



OHIO AUDITOR OF STATE
KEITH FABER



**DARKE COUNTY COMMUNITY IMPROVEMENT CORPORATION
DARKE COUNTY**

DECEMBER 31, 2022 AND 2021

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Darke County Community Improvement Corporation, Darke County, Ohio (the CIC) (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2022 and 2021, and the related statement of activities and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Darke County Community Improvement Corporation, Darke County, Ohio as of December 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the CIC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on Summarized Comparative Information

We have previously audited the CIC's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 1, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CIC's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CIC's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the CIC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2023, 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. The purpose of that report is solely 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 effectiveness of the CIC's 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

September 27, 2023

COMMUNITY IMPROVEMENT CORPORATION
OF DARKE COUNTY

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 and 2021

	2022	2021
ASSETS		
Checking	\$ 142,123	\$ 151,560
Savings	75,091	0
RBEG Account	13,695	54,531
Certificates of Deposit	250,000	325,000
Accrued Interest Receivable	1,076	1,638
RBEG-Note Receivable	94,077	51,054
Prepaid Expenses	38,787	28,181
Beneficial Interest Held at Darke County Foundation	<u>17,550</u>	<u>20,200</u>
TOTAL ASSETS	<u><u>632,399</u></u>	<u><u>632,164</u></u>
 LIABILITIES		
Payroll Taxes Payable	<u>2,229</u>	<u>2,094</u>
TOTAL LIABILITIES	<u>2,229</u>	<u>2,094</u>
 NET ASSETS		
Net Assets without Donor Restrictions	522,399	524,380
Net Assets with Donor Restrictions	<u>107,771</u>	<u>105,690</u>
TOTAL NET ASSETS	<u>630,170</u>	<u>630,070</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 632,399</u></u>	<u><u>\$ 632,164</u></u>

COMMUNITY IMPROVEMENT CORPORATION
OF DARKE COUNTY

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL
REVENUES, GAINS AND OTHER SUPPORT			
Campaign Contributions	\$ 114,479	\$ 0	\$ 114,479
Interest Income	2,473	2,081	4,554
Other Income	2,942	0	2,942
Conveyance Fees	<u>235,000</u>	<u>0</u>	<u>235,000</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>354,894</u>	<u>2,081</u>	<u>356,975</u>
EXPENSES			
Salaries	167,963	0	167,963
Employee Benefits	64,996	0	64,996
Insurance	3,532	0	3,532
Legal & Accounting	2,140	0	2,140
Event Expenses	6,808	0	6,808
Payroll Taxes	13,329	0	13,329
Office Lease	16,668	0	16,668
Office Supplies	2,949	0	2,949
Telephone	4,164	0	4,164
Operating Expense	1,408	0	1,408
Advertising and Marketing	1,116	0	1,116
Website Expense	20,000	0	20,000
Travel and Trade Shows	8,144	0	8,144
Contractual Services	300	0	300
Coalitions	10,000	0	10,000
Membership Dues	10,388	0	10,388
Special Project Expense	17,500	0	17,500
Manufacturing Camp Expense	5,177	0	5,177
Publications	<u>293</u>	<u>0</u>	<u>293</u>
TOTAL EXPENSES	<u>356,875</u>	<u>0</u>	<u>356,875</u>
CHANGE IN NET ASSETS	(1,981)	2,081	100
NET ASSETS AT BEGINNING OF YEAR	<u>524,380</u>	<u>105,690</u>	<u>630,070</u>
NET ASSETS AT END OF YEAR	<u>\$ 522,399</u>	<u>\$ 107,771</u>	<u>\$ 630,170</u>

COMMUNITY IMPROVEMENT CORPORATION
OF DARKE COUNTY

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL
REVENUES, GAINS AND OTHER SUPPORT			
Campaign Contributions	\$ 113,450	\$ 0	\$ 113,450
Interest Income	2,183	194	2,377
Other Income	840	150	990
Conveyance Fees	235,000	0	235,000
	351,473	344	351,817
TOTAL REVENUES, GAINS AND OTHER SUPPORT			
EXPENSES			
Salaries	164,525	0	164,525
Employee Benefits	58,153	0	58,153
Insurance	3,938	0	3,938
Legal & Accounting	2,285	0	2,285
Event Expense	1,067	0	1,067
Payroll Taxes	13,125	0	13,125
Office Lease	16,668	0	16,668
Office Supplies	10,940	0	10,940
Audit Expense	6,560	0	6,560
Telephone	4,173	0	4,173
Operating Expense	1,544	0	1,544
Advertising and Marketing	811	0	811
Website Expense	20,000	0	20,000
Travel and Trade Shows	7,277	0	7,277
Coalitions	12,500	0	12,500
Membership Dues	6,439	0	6,439
Special Project Expense	3,379	0	3,379
Publications	322	0	322
	333,706	0	333,706
TOTAL EXPENSES			
	17,767	344	18,111
CHANGE IN NET ASSETS			
NET ASSETS AT BEGINNING OF YEAR	506,613	105,346	611,959
NET ASSETS AT END OF YEAR	\$ 524,380	\$ 105,690	\$ 630,070

COMMUNITY IMPROVEMENT CORPORATION
OF DARKE COUNTY

STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets		
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	\$ 100	\$ 18,111
Accrued Interest Receivable	562	(403)
Beneficial Interest Held at HOPE Foundation	2,650	(2,200)
Prepaid Expenses	(10,606)	(28,181)
Increase (Decrease) in Operating Liabilities		
Payroll Taxes Payable	<u>135</u>	<u>901</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	(7,159)	(11,772)
 CASH FLOWS FROM INVESTING ACTIVITIES		
RBEG-Loan Repayments by Darke County Business	<u>(43,023)</u>	<u>(51,054)</u>
NET CASH USED IN INVESTING ACTIVITIES	(43,023)	(51,054)
NET INCREASE/(DECREASE) IN CASH	(50,182)	(62,826)
CASH AT BEGINNING OF YEAR	<u>531,091</u>	<u>593,917</u>
CASH AT END OF YEAR	\$ <u>480,909</u>	\$ <u>531,091</u>

COMMUNITY IMPROVEMENT CORPORATION OF DARKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND DECEMBER 31, 2021

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.

Revenue Recognition

The CIC receives conveyance fees from Darke county on a monthly basis, as the designated fees are collected. The budgeted conveyance fees are \$200,000 annually, with additional funds being available upon request for specific needs. The CIC receives private contributions from individuals and local businesses. Local government agencies and other public entities with common interests contribute annually as well. The CIC recognizes unconditional contributions and grants as revenue in the period in which the funds are received. If there are no donor-imposed restrictions on the use of funds, then those revenues are classified as without donor restrictions. If a donor-imposed restriction exists, then it must be determined if this restriction is with regard to time or purpose, or in perpetuity and classified in the financial statements as net assets with donor restrictions. A donor-imposed restriction is present when the contributor of funds designates a specific purpose or time period in which the funds may be used. At the time when this donor-imposed restriction has been satisfied, net assets with donor restrictions are

COMMUNITY IMPROVEMENT CORPORATION OF DARKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND DECEMBER 31, 2021

Note 2

Significant Accounting Policies (cont.)

reclassified as net assets without donor restrictions, and would be disclosed in the statement of activities. The net assets with donor restrictions at December 31, 2022 totaled \$107,771.

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.

Income Taxes

The CIC is a not-for-profit organization that is considered to be exempt from income taxes under Section 501 (c) (6) 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, 2022, the balance loaned to a qualified Darke County applicant was \$94,077. When loans are 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, 2022 AND DECEMBER 31, 2021

Note 4 Functional Expense

The CIC has allocated the following expenses between program, management & administrative, and fundraising expense for the year ended December 31, 2022. These expenses are as follows:

	<u>December 31, 2022</u>			
	Program	Management and Administrative	Fund Raising	Total
Salaries	37,653	112,302	18,008	167,963
Employee Benefits	0	57,127	7,869	64,996
Insurance	3,532	0	0	3,532
Legal & Accounting	856	856	428	2,140
Contract Services	270	30	0	300
Event Expenses	3,064	0	3,744	6,808
Payroll Taxes	2,988	8,912	1,429	13,329
Office Lease	7,500	6,334	2,834	16,668
Office Supplies	1,179	1,180	590	2,949
Telephone	1,874	1,583	707	4,164
Operating Expense	562	563	283	1,408
Advertising and Marketing	670	223	223	1,116
Website Expense	20,000	0	0	20,000
Travel and Trade Shows	7,330	407	407	8,144
Coalitions	10,000	0	0	10,000
Membership Dues	9,349	1,039	0	10,388
Special Project Expense	17,500	0	0	17,500
Manufacturing Camp Expense	5,177	0	0	5,177
Publications	117	117	59	293
	129,621	190,673	36,581	356,875

COMMUNITY IMPROVEMENT CORPORATION OF DARKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND DECEMBER 31, 2021

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 Liquidity/Availability

The CIC has \$467,214 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$217,214 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's worth of normal operating expenses, which are on average approximately \$29,700 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 7 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 8 Lease Expense

The CIC has an operating lease with Lighthawke Properties of Greenville, LLC for their current operating location, 537 South Broadway, Suite 201, Greenville, Ohio. The lease amount is \$1,389 per month and \$16,668 annually. The lease term is annual with the option to renew as of the anniversary date. There is no option to purchase the leased property at the end of the lease term. Based on the nature and term of the lease, the CIC is electing to not recognize a right-of-use asset and lease liability on the balance sheet, and instead the lease payments will be expensed over the lease term.

COMMUNITY IMPROVEMENT CORPORATION OF DARKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND DECEMBER 31, 2021

Note 9 Commercial Insurance Coverage

The CIC has obtained commercial insurance for comprehensive property and general liability. The coverage limits at December 31, 2022 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 Subsequent Event

The CIC has evaluated all events through September 27, 2023, the date the financial statements were available to be issued, and there are no subsequent events to be reported.

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COMMUNITY IMPROVEMENT CORPORATION
OF DARKE COUNTY

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 and 2020

	2021	2020
ASSETS		
Checking	\$ 151,560	\$ 163,571
RBEA Account	54,531	105,346
Certificates of Deposit	325,000	325,000
Accrued Interest Receivable	1,638	1,235
RBEA-Note Receivable	51,054	0
Prepaid Expenses	28,181	0
Beneficial Interest Held at Darke County Foundation	<u>20,200</u>	<u>18,000</u>
TOTAL ASSETS	<u><u>632,164</u></u>	<u><u>613,152</u></u>
 LIABILITIES		
Payroll Taxes Payable	<u>2,094</u>	<u>1,193</u>
TOTAL LIABILITIES	<u>2,094</u>	<u>1,193</u>
 NET ASSETS		
Net Assets without Donor Restrictions	524,380	506,613
Net Assets with Donor Restrictions	<u>105,690</u>	<u>105,346</u>
TOTAL NET ASSETS	<u>630,070</u>	<u>611,959</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 632,164</u></u>	<u><u>\$ 613,152</u></u>

COMMUNITY IMPROVEMENT CORPORATION
OF DARKE COUNTY

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL
REVENUES, GAINS AND OTHER SUPPORT			
Campaign Contributions	\$ 113,450	\$ 0	\$ 113,450
Interest Income	2,183	194	2,377
Other Income	840	150	990
Conveyance Fees	235,000	0	235,000
	351,473	344	351,817
TOTAL REVENUES, GAINS AND OTHER SUPPORT			
EXPENSES			
Salaries	164,525	0	164,525
Employee Benefits	58,153	0	58,153
Insurance	3,938	0	3,938
Legal & Accounting	2,285	0	2,285
Event Expenses	1,067	0	1,067
Payroll Taxes	13,125	0	13,125
Office Lease	16,668	0	16,668
Office Supplies	10,940	0	10,940
Audit Expense	6,560	0	6,560
Telephone	4,173	0	4,173
Operating Expense	1,544	0	1,544
Advertising and Marketing	811	0	811
Website Expense	20,000	0	20,000
Travel and Trade Shows	7,277	0	7,277
Coalitions	12,500	0	12,500
Membership Dues	6,439	0	6,439
Special Project Expense	3,379	0	3,379
Publications	322	0	322
	333,706	0	333,706
TOTAL EXPENSES			
	17,767	344	18,111
CHANGE IN NET ASSETS			
NET ASSETS AT BEGINNING OF YEAR	506,613	105,346	611,959
NET ASSETS AT END OF YEAR	\$ 524,380	\$ 105,690	\$ 630,070

COMMUNITY IMPROVEMENT CORPORATION
OF DARKE COUNTY

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 Expense	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
Repair 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>\$ 506,613</u>	<u>\$ 105,346</u>	<u>\$ 611,959</u>

COMMUNITY IMPROVEMENT CORPORATION
OF DARKE COUNTY

STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets		
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	\$ 18,111	\$ 13,539
Accrued Interest Receivable	(403)	1,119
Beneficial Interest Held at HOPE Foundation	(2,200)	(2,000)
Prepaid Expenses	(28,181)	0
Increase (Decrease) in Operating Liabilities		
Payroll Taxes Payable	<u>901</u>	<u>85</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	(11,772)	12,743
 CASH FLOWS FROM INVESTING ACTIVITIES		
RBEG-Loan Payment to Darke County Business	<u>(51,054)</u>	<u>0</u>
NET CASH USED IN INVESTING ACTIVITIES	(51,054)	0
NET INCREASE/(DECREASE) IN CASH	(62,826)	12,743
CASH AT BEGINNING OF YEAR	<u>593,917</u>	<u>581,174</u>
CASH AT END OF YEAR	<u>\$ 531,091</u>	<u>\$ 593,917</u>

COMMUNITY IMPROVEMENT CORPORATION OF DARKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND DECEMBER 31, 2020

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.

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.

COMMUNITY IMPROVEMENT CORPORATION OF DARKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND DECEMBER 31, 2020

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) (6) 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, 2021, the balance loaned to a qualified Darke County applicant was \$51,054. When loans are 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
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Note 4 Functional Expense

The CIC has allocated the following expenses between program, management & administrative, and fundraising expense for the year ended December 31, 2021. These expenses are as follows:

	Program	Management and Administrative	Fund Raising	Total
Salaries	35,645	111,060	17,820	164,525
Employee Benefits	0	50,577	7,576	58,153
Insurance	3,938	0	0	3,938
Legal & Accounting	914	914	457	2,285
Event Expenses	480	0	587	1,067
Payroll Taxes	2,844	8,860	1,421	13,125
Office Lease	7,500	6,333	2,834	16,668
Office Supplies	4,376	4,376	2,188	10,940
Audit Expense	0	6,560	0	6,560
Telephone	1,878	1,587	709	4,173
Operating Expense	617	618	309	1,544
Advertising and Marketing	487	162	162	811
Website Expense	20,000	0	0	20,000
Travel and Trade Shows	6,549	364	364	7,277
Coalitions	12,500	0	0	12,500
Membership Dues	5,795	644	0	6,439
Special Project Expense	3,379	0	0	3,379
Publications	129	129	64	322
	107,031	192,184	34,491	333,706

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 September 27, 2023, the date the financial statements were available to be issued, and there are no subsequent events to be reported.

COMMUNITY IMPROVEMENT CORPORATION OF DARKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND DECEMBER 31, 2020

Note 7 Liquidity/Availability

The CIC has \$476,560 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$151,560 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 \$27,800 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, 2021 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



**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 Street, Suite 201
Greenville, Ohio 45331

To the Board of Trustees:

We have audited, in accordance with the 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 (*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, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the CIC's basic financial statements and have issued our report thereon dated September 27, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CIC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CIC's internal control. Accordingly, we do not express an opinion on the effectiveness of the CIC's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the CIC's financial statements will not be prevented, or detected and corrected, on a timely basis. *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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CIC's financial statements are free from 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 financial statements. 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*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CIC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CIC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

September 27, 2023

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 11/9/2023

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