

**CENTRAL OHIO COMMUNITY
IMPROVEMENT CORPORATION**

FRANKLIN COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2022 & 2021**

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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(800) 282-0370

Board of Directors
Central Ohio Community Improvement Corporation
845 Parsons Avenue
Columbus, Ohio 43206

We have reviewed the *Independent Auditor's Report* of the Central Ohio Community Improvement Corporation, Franklin County, prepared by Julian & Grube, Inc., for the audit period January 1, 2022 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Central Ohio Community Improvement Corporation is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 11, 2023

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**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY, OHIO**

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Independent Auditor's Report

Central Ohio Community Improvement Corporation
Franklin County
845 Parsons Avenue
Columbus, Ohio 43206

To the Members of the Board of Directors:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Central Ohio Community Improvement Corporation, Franklin County, Ohio, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Central Ohio Community Improvement Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Central Ohio Community Improvement Corporation, as of December 31, 2022 and 2021, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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. 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 Central Ohio Community Improvement 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 opinions.

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 Central Ohio Community Improvement Corporation'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 opinions. 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Central Ohio Community Improvement 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 Central Ohio Community Improvement 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2023 on our consideration of the Central Ohio Community Improvement Corporation's internal control over financial reporting and on 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 Central Ohio Community Improvement 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 Central Ohio Community Improvement Corporation's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
May 30, 2023

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

This discussion and analysis, along with the accompanying financial report, of the Central Ohio Community Improvement Corporation (“COCIC”) are designed to provide its Board Members, creditors, and other interested parties with a general overview of COCIC and its financial activities.

The mission of COCIC is to acquire properties in order to improve the quality of neighborhoods, increase property values and return unproductive properties to contributing, tax-paying status, and create diverse housing and business opportunities by leveraging resources to promote and facilitate the reclamation, rehabilitation and reutilization of vacant, abandoned, tax-foreclosed, or other real property in Franklin County.

FINANCIAL HIGHLIGHTS – 2022

COCIC’s main initiatives are the Blight Removal Initiative, Strategic Reutilization Initiative, Trusted Partners, and Central Ohio Community Land Trust.

Blight Removal Initiative:

The Blight Removal Initiative (BRI) generally involves the demolition, environmental remediation, or both, of blighted properties, and the sale of the formerly blighted property to a responsible party for reutilization. Typically, sale proceeds are nominal and represent only a limited recovery of demolition, remediation, and transaction expenditures.

During 2022, the BRI demolished approximately 83 units at a cost of approximately \$1,356,896,000. Such costs were funded from the Franklin County Delinquent Tax Assessment & Collection (DTAC) funding. Property maintenance and other costs associated with demolitions amounted to approximately \$315.

Strategic Reutilization Initiative:

Land reutilization initiatives, conducted in collaboration with local government, and often involving the strategic conveyance of formerly blighted and stranded properties to responsible parties for re-use, all while balancing the competing goals of maximizing future tax revenues and other public benefits, with the recovery of expenditures, from grant and disposition proceeds.

Under COCIC’s Community and Economic Development Program, COCIC began predevelopment/planning for the rehabilitation of property located at 879 E Long Street Columbus, Ohio (The Edna). As a National Register of Historic Places site, The Edna is known for its rich community history and significance to the social and cultural influence of African Americans in Columbus. A complete rehabilitation and renovation of the site will result in three floors of office space: approximately 8,700 sq ft. COCIC intends to occupy one floor of The Edna, offering the other available space at affordable rates to encourage small and minority owned businesses in the local community. During 2022 and 2021 approximately \$13,564 and \$110,576 respectively was added to Work in Process for the development of The Edna.

COCIC continued the Receivership Loan Program (RLP) in 2022. A Receiver, appointed by the Franklin County Environmental Court is charged with abating nuisances at distressed properties, conducting court approved rehabilitation and clearing title. COCIC assists the receiver by using a closed-end loan, disbursing up to \$65,000 per property based on the court approved expenditures proposed by the Receiver. The closed-end loan will earn interest of 3% per annum, compounded annually and is secured by the property. The

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

FINANCIAL HIGHLIGHTS – 2022 (continued)

term of the loan is payable upon demand, but payment is expected when the receiver sells the property which may take anywhere from 6 months to 24 months dependent on the ease of clearing the title. During 2022, three loans were made for a total of \$175,000. Of the loans made in 2022, two were repaid for \$125,000. Four loans from prior periods were repaid during 2022 for a total of \$134,000.

The Responsible Landlord Program (RLL) is a land reutilization program employing a strategic intervention for stabilizing or improving market support, executed through a loan program to responsible landlords engaged in market-based rehabilitation of blighted, distressed, or substandard properties. At the end of 2022, COCIC has seven notes receivable outstanding for approximately \$254,738 accruing interest between 1.25% and 1.5% per annum, compounded monthly beginning April 2020. A total of \$3,853 in interest was earned in 2022.

COCIC has undertaken an exterior emergency home repair program to stabilize the homes of those persons in need of immediate home repairs, executed through grants to non-profit agencies, engaged in preserving and stabilizing residential housing in Franklin County. In 2022, COCIC partnered with Habitat for Humanity to administer the program, granting \$150,000 to the organization.

Trusted Partners Initiative

The Trusted Partners Program (TPP) is also a land reutilization program, involving a strategic intervention for the purpose of stabilizing or improving market support, executed through a grant program to trusted partners engaged in the total rehabilitation of blighted properties or new construction in blighted neighborhoods, with a view to sale to owner-occupants. In 2022, COCIC expensed approximately \$60,000 of grants to trusted partners in connection with 3 properties.

Bedford Landfill/Golf Course Land & Club House Initiative

A land reutilization project warranting special over-sight and involving major environmental remediation with the extent of recover depend upon disposition after a long-term hold.

During 2021, COCIC began predevelopment/planning and execution of an expansion at the Golf Depot. The project will allow for additional commercial rental space at The Golf Depot which will be offered at a reduced rate to encourage and support small minority businesses. A new steel building approximately 1,500 sq ft will be constructed along with an expanded parking lot. During 2022, approximately \$23,150 was added to Work in Process for the expansion of The Golf Depot.

Central Ohio Community Land Trust (COCLT)

A subsidiary of COCIC formed for the purpose of supporting permanent affordable housing in Franklin County. Providing single residential, multi-family, and multi-use properties to be held as a community asset, in perpetuity.

In October 2022, COCLT entered into an agreement with the City of Columbus for \$4 million to continue the mission of providing affordable housing for income qualified buyers within the incorporated limits of the city. The funds are used to reduce the purchase price of houses developed for the COCLT for income qualified buyers to make them affordable. During 2022, COCLT, in conjunction with their

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**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

FINANCIAL HIGHLIGHTS – 2022 (continued)

partners completed the construction and sale of 2 properties to income qualified buyers (\$398,000 in total sales).

In December 2021, COCLT extended an agreement with Franklin County for \$4.75 million to continue the mission of providing affordable housing for income qualified buyers throughout the county. The funds are used to reduce the purchase price of houses developed for the COCLT for income qualified buyers to make them affordable. During 2022, COCLT, in conjunction with their partners completed the construction and sale of 15 properties to income qualified buyers (\$2,814,000 in total sales).

FINANCIAL HIGHLIGHTS – 2021

COCIC's main initiatives are the Blight Removal Initiative, Strategic Reutilization Initiative, Trusted Partners, and Central Ohio Community Land Trust.

Blight Removal Initiative:

The Blight Removal Initiative (BRI) generally involves the demolition, environmental remediation, or both, of blighted properties, and the sale of the formerly blighted property to a responsible party for reutilization. Typically, sale proceeds are nominal and represent only a limited recovery of demolition, remediation, and transaction expenditures.

During 2021, the BRI demolished approximately 14 units at a cost of approximately \$105,000. Such costs were funded from the Franklin County Delinquent Tax Assessment & Collection (DTAC) funding. Property maintenance and other costs associated with demolitions amounted to approximately \$4,000.

Strategic Reutilization Initiative:

Land reutilization initiatives, conducted in collaboration with local government, and often involving the strategic conveyance of formerly blighted and stranded properties to responsible parties for re-use, all while balancing the competing goals of maximizing future tax revenues and other public benefits, with the recovery of expenditures, from grant and disposition proceeds.

Under COCIC's Community and Economic Development Program, COCIC began predevelopment/planning for the rehabilitation of property located at 879 E Long Street Columbus, Ohio (The Edna). As a National Register of Historic Places site, The Edna is known for its rich community history and significance to the social and cultural influence of African Americans in Columbus. A complete rehabilitation and renovation of the site will result in three floors of office space: approximately 8,700 sq ft. COCIC intends to occupy one floor of The Edna, offering the other available space at affordable rates to encourage small and minority owned businesses in the local community. During 2021 and 2020, approximately \$110,576 and \$12,485 respectively was added to Work in Process for the development of The Edna.

COCIC continued the Receivership Loan Program (RLP) in 2021. A Receiver, appointed by the Franklin County Environmental Court is charged with abating nuisances at distressed properties, conducting court approved rehabilitation and clearing title. COCIC assists the receiver by using a closed-end loan, disbursing

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

FINANCIAL HIGHLIGHTS – 2021 (continued)

up to \$65,000 per property based on the court approved expenditures proposed by the Receiver. The closed-end loan will earn interest of 3% per annum, compounded annually and is secured by the property. The term of the loan is payable upon demand, but payment is expected when the receiver sells the property which may take anywhere from 6 months to 24 months dependent on the ease of clearing the title. During 2021, five loans were made for a total of \$177,000. Of the loans made in 2021, one was repaid for \$43,000. Two loans from prior periods were repaid during 2021 for a total of \$84,000.

The Responsible Landlord Program (RLL) is a land reutilization program employing a strategic intervention for stabilizing or improving market support, executed through a loan program to responsible landlords engaged in market-based rehabilitation of blighted, distressed, or substandard properties. At the end of 2021, COCIC has seven notes receivable of approximately \$ 278,560 accruing interest between 1.25% and 1.5% per annum, compounded monthly beginning April 2020. A total of \$4,836 in interest was earned in 2021.

COCIC has undertaken an exterior emergency home repair program to stabilize the homes of those persons in need of immediate home repairs, executed through grants to non-profit agencies, engaged in preserving and stabilizing residential housing in Franklin County. In 2021, COCIC partnered with Habitat for Humanity and the Mid-Ohio Regional Planning Commission (MORPC) to administer the program, granting \$100,000 to Habitat and \$50,000 to MORPC.

Trusted Partners Initiative

The Trusted Partners Program (TPP) is also a land reutilization program, involving a strategic intervention for the purpose of stabilizing or improving market support, executed through a grant program to trusted partners engaged in the total rehabilitation of blighted properties or new construction in blighted neighborhoods, with a view to sale to owner-occupants. In 2021, COCIC expensed approximately \$390,000 of grants to trusted partners in connection with 25 properties.

Bedford Landfill/Golf Course Land & Club House Initiative

A land reutilization project warranting special over-sight and involving major environmental remediation with the extent of recover depend upon disposition after a long-term hold.

During 2021, COCIC began predevelopment/planning and execution of an expansion at the Golf Depot. The project will allow for additional commercial rental space at The Golf Depot which will be offered at a reduced rate to encourage and support small minority businesses. A new steel building approximately 1,500 sq ft will be constructed along with an expanded parking lot. During 2021, approximately \$125,000 was added to Work in Process for the development of The Golf Depot.

Central Ohio Community Land Trust (COCLT)

A subsidiary of COCIC formed for the purpose of supporting permanent affordable housing in Franklin County. Providing single residential, multi-family, and multi-use properties to be held as a community asset, in perpetuity.

In October 2021, COCLT entered into an agreement with the City of Columbus for \$3.060 million to continue the mission of providing affordable housing for income qualified buyers. The funds are used to

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

FINANCIAL HIGHLIGHTS – 2021 (continued)

reduce the purchase price of houses developed for the COCLT for income qualified buyers to make them affordable. During 2021, COCIC, in conjunction with their partners completed the construction and sale of 12 properties to income qualified buyers (\$2,388,000 in total sales).

NET POSITION COMPARISON

Table 1 summarizes the Comparison of the net position of COCIC.

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Assets			
Current Assets	\$ 12,417,855	\$ 9,999,335	\$ 10,849,281
Noncurrent Assets	<u>5,819,073</u>	<u>5,696,633</u>	<u>5,357,547</u>
Total Assets	<u>18,236,928</u>	<u>15,695,968</u>	<u>16,206,828</u>
Liabilities			
Current Liabilities	1,244,107	3,239,964	830,172
Long-Term Liabilities	<u>1,510,379</u>	<u>1,892,306</u>	<u>3,698,123</u>
Total Liabilities	<u>2,754,486</u>	<u>5,132,270</u>	<u>4,528,295</u>
Deferred Inflows of Resources			
	<u>66,439</u>	<u>66,976</u>	<u>-</u>
Total Net Position	<u>\$ 15,416,003</u>	<u>\$ 10,496,722</u>	<u>\$ 11,678,533</u>

In 2022, Total Assets increased over 2021 by 16% or \$2,540,960 due to an increase in Cash of \$1,925,667, an decrease in Accounts Receivable of \$242,910, an increase in Grants Receivable of \$787,938, an decrease in Program Services Receivable of \$110,617, an increase in Prepaids of \$65,609, a decrease in Property Inventory of \$7,145 and an increase in Capital Assets of \$121,537. Total Liabilities in 2022 decreased 46.3% or \$2,377,784 over 2021 due to an decrease in Accounts Payable of \$193,226, a decrease in Accrued Liabilities of \$285,834, paydown on the outstanding debt of \$1,600,000, and a decrease in Landfill Post Closure Care liability of \$298,724.

STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

Table 2 summarizes the Statements of Revenues, Expenses and Change in Net Position.

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating Revenues			
Total Operating Revenues	\$ <u>13,198,089</u>	\$ <u>6,448,594</u>	\$ <u>12,150,557</u>
Operating Expenses			
Total Operating Expenses	<u>8,369,091</u>	<u>7,676,884</u>	<u>10,789,817</u>
Operating Income	<u>4,828,998</u>	<u>(1,228,290)</u>	<u>1,360,740</u>
Non-Operating Revenues			
Total Non-Operating Revenue	<u>90,283</u>	<u>46,479</u>	<u>134,358</u>
Change in Net Position	4,919,281	(1,181,811)	1,495,098
Net Assets Beginning of Year	<u>10,496,722</u>	<u>11,678,533</u>	<u>10,183,435</u>
Net Assets End of Year	<u>\$ 15,416,003</u>	<u>\$ 10,496,722</u>	<u>\$ 11,678,533</u>

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION (continued)

Operating Revenues increased 104.7% or \$6,749,495 over 2021 due to an increase in Grant Revenue of \$4,879,818, an increase in COCLT Home Sales of \$592,144, and a decrease in Demo Recovery and Property Sales of \$100,341 and an increase in DTAC receipts of \$1,374,179. The increase of Operating Expenses over 2021 was 9.02% or \$692,207 mostly due to an increase in Demolition expenses of \$888,532, a decrease of Construction and Development of \$854,965, an increase in Program Services of \$204,521, an increase in Legal & Professional expense of \$143,266, an increase in Payroll Expense of \$144,018, an increase in Insurance expense of \$7,956, an increase in Maintenance and Repair expense of \$103,305, an increase in Office expense of \$14,574, an increase in Meeting expense of \$4,027, an increase in Staff Training and Travel expense of \$13,588, and an increase in Other expense of \$21,883. The Change in Net Position in 2022 increased \$6,101,092 or a 516% over 2021.

STATEMENTS OF CASH FLOWS

Table 3 summarizes the Cash Flows of COCIC.

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Change in Cash and cash equivalents			
Net Cash Provided by (Used for)			
Operating Activities	\$ 3,585,729	\$ (964,948)	\$ 492,848
Net Cash Provided by Non-Capital			
Financing Activities	(1,384,184)	11,773	1,613,129
Net Cash (Used for) Capital and			
Related Financing Activities	(275,878)	(616,242)	(454,399)
	<u> </u>	<u> </u>	<u> </u>
Net Change in Cash and Cash Equivalents	\$ <u>1,925,667</u>	\$ <u>(1,569,417)</u>	\$ <u>1,651,578</u>

Net Cash Provided by Operating Activities increased 471.6% or \$4,550,677 during 2022 in comparison to 2021 from an increase Delinquent Tax Assessment & Collection Income (\$1,374,179), an increase in Grant Receipts (\$4,913,843), an increase in Demolition Recovery, Reimbursement & Property Sales (\$240,658), an increase in Home Sales (\$416,757), an increase in Demolition and Remediation Expense (\$1,264,958), an increase in Construction and Development Expense (\$264,951) an increase in Program Services Expense (\$210,846), an increase in Payroll Expense (\$171,565), an increase in Insurance Expense (\$95,642), an increase in Legal & Professional Services (\$150,116) an increase in Maintenance and Repair Expense (\$134,050), and increase in Office Expense (\$13,893), an increase in Staff Training and Travel Expense (\$13,588), an increase in Landfill Closure Expense (\$54,240) and an increase in Other Operating Payments (\$18,450).

Net Cash Provided by Non-Capital Financing Activities decreased \$1,395,957 or 118.57% due to repayment of debt (\$1,500,000), an increase in Subsidies (\$91,279), a reduction in Service Income (\$8,602), an increase in Other income (\$12,636) and a reduction in interest expense (\$9,778). Net Cash Used for Capital and Related Financing Activities decreased 55.2% or \$340,364 due to a decrease in the purchase of Capital Assets (\$224,140), and the reduction of purchases for Real Property (\$115,856).

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

CAPITAL ASSETS

Table 4 summarizes the Net Capital Assets of COCIC.

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Capital Assets:			
COCLT - Land	\$ 231,838	\$ 122,945	\$ 67,609
Office - Land	39,200	39,200	39,200
Office - Building & Fixtures	980,040	1,000,758	1,020,624
Edna - Building & Fixtures	136,624	123,061	12,485
Landfill Land	3,381,391	3,381,391	3,381,391
Golf Depot Land	98,492	98,492	98,492
Golf Depot Buildings & Fixtures	743,924	724,127	576,522
Total Capital Assets	<u>\$ 5,611,509</u>	<u>\$ 5,489,974</u>	<u>\$ 5,196,323</u>

Capital Assets increased \$121,535 in 2022 due to the purchase of Land for the COCLT (\$108,893) replacement Fencing and IT Equipment at Office (\$19,972), work completed on the Edna (\$13,564), work completed at Golf Depot (\$36,900) and increase in accumulated depreciation (\$57,794).

DEBT

Table 5 summarizes the debt of COCIC.

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Debt:			
Landfill Closure and Post Closure Care	\$ 210,918	\$ 509,642	\$ 724,744
FCAP Note	-	1,500,000	1,500,000
Franklin County	1,400,000	1,500,000	1,600,000
Total Debt	<u>\$ 1,610,918</u>	<u>\$ 3,509,642</u>	<u>\$ 3,824,744</u>

COCIC decrease debt in 2022 by \$1,898,724 due to a decrease in the Franklin County note by \$100,000, a decrease in FCAP Note by \$1,500,000 and reduction for landfill closure and post closure care by \$298,724.

BUDGET

Pursuant to the Board financial policies, COCIC prepares and adopts an annual budget which includes estimated revenues and expenditures for the fiscal year and a forecast of revenues and expenditures. COCIC will from time to time adopt budget revisions, as necessary.

CONTACT INFORMATION

Questions regarding this report and requests for additional information should be forwarded to President, Central Ohio Community Improvement Corporation, 845 Parsons Avenue, Columbus, Ohio, 43206.

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF NET POSITION
AT DECEMBER 31, 2022 AND 2021**

	2022	2021(Restated)*
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 9,177,778	\$ 7,252,181
Accounts Receivable	374,982	617,892
Grants Receivable	1,353,346	565,408
Lease Receivable - Current	21,276	21,228
Program Services Receivable	305,698	416,315
Property Inventory	1,066,102	1,073,247
Prepays and Other Assets	118,673	53,064
Total Current Assets	<u>12,417,855</u>	<u>9,999,335</u>
Noncurrent Assets:		
Cash and Cash Equivalents - Debt Service Reserve & Lease Deposits	161,376	161,306
Lease Receivable - Non-Current	46,188	45,353
Capital Assets:		
COCLT Land	231,838	122,945
Office Land, Building & Fixtures	1,249,080	1,229,108
Edna Building & Fixtures	136,625	123,061
Landfill Land	3,381,391	3,381,391
Golf Depot Land, Buildings & Fixtures	903,635	866,735
Accumulated Depreciation	(291,060)	(233,266)
Net Capital Assets	<u>5,611,509</u>	<u>5,489,974</u>
Total Noncurrent Assets	<u>5,819,073</u>	<u>5,696,633</u>
TOTAL ASSETS	18,236,928	15,695,968
LIABILITIES		
Current Liabilities:		
Accounts Payable	1,026,269	1,219,495
Accrued Liabilities	111,799	397,633
Landfill Post Closure Care Liability- Current Portion	13,182	29,979
Notes Payable- Current Portion	92,857	1,592,857
Total Current Liabilities	<u>1,244,107</u>	<u>3,239,964</u>
Long-Term Liabilities		
Security Deposits Payable	5,500	5,500
Landfill Post Closure Care Liability - Non Current Portion	197,736	479,663
Notes Payable- Non Current Portion	1,307,143	1,407,143
Total Long-Term Liabilities	<u>1,510,379</u>	<u>1,892,306</u>
TOTAL LIABILITIES	2,754,486	5,132,270
DEFERRED INFLOWS OF RESOURCES		
Leases	66,439	66,976
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>66,439</u>	<u>66,976</u>
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	2,820,925	5,199,246
NET POSITION		
Net Investment in Capital Assets	4,211,509	3,989,974
Restricted - Expendable	161,376	161,306
Unrestricted	11,043,118	6,345,442
TOTAL NET POSITION	<u><u>\$ 15,416,003</u></u>	<u><u>\$ 10,496,722</u></u>

* See Note 13 regarding prior period adjustment

See notes to the accompanying basic financial statements

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021(Restated)*</u>
Operating Revenues		
Delinquent Tax Assessment & Collection Income	\$ 4,144,232	\$ 2,770,053
Land Lease Income	14,670	10,975
Grant Revenues	6,640,334	1,760,516
Demolition Recovery, Reimbursement & Property Sales	46,623	146,964
Home Sales	2,352,230	1,760,086
Total Operating Revenues	<u>13,198,089</u>	<u>6,448,594</u>
Operating Expenses		
Demolition and Remediation	1,645,834	757,302
Construction and Development	3,931,070	4,786,035
Program Services Expense	586,983	382,462
Payroll Expense	1,224,167	1,080,149
Insurance Expense	87,164	79,208
Legal and Professional Expense	308,290	165,024
Maintenance and Repair Expense	139,558	36,253
Meeting Expense	6,015	1,988
Utilities Expense	55,623	55,287
Office Expense	79,885	65,311
Staff Training and Travel Expense	19,321	5,733
Depreciation Expense	57,794	56,628
Other Expense	227,387	205,504
Total Operating Expenses	<u>8,369,091</u>	<u>7,676,884</u>
Operating Income (Loss)	<u>4,828,998</u>	<u>(1,228,290)</u>
Non-Operating Revenues (Expenses)		
Rent Income	27,548	25,912
Service Income	16,871	16,088
Subsidies	50,000	50,000
Interest	(24,128)	(45,521)
Other Income	19,992	-
Total Non-Operating Revenues (Expenses)	<u>90,283</u>	<u>46,479</u>
Change in Net Position	4,919,281	(1,181,811)
Net Position, Beginning of Year	<u>10,496,722</u>	<u>11,678,533</u>
Net Position, End of Year	<u>\$ 15,416,003</u>	<u>\$ 10,496,722</u>

* See Note 13 regarding prior period adjustment

See notes to the accompanying basic financial statements

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021(Restated)*
Cash Flows from Operating Activities		
Delinquent Tax Assessment & Collection Income	\$ 4,144,232	\$ 2,770,053
Land Lease Income	14,670	10,975
Grant Receipts	6,192,560	1,278,717
Demolition Recovery, Reimbursement & Property Sales	217,123	(23,535)
Home Sales	2,185,186	1,768,429
Demolition and Remediation Expense	(2,016,644)	(751,686)
Construction and Development Expense	(4,062,561)	(3,797,610)
Program Services Expense	(538,591)	(327,745)
Payroll Expense	(1,245,721)	(1,074,156)
Insurance Expense	(152,773)	(57,131)
Legal and Professional Expense	(301,944)	(151,828)
Maintenance and Repairs Expense	(170,798)	(36,748)
Meeting Expense	(5,973)	(2,274)
Utilities Expense	(56,902)	(54,445)
Office Expense	(78,858)	(64,965)
Staff Training and Travel Expense	(19,321)	(5,733)
Landfill Closure Expense	(297,851)	(243,611)
Other Operating Payments	(220,105)	(201,655)
Net Cash (Used)/Provided by Operating Activities	3,585,729	(964,948)
Cash Flows from Non-Capital Financing Activities		
Proceeds from Subsidies	91,279	-
Service Income	16,871	25,473
Rental Proceeds and Fees	28,097	29,145
Interest	(33,067)	(42,845)
Principal Paid on Note	(1,500,000)	-
Other	12,636	-
Net Cash (Used)/Provided by Non-Capital Financing Activities	(1,384,184)	11,773
Cash Flows from Capital and Related Financing Activities		
Principal Paid on Debt	(100,000)	(100,000)
Golf Depot Improvements/Development	(36,900)	(164,028)
Edna Predevelopment	(13,564)	(110,576)
Purchase of Real Property	(105,442)	(221,298)
Land Bank Office Improvements	(19,972)	(20,340)
Net Cash Used In Capital and Related Financing Activities	(275,878)	(616,242)
Net Change in Cash and Cash Equivalents	1,925,667	(1,569,417)
Cash and Cash Equivalents Beginning of Year	7,413,487	8,982,904
Cash and Cash Equivalents End of Year	\$ 9,339,154	\$ 7,413,487
Cash and Cash Equivalents - Current	\$ 9,177,778	\$ 7,252,181
Cash and Cash Equivalents - Noncurrent	161,376	161,306
Total Cash and Cash Equivalents	\$ 9,339,154	\$ 7,413,487

* See Note 13 regarding prior period adjustment

See notes to the accompanying basic financial statements

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

(continued)

Reconciliation of Operating Income/(Loss) to Net Cash Provided by (Used In) Operating Activities	2022	2021 (Restated)*
Operating Income (Loss)	\$ 4,828,998	\$ (1,228,290)
Depreciation Expense	57,794	56,628
(Increase) Decrease in Assets:		
Accounts Receivable	211,582	(349,906)
Grants Receivable	(787,938)	(110,052)
Program Services Receivable	110,617	(55,232)
Prepaid Items	(65,609)	22,077
Increase (Decrease) in Liabilities:		
Accounts Payable	(193,226)	1,065,321
Accrued Liabilities	(277,765)	(150,392)
Landfill Post Closure Care Liability	(298,724)	(215,102)
Net Cash (Used)/Provided by Operating Activities	<u>\$ 3,585,729</u>	<u>\$ (964,948)</u>

* See Note 13 regarding prior period adjustment

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**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 1 – DESCRIPTION OF REPORTING ENTITY

The Central Ohio Community Improvement Corporation (COCIC) was formed as a nonprofit corporation on May 9, 2005 pursuant to Ohio Revised Code Chapter 1724 to assist in economic development of nonproductive and distressed properties in Franklin County. It was reconstituted on March 25, 2012 as the land reutilization corporation for Franklin County under Ohio Revised Code Chapters 1724 and 5722. A nine-member Board of Directors has been established for oversight of the operations. The Franklin County Commissioners and the Franklin County Treasurer are Ex-Officio members of the Board, as well as three other members appointed by the Commissioners and Treasurer. The Ohio Revised Code requires that the Board consists of a representative of the County's largest city and a representative of townships having more than 10,000 population in their unincorporated area. The COCIC's management believes the financial statements present all activities for which the COCIC is financially accountable.

Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of COCIC are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from COCIC. For COCIC, there are no other boards and agencies other than COCIC. Component units are legally separate organizations for which COCIC is financially accountable. COCIC is financially accountable for an organization if COCIC appoints a voting majority of the organization's governing board and (1) COCIC is able to significantly influence the programs or services performed or provided by the organization; or (2)(a) COCIC is legally entitled to or can otherwise access the organization's resources; (b) COCIC is legally obligated to or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (c) COCIC is obligated for the debt of the organization. Component units may also include organizations for which COCIC approves the budget, the issuance of debt or levying of taxes. In 2018, The Central Ohio Community Land Trust Corporation (COCLT) was established and is reported as a blended component unit of COCIC. The Poindexter Community Renaissance LLC is also a blended component unit of COCIC which was renamed and re-organized in 2017. See note 16 for additional information regarding blended component units of COCIC.

The Central Ohio Community Land Trust (COCLT), under the laws of the State of Ohio, incorporated on May 25, 2018 for the purpose of establishing affordable single-family housing that is owner occupied and to establish and provide multi-family rental housing. The COCLT applied for its 501 (c)(3) exemption from federal income tax in 2019 and was approved on July 8, 2019, made effective from our incorporation date. The COCLT was classified further as a public charity under the IRC Section 509 (a)(2). COCLT's board of managers and officers are COCIC's President, COCIC's Secretary/Treasurer and COCIC's Assistant Secretary. COCLT began conducting official business in 2019. COCLT is considered a blended component unit of COCIC due to the following: COCLT has no employees and all functions are performed by COCIC staff; COCIC is the sole member of the corporation; and COCLT's board of managers and officers are COCIC's President, COCIC's Secretary/Treasurer, and COCIC's Assistant Secretary.

Poindexter Community Renaissance LLC (PCR) was established in 2006 to assist in the acquisition of the blighted and vacant Poindexter Tower condo units in Columbus, Ohio. PCR did not conduct any official business and was dormant almost since its inception. Not having use under its original purpose, PCR was renamed to PCR2 LLC and reorganized to become an agent of COCIC in strategic activities/transactions and in any project approved by COCIC's Board that is consistent with COCIC's mission. PCR2 is considered a blended component unit of COCIC due to the following: PCR2 has no employees, and all functions are performed by COCIC staff; COCIC is the sole member of the corporation; and PCR2 LLC's

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

board of managers and officers are COCIC's President, COCIC's Secretary/Treasurer, and COCIC's Assistant Secretary.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus and Basis of Accounting

COCIC's operations are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operation are included on the statement of net position. The operating statement presents increases (i.e. revenues) and decreases (i.e. expenses) in net position.

Basis of Presentation

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements and measurement focus relates to the timing of the measurements made.

COCIC's basic financial statements consist of a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows. The financial statements of COCIC have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). COCIC uses enterprise fund accounting to maintain its financial records during the fiscal year. Enterprise fund accounting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Enterprise accounting is used to account for any activity for which a fee is charged to external users for goods or services.

Net Position is comprised of unrestricted and restricted components. Operating statements present increases (e.g. revenues) and decreases (e.g. expenses) in net position.

Net position is the difference between the COCIC's assets, its liabilities, and deferred outflows/inflows of resources. GASB establishes standards for external financial reporting which require that resources be classified for accounting and reporting purposes into the following net position categories:

Net investment in capital assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted – Expendable: Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the Organization or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. COCIC first applies restricted resources when an expense is incurred for which both restricted and unrestricted net position are available. As of December 31, 2022, and 2021, \$161,376 and \$161,306, respectively, were restricted related to bond reserve funds held as security for outstanding bond debt as well as security deposits related to leased property.

Unrestricted: Net position whose use by COCIC is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

Accounting Pronouncements

The following are pronouncements that either became effective during fiscal year 2022 or will become effective in future fiscal years and could impact COCIC's financial reports:

GASB 87 – “Leases.” Effective for reporting periods beginning after December 15, 2019. Per GASB 95 the effective date has been postponed until reporting periods beginning after June 15, 2021.

GASB 91 – “Conduit Debt Obligations” Effective for reporting periods beginning after December 15, 2020. Per GASB 95 the effective date has been updated to reporting periods beginning after December 15, 2021.

GASB 92 – “Omnibus 2020” Various effective dates depending on applicable section. Per GASB 95 the effective date has been postponed one year from the original effective dates.

GASB 93 – “Replacement of Interbank Offered Rate” Various effective dates depending on applicable section. Per GASB 95 the effective date has been postponed one year from the original effective dates.

GASB 94 – “Public-Private and Public-Public Partnerships and Availability Payment Arrangements” Effective for fiscal years beginning after June 15, 2022 and all reporting periods thereafter.

GASB 96 – “Subscription-Based Information Technology Arrangements” Effective for fiscal years beginning after June 15, 2022.

GASB 97 – “Certain Component Unit Criteria, and Accounting for Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans” Various effective dates depending on the applicable section.

GASB 98 – “The Annual Comprehensive Financial Report” Effective for fiscal years ending after December 15, 2021.

GASB 99 – “Omnibus 2022” Various effective dates depending on applicable section

GASB 100 – “Accounting for Changes and Error Corrections – an amendment of GASB Statement No. 62” Effective for fiscal periods beginning after June 15, 2023.

GASB 101 – “Compensated Absences” Effective for fiscal periods beginning after December 15, 2023.

COCIC has adopted all applicable GASB standards that were effective during its fiscal years 2022 and 2021. COCIC determined those standards adopted had no material impact on its financial statements as of December 31, 2022 and 2021 other than the adoption of GASB 87 – “Leases”, which caused a restatement of 2021 activity. See Note 13 for details.

COCIC has not fully determined the effect statements with effective dates subsequent to current reporting period will have on its financial reporting in subsequent fiscal years.

Use of Estimates

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Grant and Account Receivables

Expenses incurred during the year that will be reimbursed in future years are recognized as revenue and receivables in the year the expense is incurred.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond the current fiscal year, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expense in the year in which services are consumed.

Property Inventory

COCIC's land reutilization activities often require that it hold title to real property, typically until reutilization activities can be completed or to satisfy a holding period prescribed by the terms of grant funding. Beginning in 2019, COCIC began acquiring real property to build affordable housing throughout Franklin County. COCIC, through its subsidiary COCLT, will retain ownership of the land to ensure future affordable housing opportunities. Other properties acquired by COCIC are of nominal value and, in the aggregate, not material to the financial statements. Property Inventory being held for the purposes of completing COCIC's mission with a cost or acquisition value of \$1,500 or more will be capitalized.

Capital Assets

Capital assets are capitalized at cost and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. COCIC has a capitalization threshold of \$5,000 for all assets except land and property inventory. Land being held for the purposes of completing COCIC's mission with a cost or acquisition value of \$1,500 or more will be capitalized. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture & Fixtures	10
Equipment	6-15
Building & Building Improvements	40
Land Improvements	15-20
IT Equipment	5

Capital Contributions

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

Accrued Liabilities and Notes Long-Term Obligations

All payables and other accrued liabilities are reported on the statement of net position.

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

Deferred Outflows and Deferred Inflows

In addition to assets, the statement of net position may report a separate category of deferred outflows of resources. Deferred outflows represent consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until then. On December 31, 2022 and 2021, COCIC reported no deferred outflows of resources. In addition to liabilities, the statement of net position may report a separate category of deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenues) until then. On December 31, 2022 and 2021, COCIC reported \$ 66,439 and \$66,976 respectively.

Capitalization of Land Development Costs

Land and development costs are generally capitalized at the time development begins based on actual costs incurred.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of COCIC. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the COCIC. All revenues and expenses not meeting this definition are reported as non-operating.

Income Taxes

COCIC was formed as a nonprofit organization and was then determined by the IRS as exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code. In 2012 when COCIC was reconstituted as the Franklin County land reutilization corporation, it was organized to be exempt under Section 115(1) of the Internal Revenue Code. As the IRS has made no determination of exemption under Section 115(1), COCIC, as a precautionary measure, pursued and received in 2017 a reinstatement of the determination of exemption under Section 501(c)(4) which lapsed after the 2012 reconstitution.

Uncertain Tax Positions

COCIC adopted the provisions of Accounting for Uncertainty in Income Taxes on January 1, 2009. Those provisions clarify the accounting and recognition for income tax positions taken or expected to be taken in COCIC's income tax returns. COCIC's income tax filings are subject to audit by various taxing authorities. In evaluating COCIC's tax provisions and accruals, future taxable income, and the reversal of temporary differences, interpretations and tax planning strategists are considered. COCIC has analyzed the tax positions taken and believes there are no uncertain positions taken or expected to be taken that would require recognition of a liability or an asset.

NOTE 3 - CASH

The COCIC maintains its cash balance in banking accounts. At December 31, 2022 and 2021, the COCIC's carrying values of cash were \$9,339,154 and \$7,413,487, respectively, including \$161,376 and \$161,306, respectively, in cash held as security for repayment of outstanding bonds payable and security deposits. At December 31, 2022 and 2021, the COCIC's bank balances, held by two different financial institutions, were \$9,485,030 and \$7,517,253, respectively. Carrying values of cash and bank balances reconcile when adjusted for outstanding items. Of the bank balances, as of December 31, 2022 and 2021, \$2,022,621 and \$2,013,324 respectively, were covered by FDIC insurance, and \$7,443,188 and \$5,487,397, respectively, were covered by government securities collateralizing public deposits. COCIC cash holdings include funds held in money market account extra (MMAX) bank funds. These accounts allow deposits to be distributed to multiple banks in network up to the \$250,000 FDIC limit per bank. As of December 31, 2022, and 2021, funds covered by FDIC insurance include \$1,239,461 and \$1,230,004 respectively, in MMAX covered

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

funds. As of December 31, 2022, and 2021, \$11,028 and \$8,442 respectively is on deposit with the Franklin County Sheriff Office.

Custodial Credit Risk is the risk that in the event of bank failure, the COCIC's deposits may not be returned. The COCIC has no policy regarding custodial credit risk. COCIC's practice is to maintain all deposits within FDIC limits or require collateralization consistent with state laws governing public deposits. The funds held by the Franklin County Sherriff Office are refundable at any time and do not represent custodial risk to COCIC.

The State Treasurer of Ohio's office administers the Ohio Pooled Collateral System that allows eligible financial institutions to pool collateral to secure deposits of Ohio's public entities. The State Treasurer of Ohio's office has deemed collateral equal to 50% of public deposits held by certain institutions (including the institution used by COCIC) to be sufficient collateral over those deposits. In 2019, COCIC requested that our financial institutions collateralize our funds at 100%. On December 31, 2022 and 2021, COCIC's deposits were not exposed to custodial risk.

As of December 31, 2022, and 2021, COCIC does not maintain any investments.

NOTE 4 – PROGRAM SERVICES RECEIVABLE

Responsible Landlord Program

The Responsible Landlord Program (RLL) is a loan program to assist in rehabilitation of rental residential properties. A closed-end revolving loan accruing interest at 1.5% per annum and compounded monthly, is made for the rehabilitation of blighted, distressed, or substandard properties. The loan is secured by a mortgage against the property. Since the program's inception in 2014, COCIC has issued nine loans. As of December 31, 2022 COCIC had 7 loans outstanding with an original loan amounts totaling \$290,000. \$35,262 and \$11,437 has been repaid as of December 31, 2022 and 2021 respectively. Interest accrued during 2022 and 2021 was \$744 and \$2,026 respectively.

Receivership Loan Program

Through the Receivership Loan Program, a Receiver, appointed by the Franklin County Environmental Court is charged with abating nuisances at distressed properties, conducting court approved rehabilitation and clearing title. COCIC assists the receiver by using a close-ended revolving loan, disbursing up to \$65,000 per property based on the court approved expenditures proposed by the receiver. The loan is secured by a mortgage against the property and will earn interest of 3%, compounded annually with a term

due upon demand but expected to repay within approximately 6 months to 24 months, dependent on the ease of clearing the title. As of December 31, 2022, and 2021, there was \$50,000 and \$134,000 in loan principal advances outstanding, respectively. Interest accrued during 2022 and 2021 was \$215 and \$1,726, respectively.

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**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 5 – PROPERTY INVENTORY

Property inventory as of December 31, 2022 and 2021 was \$1,066,102 and \$1,073,247, respectively. Activity during 2022 consisted of obtaining the following properties:

Parcel ID/Property Address	Amount
190-000778 - 2652 Perdue	20,164
190-002693 - 3023 Perdue	36,220
190-002694 - 3029 Perdue	36,219
Total Purchases	<u>\$ 92,603</u>

The following properties were transferred from Property Inventory to COCLT Land during 2022:

Parcel ID/Property Address	Amount
161-000283 - 2830 Walnut	3,687
161-000449 - 3372 1st Ave	8,742
161-000452 - 3356 1st Ave	15,273
161-000458- 3652 1st Ave	7,710
161-000659 - 3504 4th Ave	5,449
010-077897 - 1636 Kohr	16,580
010-052795 - 1646 Kohr	9,450
010-061183 - 1608 Kohr	29,058
010-060723 - 1595 Kohr	3,800
Total Transfers	<u>\$ 99,749</u>

During 2021, COCIC sold 1541 Aberdeen (\$4,042), 1545 Aberdeen (\$4,620), and 2683 Winchester Pike (\$185,000) and acquired 2 properties for \$307,069. COCIC also transferred \$42,408 to COCLT during 2021.

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**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2022 and 2021 was as follows:

	1/1/2022	Additions	Deductions	12/31/2022
Non-Depreciable Assets:				
Land (COCLT)	\$ 122,945	108,893	-	\$ 231,838
Land (Landfill)	3,381,391	-	-	3,381,391
Golf Depot Land	98,492	-	-	98,492
Office - Land	39,200	-	-	39,200
Depreciable Assets:				
Edna - Building & Fixtures	123,061	13,564	-	136,625
Office - Building & Fixtures	1,189,908	19,972	-	1,209,880
Golf Depot - Building & Fixtures	768,243	36,900	-	805,143
Total Capital Assets	5,723,240	179,329	-	5,902,569
Accumulated Depreciation	(233,266)	(57,794)	-	(291,060)
Net Capital Assets	\$ 5,489,974	121,535	-	\$ 5,611,509

	1/1/2021	Additions	Deductions	12/31/2021
Non-Depreciable Assets:				
Land (COCLT)	\$ 67,609	55,336	-	\$ 122,945
Land (Landfill)	3,381,391	-	-	3,381,391
Golf Depot Land	98,492	-	-	98,492
Office - Land	39,200	-	-	39,200
Depreciable Assets:				
Edna - Building & Fixtures	12,485	110,576	-	123,061
Office - Building & Fixtures	1,169,569	20,339	-	1,189,908
Golf Depot - Building & Fixtures	604,215	164,028	-	768,243
Total Capital Assets	5,372,961	350,279	-	5,723,240
Accumulated Depreciation	(176,638)	(56,628)	-	(233,266)
Net Capital Assets	\$ 5,196,323	293,651	-	\$ 5,489,974

NOTE 7 – NOTES PAYABLE

<u>2022</u>	Amount Outstanding 1/1/2022	Additions	Deletions	Amount Outstanding 12/31/2022	Amounts Due in One Year
Franklin County - Direct	\$ 1,500,000	-	(100,000)	\$ 1,400,000	\$ 92,857
FCAP - Direct	1,500,000	-	(1,500,000)	-	-
Total Notes Payable	\$ 3,000,000	-	(1,600,000)	\$ 1,400,000	\$ 92,857

<u>2021</u>	Amount Outstanding 1/1/2021	Additions	Deletions	Amount Outstanding 12/31/2020	Amounts Due in One Year
Franklin County - Direct	\$ 1,600,000	-	(100,000)	\$ 1,500,000	\$ 92,857
FCAP - Direct	1,500,000	-	-	1,500,000	1,500,000
Total Notes Payable	\$ 3,100,000	-	(100,000)	\$ 3,000,000	\$ 1,592,857

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In December 2009, COCIC received additional working capital from the sale of a \$2,600,000, 30-year, 0% interest, Ohio Air Quality Development Authority Bond which was purchased by the Community Improvement Corporation of Gahanna and immediately assigned to Franklin County. \$150,000 of the proceeds was deposited in an account at Heartland Bank to secure the repayment of the Bond. COCIC is responsible for the debt service on this Bond. The balance on December 31, 2022 was \$1,400,000. This outstanding note contains (1) a provision that in an event of default, the timing of repayment of outstanding amounts can be due immediately with an interest rate of 10% (or legal limit) and (2) if payment is not received by the due date or accelerated date an additional 5% charge will be added.

In December 2020, COCIC entered into a loan agreement with Finance Fund Capital Corporation for a \$1,500,000, 2-year, 3.5% interest note. The intent of the note is to fund the construction of 10 affordable homes in Columbus, Ohio. The balance on December 31, 2022 and 2021 was \$0 and \$1,500,000. This outstanding note contains (1) a provision that in an event of default, the timing of repayment of outstanding amounts can be due immediately with an interest rate of 16% (or legal limit) and (2) if payment is not received by the due date or accelerated date an additional 5% charge will be added.

Both loan agreements are considered direct borrowings. Direct borrowings have terms negotiated directly between the COCIC and the lender and are not offered for public sale. The loans have no significant finance-related terms related to events of default, termination events, or subjective acceleration clauses.

The following is the scheduled maturities of the debt agreement as of December 31, 2022:

	Principal
2023	\$ 92,857
2024	92,857
2025	92,857
2026	92,857
2027	92,857
2028 – 2032	464,285
2033 - 2037	464,285
2038 - 2039	7,145
Total	<u>\$ 1,400,000</u>

NOTE 8 – LANDFILL CLOSURE COSTS AND CHANGE IN ESTIMATE

State and federal laws and regulations require COCIC to place a final cover on its Bedford Landfill and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The Bedford Landfill was officially closed June 13, 2008. As of December 31, 2022, and 2021, the book value of the landfill, excluding the related closure and post closure liability is \$1,031,249.

The \$210,918 and \$509,642 reported as landfill closure and post-closure care liability on December 31, 2022 and 2021, respectively, represents the remaining estimated cost of closure and post-closure care. Total expenditures in 2022 and 2021 for this liability were \$298,724 and \$215,101, respectively.

COCIC is required by state and federal laws and regulations to maintain a trust to finance closure and post-closure care. Although COCIC did not establish a trust, they performed alternative actions approved by the

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Ohio EPA Director to satisfy the requirements. The City of Gahanna is required to pay up to \$50,000 per year to COCIC to cover any shortfall.

NOTE 9 – TAX LIEN CERTIFICATE PURCHASE

In 2016 COCIC established the tax lien program to acquire blighted and abandoned properties throughout Franklin County. When a tax lien sale occurs COCIC can select and purchase the lien for \$1 per parcel. This lien allows COCIC to prosecute tax lien foreclosures through forfeiture or sale. The balance of the tax lien is payable under a non-recourse note. Such note limits COCIC's liability thereunder to any recover of delinquent taxes and assessments resulting from redemptions or foreclosures of the tax certificates, which are expected to be nominal. COCIC does not recognize possible redemption or foreclosure proceeds as receivables, unit received, at which time the same are applied in full satisfaction of COCIC's obligations under the note. There were no tax lien purchases in 2022 or 2021.

While there is no obligation for COCIC to foreclose the purchased tax lien certificates, COCIC has identified \$1,500,000 of funding for the cost of foreclosures. In 2016, Franklin County Treasurer contributed \$500,000 and COCIC \$125,000. In 2017, Franklin County and COCIC again contributed \$500,000 and \$125,000, respectively and the City of Columbus contributed \$250,000 in 2017. Further, foreclosure costs are reimbursable under the OHFA NIP grant, making the reimbursements available to fund continuing foreclosure and demolition activity. Tax Lien Certificate title search expenses were \$0 in 2022 and (\$5,334) in 2021. The negative expense in 2021 is a result of refunds received for court deposits.

NOTE 10 – GRANT REVENUES

Under terms of a cooperative agreement signed with the Ohio Housing Finance Agency (OHFA), COCIC receives grant funding from OHFA's Neighborhood Initiative Program (NIP). OHFA receives funding for NIP through the Hardest Hit Fund (HHF), a program authorized under the Emergency Economic Stabilization Act (EESA) and funded through the U.S. Department of the Treasury. Through the cooperative agreement, OHFA and COCIC utilize NIP funding to strategically target residential demolition in designated areas. The goal of the program is to stabilize property values by removing and greening vacant and abandoned properties in an effort to prevent future foreclosures for existing homeowners. The maximum assistance provided under this program is \$25,000 per property to be demolished. Financial assistance through the NIP program is provided through a non-interest-bearing loan and secured by the property. The loan however is forgiven at the end of three years. Payment is only required in the event there are proceeds from a sale or refinance, which is considered remote. Therefore, COCIC records proceeds received under the NIP as revenues and does not record any loan payable back to OHFA on its statement of financial position. Disbursement of funds was completed in 2020 with all notes and mortgages being released by September 2021.

Beginning in 2020 COCLT began receiving funds from the City of Columbus to fund the mission of providing affordable housing for income qualified buyers within the incorporated limits of the City. The funds are used to reduce the purchase price of houses developed for the COCLT for income qualified buyers to make them affordable. In October 2021, COCLT entered into an agreement with the City of Columbus for \$3.060 million to fund the program. In October 2022, an additional agreement for \$4 million of funding for the program was executed. During 2022, and 2021, \$1,777,307 and \$1,164,506 has been drawn on the grants respectively. A balance of \$4,717,285 and \$2,494,592 is remaining on the grants as of December 31, 2022 and 2021 respectively. The grants are reimbursable grants therefore, a receivable for the balance of the undrawn funds has not been established.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

In 2020, COCLT entered into an agreement with the Franklin County Commissioners (Economic Development & Planning office) for \$2.375 million to start COCLT projects within Franklin County. The funds are used to reduce the purchase price of houses developed for the COCLT for income qualified buyers to make them affordable. In December 2021, the grant agreement was modified to extend the draw period through December 31, 2022. An additional \$2.375 million was also awarded for a total of \$4.75 million. During 2022 and 2021, \$1,826,353 and \$52,227 respectively, has been drawn on the grants. A balance of \$2,871,420 and \$4,697,773 is remaining on the grants as of December 31, 2022 and 2021 respectively. The grants are reimbursable grants therefore, a receivable for the balance of the undrawn funds has not been established.

During 2021, COCLT began establishing a Construction Financing Fund (CFF) to fund the cost of construction when COCLT is the developer on projects. The fund is a revolving fund that is replenished by completed homes sales and the aforementioned grant dollars from the City of Columbus or Franklin County. In December 2021, the Franklin County Commissioners approved a \$2.625 million grant to fund the CFF. The grant is not payable to the COCLT until the beginning of 2022 therefore, a receivable was not established during 2021. The grant was paid in full in January 2022.

On August 22, 2022, COCIC was provisionally awarded a \$500,000 grant from the Ohio Department of Development for the “Building Demolition and Site Revitalization Program”. The grant is for the reimbursement of costs related to the demolition of blighted commercial and residential buildings and revitalization of surrounding areas specifically identified within the grant application. As of December 2022, COCIC had not received a final award notice and was therefore unable to allocate potential eligible expenses to the grant at year end. Since the grant is a reimbursable grant, a receivable balance was not established for the undrawn funds.

On December 23, 2022, COCLT was awarded a \$500,000 grant from the “Consolidated Appropriations Act, 2023” for the preservation and rehabilitation of the Edna building. The funds were awarded under the “FY2023 Save America’s Treasures Congressionally Directed Spending Awards” administered by the National Park Service. The grant is a reimbursable grant requiring a 50% match from COCLT. As of December 31, 2022, there were no qualifying expenses under the grant, therefore a receivable was not established.

NOTE 11 – RISK MANAGEMENT

Commercial Insurance

COCIC has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Builders Risk
- Vehicles
- Environmental Insurance
- Directors and Officers Insurance

Settled claims have not exceeded commercial coverage in the past three years and there has been no significant decrease in coverage from the prior year.

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NOTE 12 – EMPLOYEE BENEFIT 401(k) PLAN

COCIC offers a defined contribution 401(k) plan to its employees. Eligible employees must be at least 21 years of age, have 12 consecutive months of service and have worked at least 1,000 hours. Under the plan, COCIC may make an employer discretionary contribution, which is vested 100% at the time of contribution.

The plan also allows eligible employees to contribute from 1% up to 90% of their salary and wages. The employer and employee contributions are not to exceed Internal Revenue Service limits. COCIC's contribution expense at the end of December 31, 2022 and 2021 was \$49,500 and \$38,500, respectively.

NOTE 13 – LEASE AGREEMENTS – LESSOR DISCLOSURE

Land Bank Office, 845 Parsons Avenue:

During 2022 COCIC implemented GASB 87, Leases. The Statement establishes a single model for evaluating and recording leases with the basic principle that all leases are financings of the right to use an asset. The statement requires that a the lessor record a lease receivable and a deferred inflow of resources to record the revenues related to the lease. The implementation of the pronouncement had the following effect on net position reported December 31, 2021:

Net Position December 31, 2021	\$10,497,117
Adjustments:	
Lease Receivable	66,581
Deferred Inflows of Resources	<u>(66,976)</u>
Restated net position December 31, 2021	<u><u>\$10,496,722</u></u>

COCIC as lessor, is leasing part of the Land Bank office space to the City of Columbus Land Redevelopment Office, the city's land bank office. The lease began in February 2017 and will end on January 31, 2024, with an annual lease renewal. The lease will automatically extended by one year on an annual basis unless notice of cancellation is provided by either party with no less than 24 months' notice.

During 2022 and 2021 COCIC recognized \$21,548 and \$19,912 respectively, in deferred inflows as revenue related to the lease arrangement. The lease was reassessed in 2022 because of the one-year automatic extension. Future lease payments under the non-cancellable lease are as follows:

	Principal	Interest	Total
2023	\$21,276	\$1,411	\$22,687
2024	22,472	896	23,368
2025	<u>23,716</u>	<u>352</u>	<u>24,068</u>
Total	<u><u>\$67,464</u></u>	<u><u>\$2,659</u></u>	<u><u>\$70,123</u></u>

During 2019 COCIC entered into a lease management agreement with the City of Columbus and two private entities. While COCIC holds legal title to the two properties, the City of Columbus maintains control over all decision making and bears all costs associated with the properties. Rent received from the tenants is passed through to the City of Columbus. As a result, COCIC has deemed that the arrangement does not

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
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FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

constitute leases under GASB. COCIC earns a 10% management fee on the rental payments received from the private tenants. Admin income earned in 2022 and 2021 was \$6,204 and \$6,554 respectively.

NOTE 14 – CONTINGENT LIABILITIES

Amounts grantor agencies pay to the COCIC are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow.

COCIC is also subject to litigation and claims. In the opinion of management, the ultimate liabilities, if any, resulting from such litigation and claims will not materially affect the financial position of COCIC.

NOTE 15 – SUBSEQUENT EVENTS

On December 2, 2022, COCIC’s Board of Directors approved a loan not to exceed \$2,856,811 with IFF for the purpose of rehabilitating the Edna building. The loan will be a direct borrowing with IFF bearing a fixed interest rate of 6% during the construction period (not to exceed 18 months) and 5 years thereafter. The rate will be adjusted every 5 years based on the United State Treasury obligations with a same maturity as the loan plus 3%. The loan will bear a minimum rate of 5%. COCIC subsequently closed on the IFF loan on March 22, 2023.

In January 2023, COCIC was awarded an additional \$20,968,851 (total of \$21,468,851) from the Ohio Department of Development for the “Building Demolition and Site Revitalization Program.” The grant is for the reimbursement of costs related to the demolition of blighted commercial and residential buildings and revitalization of surrounding areas specifically identified within the grant application.

In March 2023, the eligibility period for the “Building Demolition and Site Revitalization Program” was extended to June 30, 2024.

On January 20, 2020, COCIC entered into a Real Estate Purchase Agreement with a third-party (the “Buyer”) pursuant to which COCIC agreed to convey approximately 12.287 acres of unimproved property that it owned located on the west side of the metro Columbus, Ohio area in Prairie Township, Ohio in exchange for a purchase price of \$650,000 from the Buyer and post-closing commitments by the Buyer to undertake construction and development on the property within certain timeframes for an affordable housing project with a senior affordable housing component. On February 3, 2024, the Board of COCIC authorized COCIC to seek legal action against the Buyer and on February 24, 2023, COCIC filed a complaint in the Franklin County, Ohio Court of Common Pleas against the Buyer seeking various remedies including an order to cause the Buyer to reconvey the property back to COCIC for the contractual price of \$491,400 payable by COCIC to the Buyer. Buyer filed its answer at the end of April 2023 and the case is early in the discovery phase and the probability of success on the merits is not determinable at this time.

NOTE 16 – BLENDED COMPONENT UNIT

Condensed combining information for COCIC’s blended component units are presented as follows:

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
BLENDED COMPONENT UNITS
AT DECEMBER 31, 2022 AND 2021**

	COCLT		PCR2		TOTAL	
	2022	2021	2022	2021	2022	2021
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 3,839,070	\$ 1,681,054	\$ 33,160	\$ 33,320	\$ 3,872,230	\$ 1,714,374
Accounts Receivable	167,763	218,505	-	-	167,763	218,505
Grants Receivable	1,353,345	565,408	-	-	1,353,345	565,408
Prepays and Other Assets	23,096	4,280	-	-	23,096	4,280
Total Current Assets	<u>5,383,274</u>	<u>2,469,247</u>	<u>33,160</u>	<u>33,320</u>	<u>5,416,434</u>	<u>2,502,567</u>
Noncurrent Assets:						
Capital Assets:						
COCLT Land	231,838	122,945	-	-	231,838	122,945
Net Capital Assets	<u>231,838</u>	<u>122,945</u>	<u>-</u>	<u>-</u>	<u>231,838</u>	<u>122,945</u>
Total Noncurrent Assets	<u>231,838</u>	<u>122,945</u>	<u>-</u>	<u>-</u>	<u>231,838</u>	<u>122,945</u>
TOTAL ASSETS	5,615,112	2,592,192	33,160	33,320	5,648,272	2,625,512
LIABILITIES						
Current Liabilities:						
Accounts Payable	870,120	1,012,859	-	-	870,120	1,012,859
Intercompany Payable	30,891	52,000	280	-	31,171	52,000
Notes Payable- Current Portion	-	1,500,000	-	-	-	1,500,000
Total Current Liabilities	<u>901,011</u>	<u>2,564,859</u>	<u>280</u>	<u>-</u>	<u>901,291</u>	<u>2,564,859</u>
TOTAL LIABILITIES	901,011	2,564,859	280	-	901,291	2,564,859
NET POSITION						
Investment in Capital Assets	231,838	122,945	-	-	231,838	122,945
Unrestricted	<u>4,482,263</u>	<u>(95,612)</u>	<u>32,880</u>	<u>33,320</u>	<u>4,515,143</u>	<u>(62,292)</u>
TOTAL NET POSITION	\$ 4,714,101	\$ 27,333	\$ 32,880	\$ 33,320	\$ 4,746,981	\$ 60,653

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
BLENDED COMPONENT UNITS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	COCLT		PCR2		TOTAL	
	2022	2021	2022	2021	2022	2021
Operating Revenues						
Grant Revenues	\$ 6,413,861	\$ 1,281,633	\$ -	\$ -	\$ 6,413,861	\$ 1,281,633
Land Lease Income	14,670	10,975	-	-	14,670	10,975
Home Sales	2,352,230	1,760,086	-	-	2,352,230	1,760,086
Total Operating Revenues	<u>8,780,761</u>	<u>3,052,694</u>	<u>-</u>	<u>-</u>	<u>8,780,761</u>	<u>3,052,694</u>
Operating Expenses						
Construction and Development	3,931,071	4,781,110	-	-	3,931,071	4,781,110
Legal and Professional Expense	52,917	72,088	-	-	52,917	72,088
Meeting Expense	3,228	-	-	-	3,228	-
Office Expense	1,011	-	-	-	1,011	-
Staff Training and Travel Expense	2,197	510	-	-	2,197	510
Other Expense	57,978	68,766	440	480	58,418	69,246
Total Operating Expenses	<u>4,048,402</u>	<u>\$ 4,922,474</u>	<u>440</u>	<u>480</u>	<u>4,048,842</u>	<u>4,922,954</u>
Operating Income (Loss)	<u>\$ 4,732,359</u>	<u>\$ (1,869,780)</u>	<u>(440)</u>	<u>(480)</u>	<u>4,731,919</u>	<u>(1,870,260)</u>
Non-Operating Revenues (Expenses)						
Interest	(45,591)	(55,692)	-	-	(45,591)	(55,692)
Interfund Transfer	-	1,000,000	-	-	-	1,000,000
Total Non-Operating Revenues (Expenses)	<u>(45,591)</u>	<u>\$ 944,308</u>	<u>-</u>	<u>-</u>	<u>(45,591)</u>	<u>944,308</u>
Change in Net Position	4,686,768	\$ (925,472)	(440)	(480)	4,686,328	(925,952)
Net Position, Beginning of Year	<u>27,333</u>	<u>\$ 952,805</u>	<u>33,320</u>	<u>33,800</u>	<u>60,653</u>	<u>986,605</u>
Net Position, End of Year	<u>\$ 4,714,101</u>	<u>\$ 27,333</u>	<u>\$ 32,880</u>	<u>\$ 33,320</u>	<u>\$ 4,746,981</u>	<u>\$ 60,653</u>

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
BLENDED COMPONENT UNITS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	COCLT		PCR2		TOTAL	
	2022	2021	2022	2021	2022	2021
Cash Flows from Operating Activities						
Grant Receipts	\$ 5,692,151	\$ 953,076	\$ -	\$ -	\$ 5,692,151	\$ 953,076
Land Lease Income	14,670	10,975	-	-	14,670	10,975
Home Sales	2,185,186	1,760,086	-	-	2,185,186	1,760,086
Construction and Development Expense	(4,056,251)	(3,809,682)	-	-	(4,056,251)	(3,809,682)
Insurance Expense	(18,816)	5,196	-	-	(18,816)	5,196
Legal and Professional Expense	(63,816)	(62,483)	-	-	(63,816)	(62,483)
Staff Training and Travel Expense	-	(462)	-	-	-	(462)
Other Operating Payments	(35,998)	(64,613)	(160)	(480)	(36,158)	(65,093)
Net Cash (Used)/Provided by Operating Activities	<u>3,717,126</u>	<u>(1,207,907)</u>	<u>(160)</u>	<u>(480)</u>	<u>3,716,966</u>	<u>(1,208,387)</u>
Cash Flows from Non-Capital Financing Activities						
Principal Paid on Note Issuance	(1,500,000)	-	-	-	(1,500,000)	-
Interest	(49,965)	(51,317)	-	-	(49,965)	(51,317)
Transfers	-	1,000,000	-	87	-	1,000,087
Net Cash (Used)/Provided by Non-Capital Financing Activities	<u>(1,549,965)</u>	<u>948,683</u>	<u>-</u>	<u>87</u>	<u>(1,549,965)</u>	<u>948,770</u>
Cash Flows from Capital and Related Financing Activities						
Purchase of Real Property	(9,145)	(58,019)	-	-	(9,145)	(58,019)
Net Cash Used In Capital and Related Financing Activities	<u>(9,145)</u>	<u>(58,019)</u>	<u>-</u>	<u>-</u>	<u>(9,145)</u>	<u>(58,019)</u>
Net Change in Cash and Cash Equivalents	2,158,016	(317,243)	(160)	(393)	2,157,856	(317,636)
Cash and Cash Equivalents Beginning of Year	1,681,054	1,998,297	33,320	33,713	1,714,374	2,032,010
Cash and Cash Equivalents End of Year	<u>\$ 3,839,070</u>	<u>\$ 1,681,054</u>	<u>\$ 33,160</u>	<u>\$ 33,320</u>	<u>\$ 3,872,230</u>	<u>\$ 1,714,374</u>
Cash and Cash Equivalents - Current	\$ 3,839,070	\$ 1,681,054	\$ 33,160	\$ 33,320	\$ 3,872,230	\$ 1,714,374
Cash and Cash Equivalents - Noncurrent	-	-	-	-	-	-
Total Cash and Cash Equivalents	<u>\$ 3,839,070</u>	<u>\$ 1,681,054</u>	<u>\$ 33,160</u>	<u>\$ 33,320</u>	<u>\$ 3,872,230</u>	<u>\$ 1,714,374</u>

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
BLENDED COMPONENT UNITS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

(Continued)

Reconciliation of Operating Income/(Loss) to Net Cash Provided by (Used In) Operating Activities	COCLT		PCR2		TOTAL	
	2022	2021	2022	2021	2022	2021
Operating Income (Loss)	\$ 4,732,359	\$ (1,869,780)	\$ (440)	\$ (480)	\$ 4,731,919	\$ (1,870,260)
(Increase) Decrease in Assets:						
Accounts Receivable	50,741	(210,162)	-	-	50,741	(210,162)
Grants Receivable	(787,937)	(110,052)	-	-	(787,937)	(110,052)
Property Inventory	-	235	-	-	-	235
Prepaid Items	(18,816)	5,196	-	-	(18,816)	5,196
Increase (Decrease) in Liabilities:						
Accounts Payable	(138,364)	999,531	-	-	(138,364)	999,531
Intercompany Payable	(120,857)	(22,875)	280	-	(120,577)	(22,875)
Net Cash Provided by (Used In) Operating Activities	<u>\$ 3,717,126</u>	<u>\$ (1,207,907)</u>	<u>\$ (160)</u>	<u>\$ (480)</u>	<u>\$ 3,716,966</u>	<u>\$ (1,208,387)</u>

**Independent Auditor's 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***

Central Ohio Community Improvement Corporation
Franklin County
845 Parsons Avenue
Columbus, Ohio 43206

To the Members of the Board of Directors:

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, the financial statements of the Central Ohio Community Improvement Corporation, Franklin County, Ohio, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Central Ohio Community Improvement Corporation's basic financial statements, and have issued our report thereon dated May 30, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Central Ohio Community Improvement Corporation'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Central Ohio Community Improvement Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Central Ohio Community Improvement 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 Central Ohio Community Improvement 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 Central Ohio Community Improvement 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*.

Central Ohio Community Improvement Corporation

Franklin County

Independent Auditor's 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*

Page 2

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 Central Ohio Community Improvement 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 Central Ohio Community Improvement Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.

May 30, 2023

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OHIO AUDITOR OF STATE KEITH FABER



CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION

FRANKLIN 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 7/25/2023

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