



OHIO AUDITOR OF STATE  
**KEITH FABER**





**COMMUNITY IMPROVEMENT CORPORATION  
MEIGS COUNTY  
DECEMBER 31, 2021**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Basic Financial Statements:	
Statement of Financial Position.....	5
Statement of Activities.....	7
Statement of Cash Flows .....	8
Notes to the Financial Statements .....	9
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	17

**This page intentionally left blank.**



**INDEPENDENT AUDITOR'S REPORT**

Community Improvement Corporation  
Meigs County  
236 East Main Street  
Pomeroy, Ohio 45769

To the Board of Trustees:

**Report on the Audit of the Financial Statements**

***Opinion***

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation, as of December 31, 2021, and the changes in its net assets and its cash flows for the year 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 Corporation, 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.

***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 Corporation's ability to continue as a going concern for one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable).

***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 Corporation'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 Corporation'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 August 3, 2022, on our consideration of the Corporation'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 Corporation'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 Corporation's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

August 3, 2022

**This page intentionally left blank.**



**Community Improvement Corporation**  
**Meigs County**

**Statement of Financial Position**  
**December 31, 2021**

**ASSETS**

<u>Current Assets</u>	<u>Dec. 31, 2021</u>
<b>Cash and Cash Equivalents</b>	
Farmers Bank - Reg Checking	\$ 98,444
Farmers Bank - Escrow	4,199
Farmers Bank - Revolving Loan	36,785
Farmers Bank - CD	179,728
Home National Bank 58	180,107
Accrued Receivable Late Payments	235
Accrued Interest	8,047
Rev Loan Current Portion	55,976
<b>Total Current Assets</b>	<b>\$ 563,521</b>
 <b>Non-Current Assets</b>	
Rev Loan Fund - BP	\$ 7,798
Rev Loan Fund - RH	28,999
Rev Loan Fund - SEA	7,159
Rev Loan Fund - NEB	17,189
Rev Loan Fund - WME	884
Rev Loan Fund - HST	11,117
Rev Loan Fund - COM	9,673
Lease to Purchase - Spec II RR	1,477,049
Rev Loan Fund Current Portion	(55,976)
<b>Total Non-Current Assets</b>	<b>\$ 1,503,892</b>
 <b>Fixed Assets</b>	
Industrial Park - Cole Property	\$ 40,000
Land - Industrial Park 26.97 Acres	90,377
Improvements - Industrial Park	427,287
Building - State Garage	443,420
Mural Office Building	199,979
Mural Office Building Land	4,596
AEP Septic System Maj Repairs	20,200
Land - Pomeroy Jr High	74,900
Riverfront Land	212,272
Land - Monkey Run - Pomeroy Ohio	190,600
Holzer ER Building	5,996,596
Land - Health Campus	391,082
Spec IV Building	1,758,367
Spec IV Land Improvements	97,243
Spec IV Land Improvements	20,568
Website	24,265
Accumulated Depreciation	(2,290,723)
<b>Total Fixed Assets</b>	<b>\$ 7,701,029</b>
 <b>TOTAL ASSETS</b>	 <b>\$ 9,768,442</b>

The notes to the financial statements are an integral part of the financial statement.

*Community Improvement Corporation*  
*Meigs County*

---

**Statement of Financial Position**  
**December 31, 2021**

**LIABILITIES**

<u>Current Liabilities</u>	<u>Dec. 31, 2021</u>
Unearned Income - ODOD II	\$ 3,242
Interest Payable	15,751
Current Portion LTD	187,166
<b>Total Current Liabilities</b>	<b>\$ 206,159</b>
<u>Long Term Liabilities</u>	
Note Payable - ODOD Spec IV	731,510
Bond Payable - OVB - Holzer ER	4,684,941
Note Payable - Spec III	1,224,854
Current Portion LTD	(187,166)
<b>Total Long Term Liabilities</b>	<b>\$ 6,454,139</b>
<b>TOTAL LIABILITES</b>	<b>\$ 6,660,298</b>
<b>Net Assets</b>	
Without donor restrictions	3,108,144
<b>Total Net Assets</b>	<b>\$ 3,108,144</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 9,768,442</b>

The notes to the financial statements are an integral part of the financial statements.

# *Community Improvement Corporation*

## *Meigs County*

### Statement of Activities For the Year Ended December 31, 2021

<b><u>Operating Revenues:</u></b>	<b><u>Dec. 31, 2021</u></b>
CIC Dues	\$ 600
Lease Revenues	379,744
Interest and Loan Fees	101,652
Utility Refunds & Other Revenue	21,031
Holzer Grant	75,000
Ohio DOD Spec IV Grant	731,510
Donations	300
Misc. Income	160
<b>Total Operating Revenues</b>	<b>\$ 1,309,997</b>
<b><u>Operating Expenses</u></b>	
<b>Program Services</b>	
Grant Meigs Community Fund	\$ 10,000
Advertising and Marketing	9,525
Reimb Mileage & Exp	15,454
Depreciation	239,220
Payroll and Occupancy Paid to Meigs County	103,782
Property and Other Insurance	8,920
Interest Expense	258,980
Mowing/Snow/Cleaning/Maint	16,054
Meeting and Appreciation Expense	7,058
Repairs and Maintenance	912
Utilities	7,115
<b>Management and General Expenses</b>	
Bank Fees & Revolving Loan Fees	56
Legal and Professional	7,389
Community Support	491
Other Taxes and Government Fees	240
Office Expense	163
Postage	58
Real Estate Taxes	6,766
State Audit Expense	7,655
<b>Total Expenses</b>	<b>\$ 699,838</b>
<b>Change in Net Assets</b>	<b>\$ 610,159</b>
<b>Beginning of Year Net Assets</b>	2,497,985
<b>End of Year Net Assets</b>	<b>\$ 3,108,144</b>

The notes to the financial statements are an integral part of the financial statement.

# *Community Improvement Corporation*

## *Meigs County*

### Statement of Cash Flows For the Year Ended December 31, 2021

	<b>Dec. 31, 2021</b>
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>	
Increase/(Decrease) in Net Assets	\$ 610,159
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (used in) Operating Activities:	
Depreciation	239,220
Decrease (Increase) in Current Assets:	
Accrued Interest	(200)
Accounts Receivable Late Payments & Rent	965
Rev Loan Current Portion	9,660
Prepaid Rev Loan Fund	-
Interest Payable	(130)
Current Portion LTD	(211,669)
Total Adjustments	\$ 37,846
 <b>Cash Provided (Used) by Operations</b>	 <b>\$ 648,005</b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES:</u></b>	
Sales (Purchases) of Assets	
Rev Loan Fund - Consolidated	14,217
Lease to Purchase Spec II RR	29,589
Rev Loan Current Portion	(9,660)
Riverfront Land	(212,272)
Building - Spec III	(1,268,510)
 <b>Cash Provided (Used) by Investing</b>	 <b>\$ (1,446,636)</b>
<b><u>CASH FLOW FROM FINANCING ACTIVITIES:</u></b>	
Note Payable - ODOD Spec IV	\$ 731,510
Note Payable - FB - RG Sewer	(134,911)
Bond Payable - OVB - Holzer ER	(219,733)
Note Payable - HNB - Spec IV	(44,473)
Current Portion LTD	211,669
 <b>Cash Provided (Used) by Financing</b>	 <b>\$ 544,062</b>
 <b>Increase/(Decrease) in Net Position</b>	 <b>(254,569)</b>
<b>Cash at the Beginning of Period</b>	<b>753,832</b>
<b>Cash at the End of Period</b>	<b>\$ 499,263</b>

The notes to the financial statements are an integral part of the financial statement.

**COMMUNITY IMPROVEMENT CORPORATION  
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**1. Description of Entity**

The Community Improvement Corporation, Meigs County, Ohio (the Corporation), is a not-for-profit corporation and was incorporated on March 26, 1964, under authority of Ohio Rev. Code Section 1702.01. The corporation is governed by an appointed Board of Trustees, comprised of business, professional, government and community leaders. The Corporation was formed to advance, encourage, and promote the industrial, economic, commercial and civic development of Meigs County, Ohio.

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

**2. Summary of Significant Accounting Policies**

**A. Basis of Accounting**

The financial statements of the Corporation are maintained and have been presented on an accrual basis of accounting, consequently, revenues are recognized when earned and expenses are recognized when incurred.

**B. Financial Statement Presentation**

The Financial Accounting Standards Board issued ASU2016-14, Not for Profit Entities (Topic 958) - *Presentation of Financial Statements for Not for Profit Entities*. Under ASU 2016-14, nonprofits are required to report information regarding its financial position and activities according to the following net asset classifications.

**Net assets without donor restriction:** Net assets that are not subject to donor imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Corporation's management and the Board of Directors. The Board has designated a revolving loan fund of \$119,604, consisting of \$36,785 in liquid assets and \$82,819 invested in seven community loans.

**Net assets with donor restriction:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, those restrictions will be met by actions of the Corporation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. There are no assets with donor restrictions.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When the restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. The Corporation reported no net assets with donor restrictions.

As permitted by the statement the Corporation does not use fund accounting.

**C. Tax Status**

The Corporation is a nonprofit corporation exempt from federal income taxes under Section 501c(3) of the Internal Revenue Code. By virtue of Ohio law, the Corporation is also not subject to Ohio income tax.

**COMMUNITY IMPROVEMENT CORPORATION  
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)**

**2. Summary of Significant Accounting Policies (Continued)**

**D. New Accounting Pronouncement**

On August 18, 2016 FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements for Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and lack of consistency in type of information provided about expenses and investment return. The Corporation has adjusted the presentation of these statements accordingly.

**E. Bad Debts**

It is the policy of the Corporation to write off bad debts incurred through its operations in the period in which the default occurred or its existence became known. Management does not believe, as of December 31, 2021, that any such default on its receivables are likely to occur; therefore, no estimate has been presented for any such uncollectable amounts.

**F. Depreciation**

The basis of depreciation is either cost or appraised value or estimated value of donated property. All depreciable assets are being depreciated under the straight line method for both financial book and tax purposes. Most depreciable assets are buildings and building improvements, the lives of these assets and depreciation is 39 years (one-half year in year one and one-half year in year thirty-nine). The website is amortized over 15 years. Small equipment for in office use is expensed as purchased. This method is in accordance with generally accepted accounting principles. Depreciation charged to operations was \$239,220 for the year ended December 31, 2021.

**G. Use of Estimates**

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**3. Fixed Assets**

Fixed asset information is updated for additions and retirements during the year. Donated fixed assets are recorded at their estimated or appraised value as of the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

On October 12, 2007, CIC purchased land of approximately 1.1 acres on East Main Street, Pomeroy, Ohio 45769, with approximately 223 feet of frontage on the Ohio River from the Village of Pomeroy for \$70,000, improvements of \$4,900 have been made subsequently. There is a deed restriction that CIC or successor owners may not construct any permanent building or fixtures on the real estate that may prevent suitable and appropriate parking of vehicles during athletic and school related activities.

**COMMUNITY IMPROVEMENT CORPORATION  
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)**

**3. Fixed Assets (Continued)**

The property known as the Old ODOT Garage was gift via a director's deed in 2001. The gift was valued at \$443,420 with improvements. The property is a commercial space that was previously rented to AEP and is now rented to Gheens Painting. Two months' rent was forgiven in 2020 in exchange for needed repairs being made by the Gheens company. The building is leased to Gheens Painting for 60 months. The first 24 monthly payments are \$3,500 and the remaining payments are \$4,000.00 per month.

Medical Complex – Pomeroy - CIC purchased land in the amount of \$391,082 for the construction of a freestanding emergency department that is approximately thirteen thousand (13,000) square feet. The cost of the project is \$5,996,596 for the construction of the building and the cost of the land of which the Corporation financed by obtaining two grants and a loan. The loan was from the Ohio Valley Bank. for \$5,500,000. The first grant was from ODOT in the amount of \$250,000 and went towards the design of the building. The second was an ARC grant for \$250,000 and was awarded for the purchase of equipment for the ER. \$225,000 of the grant was paid out in 2014. The remaining \$25,000 was paid out after completion of the project. Financing for the project consists of Industrial Revenue Bonds which have been purchased by Ohio Valley Bank, 420 3<sup>rd</sup> Avenue, Gallipolis, Ohio 45631, in the amount of \$5,500,000 for a fixed 30-year term at 4% tax exempt. All funds have been drawn down from the loan with OVB. The project received their occupancy permit October 31, 2014.

Mural Building - The CIC entered into a purchase agreement with Cleland Realty to purchase the building located at 236 East Main Street, Pomeroy, OH. The sale closed on December 14, 2018 in the amount of \$106,000. A professional suite of offices was created to lease and enhance our downtown.

Depreciation of buildings is computed using the straight line method over an estimated useful life of thirty (39) years.

The Corporation expenses no personal property assets; therefore, there is no threshold for personal property assets.

**4. Industrial Park**

The property consists of land that was purchased in the 90's for the development of an industrial park and sewer project on State Route 7 in Tupper's Plains, Meigs County, Ohio. Since this purchase, further development includes a building for WeCan Fabricators, RemRam (Spec I) , Dollar General, a car wash, Davis Pickering (Spec II), and Rem Ram lease to purchase (Spec III) and currently under construction Spec IV. The Industrial Park was purchased on Land in Tupper's Plains for \$240,000 with \$524,530 in subsequent capital improvements. Amounts reflected on the balance sheet allocate the cost of land to its corresponding project.

Spec IV Building is a 29,000 square foot building currently under construction. It will have 32 foot ceilings and a 2,000 square foot office. It will be built to attract expanding companies and new jobs to Meigs County. The project is built utilizing the Ohio Rural Industrial Park Loan Program, along with a grant of \$250,000 from the Governor's Office of Appalachia. Construction was completed in 2021.

**COMMUNITY IMPROVEMENT CORPORATION  
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)**

**5. Liquidity and Availability of Financial Assets**

The following reflect the Corporation's financial assets as of the balance sheet date reduced by the amounts not available for general use because of contractual or donor imposed restrictions within one year of the balance sheet date. Corporation as of December 31, 2021, had the following deposits with local financial institutions.

<b>Total Assets at year end</b>	\$9,768,442
Less: Fixed and Non-Financial Assets	(9,204,921)
<b>Financial Assets at year end</b>	<b>\$563,521</b>
Less amounts not available to be used within one year	
Board Desingations:	
Amounts set aside for RLF	(36,785)
Donor restricted	0
<b>Financial assets available to meet cash needs for general expeditrues within one year</b>	<b>\$526,736</b>

As a part of the Corporations liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Cash and Cash Equivalents are held in checking and certificates of deposit. No cash investments are held. Financial assets that are subject to restriction make them unavailable for general expenditure within one year of the statement of financial position date. As of December 31, 2021 the Corporation did not have any financial assets subject to donor restriction.

**6. Debt**

The Corporation's debt outstanding at December 31, 2021 was as follows:

	Principal	Interest Rate
OVB Holzer Building	\$4,684,941	4.00%
FB Spec III Building Loan	\$1,224,854	5.25%
ODOD Spec IV Loan	\$731,510	3.00%
Total	\$6,641,305	

The Holzer Building industrial development revenue bonds were issued on May 30, 2013 for \$5,500,000. The bonds will mature on May 29, 2043 and were for the acquisition, new construction, equipping, and installation of the Holzer Emergency facility located on Pomeroy Pike in Meigs County, Ohio.

The Spec III building note is a loan through Farmers Bank that was authorized for \$1,360,000 for the acquisition and new construction of 49650 East Park Drive; Tupper's Plains, Ohio 45783. On September 7, 2018 the entire loan became a mortgage with the properties located at 49650 East Park Drive, Tupper's Plains, Ohio and East Main Street, Pomeroy, Ohio 45769 being held as collateral. The terms of this loan is an initial variable interest rate of 5.25% and subject to change every five years thereafter. The new interest rate will be Prime plus .25% and can never decrease/increase more than 2% on the change date. The interest rate will never be greater than 11.25% or less than 4%. The mortgage will consist of 239 consecutive payments the first of which being on October 3, 2018 for \$9,216.75 subject to change upon interest rate reevaluation every five years.



**COMMUNITY IMPROVEMENT CORPORATION  
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)**

**6. Debt (Continued)**

The debt noted above will be paid from operating lease income received from various entities. (See Footnote 7 - Operating Leases).

The Ohio Department of Development loan is for the Spec IV building located in the Tupper Plains Industrial Park. The Corporation received funding from ODOD in September 2021 in the amount of \$1,463,021 once the project was completed which was \$731,511 in grant funds and \$731,510 in loan funds. The interest rate is 3% for ten years with no payments due for five years.

The annual requirements to amortize debt outstanding as of December 31, 2021 including interest as follows:

Year Ending December 31:	Holzer ER	Spec III Building Note	Spec IV Loan
2022	\$327,892	\$110,601	\$0
2023	327,892	110,601	0
2024	327,892	110,601	0
2025	327,892	110,601	0
2026	327,892	110,601	14,132
2027-2031	1,639,458	553,005	423,961
2032-2036	1,639,458	553,005	409,563
2037-2041	1,639,458	215,718	0
2042-2043	460,182	0	0
Total	<u>\$7,018,016</u>	<u>\$1,874,733</u>	<u>\$847,656</u>

**7. Operating Leases**

The Corporation had operating leases in effect as of December 31, 2021 with various entities for rental of building space. The details of these operating leases are as follows:

- Lease of New Spec Building at 49705 East Park Drive, Tupper Plains, Ohio 45783 – An agreement was made and concluded between Meigs County CIC and REM RAM Recovery, LLC, an Ohio Limited Liability Company of Reedsville, Ohio, hereafter called “REM RAM”. REM RAM shall commence payments on September 1, 2010. REM RAM shall then pay for the remaining fifteen (15) years of the term annual payments in the amount of \$84,598.68 payable in advance in equal monthly installments of \$7,049.89 at the office of the Meigs County CIC. The Meigs County CIC hereby grants to REM RAM an option to purchase the leased premises herein at any time during the term of this lease for the sum of Eight Hundred Thousand (\$800,000) dollars less the amount of principle that has been paid using an annual interest rate of 6.68% amortized over the fifteen (15) years term of the lease. REM RAM Recovery, LLC, exercised the option to purchase the building in November 30, 2018.
- The Holzer ER Building described in Footnote 3 is currently being rented to the Holzer Health Care Systems for \$28,000 a month beginning in 2015 with an open purchase option with terms to be determined if the purchase option is exercised.
- The Spec III building described in Footnote 3 is currently being rented to REMRAM Recovery, LLC. They entered into a lease agreement with the Meigs County Community Improvement Corporation on September 27, 2018 in the amount of \$10,243 for a term of five years beginning October 1, 2018 with an option to renew for two additional period of five (5) years each, with an option to purchase the real estate.

**COMMUNITY IMPROVEMENT CORPORATION  
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)**

**7. Operating Leases (Continued)**

- Gheens Painting is a true lease of the Old ODOT Garage at the rate of \$3,500 per month. Revenue from operating leases were recorded at \$379,744 for 2021. The Rem Ram Spec III Building is treated as a lease purchase with interest income of \$93,327 and principal paid of \$29,589.

**8. Risk Management**

Commercial insurance has been obtained by the Corporation for the following risks: comprehensive property, general liability, wrongful acts, and dishonesty bond. No settlements have been made in the last three years. There has not been a reduction in coverage from the prior year.

**9. Contingent Liabilities**

The Corporation received financial assistance from agencies in the form of grants. The expenditures of funds received under these programs generally require compliance with and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Corporation. However, in the opinion of management any such claims will not have a material adverse effect on the overall financial position of the Corporation as of December 31, 2021.

**10. Subsequent Events**

The Corporation evaluates events and transactions 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 the date of this report. The Meigs County CIC has plans to build an additional building sometime in the near future in the Industrial Park but plans for construction have not yet been approved. The uncertainty of the COVID-19 crisis will affect all business in some way.

**11. Advertising and Marketing**

The Corporation's policy is to currently expense all advertising and marketing costs as incurred as the benefit is directly related to current periods with minimal future benefit. This is a function of accounting in accordance with generally accepted accounting principles.

**12. Pension Plan**

As of the date of the financial statements, the Corporation had no paid staff.

**13. In Kind Contributions**

The Meigs County Board of Commissioners pays the salary and related fringe benefits for an Economic Director and Administrative Assistant. The Board also pays the rent on the property located at 236 East Main Street, Pomeroy, Ohio, occupied by the corporation which includes utilities, telephone and long-distance expenses for the Corporation. In 2018, The Corporation contributed \$103,782 toward these expenses. The Economic Director and Administrative Assistant's, estimated time devoted to the Corporation is 50%, all of which was covered with this contribution resulting in no in-kind revenue or expenses allocated to the Corporation in 2021.

**COMMUNITY IMPROVEMENT CORPORATION  
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)**

**14. COVID 19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Corporation. The impact on the Corporation's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
(800) 282-0370

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

Community Improvement Corporation  
Meigs County  
236 East Main Street  
Pomeroy, Ohio 45769

To the Board of Trustees:

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 the Community Improvement Corporation, Meigs County, Ohio (the Corporation), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated August 3, 2022.

### ***Report on Internal Control Over Financial Reporting***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

August 3, 2022

# OHIO AUDITOR OF STATE KEITH FABER



**MEIGS COUNTY COMMUNITY IMPROVEMENT CORPORATION**

**MEIGS 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 8/16/2022**

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](http://www.ohioauditor.gov)