

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

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019**



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Columbus, Ohio 43215
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Board of Directors
Central Ohio Community Improvement Corporation
845 Parsons Ave.
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, 2020 through December 31, 2020. 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 black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

June 21, 2021

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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 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 years ended December 31, 2020 and 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 for the purpose of expressing an opinion 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 accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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, 2020 and 2019, 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.

Emphasis of Matters

As described in Note 17 to the financial statements, in 2020, the Central Ohio Community Improvement Corporation restated beginning net position due to property inventory not capitalized in 2019. As described in Note 18 to the financial statements for the year ended December 31, 2020, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Central Ohio Community Improvement Corporation. Our opinions are not modified with respect to these matters.

Other Matters

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, 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 24, 2021, 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.

Julian & Grube, Inc.

Julian & Grube, Inc.
May 24, 2021

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 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 – 2020

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 2020, the BRI demolished approximately 50 units at a cost of approximately \$700,000. Such costs were funded with approximately \$659,000 from the Ohio Housing Finance Agency's Neighborhood Initiative Program (OHFA NIP) demolition grant and with approximately \$15,000 from the Franklin County Delinquent Tax Assessment & Collection (DTAC) funding. Property maintenance and other costs associated with demolitions amounted to approximately \$25,000.

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 2020, 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 did not purchase any tax liens in 2020. Between 2016-2019 COCIC purchased 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 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 2020, \$7,384 of foreclosure costs were incurred in connection with tax lien certificates on approximately 20 properties with \$164,371 in reimbursements from the OHFA NIP grant.

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

FINANCIAL HIGHLIGHTS – 2020 (continued)

COCIC continued the Receivership Loan Program (RLP) in 2020. 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 2020, one loan was made for a total of \$25,000. Seven loans from prior periods were repaid during 2020 for a total of \$183,000.

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 2020, COCIC has seven notes receivable of approximately \$ 272,000 accruing interest between 1.25% and 1.5% per annum, compounded monthly beginning April 2020. A total of \$1,894 in interest was earned in 2020.

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 2020, 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 2020, COCIC expensed approximately \$450,000 of grants to trusted partners in connection with 39 properties.

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. During 2020, an agreement for an additional \$200,000 was entered into with the City of Columbus for a total of \$4 million. 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. During 2020, COCIC, in conjunction with their partners completed the construction and sale of 29 properties to income qualified buyers (\$5,735,00 in total sales).

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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 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.

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

FINANCIAL HIGHLIGHTS – 2019 (continued)

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.

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).

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**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NET POSITION COMPARISON

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Assets			
Current Assets	\$ 10,849,281	\$ 9,170,394	\$ 9,121,341
Noncurrent Assets	5,357,547	5,350,714	4,747,811
Total Assets	<u>16,206,828</u>	<u>14,521,108</u>	<u>13,869,152</u>
Liabilities			
Current Liabilities	830,172	1,542,897	1,194,663
Long-Term Liabilities	3,698,123	2,794,776	3,159,872
Total Liabilities	<u>4,528,295</u>	<u>4,337,673</u>	<u>4,354,535</u>
Total Net Position	<u>\$ 11,678,533</u>	<u>\$ 10,183,435</u>	<u>\$ 9,514,617</u>

In 2020, Total Assets increased over 2019 by 11.6% or \$1,685,720 due to an increase in Cash of \$1,651,578, a decrease in Accounts Receivable of \$119,650, a decrease in Program Services Receivable of \$120,895, an increase in Property Inventory of \$278,850 and an increase in Capital Assets of \$61,226. Total Liabilities in 2020 increased 4.39% or \$190,622 over 2019 due to a decrease in Accounts Payable of \$416,337, a decrease in Accrued Liabilities of \$271,033, paydown on the outstanding bond of \$100,000, a decrease in Landfill Post Closure Care liability of \$522,008 and an issuance of notes for \$1,500,000. A prior period adjustment (see Note 17 for more information) to account for property increased assets by \$11,594 in 2019.

STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating Revenues			
Total Operating Revenues	\$ 12,150,557	\$ 6,027,925	\$ 9,050,706
Operating Expenses			
Total Operating Expenses	10,789,817	5,381,876	7,540,365
Operating Income	<u>1,360,740</u>	<u>646,049</u>	<u>1,510,341</u>
Non-Operating Revenues			
Total Non-Operating Revenue	134,358	22,769	70,753
Change in Net Position	1,495,098	668,818	1,581,094
Net Assets Beginning of Year	10,183,435	9,514,617	7,933,523
Net Assets End of Year	<u>\$ 11,678,533</u>	<u>\$ 10,183,435</u>	<u>\$ 9,514,617</u>

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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

Operating Revenues increased 102% or \$6,122,632 over 2019 due to an increase in Grant Revenue of \$1.6 million, an increase in COCLT Home Sales of \$4.1 million, and an increase in Demo Recover and Property Sales of \$353,000. The increase of Operating Expenses over 2019 was 110.5% or \$5,407,940 mostly due to a decrease in Demolition expenses of \$710,000, an increase of Construction and Development of \$6.8 million, a decrease in Program Services of \$870,000, and an increase in Payroll Expense of \$200,000. The Change in Net Position in 2020 was \$826,280 or a 123% increase over 2019. A prior period adjustment (see Note 17 for more information) to account for property decreased expenses by \$11,594 in 2019.

STATEMENTS OF CASH FLOWS

Table 3 summarizes the Cash Flows of COCIC.

	2020	2019	2018
Change in Cash and cash equivalents			
Net Cash Provided by (Used for)			
Operating Activities	\$ 492,848	\$ 158,593	\$ 2,587,071
Net Cash Provided by Non-Capital			
Financing Activities	1,613,129	127,523	109,279
Net Cash (Used for) Capital and			
Related Financing Activities	(454,399)	(1,093,308)	(200,000)
	<u>\$ 1,651,578</u>	<u>\$ (807,192)</u>	<u>\$ 2,496,350</u>
Net Change in Cash and Cash Equivalents	<u>\$ 1,651,578</u>	<u>\$ (807,192)</u>	<u>\$ 2,496,350</u>

Net Cash Provided by Operating Activities increased 210% or \$334,255 during 2020 in comparison to 2019 from an increase in Delinquent Tax Assessment & Collection Income (\$967,000), an increase in Grant Receipts (\$1.5 million), an increase in Home Sales (\$4.1 million), a decrease in Demolition and Remediation Expense (\$576,000), an increase in Construction and Development Expense (\$7.6 million) a decrease in Program Services Expense (\$1.08 million), and an increase in Landfill Closure Expense (\$181,000).

Net Cash Provided by Non-Capital Financing Activities increased \$1.486 million due to the issuance of a note with FCAP (\$1.5 million) and a reduction in interest income (\$34,224). Net Cash Used for Capital and Related Financing Activities decreased 58% or \$638,909 due to a reduction in the purchase of Capital Assets (\$720,000), and the purchase of Real Property (\$82,000). A prior period adjustment (see Note 17 for more information) to account for property decreased Net Cash Provided by (Used For) Operating Activities by \$11,594 and increased Net Cash (Used for) Capital and Related Financing Activities by \$11,594 in 2019.

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

CAPITAL ASSETS

Table 4 summarizes the Net Capital Assets of COCIC.

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Capital Assets:			
COCLT - Land	\$ 67,609	\$ 18,868	\$ -
Office - Land	39,200	39,200	39,200
Office - Building & Fixtures	1,020,624	1,060,074	1,066,928
Edna - Building & Fixtures	12,485	-	-
Landfill Land	1,031,249	1,031,249	1,031,249
Golf Depot Land	98,492	98,492	-
Golf Depot Buildings & Fixtures	576,522	591,627	-
Golf Course Project Construction Cost	2,350,142	2,350,142	2,350,142
Total Capital Assets	<u>\$ 5,196,323</u>	<u>\$ 5,189,652</u>	<u>\$ 4,487,519</u>

Capital Assets increased \$6,671 in 2020 due to the purchase of Land for the COCLT (\$48,741), work completed on the Edna (\$12,485) and increase in accumulated depreciation (\$54,555).

DEBT

Table 5 summarizes the debt of COCIC.

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Debt:			
Landfill Closure and Post Closure Care	\$ 724,744	\$ 1,246,752	\$ 1,529,188
FCAP Note	1,500,000	-	-
Franklin County	1,600,000	1,700,000	1,800,000
Total Debt	<u>\$ 3,824,744</u>	<u>\$ 2,946,752</u>	<u>\$ 3,329,188</u>

COCIC increased debt in 2020 by \$877,992 due to the issuance of a \$1.5 million note with FCAP payable in 2021 and a decrease in the Franklin County note by \$100,000 and reduction for landfill closure and post closure care (\$522,000).

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, 2020 AND 2019**

	<u>2020</u>	<u>2019 (Restated)*</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 8,821,680	\$ 7,170,264
Accounts Receivable	228,511	574,126
Grants Receivable	455,356	229,391
Program Services Receivable	361,083	481,979
Property Inventory	907,512	628,661
Prepays and Other Assets	75,140	85,973
Total Current Assets	<u>10,849,282</u>	<u>9,170,394</u>
Noncurrent Assets:		
Cash and Cash Equivalents - Debt Service Reserve & Lease Deposits	161,224	161,062
Capital Assets:		
COCLT Land	67,609	18,868
Office Land, Building & Fixtures	1,208,769	1,208,769
Edna Building & Fixtures	12,485	-
Landfill Land	3,381,391	3,381,391
Golf Depot Land, Buildings & Fixtures	702,707	702,707
Accumulated Depreciation	(176,638)	(122,083)
Net Capital Assets	<u>5,196,323</u>	<u>5,189,652</u>
Total Noncurrent Assets	<u>5,357,547</u>	<u>5,350,714</u>
TOTAL ASSETS	16,206,829	14,521,108
LIABILITIES		
Current Liabilities:		
Accounts Payable	154,174	570,511
Accrued Liabilities	542,877	813,910
Landfill Post Closure Care Liability- Current Portion	40,264	65,619
Notes Payable- Current Portion	92,857	92,857
Total Current Liabilities	<u>830,172</u>	<u>1,542,897</u>
Long-Term Liabilities		
Security Deposits Payable	6,500	6,500
Landfill Post Closure Care Liability - Non Current Portion	684,480	1,181,133
Notes Payable- Non Current Portion	3,007,143	1,607,143
Total Long-Term Liabilities	<u>3,698,123</u>	<u>2,794,776</u>
TOTAL LIABILITIES	4,528,295	4,337,673
NET POSITION		
Net Investment in Capital Assets	3,596,323	3,489,652
Restricted - Expendable	161,224	161,062
Unrestricted	7,920,986	6,532,721
TOTAL NET POSITION	<u>\$ 11,678,533</u>	<u>\$ 10,183,435</u>

* See Note 17 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, 2020 AND 2019**

	2020	2019 (Restated)*
Operating Revenues		
Delinquent Tax Assessment & Collection Income	\$ 3,146,781	\$ 3,079,868
Land Lease Income	2,675	-
Grant Revenues	3,858,324	2,249,531
Demolition Recovery, Reimbursement & Property Sales	748,049	394,882
Home Sales	4,394,728	303,644
Total Operating Revenues	12,150,557	6,027,925
Operating Expenses		
Demolition and Remediation	1,342,302	2,052,631
Construction and Development	7,298,486	513,378
Program Services Expense	467,380	1,337,770
Payroll Expense	945,926	747,154
Insurance Expense	80,302	62,833
Legal and Professional Expense	303,829	261,563
Maintenance and Repair Expense	22,520	32,401
Meeting Expense	2,307	7,164
Utilities Expense	55,978	117,881
Office Expense	60,537	65,409
Staff Training and Travel Expense	6,782	29,021
Depreciation Expense	54,555	49,997
Other Expense	148,913	104,674
Total Operating Expenses	10,789,817	5,381,876
Operating Income	1,360,740	646,049
Non-Operating Revenue		
Loss on Investment	-	(106,914)
Rent Income	26,762	25,657
Service Income	43,252	6,509
Subsidies	50,000	50,000
Interest	14,344	47,191
Other	-	326
Total Non-Operating Revenue	134,358	22,769
Change in Net Position	1,495,098	668,818
Net Position, Beginning of Year	10,183,435	9,514,617
Net Position, End of Year	\$ 11,678,533	\$ 10,183,435

* See Note 17 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, 2020 AND 2019**

	<u>2020</u>	<u>2019 (Restated)*</u>
Cash Flows from Operating Activities		
Delinquent Tax Assessment & Collection Income	\$ 3,597,092	\$ 2,629,557
Land Lease Income	2,675	-
Grant Receipts	3,632,359	2,115,514
Demolition Recovery, Reimbursement & Property Sales	748,049	772,244
Home Sales	4,386,385	303,644
Demolition and Remediation Expense	(1,591,457)	(2,167,790)
Construction and Development Expense	(7,703,809)	(101,120)
Program Services Expense	(488,919)	(1,567,005)
Payroll Expense	(903,865)	(758,540)
Insurance Expense	(69,469)	(123,368)
Legal and Professional Expense	(321,903)	(276,440)
Maintenance and Repairs Expense	(21,399)	(31,380)
Meeting Expense	(2,221)	(7,084)
Utilities Expense	(59,134)	(123,425)
Office Expense	(62,030)	(65,240)
Staff Training and Travel Expense	(7,587)	(28,466)
Landfill Closure Expense	(491,786)	(310,618)
Other Operating Payments	(150,133)	(101,890)
Net Cash Provided by Operating Activities	<u>492,848</u>	<u>158,593</u>
Cash Flows from Non-Capital Financing Activities		
Proceeds from Subsidies	50,000	50,000
Service Income	33,869	6,509
Rental Proceeds and Fees	18,454	25,657
Interest	10,806	45,031
Proceeds from Note Issuance	1,500,000	-
Other	-	326
Net Cash Provided by Non-Capital Financing Activities	<u>1,613,129</u>	<u>127,523</u>
Cash Flows from Capital and Related Financing Activities		
Principal Paid on Debt	(100,000)	(100,000)
Purchase of Golf Depot	-	(702,707)
Edna Predevelopment	(12,485)	-
Purchase of Real Property	(341,914)	(260,046)
Land Bank Office Improvements	-	(30,555)
Net Cash Used In Capital and Related Financing Activities	<u>(454,399)</u>	<u>(1,093,308)</u>
Net Change in Cash and Cash Equivalents	1,651,578	(807,192)
Cash and Cash Equivalents Beginning of Year	7,331,326	8,138,518
Cash and Cash Equivalents End of Year	<u>\$ 8,982,904</u>	<u>\$ 7,331,326</u>
Cash and Cash Equivalents - Current	\$ 8,821,680	\$ 7,170,264
Cash and Cash Equivalents - Noncurrent	161,224	161,062
Total Cash and Cash Equivalents	<u>\$ 8,982,904</u>	<u>\$ 7,331,326</u>

* See Note 17 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, 2020 AND 2019**

(continued)

Reconciliation of Operating Income/(Loss) to Net Cash Provided by (Used In) Operating Activities	2020	2019 (Restated)*
Operating Income	\$ 1,360,740	\$ 646,049
Depreciation Expense	54,555	49,997
(Increase) Decrease in Assets:		
Accounts Receivable	366,346	(192,678)
Grants Receivable	(225,965)	(37,929)
Program Services Receivable	120,895	(311,704)
Prepaid Items	10,833	(60,535)
Increase (Decrease) in Liabilities:		
Accounts Payable	(416,338)	290,458
Accrued Liabilities	(256,210)	50,872
Security Deposit Payable	-	6,500
Landfill Post Closure Care Liability	(522,008)	(282,437)
Net Cash Provided by Operating Activities	<u>\$ 492,848</u>	<u>\$ 158,593</u>

* See Note 17 regarding prior period adjustment

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See notes to the accompanying basic financial statements

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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 19 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

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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, 2020, and 2019, \$161,224 and \$161,062, 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, 2020 AND 2019**

Accounting Pronouncements

The following are pronouncements that either became effective during fiscal year 2020 or will become effective in future fiscal years and could impact COCIC's financial reports:

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 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.

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.

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

COCIC has adopted all applicable GASB standards that were effective during its fiscal years 2020 and 2019. COCIC determined those standards adopted had no material impact on its financial statements as of December 31, 2020 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. 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:

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

<u>Description</u>	<u>Estimated Lives</u>
Furniture & Fixtures	10
Equipment	6
Building & Building Improvements	40
Land Improvements	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.

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, 2020 and 2019, 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, 2020 and 2019, 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

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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, 2020 and 2019, the COCIC's carrying values of cash were \$8,982,903 and \$7,331,326, respectively, including \$161,224 and \$161,062, respectively, in cash held as security for repayment of outstanding bonds payable and security deposits. At December 31, 2020 and 2019, the COCIC's bank balances, held by two different financial institutions, were \$9,144,923 and \$7,251,494, respectively. Carrying values of cash and bank balances reconcile when adjusted for outstanding items. Of the bank balances, as of December 31, 2020 and 2019, \$2,013,228 and \$2,008,654, respectively, were covered by FDIC insurance, and \$7,121,810 and \$2,828,206, 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, 2020, and 2019, funds covered by FDIC insurance include \$1,229,515 and \$1,224,492 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, 2020 and 2019, COCIC's deposits were not exposed to custodial risk.

As of December 31, 2020, and 2019, 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, 2020, and 2019 COCIC had advanced \$272,455 and \$237,294 respectively with an additional \$17,545 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

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

ease of clearing the title. As of December 31, 2020, and 2019, there was \$84,000 and \$242,000 in loan principal advances outstanding, respectively. Interest accrued during 2020 and 2019 was \$2,734 and \$2,685, respectively.

NOTE 5 – PROPERTY INVENTORY

Property inventory as of December 31, 2020 and 2019 was \$907,512 and \$628,661, respectively. A prior period adjustment of \$11,594 was made to 2019 due to the improper classification of property inventory as expenses. Activity during 2020 consisted of the sale of 1829 Long St for \$255,000 and obtaining the following properties:

Parcel ID/Property Address	Amount
1942-68 Stelzer	455,578
190-002700 O Perdue Ave	4,709
190-002701 3054 Perdue Ave	4,709
00 Walnut	10,852
010-070805 E Hudson	4,484
010-070806 E Hudson	4,484
1608 Kohr	10,458
1646 Kohr	9,450
1645 Hudson	1,550
3616 Second	11,050
1369-71 Fifth	1,527
Total Purchases	<u>\$ 518,851</u>

During 2019, Church and Community Development for All People (CD4AP) purchased 1194-96 Lockbourne from COCIC for \$39,649.

NOTE 6 – INVESTMENTS

The fair value of investments as of December 31, 2020 and 2019 are summarized as follows:

	<u>2020</u>	<u>2019</u>
Investment in Joint Venture	\$ <u>0</u>	\$ <u>0</u>

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.

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2020 and 2019 was as follows:

	<u>1/1/2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/2020</u>
Non-Depreciable Assets:				
Land (COCLT)	\$ 18,868	48,741	-	\$ 67,609
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	-	12,485
Office - Building & Fixtures	1,169,569	-	-	1,169,569
Golf Depot - Building & Fixtures	604,215	-	-	604,215
Total Capital Assets	<u>5,311,735</u>	<u>61,226</u>	<u>-</u>	<u>5,372,961</u>
Accumulated Depreciation	<u>(122,083)</u>	<u>(54,555)</u>	<u>-</u>	<u>(176,638)</u>
Net Capital Assets	<u>\$ 5,189,652</u>	<u>6,671</u>	<u>-</u>	<u>\$ 5,196,323</u>
	Restated*			
	<u>1/1/2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/2019</u>
Non-Depreciable Assets:				
Land (COCLT)	\$ -	18,868	-	\$ 18,868
Land (Landfill)	3,381,391	-	-	3,381,391
Golf Depot Land	-	98,492	-	98,492
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	<u>4,559,605</u>	<u>752,130</u>	<u>-</u>	<u>5,311,735</u>
Accumulated Depreciation	<u>(72,086)</u>	<u>(49,997)</u>	<u>-</u>	<u>(122,083)</u>
Net Capital Assets	<u>\$ 4,487,519</u>	<u>702,133</u>	<u>-</u>	<u>\$ 5,189,652</u>

* The COCIC eliminated “Golf Course Land Improvements” and included the assets as “Land (Landfill)” to better represent the COCIC’s capital assets.

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 8 – NOTES PAYABLE

<u>2020</u>	Amount Outstanding 1/1/2020	Additions	Deletions	Amount Outstanding 12/31/2020	Amounts Due in One Year
Franklin County - Direct	\$ 1,700,000	-	(100,000)	\$ 1,600,000	\$ 92,857
FCAP - Direct	-	1,500,000		1,500,000	-
Total Notes Payable	<u>\$ 1,700,000</u>	<u>1,500,000</u>	<u>(100,000)</u>	<u>\$ 3,100,000</u>	<u>\$ 92,857</u>
	Amount Outstanding 1/1/2019	Additions	Deletions	Amount Outstanding 12/31/2019	Amounts Due in One Year
<u>2019</u>					
Franklin County - Direct	\$ 1,800,000	-	(100,000)	\$ 1,700,000	\$ 92,857
Total Notes Payable	<u>\$ 1,800,000</u>	<u>-</u>	<u>(100,000)</u>	<u>\$ 1,700,000</u>	<u>\$ 92,857</u>

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, 2020 was \$1,600,000. 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, 2020 was \$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.

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

The following is the scheduled maturities of the debt agreement as of December 31, 2020:

	Principal	Interest
2021	\$92,857	\$51,333
2022	1,592,857	52,500
2023	92,857	-
2024	92,857	-
2025	92,857	-
2026 – 2030	464,285	-
2031 - 2035	464,285	-
2036 - 2039	207,145	-
Total	\$ 3,100,000	\$103,833

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, 2020, and 2019, the book value of the landfill, excluding the related closure and post closure liability is \$1,031,249.

The \$724,744 and \$1,246,752 reported as landfill closure and post-closure care liability on December 31, 2020 and 2019, 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 2020 and 2019 for this liability were \$522,009 and \$282,435, respectively.

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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, COCIC purchased tax lien certificates on 54, 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, with \$54 payable at closing and \$225,921 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. There were no tax lien purchases in 2020.

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 \$7,284 in 2020 and \$337,674 in 2019. Reimbursement of the title search expenses from the OHFA NIP grant in 2020 and 2019 were \$164,371 and \$43,120, 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. During 2020, COCLT entered into an agreement with the City of Columbus for an additional \$200,000 for a total grant award of \$4 million. As of December

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
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31, 2020, and 2019, \$1,720,902 and \$1,680,000 has been drawn on the grant respectively with a balance of \$599,099 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
- 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.

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, 2020 and 2019 was \$38,500 and \$22,000, 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 2020 and 2019 was \$21,762 and \$21,157, respectively.

The following is the scheduled of annual lease obligation from the city's land bank as of December 31, 2020:

2021	\$ 21,384
2022	22,026
2023	22,686
Total	<u><u>\$ 66,096</u></u>

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
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FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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 constitute leases under GASB. COCIC earns a 10% management fee on the rental payments received from the private tenants. Admin income earned in 2020 and 2019 was \$9,724 and \$7,139 respectively.

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 – PRIOR YEAR ADJUSTMENTS

During 2020 it was noted that \$11,594 of costs previously expensed should have been capitalized for the acquisition and preparation of property inventory. The adjustments are reflected in the reported 2019 balances.

NOTE 18 – COVID-19

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

NOTE 19 – 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 FINANCIAL STATEMENTS
BLENDED COMPONENT UNITS
AT DECEMBER 31, 2020 AND 2019**

	COCLT		PCR2		TOTAL	
	2020	2019 (Restated)*	2020	2019	2020	2019 (Restated)*
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 1,998,297	\$ 2,655,631	\$ 33,713	\$ 34,162	\$ 2,032,010	\$ 2,689,793
Accounts Receivable	8,343	-	-	-	8,343	-
Intercompany Receivable	-	-	87	31	87	31
Grants Receivable	455,356	-	-	-	455,356	-
Property Inventory	235	235	-	-	235	235
Prepays and Other Assets	9,476	-	-	-	9,476	-
Total Current Assets	<u>2,471,707</u>	<u>2,655,866</u>	<u>33,800</u>	<u>34,193</u>	<u>2,505,507</u>	<u>2,690,059</u>
Noncurrent Assets:						
Capital Assets:						
COCLT Land	67,609	18,868	-	-	67,609	18,868
Net Capital Assets	<u>67,609</u>	<u>18,868</u>	<u>-</u>	<u>-</u>	<u>67,609</u>	<u>18,868</u>
Total Noncurrent Assets	<u>67,609</u>	<u>18,868</u>	<u>-</u>	<u>-</u>	<u>67,609</u>	<u>18,868</u>
TOTAL ASSETS	2,539,316	2,674,734	33,800	34,193	2,573,116	2,708,927
LIABILITIES						
Current Liabilities:						
Accounts Payable	8,953	425,637	-	-	8,953	425,637
Intercompany Payable	77,558	46,525	-	-	77,558	46,525
Total Current Liabilities	<u>86,511</u>	<u>472,162</u>	<u>-</u>	<u>-</u>	<u>86,511</u>	<u>472,162</u>
Long-Term Liabilities						
Notes Payable- Non Current Portion	1,500,000	-	-	-	1,500,000	-
Total Long-Term Liabilities	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500,000</u>	<u>-</u>
TOTAL LIABILITIES	1,586,511	472,162	-	-	1,586,511	472,162
NET POSITION						
Net Investment in Capital Assets	67,609	18,868	-	-	67,609	18,868
Unrestricted	885,196	2,183,704	33,800	34,193	918,996	2,217,897
TOTAL NET POSITION	\$ 952,805	\$ 2,202,572	\$ 33,800	\$ 34,193	\$ 986,605	\$ 2,236,765

* See Note 17 regarding prior period adjustment

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
BLENDED COMPONENT UNITS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	COCLT		PCR2		TOTAL	
	2020	2019 (Restated)*	2020	2019	2020	2019 (Restated)*
Operating Revenues						
Grant Revenues	\$ 1,790,902	\$ 1,680,000	\$ -	\$ -	\$ 1,790,902	\$ 1,680,000
Land Lease Income	2,675	-	-	-	2,675	-
Home Sales	4,394,728	303,644	-	-	4,394,728	303,644
Total Operating Revenues	<u>6,188,305</u>	<u>1,983,644</u>	<u>-</u>	<u>-</u>	<u>6,188,305</u>	<u>1,983,644</u>
Operating Expenses						
Demolition and Remediation	-	490	-	-	-	490
Construction and Development	7,291,686	493,009	-	-	7,291,686	493,009
Legal and Professional Expense	91,669	95,619	-	-	91,669	95,619
Meeting Expense	-	650	-	-	-	650
Office Expense	463	624	-	-	463	624
Staff Training and Travel Expense	-	6,061	-	-	-	6,061
Other Expense	55,037	34,619	480	139	55,517	34,758
Total Operating Expenses	<u>7,438,855</u>	<u>631,072</u>	<u>480</u>	<u>139</u>	<u>7,439,335</u>	<u>631,211</u>
Operating Income	<u>(1,250,550)</u>	<u>1,352,572</u>	<u>(480)</u>	<u>(139)</u>	<u>(1,251,030)</u>	<u>1,352,433</u>
Non-Operating Revenue						
Interest	783	-	-	-	783	-
Interfund Transfer	-	850,000	87	31	87	850,031
Total Non-Operating Revenue	<u>783</u>	<u>850,000</u>	<u>87</u>	<u>31</u>	<u>870</u>	<u>850,031</u>
Change in Net Position	<u>(1,249,767)</u>	<u>2,202,572</u>	<u>(393)</u>	<u>(108)</u>	<u>(1,250,160)</u>	<u>2,202,464</u>
Net Position, Beginning of Year	<u>2,202,572</u>	<u>-</u>	<u>34,193</u>	<u>34,301</u>	<u>2,236,765</u>	<u>34,301</u>
Net Position, End of Year	<u>\$ 952,805</u>	<u>\$ 2,202,572</u>	<u>\$ 33,800</u>	<u>\$ 34,193</u>	<u>\$ 986,605</u>	<u>\$ 2,236,765</u>

* See Note 17 regarding prior period adjustment

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
BLENDED COMPONENT UNITS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	COCLT		PCR2		TOTAL	
	2020	2019 (Restated)*	2020	2019	2020	2019 (Restated)*
Cash Flows from Operating Activities						
Grant Receipts	\$ 1,335,546	\$ 1,680,000	\$ -	\$ -	\$ 1,335,546	\$ 1,680,000
Land Lease Income	2,675	-	-	-	2,675	-
Home Sales	4,394,728	303,644	-	-	4,394,728	303,644
Demolition and Remediation Expense	-	(490)	-	-	-	(490)
Construction and Development Expense	(7,700,127)	(63,339)	-	-	(7,700,127)	(63,339)
Insurance Expense	(9,476)	-	-	-	(9,476)	-
Legal and Professional Expense	(111,369)	(68,900)	-	-	(111,369)	(68,900)
Meeting Expense	-	(650)	-	-	-	(650)
Office Expense	-	(624)	-	-	-	(624)
Staff Training and Travel Expense	(3,862)	(2,199)	-	-	(3,862)	(2,199)
Other Operating Payments	(53,898)	(31,391)	(480)	(139)	(54,378)	(31,530)
Net Cash Provided by (Used In) Operating Activities	(2,145,783)	1,816,051	(480)	(139)	(2,146,263)	1,815,912
Cash Flows from Non-Capital Financing Activities						
Proceeds from Note Issuance	1,500,000	-	-	-	1,500,000	-
Interest	783	-	-	-	783	-
Transfers	-	850,000	31	-	31	850,000
Net Cash Provided by Non-Capital Financing Activities	1,500,783	850,000	31	-	1,500,814	850,000
Cash Flows from Capital and Related Financing Activities						
Purchase of Real Property	(12,334)	(10,420)	-	-	(12,334)	(10,420)
Net Cash Used In Capital and Related Financing Activities	(12,334)	(10,420)	-	-	(12,334)	(10,420)
Net Change in Cash and Cash Equivalents	(657,334)	2,655,631	(449)	(139)	(657,783)	2,655,492
Cash and Cash Equivalents Beginning of Year	2,655,631	-	34,162	34,301	2,689,793	34,301
Cash and Cash Equivalents End of Year	\$ 1,998,297	\$ 2,655,631	\$ 33,713	\$ 34,162	\$ 2,032,010	\$ 2,689,793
Cash and Cash Equivalents - Current	\$ 1,998,297	\$ 2,655,631	\$ 33,713	\$ 34,162	\$ 2,032,010	\$ 2,689,793
Cash and Cash Equivalents - Noncurrent	-	-	-	-	-	-
Total Cash and Cash Equivalents	\$ 1,998,297	\$ 2,655,631	\$ 33,713	\$ 34,162	\$ 2,032,010	\$ 2,689,793

* See Note 17 regarding prior period adjustment

**CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
BLENDED COMPONENT UNITS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

(Continued)

Reconciliation of Operating Income/(Loss) to Net Cash Provided by (Used In) Operating Activities	COCLT		PCR2		TOTAL	
	2020	2019 (Restated)*	2020	2019	2020	2019 (Restated)*
Operating Income	\$ (1,250,550)	\$ 1,352,572	\$ (480)	\$ (139)	\$ (1,251,030)	\$ 1,352,433
(Increase) Decrease in Assets:						
Accounts Receivable	(8,343)	-	-	-	(8,343)	-
Grants Receivable	(455,356)	-	-	-	(455,356)	-
Property Inventory	-	(235)	-	-	-	(235)
Prepaid Items	(9,476)	-	-	-	(9,476)	-
Increase (Decrease) in Liabilities:						
Accounts Payable	(453,091)	417,189	-	-	(453,091)	417,189
Intercompany Payable	31,033	46,525	-	-	31,033	46,525
Net Cash Provided by (Used In) Operating Activities	<u>\$ (2,145,783)</u>	<u>\$ 1,816,051</u>	<u>\$ (480)</u>	<u>\$ (139)</u>	<u>\$ (2,146,263)</u>	<u>\$ 1,815,912</u>

* See Note 17 regarding prior period adjustment

**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 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, 2020 and 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 May 24, 2021, wherein we noted as described in Note 17 to the financial statements, in 2020, the Central Ohio Community Improvement Corporation restated beginning net position. Furthermore, as described in Note 18 to the financial statements for the year ended December 31, 2020, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

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 may exist that have not been identified.

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

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*.

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.



Julian & Grube, Inc.

May 24, 2021

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 7/1/2021

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