Ohio CDC Association, Inc.

Financial Statements

December 31, 2019 and 2018

(with Independent Auditors' Report)

CLARK SCHAEFER HACKETT

CPAS & ADVISORS

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Ohio CDC Association, Inc.
Columbus, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of Ohio CDC Association, Inc. (a not-for-profit organization) (the Association), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ohio CDC Association, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Grant Activity are presented on pages 19-24 for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2020 on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 Ohio CDC Association, Inc.'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 Association's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
October 9, 2020

Assets	2019	2018
Current assets:		
Cash and cash equivalents:		
IDA reserve account	$ 248,641	235,209
Operating checking account	568,612	973,765
Savings account	43,467	53,321
Invested cash	3,258	2,533
Accounts receivable	144,974	81,890
Revolving loan fund receivable, current portion	15,551	11,873
Prepaid expenses	16,739	10,790
Investments	123,299	105,383
	1,164,541	1,474,764
Property and equipment:		
Computers and other equipment	15,721	15,721
Furniture and fixtures	5,553	5,553
	21,274	21,274
Less accumulated depreciation	20,687	19,988
	587	1,286
Other noncurrent assets:		
Revolving loan fund receivable, net of allowance of doubtful accounts of $5,000 and $10,000, respectively	8,103	6,411
	$ 1,173,231	1,482,461

See accompanying notes to the financial statements.

Liabilities and Net Assets		2019	2018
Current liabilities:			
Accounts payable - trade	$	105,084	160,229
Accounts payable - other		-	1,500
Accrued vacation		8,998	10,864
Unearned income		84,242	177,009
IDA reserve account pass-through payables		299,846	259,782
Other liabilities		3,428	7,281
		501,598	616,665
Net assets:			
Without donor restrictions		546,303	513,167
With donor restrictions		125,330	352,629
		671,633	865,796
	$	1,173,231	1,482,461

	2019	2018
Changes in net assets without donor restrictions:		
Revenues:		
Federal, state, and private grants, including pass-through amounts of $1,073,142 and $1,131,591, respectively	$ 1,628,380	1,657,560
Contributions	2,100	151,000
Membership fees	61,237	65,250
Training and conference fees	25,970	19,701
VISTA and AFIA site fees grants	68,953	60,455
Investment income from marketable securities, net	18,638	(5,204)
Miscellaneous	47,964	22,020
Net assets released from restriction	295,568	18,482
	2,148,810	1,989,264
Expenses:		
Program services	1,849,428	1,555,957
Management and general	266,246	241,597
	2,115,674	1,797,554
Change in net assets without donor restrictions	33,136	191,710
Changes net assets with donor restrictions:		
Contributions	68,269	118,500
Net assets released from restriction	(295,568)	(18,482)
Change in net assets with donor restrictions	(227,299)	100,018
Change in net assets	(194,163)	291,728
Net assets at beginning of year	865,796	574,068
Net assets at end of year	$ 671,633	865,796

See accompanying notes to the financial statements.

		Program Services	Management and General	Total
Micro grant pass-through	$	409,344	-	409,344
VISTA salaries pass-through		408,200	-	408,200
Salaries and wages		211,268	138,808	350,076
Empowering communities pass-through		286,766	-	286,766
Conference and training		107,009	4,184	111,193
VISTA cost share pass-through		97,621	-	97,621
Payroll taxes and employee benefits		48,249	28,283	76,532
Demonstration VII pass-through		66,897	-	66,897
IDA match pass-through		64,988	-	64,988
Rent		-	47,813	47,813
Professional fees		42,400	3,663	46,063
Social enterprise		36,767	2,900	39,667
USDA RDI pass-through		23,591	-	23,591
Travel		10,761	5,644	16,405
Printing and supplies		4,072	11,117	15,189
Educational scholarships		10,250	-	10,250
CNCS program		9,525	-	9,525
Miscellaneous		6,044	2,639	8,683
Legislative		-	5,000	5,000
Insurance and maintenance		-	4,479	4,479
Telephone and internet		-	4,261	4,261
Staff/board development		330	3,317	3,647
Payroll processing		2,846	782	3,628
JOLI IDA pass-through		2,500	-	2,500
Service charges		-	2,221	2,221
Depreciation		-	699	699
Postage		-	436	436
	$	1,849,428	266,246	2,115,674

See accompanying notes to the financial statements.

Ohio CDC Association, Inc.
Statement of Functional Expenses
Year Ended December 31, 2018

	Program Services	Management and General	Total
Micro grant pass-through	$ 467,915	-	467,915
VISTA salaries pass-through	350,495	-	350,495
Salaries and wages	220,189	123,306	343,495
VISTA cost share pass-through	114,217	-	114,217
IDA match pass-through	90,738	-	90,738
Conference and training	86,242	1,308	87,550
Payroll taxes and employee benefits	51,567	18,793	70,360
Demonstration VII pass-through	68,647	-	68,647
Rent	-	46,727	46,727
USDA RDI pass-through	35,322	-	35,322
Professional fees	15,797	9,456	25,253
Printing and supplies	10,999	7,878	18,877
Staff/board development	8,229	8,838	17,067
Empowering communities pass-through	13,234	-	13,234
Travel	9,522	493	10,015
Bad debts	5,248	10,000	15,248
Telephone and internet	-	4,951	4,951
Insurance and maintenance	-	4,430	4,430
JOLI IDA pass-through	3,498	-	3,498
Miscellaneous	48	3,352	3,400
Payroll processing	3,290	-	3,290
Depreciation	-	1,628	1,628
Micro pass-through	760	-	760
Postage	-	437	437
	$ 1,555,957	241,597	1,797,554

See accompanying notes to the financial statements.

		2019	2018
Cash flows from operating activities:			
Change in net assets	$	(194,163)	291,728
Adjustments to reconcile change in net assets to net cash flows from operating activities:			
Depreciation		699	1,628
(Gain) loss on investments		(16,935)	6,538
Effects of changes in operating assets and liabilities:			
Accounts receivable		(63,084)	(3,585)
Revolving loan fund receivable		(5,370)	1,081
Contributions receivable		-	100,000
Prepaid expenses		(5,949)	721
Accounts payable - trade		(55,145)	146,846
Accounts payable - other		(1,500)	(101,786)
Accrued vacation		(1,866)	1,938
Unearned income		(92,767)	47,173
IDA reserve account pass-through payables		40,064	(46,932)
Other liabilities		(3,853)	(16,807)
Net cash flows from operating activities		(399,869)	428,543
Cash flows from investing activities:			
Purchase of investments		(981)	(1,593)
Change in cash and cash equivalents		(400,850)	426,950
Cash and cash equivalents - beginning of year		1,264,828	837,878
Cash and cash equivalents - end of year	$	863,978	1,264,828
Consisting of:			
IDA reserve account	$	248,641	235,209
Operating checking account		568,612	973,765
Savings account		43,467	53,321
Invested cash		3,258	2,533
	$	863,978	1,264,828

See accompanying notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following accounting principles and practices of Ohio CDC Association, Inc. (the Association) are set forth to facilitate the understanding of data presented in the financial statements:

Nature of activity
The Association was formed in 1984 and is a statewide association of not-for-profit community development corporations (CDCs) and other associated organizations that support the goals of community economic development. The Association's goal is to promote and assist the efforts of the not-for-profit community-based development organizations to address the needs of low and moderate income communities in Ohio. This goal is achieved through training and technical assistance, engaging in policy and resource development, and sponsoring special projects.

Adoption of new accounting standard
During 2019, the Association adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*. The ASU, as updated, represents a comprehensive overhaul of substantially all previous revenue recognition guidance within U.S. GAAP. Additionally, the ASU requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Association adopted the new standard effective January 1, 2019, the first day of the Association's fiscal year using the modified retrospective approach.

As part of the adoption of the ASU, the Association elected the following transition practical expedients: (i) to reflect the aggregate of all contract modifications that occurred prior to the date of initial application when identifying satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price; and (ii) to apply the standard only to contracts that are not completed at the initial date of application. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients. Management has analyzed the provisions of the ASU and have concluded that no changes are necessary to conform with the new standard.

During 2019, the Association adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard provides guidance on determining whether a transaction should be accounted for as a contribution or as an exchange transaction and whether a contribution is considered conditional. Revenue of $15,895 was recognized in 2019 as a result of adopting this standard.

Basis of presentation
Net assets and revenues, expenses, gains, and losses are reported based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

> **Net assets without donor restrictions** – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions. Some donor restrictions are temporary in nature; those restrictions will likely be met by the actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Basis of accounting
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Revenue recognition
The Association's primary revenue and support is obtained from contributions, grants, memberships, and training and seminar revenues. Revenues from contributions and grants are recognized when a donor's unconditional commitment is received.

Training and seminar revenues are based on the satisfaction of performance obligations at a point in time, which is the completion of the event. Memberships are based on the satisfaction of performance obligations over time, which is one year. Training and seminar or membership fees received in advance are deferred to the applicable period in which the performance obligation is performed. Total revenue recognized at a point in time is $25,970 and $19,701 for December 31, 2019 and 2018, respectively. Total revenue recognized over time is $61,237 and $65,250 for December 31, 2019 and 2018, respectively

Donated materials
Donated materials are recorded at their estimated fair value at the time received.

Cash and cash equivalents
The Association considers all highly liquid investments with maturity of three months or less to be cash equivalents.

Accounts receivable
At December 31, 2019 and 2018, accounts receivable included $120,097 and $55,390, respectively, of grants receivable and $24,877 and $26,500, respectively, of conference and training fees, dues, and miscellaneous receivables. Management makes an assessment of the ultimate realization of these receivables on an annual basis and estimates an allowance for doubtful accounts, if necessary, based on the Association's historical evidence of collections. Management has reviewed the accounts receivable detail and does not feel an allowance was necessary at December 31, 2019 and 2018.

Contributions receivable
Unconditional contributions receivable are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or in-kind expenses depending on the form of benefits received.

Contributions receivable consist of amounts due within one year.

Investments
The Association presents investments in equity securities with readily determinable fair values and all investments in debt securities at fair value in the statements of financial position. Net unrealized and realized gains and losses are to be reported in the statements of activities as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulations or by law.

Property and equipment
Property and equipment are recorded at cost and depreciated by the straight-line method over their estimated useful lives, which range from five to seven years. The Association capitalizes the cost of all expenditures for property and equipment greater than $1,000. Contributed property and equipment are recorded at fair value at the date of donation. There was no contributed property or equipment received in the years ended December 31, 2019 and 2018.

Cost allocation
The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, the Association allocates certain program costs based upon the direct allocation method, with total direct salary and wages, including applicable fringe benefit costs, as the indirect cost rate allocation base. The Association used a rate of 12.27 percent for the years ended December 31, 2019 and 2018.

Use of estimates
The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates

Income taxes
The Association is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Association qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). As such, no provision has been made for federal income taxes in the financial statements.

2. RETIREMENT PLAN:

The Association maintains a defined contribution retirement plan. The Board of Directors determines the amount of the Association's contribution to the plan annually. Expenses relating to the plan for the years ended December 31, 2019 and 2018 were $14,845 and $12,435, respectively.

3. CONCENTRATIONS OF RISK IN EXCESS OF FEDERALLY INSURED LIMITS:

The Association maintains its cash balances in two financial institutions. Cash balances are insured by the Federal Deposit Insurance Corporation up to $250,000 per institution. As of December 31, 2019 and 2018, the Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

4. INVESTMENT INCOME:

Investment income consists of the following:

		2019	2018
Unrealized gains (losses) on investments	$	14,964	(6,722)
Realized gains on investments		1,971	184
Dividend income on investments		3,091	2,689
Investment fees		(1,388)	(1,355)
	$	18,638	(5,204)

PNC Investments (PNC) is the custodian of the investment accounts. The Securities Investor Protection Corporation (SIPC) provides up to $500,000 protection, with a limit of $100,000 for claims of cash balances, per institution. Investment accounts did not exceed these limits during 2019 or 2018.

5. FAIR VALUE MEASUREMENTS:

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities the Association has the ability to access.

- Level 2 inputs (other than quoted prices included within level 1) are observable for the asset or liability, either directly or indirectly.

- Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

The following are descriptions of the valuation methodologies used for assets measured at fair value. There have been no changes from the prior year in the methodologies used at December 31, 2019 and 2018.

Mutual funds: Valued based on the net asset value (NAV) of shares held by the Association at period end which is based on observable market quotations for identical assets and are priced on a daily basis at the close of business.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

The following table presents the Association's fair value hierarchy for those assets measured at fair value on a recurring basis at December 31, 2019 and 2018.

December 31, 2019		Total	Level 1	Level 2	Level 3
Investments:					
Common stocks	$	60,351	60,351	-	-
Fixed income mutual funds		58,954	58,954	-	-
Equity mutual funds		3,994	3,994	-	-
	$	123,299	123,299	-	-

December 31, 2018		Total	Level 1	Level 2	Level 3
Investments:					
Common stocks	$	50,784	50,784	-	-
Fixed income mutual funds		51,180	51,180	-	-
Equity mutual funds		3,419	3,419	-	-
	$	105,383	105,383	-	-

6. REVENUE SOURCES:

The Association receives a significant portion of revenue from the Ohio Development Services Agency, the U.S. Department of Health and Human Services, and the Corporation for National and Community Service. A reduction in this revenue flow could adversely affect the operations of the Association.

Additionally, under the terms of federal and state contracts and grants, periodic audits are required and certain costs may be questioned as inappropriate expenditures. Such audits could lead to reimbursement to awarding agencies. Management believes disallowances, if any, will be immaterial.

The Association serves as an intermediary for the transfer of funds to qualified low-income recipients to assist in purchases of homes, business startup, and education through Individual Development Accounts. Distributions of these funds take place throughout the year. Public and private funding received for the Assets for Independence Program are deposited into a separate bank account known as the IDA Reserve Account. Interest on the account is accumulated in the account and reserved for future outlays of assistance. The Association does not retain any interest earned on this account.

7. OPERATING LEASES:

The Association leases office space and office equipment under non-cancelable operating leases expiring on various dates through 2022.

Future minimum lease obligations subsequent to the year ended December 31, 2019 are as follows:

Year Ending December 31:		
2020	$	45,571
2021		49,386
2022		2,099
Total minimum lease payments	$	97,056

8. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consisted of the following at December 31:

		2019	2018
Subject to expenditure for a specific purpose:			
Community empowerment initiative	$	-	286,766
Revolving loan fund		65,887	63,688
Social enterprise		35,895	-
Empowering communities		5,000	-
IDA grant		6,373	-
MICRO		10,000	-
Endowment funds held in perpetuity		2,175	2,175
	$	125,330	352,629

9. ENDOWMENT FUNDS:

The Association's endowment consists of cash contributions. Its endowment includes donor-restricted funds. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Association has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies as perpetually restricted net assets (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in perpetually restricted net assets is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Association, and (7) the Association's investment policies.

Investment Return Objectives, Risk Parameters and Strategies

The Association has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in cash and cash equivalents that are intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5% after allowing funds to significantly accumulate before distribution. The Association expects its endowment assets, over time, to produce an average rate of return of approximately the consumer price index plus 5% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk. Due to the endowment fund value, the asset was not in a high yield investment at year end.

Spending Policy

The Association's plan is to allow funds to accumulate significantly before distribution of any earnings. Once the distribution begins, the Association has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value of the prior 12 quarters through the calendar year-end, proceeding the fiscal year in which the distribution is planned. In establishing this policy, the Association considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Association expects the current spending policy to allow its endowment funds to grow at the rate of inflation. This is consistent with the Association's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

Endowment net asset composition by type of fund as of December 31, 2019 is as follows:

		Without Donor Restrictions	With Donor Restrictions		
			Temporary	Held in Perpetuity	Total
Donor-restricted endowment funds	$	-	-	2,175	2,175

Endowment net asset composition by type of fund as of December 31, 2018 is as follows:

	Without Donor Restrictions	With Donor Restrictions: Temporary	With Donor Restrictions: Held in Perpetuity	Total
Donor-restricted endowment funds	$ -	-	2,175	2,175

10. LIQUIDITY:

The Association is substantially supported by grants, some of which come with restrictions. Because a grant's restriction requires resources to be used in a particular manner or in a future period, the Association must maintain sufficient resources to meet those responsibilities. Thus, financial assets may not be available for general expenditure within one year. As part of the Association's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following table presents the financial assets available to meet cash needs for general expenditures within one year at December 31:

	2019	2018
Financial assets:		
Cash	$ 863,978	1,264,828
Current receivables, net	160,525	93,763
Investments	123,299	105,383
Financial assets available at year-end	1,147,802	1,463,974
Less those unavailable for general expenditures within one year due to:		
Restrictions by donor for time or purpose	(125,330)	(352,629)
IDA Reserve account	(248,641)	(235,209)
Financial assets available to meet cash needs for general expenditures within one year	$ 773,831	876,136

11. SUBSEQUENT EVENTS:

Subsequent to the date of the financial statements, an outbreak of a novel strain of coronavirus (COVID-19) has disrupted supply chains and affected production and sales across a range of industries. The extent of the impact of COVID-19 on the Association's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak. Impact on the Association's customers, employees and vendors cannot be predicted, and the extent to which COVID-19 may impact our financial condition or results of operations is uncertain at this time.

The Association evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through October 9, 2020, the date the financial statements were available to be issued.

CLARK SCHAEFER HACKETT
CPAS & ADVISORS

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Ohio CDC Association, Inc.
Columbus, Ohio

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of Ohio CDC Association, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 9, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ohio CDC Association, Inc.'s (the Association) internal control over financial reporting (internal control) to determine the auditing 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 Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 Association'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

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 Association's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
October 9, 2020

Ohio CDC Association, Inc.
Low and Moderate-Income Housing Trust Fund
Target of Opportunity Program
Schedule of Grant Activity S-D-17-7FT-1
Grant Activity January 1, 2019 through December 31, 2019

		Budget	Cash Received FY 2019	Accounts Receivable 12/31/2019	Total Revenue Recognized
Revenue					
Ohio Development Services Agency	$	130,000	50,000	-	130,000

		Budget	Expenses Incurred FY 2019	Total Expenses Incurred	Budget Balances
Expenditures					
Training and technical assistance	$	7,300	-	7,300	-
Housing dev/Info/Counseling		109,700	16,437	109,700	-
General administration and TA		13,000	3,205	13,000	-
Total Expenditures	$	130,000	19,642	130,000	-

See independent auditors' report.

Ohio CDC Association, Inc.
Low and Moderate-Income Housing Trust Fund
Target of Opportunity Program
Schedule of Grant Activity S-D-17-7FT-2
Grant Activity January 1, 2019 through December 31, 2019

		Budget	Cash Received FY 2019	Accounts Receivable 12/31/2019	Total Revenue Recognized
Revenue					
Ohio Development Services Agency	$	91,300	51,300	-	91,300

		Budget	Expenses Incurred FY 2019	Total Expenses Incurred	Budget Balances
Expenditures					
Training and technical assistance	$	33,800	30,362	33,800	-
Downpayment Assistance		52,000	38,000	52,000	-
General administration		5,500	2,125	5,500	-
Total Expenditures	$	91,300	70,487	91,300	-

Ohio CDC Association, Inc.
Low and Moderate-Income Housing Trust Fund
Microbusiness Development Grant Program
Schedule of Grant Activity S-E-17-7FT-1
Grant Activity January 1, 2019 through December 31, 2019

		Budget	Cash Received FY 2019	Accounts Receivable 12/31/2019	Total Revenue Recognized
Revenue					
Ohio Development Services Agency	$	500,000	-	-	500,000

		Budget	Expenses Incurred FY 2019	Total Expenses Incurred	Budget Balances
Expenditures					
Loan supplement	$	10,000	-	11,000	(1,000)
Training and technical assistance		400,000	15	398,533	1,467
Operating expense		40,000	-	40,467	(467)
General administration		50,000	-	50,000	-
Total Expenditures	$	500,000	15	500,000	-

See independent auditors’ report.

Schedule of Grant Activity S-E-18-7FT-1
Grant Activity January 1, 2019 through December 31, 2019

		Budget	Cash Received FY 2019	Accounts Receivable 12/31/2019	Total Revenue Recognized
Revenue					
Ohio Development Services Agency	$	500,000	371,000	84,297	455,297

		Budget	Expenses Incurred FY 2019	Total Expenses Incurred	Budget Balances
Expenditures					
Loan supplement	$	10,000	11,000	11,000	(1,000)
Training and technical assistance		393,941	357,961	357,961	35,980
Downpayment assistance		46,059	40,368	40,368	5,691
General administration		50,000	45,968	45,968	4,032
Total Expenditures	$	500,000	455,297	455,297	44,703

See independent auditors' report.

Schedule of Grant Activity S-E-18-7FT-2
Grant Activity January 1, 2019 through December 31, 2019

		Budget	Cash Received FY 2019	Accounts Receivable 12/31/2019	Total Revenue Recognized
Revenue					
Ohio Development Services Agency	$	165,000	130,000	35,000	165,000

		Budget	Expenses Incurred FY 2019	Total Expenses Incurred	Budget Balances
Expenditures					
Housing development	$	165,000	165,000	165,000	-

See independent auditors' report.

Ohio CDC Association, Inc.
Low and Moderate-Income Housing Trust Fund
Target of Opportunity Program
Schedule of Grant Activity S-S-18-7FT-1
Grant Activity January 1, 2019 through December 31, 2019

		Budget	Cash Received FY 2019	Accounts Receivable 12/31/2019	Total Revenue Recognized
Revenue					
Ohio Development Services Agency	$	130,000	130,000	-	90,727

		Budget	Expenses Incurred FY 2019	Total Expenses Incurred	Budget Balances
Expenditures					
Training and technical assistance	$	7,300	6,948	6,948	352
Housing dev/Info/Counseling		109,700	77,121	77,121	32,579
General administration and TA		13,000	6,658	6,658	6,342
Total Expenditures	$	130,000	90,727	90,727	39,273