CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION

FRANKLIN COUNTY, OHIO

Basic Financial Statements
(Audited)

For the Year Ended
December 31, 2019

Julian & Grube
Serving Ohio Local Governments

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, 2019 through December 31, 2019. 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.

Keith Faber
Auditor of State
Columbus, Ohio

September 11, 2020

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CENTRAL OHIO
COMMUNITY IMPROVEMENT CORPORATION
Franklin County, Ohio

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Julian & Grube

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Independent Auditor's Report

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

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the Central Ohio Community Improvement Corporation, Franklin County, Ohio, as of and for the year ended December 31, 2019, 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.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Central Ohio Community Improvement Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Central Ohio Community Improvement Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Central Ohio Community Improvement Corporation, Franklin County, Ohio, as of December 31, 2019, and the changes in financial position and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 17 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Central Ohio Community Improvement Corporation. We did not modify our opinion regarding this matter.

Other Matters

Predecessor Auditor

The financial statements of the Central Ohio Community Improvement Corporation for the year ended December 31, 2018 were audited by a predecessor auditor whose report dated September 24, 2019, expressed an unmodified opinion on those statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2020, on our consideration of the Central Ohio Community Improvement 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Central Ohio Community Improvement Corporation's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
July 27, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 – 2019

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 2019, the BRI demolished approximately 107 units at a cost of approximately $1.2 million. Such costs were funded with approximately $940,000 from the Ohio Housing Finance Agency's Neighborhood Initiative Program (OHFA NIP) demolition grant and with approximately $235,000 from the Franklin County Delinquent Tax Assessment & Collection (DTAC) funding. Property maintenance and other costs associated with demolitions amounted to approximately $57,000.

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.

In 2019, COCIC continued the Tax Lien Certificate Program. This program is used to assure an inventory of blighted structures for demolition with the OHFA NIP demolition grant. COCIC purchased an additional 54 tax lien certificates in 2019, combined with the 672 purchased in 2016-2018 giving a total of 726 deeply blighted properties, at a nominal cost, with the view to prosecuting tax lien foreclosures through forfeiture or sale and demolishing the forfeited properties. While the OHFA NIP demolition grant reimburses foreclosure costs, funding is required to carry the costs until reimbursement, typically a lag of nine months. To address the

FINANCIAL HIGHLIGHTS – 2019 (continued)

timing issue, COCIC identified $1,500,000 of foreclosure cost funding. Franklin County Treasurer contributed $500,000 in each of 2016 and 2017. COCIC encumbered $125,000 in each of 2016 and 2017. The City of Columbus contributed $250,000 in 2017. At year-end 2019, $342,000 of foreclosure costs were incurred in connection with tax lien certificates on approximately 147 properties with $43,000 in reimbursements from the OHFA NIP grant.

COCIC continued the Receivership Loan Program (RLP) in 2019. 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 $50,000 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 2019, eight additional loans were made for a total of $256,000. One of those loans was repaid in full in December 2019 ($40,000). An additional $141,500 from previously advanced funds were repaid during 2019.

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 2019, COCIC has seven notes receivable of approximately $ 237,000 accruing interest at 1.5% per annum, compounded monthly beginning April 2020. There were no outstanding RLL loans in 2018.

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 2019, COCIC partnered with Habitat for Humanity and the Mid-Ohio Regional Planning Commission (MORPC) to administer the program, granting $100,000 to each organization.

Trust 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 2019, COCIC expensed approximately $942,000 of grants to trusted partners in connection with 47 properties.

FINANCIAL HIGHLIGHTS – 2019 (continued)

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.

The Central Ohio Community Land Trust entered into an agreement with the City of Columbus for $3.8 million dollars to help start COCLT projects in Columbus neighborhoods on parcels owned by the City and County Land Banks. The funds are used to reduce the purchase price of houses developed for the COCLT for income qualified buyers to make them affordable. With the City's funding commitment, the COCLT entered into agreements with four non-profit housing development partners to construct 44 new, single residential homes, 2 of which, were completed and sold at the end of 2019 to income qualified buyers ($398,000).

FINANCIAL HIGHLIGHTS – 2018

COCIC's main programs are the Blight Removal Program, Responsible Landlord Program, and the Trusted Partners Program.

The Blight Removal Program (BRP) 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. Properties for which there is an expectation of significant sale proceeds or recoveries are included with Property Inventory.

During 2018, the BRP demolished approximately 380 units at a cost of approximately $5.2 million. Such costs were funded with approximately $4.9 million from the Ohio Housing Finance Agency's Neighborhood Initiative Program (OHFA NIP) demolition grant and with approximately $123,000

from the Franklin County Delinquent Tax Assessment & Collection (DTAC) funding. Property maintenance and other costs associated with demolitions amounted to approximately $102,000.

In 2018, COCIC continued the Tax Lien Certificate Program. This program is used to assure an inventory of blighted structures for demolition with the OHFA NIP demolition grant. COCIC purchased an additional 242 tax lien certificates in 2018, combined with the 430 purchased in 2016/2017 giving a total of 672 deeply blighted properties, at a nominal cost, with the view to prosecuting tax lien foreclosures through forfeiture or sale and demolishing the forfeited properties. While the OHFA NIP demolition grant reimburses foreclosure costs, funding is required to carry the costs until reimbursement, typically a lag of nine months. To address the

FINANCIAL HIGHLIGHTS – 2018 (continued)

timing issue, COCIC identified $1,500,000 of foreclosure cost funding. Franklin County Treasurer contributed $500,000 in each of 2016 and 2017. COCIC encumbered $125,000 in each of 2016 and 2017. The City of Columbus contributed $250,000 in 2017. At year-end 2018, $294,000 of foreclosure costs were incurred in connection with tax lien certificates on approximately 158 properties with $380,000 in reimbursements from the OHFA NIP grant.

COCIC continued the Receivership Loan Program (RLP) in 2018. 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 $50,000 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 2018, seven additional loans were made for a total of $167,500. One of those loans was repaid in full in March 2019 ($16,500). The two loans made in 2017 were repaid in full during 2018.

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 2018, COCIC expensed approximately $801,000 of grants to trusted partners in connection with 33 properties.

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NET POSITION COMPARISON

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

	2019	2018	2017
Assets			
Current Assets	$ 9,158,800	$ 9,121,341	$ 7,905,254
Noncurrent Assets	5,350,714	4,747,811	4,818,100
Total Assets	14,509,514	13,869,152	12,723,354
Liabilities			
Current Liabilities	1,542,897	1,194,663	1,057,123
Long-Term Liabilities	2,794,776	3,159,872	3,732,708
Total Liabilities	4,337,673	4,354,535	4,789,831
Total Net Position	$ 10,171,841	$ 9,514,617	$ 7,933,523

In 2019, Total Assets increased over 2018 by 4.6% or $640,400 due to a decrease in Cash of $807,000, an increase in Accounts Receivable of $195,000, an increase in Program Services Receivable of $312,000, an increase in Property Inventory of $246,000 and an increase in Capital Assets of $702,000. Total Liabilities in 2019 decreased .3% or $16,900 over 2018 due to an increase in Accounts Payable of $308,000, an increase in Accrued Liabilities of $51,000, paydown on the outstanding bond of $100,000 and a decrease in Landfill Post Closure Care liability of $282,400.

STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

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

	2019	2018	2017
Operating Revenues			
Total Operating Revenues	$ 6,027,925	$ 9,050,706	$ 8,286,372
Operating Expenses			
Total Operating Expenses	5,393,470	7,540,365	7,141,198
Operating Income	634,455	1,510,341	1,145,174
Non-Operating Revenues			
Total Non-Operating Revenue	22,769	70,753	156,322
Change in Net Position	657,224	1,581,094	1,301,496
Net Assets Beginning of Year	9,514,617	7,933,523	6,632,027
Net Assets End of Year	$ 10,171,841	$ 9,514,617	$ 7,933,523

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

Operating Revenues decrease 33% or $3,023,000 over 2018 due to a decrease in OHFA NIP grant revenue of $3.3 million, a decrease in demolition reimbursement of $96,000 and an increase in Home Sales of $303,600. The decrease of Operating Expenses over 2018 was 28.4% or $2.1 million mostly due to a decrease in Demolition expenses of $3.4 million, an increase of Construction and Development of $513,600, and an increase in Program Services of $503,000. The Change in Net Position in 2019 was $657,000 or a 58% decrease over 2018.

STATEMENTS OF CASH FLOWS

Table 3 summarizes the Cash Flows of COCIC.

	2019	2018	2017
Change in Cash and cash equivalents			
Net Cash Provided by (Used for) Operating Activities	$ 146,999	$ 2,587,071	$ 816,082
Net Cash Provided by Non-Capital Financing Activities	127,523	109,279	138,375
Net Cash (Used for) Capital and Related Financing Activities	(1,081,714)	(200,000)	(388,004)
Net Change in Cash and Cash Equivalents	$ (807,192)	$ 2,496,350	$ 566,453

Net Cash Provided by Operating Activities decreased 94% or $2.44 million during 2019 in comparison to 2018 from a decrease in Grant Receipts ($4.3 million), a decrease in Demolition and Remediation Expense ($3.2 million), an increase in Program Services Expense ($1.03 million), an increase in Legal and Professional Fees ($105,000) and an increase in Utilities Expense ($62,000). Net Cash Used for Capital and Related Financing Activities increase 440.86% or $882,000 due to the purchase of the Golf Depot ($703,000) the purchase of Real Property ($248,000) and a decrease in Principal Paid on Debt ($100,000).

CAPITAL ASSETS
Table 4 summarizes the Net Capital Assets of COCIC.

	2019	2018	2017
Capital Assets:			
COCLT - Land	$ 18,868	$ -	$ -
Office - Land	39,200	39,200	39,200
Office - Building & Fixtures	1,060,074	1,066,928	1,103,049
Landfill Land	1,031,249	1,031,249	1,031,249
Golf Depot Land	98,492	-	-
Golf Depot Buildings & Fixtures	591,627	-	-
Golf Course Project Construction Cost	2,350,142	2,350,142	2,350,142
Total Capital Assets	$ 5,189,652	$ 4,487,519	$ 4,523,640

Capital Assets increase in 2019 due to the purchase of the Golf Depot ($702,700), purchase of Land for the COCLT ($18,868), an increase in Land Bank Office Improvements ($30,600) and increase in accumulated depreciation ($49,997). Capital Assets increased in 2018 due to the purchase, renovation and fit-up of the Land Bank Center.

DEBT
Table 5 summarizes the debt of COCIC.

	2019	2018	2017
Debt:			
Landfill Closure and Post Closure Care	$ 1,246,752	$ 1,529,188	$ 1,916,843
Franklin County	1,700,000	1,800,000	2,000,000
Total Debt	$ 2,946,752	$ 3,329,188	$ 3,916,843

COCIC decreased debt in 2019, 2018 and 2017 with loan payoffs and repayments, and reductions for landfill closure and post closure care expenditures incurred.

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

STATEMENTS OF NET POSITION
AT DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR 2018)

	2019	2018
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 7,170,264	$ 7,985,140
Accounts Receivable	574,126	378,787
Grants Receivable	229,391	191,462
Program Services Receivable	481,979	170,275
Property Inventory	617,067	370,239
Prepaids and Other Assets	85,973	25,438
Total Current Assets	9,158,800	9,121,341
Noncurrent Assets:		
Cash and Cash Equivalents - Debt Service Reserve & Lease Deposits	161,062	153,378
Investment in Joint Venture	-	106,914
Capital Assets:		
COCLT Land	18,868	-
Office Land, Building & Fixtures	1,208,769	1,178,214
Landfill Land, Golf Depot Land and Buildings	1,733,956	1,031,249
Golf Course Project Cost	2,350,142	2,350,142
Accumulated Depreciation	(122,083)	(72,086)
Net Capital Assets	5,189,652	4,487,519
Total Noncurrent Assets	5,350,714	4,747,811
TOTAL ASSETS	**14,509,514**	**13,869,152**
LIABILITIES		
Current Liabilities:		
Accounts Payable	570,511	262,309
Accrued Liabilities	813,910	763,038
Landfill Post Closure Care Liability- Current Portion	65,619	76,459
Notes Payable- Current Portion	92,857	92,857
Total Current Liabilities	1,542,897	1,194,663
Long-Term Liabilities		
Security Deposits Payable	6,500	-
Landfill Post Closure Care Liability - Non Current Portion	1,181,133	1,452,729
Notes Payable- Non Current Portion	1,607,143	1,707,143
Total Long-Term Liabilities	2,794,776	3,159,872
TOTAL LIABILITIES	**4,337,673**	**4,354,535**
NET POSITION		
Net Investment in Capital Assets	3,489,652	2,687,519
Restricted - Expendable	161,062	153,378
Unrestricted	6,521,127	6,673,720
TOTAL NET POSITION	**$ 10,171,841**	**$ 9,514,617**

See the accompanying notes to the basic financial statements

CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR 2018)

	2019	2018
Operating Revenues		
Delinquent Tax Assessment & Collection Income	$ 3,079,868	$ 3,000,908
Grant Revenues	2,249,531	5,559,047
Demolition Recovery, Reimbursement & Property Sales	394,882	490,751
Home Sales	303,644	-
Total Operating Revenues	6,027,925	9,050,706
Operating Expenses		
Demolition and Remediation	2,063,990	5,481,277
Construction and Development	513,613	-
Program Services Expense	1,337,770	834,860
Payroll Expense	747,154	714,026
Insurance Expense	62,833	67,070
Legal and Professional Expense	261,563	203,244
Maintenance and Repair Expense	32,401	30,254
Meeting Expense	7,164	1,865
Utilities Expense	117,881	69,882
Office Expense	65,409	49,967
Staff Training and Travel Expense	29,021	9,991
Depreciation Expense	49,997	36,120
Other Expense	104,674	41,809
Total Operating Expenses	5,393,470	7,540,365
Operating Income	**634,455**	**1,510,341**
Non-Operating Revenue		
Loss on Investment	(106,914)	(35,360)
Rent Income	25,657	19,570
Service Income	6,509	6,320
Subsidies	50,000	50,000
Interest	47,191	30,223
Other	326	-
Total Non-Operating Revenue	22,769	70,753
Change in Net Position	**657,224**	**1,581,094**
Net Position, Beginning of Year	**9,514,617**	**7,933,523**
Net Position, End of Year	**$ 10,171,841**	**$ 9,514,617**

See the accompanying notes to the basic financial statements

CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR 2018)

	2019	2018
Cash Flows from Operating Activities		
Delinquent Tax Assessment & Collection Income	$ 2,629,557	$ 3,000,908
Grant Receipts	2,115,514	6,471,692
Demolition Recovery, Reimbursement & Property Sales	772,244	554,730
Home Sales	303,644	-
Demolition and Remediation Expense	(2,179,149)	(5,385,900)
Construction and Development Expense	(101,355)	-
Payment for Property Inventory Acquisitions	-	(40,239)
Program Services Expense	(1,567,005)	(535,245)
Payroll Expense	(758,540)	(700,785)
Insurance Expense	(123,368)	(64,714)
Legal and Professional Expense	(276,440)	(171,852)
Maintenance and Repairs Expense	(31,380)	(30,857)
Meeting Expense	(7,084)	(4,246)
Utilities Expense	(123,425)	(61,679)
Office Expense	(65,240)	(47,891)
Staff Training and Travel Expense	(28,466)	(9,741)
Landfill Closure Expense	(310,618)	(345,579)
Other Operating Payments	(101,890)	(41,531)
Net Cash Provided by Operating Activities	146,999	2,587,071
Cash Flows from Non-Capital Financing Activities		
Proceeds from Subsidies	50,000	50,000
Service Income	6,509	6,320
Rental Proceeds and Fees	25,657	19,570
Interest	45,031	33,389
Other	326	-
Net Cash Provided by Non-Capital Financing Activities	127,523	109,279
Cash Flows from Capital and Related Financing Activities		
Principal Paid on Debt	(100,000)	(200,000)
Purchase of Golf Depot	(702,707)	-
Purchase of Real Property	(248,452)	-
Land Bank Office Improvements	(30,555)	-
Net Cash Used In Capital and Related Financing Activities	(1,081,714)	(200,000)
Net Change in Cash and Cash Equivalents	**(807,192)**	**2,496,350**
Cash and Cash Equivalents Beginning of Year	**8,138,518**	**5,642,168**
Cash and Cash Equivalents End of Year	**$ 7,331,326**	**$ 8,138,518**
Cash and Cash Equivalents - Current	**$ 7,170,264**	**$ 7,985,140**
Cash and Cash Equivalents - Noncurrent	**161,062**	**153,378**
Total Cash and Cash Equivalents	**$ 7,331,326**	**$ 8,138,518**

See the accompanying notes to the basic financial statements

CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR 2018)
(continued)

Reconciliation of Operating Income/(Loss) to Net Cash Provided by (Used In) Operating Activities	**2019**	**2018**
Operating Income	$ 634,455	$ 1,510,341
Depreciation Expense	$ 49,997	36,120
(Increase) Decrease in Assets:		
Accounts Receivable	$ (192,679)	58,518
Grants Receivable	$ (37,929)	904,493
Program Services Receivable	$ (311,704)	275,278
Property Inventory	$ -	34,761
Prepaid Items	$ (60,535)	2,856
Increase (Decrease) in Liabilities:		
Accounts Payable	$ 290,458	(61,684)
Accrued Liabilities	$ 50,872	214,043
Security Deposit Payable	$ 6,500	-
Landfill Post Closure Care Liability	$ (282,436)	(387,655)
Net Cash Provided by Operating Activities	**$ 146,999**	**2,587,071**

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See the accompanying notes to the basic financial statements

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 18 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 function 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 function are performed by COCIC staff; COCIC is the sole member of the corporation; and PCR2 LLC's 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, 2019, and 2018, $161,062 and $153,378, 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.

Accounting Pronouncements

The following are pronouncements that either became effective during fiscal year 2019 or will become effective in future fiscal years and could impact COCIC's financial reports:

GASB 82 – "Pension Issues – an Amendment of GASB Statement No. 67, No. 68, and No. 73." The standard became effective for fiscal year 2018.

GASB 83 – "Certain Asset Retirement Obligations." Effective for reporting periods beginning after June 15, 2018. Per GASB 95 the effective date has been updated to reporting periods beginning after June 15, 2019.

GASB 84 – "Fiduciary Activities." Effective for reporting periods beginning after December 15, 2018. Per GASB 95 the effective date has been updated to reporting periods beginning after June 15, 2019.

GASB 85 – "Omnibus 2017." The standard became effective for fiscal year 2018.

GASB 86 – "Certain Debt Extinguishment Issues." The standard became effective for fiscal year 2018.

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

GASB 88 – "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements." Effective for reporting periods beginning after June 15, 2018. Per GASB 95 the effective date has been updated to reporting periods beginning after June 15, 2019.

GASB 89 – "Accounting for Interest Cost Incurred before the End of a Construction Period" Effective for reporting periods beginning after December 15, 2019. Per GASB 95 the effective date has been updated to reporting periods beginning after December 15, 2020.

GASB 90 – "Majority Equity Interests – an amendment of GASB Statements No.14 and No. 61" Effective for reporting periods beginning after December 15, 2018. Per GASB 95 the effective date has been updated to reporting periods beginning after December 15, 2019.

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 95 – "Postponement of the Effective Dates of Certain Authoritative Guidance" Effective immediately.

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

COCIC has adopted all applicable GASB standards that were effective during its fiscal years 2019 and 2018. COCIC determined those standards adopted had no material impact on its financial statements as of December 31, 2019 and 2019.

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 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.

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.

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.

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. At December 31, 2019 and 2018, 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. At December 31, 2019 and 2018, COCIC reported no deferred inflows of resources.

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, 2019 and 2018, the COCIC's carrying values of cash were $7,331,327 and $8,138,518, respectively, including $161,062 and $153,378, respectively, in cash held as security for repayment of outstanding bonds payable and security deposits. At December 31, 2019 and 2018, the COCIC's bank balances, held by two different financial institutions, were $7,251,494 and $8,377,522, respectively. Carrying values of cash and bank balances reconcile when adjusted for outstanding items. Of the bank balances, as of December 31, 2019 and 2018, $2,008,654 and $1,734,825, respectively, were covered by FDIC insurance, and $2,828,206 and $3,321,349, 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, 2019, and 2018, funds covered by FDIC insurance include $1,224,492 and $1,201,070, respectively, in MMAX covered funds.

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 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, 2019 and 2018, COCIC's deposits were not exposed to custodial risk.

As of December 31, 2019, and 2018, the 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. Two of the nine loans were made in 2016 and were repaid in full by 2018. As of December 31, 2019 COCIC, had advanced $237,294 with an additional $52,706 committed for future periods.

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 $50,000 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, 2019, and 2018, there was $242,000 and $167,500 in loan principal advances outstanding, respectively. Interest accrued during 2019 and 2018 was $2,685 and $2,775, respectively.

NOTE 5 – PROPERTY INVENTORY

Property inventory as of December 31, 2019 and 2018 was $617,067 and $370,239, respectively. During 2019 Church and Community Development for All People (CD4AP) purchased 1194-96 from COCIC for $39,649. COCIC obtained the following properties during 2019:

Parcel ID/Property Address	Amount
161-000458-00 1st Ave	2,570
161-000459-00 1st Ave	2,570
161-000460-00 1st Ave	2,570
161-000461-00 1st Ave	2,570
010-282048-00 2043 Salado Creek	9,087
010-282041-00 HiddenSpring Dr	12,641
190-002691-00 3011 Perdue Ave	2,592
190-002643-00 2275 Albert Ave	2,850
010-282060-00 2028 Aspenspring	7,695
010-282050-00 2031 Salado Creek	9,087
010-282068-00 1897 Broken Lance	13,631
190-002692-00 Perdue Ave	2,592
190-002709-00 3002 Perdue Ave	4,258
190-002710-00 Perdue Ave	3,919
190-002711-00 Perdue Ave	2,672
1645 E Hudson	82,662
161-000452-00 1st Ave	5,091
161-000561-00 1st Ave	10,182
161-000453-00 1st Ave	5,091
1608 Kohr Pl	18,600
010-054485-00 666 Sunbury Road	8,651
1595 E Kohr Ave	3,800
1636 Kohr	16,580
1541 Aberdeen	8,927
161-000449 First Ave	17,484
161-000451 First Ave	8,742
161-00058 3561 Central Ave	4,234
161-000659 Fourth Ave	1,156
161-000660 Fourth Ave	1,156
161-000661 Fourth Ave	1,156
161-000282 Walnut	797
161-000283 Walnut	1,595
161-000879 Walnut	797
Total Purchases	**$ 278,005**

Activity in 2018 consisted of the Canal Winchester Gas Station being sold for $75,000 (October 2018) and 1194-96 Lockbourne Road being purchased for the CD4AP at a price of $80,477. CD4AP will be repaying COCIC for 50% of the purchase price and the remainder of the cost was expensed in 2018.

NOTE 6 – INVESTMENTS

The fair value of investments as of December 31, 2019 and 2018 are summarized as follows:

	2019	2018
Investment in Joint Venture	$ 0	$ 106,914

In March 2011, COCIC entered into an agreement with Depot Golf Center, LLC to place $356,000 on deposit for Depot Golf Center's construction of the clubhouse. In return, COCIC obtained an 11% equity interest in Depot Golf Center. COCIC would classify this as a long-term asset given its nature and intent. In February 2019, COCIC terminated its relationship with Depot Golf Center, LLC and all its affiliates due to COCIC's purchase of the land, building, and all other assets located at 789 Science Blvd Gahanna, Ohio. As a result of that purchase COCIC's equity interest in Depot Golf Center was relinquished and the organization (Golf Depot Center, LLC, and affiliates) was dissolved by its owners. Total realized and unrealized activity for the year ended December 31, 2018 were losses of $35,360.

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2019 and 2018 was as follows:

	1/1/2019	Additions	Deductions	12/31/2019
Non-Depreciable Assets:				
Land (COCLT)	$ -	18,868		$ 18,868
Land (Landfill)	1,031,249	-	-	1,031,249
Golf Depot Land	-	98,492	-	98,492
Golf Course Land Improvements	2,350,142	-	-	2,350,142
Office - Land	39,200	-	-	39,200
Depreciable Assets:				
Office - Building & Fixtures	1,139,014	30,555	-	1,169,569
Golf Depot - Building & Fixtures	-	604,215	-	604,215
Total Capital Assets	4,559,605	752,130	-	5,311,735
Accumulated Depreciation	(72,086)	(49,997)	-	(122,083)
Net Capital Assets	$ 4,487,519	702,133	-	$ 5,189,652

	1/1/2018	Additions	Deductions	12/31/2018
Non-Depreciable Assets:				
Land (Landfill)	$ 1,031,249	-	-	$ 1,031,249
Golf Course Land Improvements	2,350,142	-	-	2,350,142
Office - Land	39,200	-	-	39,200
Depreciable Assets:				
Office - Building & Fixtures	1,139,014	-	-	1,139,014
Total Capital Assets	4,559,605	-	-	4,559,605
Accumulated Depreciation	(35,965)	(36,121)	-	(72,086)
Net Capital Assets	$ 4,523,640	(36,121)	-	$ 4,487,519

NOTE 8 – NOTES PAYABLE

2019	Amount Outstanding 1/1/2019	Additions	Deletions	Amount Outstanding 12/31/2019	Amounts Due in One Year
Franklin County	$ 1,800,000	-	(100,000)	$ 1,700,000	$ 92,857
Total Notes Payable	$ 1,800,000	-	(100,000)	$ 1,700,000	$ 92,857

2018	Amount Outstanding 1/1/2018	Additions	Deletions	Amount Outstanding 12/31/2018	Amounts Due in One Year
Franklin County	$ 2,000,000	-	(200,000)	$ 1,800,000	$ 92,857
Total Notes Payable	$ 2,000,000	-	(200,000)	$ 1,800,000	$ 92,857

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, 2019 was $1,700,000.

The following is the scheduled maturities of the debt agreement as of December 31, 2019:

2020	$ 92,857
2021	92,857
2022	92,857
2023	92,857
2024	92,857
2025 – 2029	464,285
2030 – 2034	464,285
2035 - 2039	307,145
Total	$ 1,700,000

NOTE 9 – TRANSACTIONS WITH OTHER ENTITIES

On June 28, 2007, COCIC entered into a 20 year ground lease with Tartan Fields Golf Club LLC for the purposes of managing the construction of a golf facility and operating the golf facility for a twenty year period. The ground lease was revised in September 2009 with purchase option and terms being changed. A second revision was made in March 2011 with the ground lease terms and base rent terms being adjusted. The ground lease agreement with Tartan Fields Golf Club was mutually terminated effective April 1, 2014. A new ground lease effective dated the same day was entered into with The Depot Golf Center, LLC containing new lease terms and base rent amounts expiring December 31, 2017 with an automatic annual renewal extension through December 31, 2030. In February 2019, COCIC purchased the land, building, and contents located at 789 Science Blvd Gahanna, Ohio. As a result of that purchase the ground lease with The Depot Golf Center, LLC was terminated.

On December 27, 2007, COCIC sold 126.8218 acres to Value Recovery Group II for $403,053 in cash, an assumption by VRG II of outstanding COCIC debts of $7,787,846 and an agreement to pay COCIC a 5% participation fee of the net proceeds from VRG's subsequent sale of that acreage. Effective January 2015 the terms of payment changed, COCIC will receive a participation fee of 9.5% of the net proceeds from VRG's subsequent sales after gross property sales exceed $5.5 million. As a result of the purchase by COCIC in February 2019 this agreement is terminated.

NOTE 10 – 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, 2019, and 2018, the book value of the landfill, excluding the related closure and post closure liability is $1,031,249.

The $1,246,752 and $1,529,188 reported as landfill closure and post-closure care liability on December 31, 2019 and 2018, respectively, represents the remaining estimated cost of closure and post-closure care. The remaining balance of the liability will be obtained through revenues to be paid to COCIC from the lease of the golf facility. Total expenditures in 2019 and 2018 for this liability were $282,435 and $387,655, 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 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 11 – TAX LIEN CERTIFICATE PURCHASE

In 2019 and 2018, COCIC purchased tax lien certificates on 54 and 242, respectively, deeply blighted properties, all with the view that COCIC would prosecute tax lien foreclosures through forfeiture or sale and that properties forfeited to COCIC would be demolished using funds from the OHFA NIP grant. The purchase price was $225,975 in 2019 and $1,578,831 in 2018, with $54 in 2019 and $242 in 2018 payable at closing and $225,921 in 2019 and $1,578,589 in 2018 balance payable under a non-recourse note. Such note limits COCIC's liability thereunder to any recovery 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, until received, at which time the same are applied in full satisfaction of COCIC's obligations under the note.

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 $341,676 in 2019 and $294,427 in 2018. Reimbursement of the title search expenses from the OHFA NIP grant in 2019 and 2018 were $43,120 and $380,303, respectively.

NOTE 12 – 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.

In 2019, COCLT (a subsidiary of COCIC) entered into an agreement with the City of Columbus for $3.8 million dollars to help start COCLT projects in Columbus neighborhoods on parcels owned by the City and County Land Banks. The funds are used to reduce the purchase price of houses developed for the COCLT for income qualified buyers to make them affordable. As of December 31, 2019, $1,680,000 has been drawn on the grant. The grant is a reimbursable grant therefore, a receivable for the balance of the undrawn funds has not been established.

NOTE 13 – RISK MANAGEMENT

Commercial Insurance
COCIC has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- 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.

NOTE 14 – 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, 2019 and 2018 was $22,000 and $38,500, respectively.

NOTE 15 – LEASE AGREEMENTS

Land Bank Office, 845 Parsons Avenue:
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. Lease income received during 2019 and 2018 was $21,157 and $19,570, respectively.

The following is the scheduled of annual lease obligation from the city's land bank as of December 31, 2019:

2020	$ 21,762
2021	21,384
2022	22,026
2023	22,686
Total	$ 87,858

NOTE 16 – 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 17 – SUBSEQUENT EVENTS

On January 10, 2020, COCIC sold 5 parcels of real property located on Westport Road (12.287 acres) in Perry and Franklin Townships for $650,000 to First Global Investment, LLC. Net proceeds received from the sale were $614,650.

On January 17, 2020, COCIC sold real property located at 1829 E Long Street in Columbus, Ohio for $255,000 to Monypenny LLC. Net proceeds received from the sale were $237,740.

On February 12, 2020 COCIC reimbursed JK&R Property Enterprises, LLC the amount of $103,400.00. These funds were reimbursement of their costs associated with meeting OEPA regulatory requirements for building within the limits of waste of the Bedford Landfill.

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the COCIC. In addition, the impact on the COCIC's future operating costs, receipts, and any recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 18 – BLENDED COMPONENT UNIT

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

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CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY

NOTES TO THE BASIC FINACIAL STATEMENTS
BLENDED COMPONENT UNITS
AT DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR 2018)

	COCLT		PCR2		TOTAL	
	2019	2018	2019	2018	2019	2018
ASSETS						
Current Assets						
Cash and Cash Equivalents	$ 2,655,631	$ -	$ 34,162	$ 34,301	$ 2,689,793	$ 34,301
Intercompany Receivable		-	31		31	-
Total Current Assets	2,655,631	-	34,193	34,301	2,689,824	34,301
Noncurrent Assets:						
Capital Assets:						
COCLT Land	18,868	-	-	-	18,868	-
Net Capital Assets	18,868	-	-	-	18,868	-
Total Noncurrent Assets	18,868	-	-	-	18,868	-
TOTAL ASSETS	**2,674,499**	**-**	**34,193**	**34,301**	**2,708,692**	**34,301**
LIABILITIES						
Current Liabilities:						
Accounts Payable	425,637	-	-	-	425,637	-
Intercompany Payable	46,525	-	-	-	46,525	-
Total Current Liabilities	472,162	-	-	-	472,162	-
TOTAL LIABILITIES	**472,162**	**-**	**-**	**-**	**472,162**	**-**
NET POSITION						
Net Investment in Capital Assets	18,868	-	-	-	18,868	-
Restricted - Expendable	-	-	-	-	-	-
Unrestricted	2,183,469	-	34,193	34,301	2,217,662	34,301
TOTAL NET POSITION	**$ 2,202,337**	**$ -**	**$ 34,193**	**$ 34,301**	**$ 2,236,530**	**$ 34,301**

CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY

NOTES TO THE FINANCIAL STATEMENTS
BLENDED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR 2018)

	COCLT		PCR2		TOTAL	
	2019	2018	2019	2018	2019	2018
Operating Revenues						
Grant Revenues	$ 1,680,000	$ -	$ -	$ -	$ 1,680,000	$ -
Home Sales	303,644	-	-	-	303,644	-
Total Operating Revenues	1,983,644	-	-	-	1,983,644	-
Operating Expenses					-	-
Demolition and Remediation	490	-	-	-	490	-
Construction and Development	493,244	-	-	-	493,244	-
Legal and Professional Expense	95,619	-	-	-	95,619	-
Meeting Expense	650	-	-	-	650	-
Office Expense	624	-	-	-	624	-
Staff Training and Travel Expense	6,061	-	-	-	6,061	-
Other Expense	34,619	-	139	9	34,758	9
Total Operating Expenses	631,307	-	139	9	631,446	9
Operating Income	**1,352,337**	**-**	**(139)**	**(9)**	**1,352,198**	**(9)**
Non-Operating Revenue						
Interfund Transfer	850,000	-	31	34,310	850,031	34,310
Total Non-Operating Revenue	850,000	-	31	34,310	850,031	34,310
Change in Net Position	**2,202,337**	**-**	**(108)**	**34,301**	**2,202,229**	**34,301**
Net Position, Beginning of Year	**-**	**-**	**34,301**	**-**	**34,301**	**-**
Net Position, End of Year	**$ 2,202,337**	**$ -**	**$ 34,193**	**$ 34,301**	**$ 2,236,530**	**$ 34,301**

CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY

NOTES TO THE FINANCIAL STATEMENTS
BLENDED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR 2018)

	COCLT		PCR2		TOTAL	
	2019	2018	2019	2018	2019	2018
Cash Flows from Operating Activities						
Grant Receipts	$ 1,680,000	$ -	$ -	$ -	$ 1,680,000	$ -
Home Sales	303,644	-	-	-	303,644	-
Demolition and Remediation Expense	(490)	-	-	-	(490)	-
Construction and Development Expense	(63,574)	-	-	-	(63,574)	-
Legal and Professional Expense	(68,900)	-	-	-	(68,900)	-
Meeting Expense	(650)	-	-	-	(650)	-
Office Expense	(624)	-	-	-	(624)	-
Staff Training and Travel Expense	(2,199)	-	-	-	(2,199)	-
Other Operating Payments	(31,391)	-	(139)	(9)	(31,530)	(9)
Net Cash Provided by (Used In) Operating Activities	1,815,816	-	(139)	(9)	1,815,677	(9)
Cash Flows from Non-Capital Financing Activities						
Transfers	850,000	-	-	34,310	850,000	34,310
Net Cash Provided by Non-Capital Financing Activities	850,000	-	-	34,310	850,000	34,310
Cash Flows from Capital and Related Financing Activities						
Purchase of Real Property	(10,185)	-	-	-	(10,185)	-
Net Cash Used In Capital and Related Financing Activities	(10,185)	-	-	-	(10,185)	-
Net Change in Cash and Cash Equivalents	**2,655,631**	**-**	**(139)**	**34,301**	**2,655,492**	**34,301**
Cash and Cash Equivalents Beginning of Year	**-**	**-**	**34,301**	**-**	**34,301**	**-**
Cash and Cash Equivalents End of Year	**$ 2,655,631**	**$ -**	**$ 34,162**	**$ 34,301**	**$ 2,689,793**	**$ 34,301**
Cash and Cash Equivalents - Current	**$ 2,655,631**	**$ -**	**$ 34,162**	**$ 34,301**	**$ 2,689,793**	**$ 34,301**
Cash and Cash Equivalents - Noncurrent	**-**	**-**	**-**	**-**	**-**	**-**
Total Cash and Cash Equivalents	**$ 2,655,631**	**$ -**	**$ 34,162**	**$ 34,301**	**$ 2,689,793**	**$ 34,301**

Reconciliation of Operating Income/(Loss) to Net Cash Provided by (Used In) Operating Activities	COCLT		PCR2		TOTAL	
	2019	2018	2019	2018	2019	2018
Operating Income	$ 1,352,337	-	$ (139)	$ (9)	$ 1,352,198	$ (9)
Increase (Decrease) in Liabilities:						
Accounts Payable	416,954	-	-	-	416,954	-
Intercompany Payable	46,525	-	-	-	46,525	-
Net Cash Provided by (Used In) Operating Activities	**$ 1,815,816**	**$ -**	**$ (139)**	**$ (9)**	**$ 1,815,677**	**$ (9)**

Julian & Grube

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

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

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Central Ohio Community Improvement Corporation, Franklin County, Ohio, as of and for the year ended December 31, 2019, 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 July 27, 2020, wherein we noted, as discussed in Note 17 to the financial statements for the year ended December 31, 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods. Our report refers to other auditors, who audited the financial statements of the Central Ohio Community Improvement Corporation as of and for the year ended December 31, 2018, as described in our report on the Central Ohio Community Improvement Corporation's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that those other auditors separately reported.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Central Ohio Community Improvement Corporation's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Central Ohio Community Improvement Corporation's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Central Ohio Community Improvement Corporation's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Central Ohio Community Improvement Corporation's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Central Ohio Community Improvement Corporation's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Central Ohio Community Improvement Corporation's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Julian & Grube, Inc.

Julian & Grube, Inc.
July 27, 2020

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 9/24/2020

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