	1,381	11,449
Administration Fee	40	40	20	100
Office Lease	6,804	5,746	2,570	15,120
Office Supplies	1,516	1,516	757	3,789
Repairs and Maintenance	52	52	26	130
Audit Expense	0	6027	0	6027
Telephone	2,672	2,256	1,009	5,937
Operating Expense	645	645	322	1,612
Advertising and Marketing	4,915	1,638	1,638	8,191
Website Expense	25,000	0	0	25,000
Travel and Trade Shows	6,543	363	363	7,269
Workforce Development	0	0	0	0
Contractual Services	0	0	0	0
Coalitions	18,859	0	0	18,859
Membership Dues	1,025	114	0	1,139
Development Expense Environmental & Other	0	0	0	0
Project Expenses	15,385	0	0	15,385
Publications	138	138	70	346
	111,707	163,963	33,066	308,736

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.

COMMUNITY IMPROVEMENT CORPORATION OF DARKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND DECEMBER 31, 2016

Note 6 Subsequent Event

The CIC has evaluated all events through December 10, 2019, the date the financial statements were available to be issued, and there are no subsequent events to be reported.

Note 7 Commercial Insurance Coverage

The CIC has obtained commercial insurance for comprehensive property and general liability. The coverages limits at December 31, 2017 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



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**

Community Improvement Corporation of Darke County
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, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the CIC's basic financial statements and have issued our report thereon dated December 10, 2019.

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 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

December 10, 2019

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2018 AND 2017**

Finding Number	Finding Summary	Status	Additional Information
2016-001	Material Weakness – Financial Statement Misstatement	Fully Corrected	

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



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
JANUARY 2, 2020**