



OHIO AUDITOR OF STATE
KEITH FABER



**COMMUNITY IMPROVEMENT CORPORATION
MEIGS COUNTY
DECEMBER 31, 2020 AND 2019**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the Community Improvement Corporation, Meigs County, Ohio (the Corporation), (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2020 and 2019, the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for 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 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 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 Community Improvement Corporation, Meigs County, Ohio, as of December 31 2020 and 2019, and the changes in its net assets 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 15 to the December 31, 2020 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Corporation. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2021, on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, 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 Corporation's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

November 23, 2021

Community Improvement Corporation
Meigs County

Statement of Financial Position
December 31, 2020

ASSETS

<u>Current Assets</u>	<u>Dec. 31, 2020</u>
Cash and Cash Equivalents	
Farmers Bank - Reg Checking	\$ 181,798
Farmers Bank - Escrow	4,192
Farmers Bank - Revolving Loan	20,679
Home National Bank - Spec IV	14,105
Farmers Bank - CD	177,087
Ohio Valley Bank - CD	178,074
Home National Bank 58	177,897
Accrued Interest	7,847
Rent Underpaid Chamber CIC	600
Past Due Rent Residential	600
Rev Loan Current Portion	65,636
Total Current Assets	\$ 828,515
 Non-Current Assets	
Rev Loan Fund - BP	\$ 10,996
Rev Loan Fund - MC	11,757
Rev Loan Fund - SEA	9,811
Rev Loan Fund - NEB	21,000
Rev Loan Fund - FCT	3,771
Rev Loan Fund - WME	4,166
Rev Loan Fund - HST	15,991
Rev Loan Fund - RC	6,242
Rev Loan Fund - PFS	217
Rev Loan Fund - COM	13,085
Lease to Purchase - Spec II RR	1,506,638
Rev Loan Fund Current Portion	(65,636)
Total Non-Current Assets	\$ 1,538,038
 Fixed Assets	
Industrial Park - Cole Property	\$ 40,000
Land - Industrial Park 26.97 Acres	110,945
Improvements - Industrial Park	524,530
Building - State Garage	443,420
Mural Office Building	199,979
Mural Office Building Land	4,596
AEP Septic System Maj Repairs	20,200
Land - Pomeroy Jr High	74,900
Land - Monkey Run - Pomeroy Ohio	190,600
Holzer ER Building	5,996,596
Land - Health Campus	391,082
Spec IV Building	489,857
Website	24,265
Accumulated Depreciation	(2,051,503)
Total Fixed Assets	\$ 6,459,467
 TOTAL ASSETS	 \$ 8,826,020

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

Community Improvement Corporation
Meigs County

Statement of Financial Position
December 31, 2020

LIABILITIES

<u>Current Liabilities</u>	<u>Dec. 31, 2020</u>
Unearned Income - ODOD II	\$ 3,242
Accrued Interest Payable	15,881
Current Portion LTD	398,835
Total Current Liabilities	<u>\$ 417,958</u>
<u>Long Term Liabilities</u>	
Bond Payable - OVB - Holzer ER	4,819,852
Note Payable - Spec III	1,269,327
Home National Bank - Spec IV	219,733
Current Portion LTD	(398,835)
Total Long Term Liabilities	<u>\$ 5,910,077</u>
TOTAL LIABILITES	\$ 6,328,035
Net Position	
Unrestricted Net Position - Prior	2,368,028
Depreciation Adjustment: See Note 2F	(654)
Unrestricted Net Position - Prior	<u>2,367,374</u>
Current Income (Loss)	<u>130,611</u>
Total Retained Net Position	<u>\$ 2,497,985</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 8,826,020</u></u>

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

Community Improvement Corporation
Meigs County

Statement of Activities and Change in Net Position
For the Year Ended December 31, 2020

<u>Operating Revenues:</u>	<u>Dec. 31, 2020</u>
CIC Dues	\$ 700
Lease Revenues	364,000
Revolving Loan Fund Interest	1,393
Bank Interest Income	14,237
LTO and Mortgage Interest	94,789
Utility Refunds & Other Revenue	4,720
Mural Building Rent Income	18,000
Holzer Grant	75,000
Donation COVID Relief Fund	16,950
Grant Income	250,000
Donations	196
Misc. Income	200
Total Operating Revenues	\$ 840,185
<u>Operating Expenses</u>	
Grant Meigs Community Fund	\$ 10,000
Advertising and Marketing	412
Downtown Revitalization Grant	1,000
Revolving Loan Fees	62
Reimb Mileage & Exp	18,060
Depreciation	238,708
Dues and Membership	2,500
Economic Workforce Exp	88,135
Property and Other Insurance	8,604
Interest Expense	268,587
Legal and Professional	7,944
Grant Expense Covid Relief	16,950
Meeting and Appreciation Expense	4,667
Office Expense	21
Postage	96
Cleaning & Maintenance	3,868
Repairs and Maintenance	20,086
Mowing/Snow/Cleaning/Maint	5,790
Supplies	787
Real Estate Taxes	6,405
Utilities	6,892
Total Expenses	\$ 709,574
 Operating Income	 \$ 130,611
Net Increase (Decrease) in Net Position	 \$ 130,611

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

Community Improvement Corporation
Meigs County

Statement of Cash Flows
For the Year Ended December 31, 2020

	Dec. 31, 2020
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>	
Increase/(Decrease) in Net Assets	\$ 130,611
Adjustments to Reconcile Cash Flow:	
Depreciation	238,708
Decrease (Increase) in Current Assets:	
Accrued Interest	326
Rent Underpaid Chamber CIC	(600)
Past Due Rent Residential	(600)
Accounts Receivable Late Payments	434
Rev Loan Current Portion	(7,835)
Prepaid Rev Loan Fund	(229)
Interest Payable	322
Current Portion LTD	200,915
Total Adjustments	\$ 431,441
 Cash Provided (Used) by Operations	 \$ 562,052
<u>CASH FLOW FROM INVESTING ACTIVITIES:</u>	
Sales (Purchases) of Assets	
Rev Loan Fund - BP	2,007
Rev Loan Fund - MC	4,506
Rev Loan Fund - SEA	1,966
Rev Loan Fund - NEB	3,835
Rev Loan Fund - INC	(21,000)
Rev Loan Fund - FCT	3,132
Rev Loan Fund - WME	1,920
Rev Loan Fund - HST	3,608
Rev Loan Fund - RC	6,623
Rev Loan Fund - COM	1,677
Rev Loan Fund - PFS	2,146
Lease to Purchase Spec II RR	27,801
Rev Loan Current Portion	7,835
Building - Spec III	(483,094)
 Cash Provided (Used) by Investing	 \$ (437,038)

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

Community Improvement Corporation
Meigs County

Statement of Cash Flows
For the Year Ended December 31, 2020

CASH FLOW FROM FINANCING ACTIVITIES:

Bond Payable - OVB - Holzer ER	(129,096)
Note Payable - HNB - Spec IV	219,733
Note Payable - Spec III	(41,131)
Current Portion LTD	<u>(200,915)</u>
Cash Provided (Used) by Financing	\$ (151,409)
Increase/(Decrease) in Net Position	(26,395)
Cash at the Beginning of Period	780,227
Cash at the End of Period	<u>\$ 753,832</u>

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

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**COMMUNITY IMPROVEMENT CORPORATION
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

1. Description of Entity

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

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

2. Summary of Significant Accounting Policies

A. Basis of Accounting

The financial statements of the Corporation are maintained and have been presented on an accrual basis of accounting, consequently, revenues are recognized when earned and expenses are recognized when incurred. This is in accordance with the requirements of the Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standard No. 117, Financial Statements for Not-for-Profit Organizations. Under FASB Statement No. 117, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets.

In 1997, the Corporation adopted Statement of Financial Accounting Standards No. 116, "Accounting for Contributions Received and Contributions Made" (SFAS No. 116) and Statement of Financial Accounting Standards No. 117, "Financial Statements for Not-For-Profit Organizations" (SFAS No. 117). The statements of the new standards have been applied to the years presented.

B. *Conditional Promises to Give.*

As of the date of the financial statements, the Corporation had no conditional promises to give from any funding or potential funding source.

C. *Cash and Cash Equivalents.*

Cash and cash equivalents (see Note 5) consist of cash held in checking and savings accounts and the face value of certificates of deposit. At year-end and throughout the year, the Corporation's cash balances were maintained by bonded staff or deposited into a local bank. Management believes that the Corporation is not exposed to any significant risk on cash and cash equivalents.

**COMMUNITY IMPROVEMENT CORPORATION
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020
(Continued)**

2. Summary of Significant Accounting Policies (continued)

D. Classification of New Assets

Under these provisions, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the organization and changes therein are classified and reported as follows:

- **Unrestricted net assets** – Net assets that are not subject to donor-imposed stipulations.
- **Temporary restricted net assets** – Net assets subject to donor-imposed stipulation that may or will be met either by actions of the organization and/or the passage of time.

E. Bad Debts.

It is the policy of the Corporation to write off bad debts incurred through its operations in the period in which the default occurred or its existence became known. Management does not believe, as of December 31, 2020, that any such default on its receivables are likely to occur: therefore, no estimate has been presented for any such uncollectible amounts.

F. Depreciation

The basis of depreciation is either cost or appraised value or estimated value of donated property. All depreciable assets are being depreciated under the MACRS method for both financial book and tax purposes. Most depreciable assets are buildings and building improvements, the lives of these assets and depreciation is 39 years (one-half year in year one and one-half year in year thirty-nine). The website is amortized over 15 years. Small equipment for in office use is expensed as purchased. This method is in accordance with generally accepted accounting principles. Depreciation charged to operations was \$238,708 for the year ended December 31, 2020. Depreciation from prior years was adjusted by (\$654) to correct straight line Depreciation to MACRS Tax Depreciation to match Form 990.

G. Federal Income Tax

No provisions are made for federal income tax and city income tax because the Corporation is tax exempt under Section 501(c) 3 of the Internal Revenue Code. Accordingly, no provision for federal income tax is required. The Corporation has not entered into any transactions, which would subject it to unrelated business income tax. The Federal Return of Organizations Exempt from Income Tax for the Corporation is no longer subject to examination for the years ending prior to and including 2016. In the normal course of business, however the Corporation is subject to examination by various other taxing authorities. Although the outcome of such examination is always uncertain, management believes there are no significant unrecognized tax liabilities as of December 31, 2020.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**COMMUNITY IMPROVEMENT CORPORATION
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020
(Continued)**

3. Fixed Assets

Although fixed assets were formerly capitalized at cost (or estimated historical cost), during 2020 fixed assets values were adjusted to reflect fair market value, due to a lack of supporting documentation for actual cost. Fixed asset information is updated for additions and retirements during the year. Donated fixed assets are recorded at their estimated or appraised value as of the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

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

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

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

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

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

**COMMUNITY IMPROVEMENT CORPORATION
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020
(Continued)**

4. Industrial Park

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

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

5. Cash and Cash Equivalents

The Corporation as of December 31, 2020, had the following deposits with local financial institutions.

	BALANCES @ 12/31/2020	
	Reconciled	Statement
Farmers B&S - Checking Regular	\$ 181,798	\$ 182,972
Farmers B&S - Revolving Account	\$ 20,679	\$ 20,678
Farmers B&S – Covid Relief Fund	\$ -0-	\$ -0-
Home National Bank – Spec IV	\$ 14,105	\$ 27,066
Farmers B&S – ODOD II Escrow	\$ 4,192	\$ 4,192
Home National Bank - CD	\$ 177,897	\$ 177,896
Ohio Valley Bank - CD	\$ 178,074	\$ 178,074
Farmers B&S - CD	\$ 177,087	\$ 177,087
Total	\$ 753,832	\$ 767,965

Certificates of Deposit: The Corporation also has three long term Certificates of Deposit being held at the banks shown above. As of the dates of the financial statements, all of the Corporation's deposits are fully collateralized by the Federal Deposit Insurance Corporation, under the terms of Section 343 of the Dodd – Frank Wall Street Reform and Consumer Protection Act.

Revolving Account: The Farmers Bank and Savings revolving account is made up of payments received from various loans given to local businesses. Due to the historic flooding in downtown Pomeroy in February 2018 the loan recipients were granted an extension onto their amortization schedule so that March 2018 payment was added to the end with no additional charges of interest. Again in 2020 the extraordinary happened and due to the Covid Crisis the loan recipients were granted an extension onto their amortization schedules so that varying amounts of payments were added to the end with no additional charges of interest. All past due amounts and prepayments were absorbed into these adjustments.

**COMMUNITY IMPROVEMENT CORPORATION
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020
(Continued)**

5. Cash and Cash Equivalents (Continued)

Farmers Bank Covid Relief Fund: Locally a Covid relief fund was open with contributions being received by the local Chamber of Commerce. Business could apply for funding with an application. The account balance was -0- on 12-31-2020. The account was opened and closed during the year.

6. Debt

The Corporation's debt outstanding at December 31, 2020 was as follows

	12/31/20 Principal	Interest Rate
OVB Holzer Building	\$ 4,819,852	4.00%
FB Spec Building III Loan	\$ 1,269,327	5.25%
HNB Spec IV Loan	<u>\$ 219,733</u>	4.25%
Total	<u>\$ 6,308,912</u>	

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

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

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

The Home National Bank Spec IV work in progress loan is for the Spec IV building located in the Tupper Plains Industrial Park. It is to be refinanced by the State of Ohio and paid in full upon completion of the structure in 2021. Home National bank holds the real property and building as collateral against this loan. The interest rate being charged is 4.25%. Payoff date is uncertain at the time of the audit completion as it will be determined by the completion date of the building and the ability of the State to complete the refinancing. At that time a one-time lump sum payment will be made to close this loan.

**COMMUNITY IMPROVEMENT CORPORATION
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020
(Continued)**

6. Debt (Continued)

The annual requirements to amortize debt outstanding as of December 31, 2020 including interest as follows:

Year Ending 31-Dec	Holzer ER	Spec III Bldg Note	Total
2021	327,892	110,601	439,493
2022	327,892	110,601	438,493
2023	327,892	110,601	438,493
2024	327,892	110,601	438,493
2025	327,892	110,601	438,493
2026-2030	1,639,458	553,005	2,192,463
2031-2035	1,639,458	553,005	2,192,463
2036-2040	1,639,458	304,152	1,943,610
2041-2044	788,074	0	788,074
Total	\$7,345,908	\$1,963,167	\$9,309,075

7. Operating Leases

The Corporation had operating leases in effect as of December 31, 2020 with various entities for rental of building space. The details of these operating leases are as follows:

- Lease of New Spec Building at 49705 East Park Drive, Tupper Plains, Ohio 45783 – An agreement was made and concluded between Meigs County CIC and REM RAM Recovery, LLC, an Ohio Limited Liability Company of Reedsville, Ohio, hereafter called “REM RAM”. REM RAM shall commence payments on September 1, 2010. REM RAM shall then pay for the remaining fifteen (15) years of the term annual payments in the amount of \$84,598.68 payable in advance in equal monthly installments of \$7,049.89 at the office of the Meigs County CIC. The Meigs County CIC hereby grants to REM RAM an option to purchase the leased premises herein at any time during the term of this lease for the sum of Eight Hundred Thousand (\$800,000) dollars less the amount of principle that has been paid using an annual interest rate of 6.68% amortized over the fifteen (15) years term of the lease .REM RAM Recovery, LLC, exercised the option to purchase the building in November 30, 2018.
- The Holzer ER Building described in Footnote 3 is currently being rented to the Holzer Health Care Systems for \$28,000 a month beginning in 2015 with an open purchase option with terms to be determined if the purchase option is exercised.
- The Spec III building described in Footnote 3 is currently being rented to REMRAM Recovery, LLC. They entered into a lease agreement with the Meigs County Community Improvement Corporation on September 27, 2018 in the amount of \$10,243 for a term of five years beginning October 1, 2018 with an option to renew for two additional period of five (5) years each, with an option to purchase the real estate.
- Gheens Painting is a true lease of the Old ODOT Garage at the rate of \$3,500 per month.

Revenue from operating leases were recorded at \$364,000 for 2020. The Rem Ram Spec III Building is treated as a lease purchase with interest income of \$94,789 and principal paid of \$27,801.

**COMMUNITY IMPROVEMENT CORPORATION
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020
(Continued)**

8. Subsequent Events

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

9. Advertising and Marketing

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

10. Contingencies

Concentration of Funding Sources – Grants and Donations.

The Corporation is funded through grants; lease revenue; and memberships from individuals, businesses, and governmental agencies. The support is contingent upon the continued availability of federal, state, and local funds; renewal of lease agreements; and the continued support of the community.

11. Pension Plan

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

12. Measure of Operations

In its statements of activities and cash flows, the Corporation includes in its definition of operations all revenues and expenses that are an integral part of its service, programming, and supporting activities. Contributions, investment revenue, and net fund-raising revenue are itemized as operating receipts on the statement of cash flows, yet considered non-operating for purposes of analysis of revenue and expenses on the statement of financial activities.

13. Contract Contingencies

Under the terms of grant agreements, periodic audits are required, and certain reimbursements or awards may be questioned as inappropriate. Such audits could lead to reimbursement to provider agencies. Management believes disallowances, if any, will be immaterial.

14. In Kind Contributions

The Meigs County Board of Commissioners pays the salary and related fringe benefits for an Economic Director and Administrative Assistant. The Board also pays the rent on the property located at 236 East Main Street, Pomeroy, Ohio, occupied by the corporation which includes utilities, telephone and long-distance expenses for the Corporation. In 2018, The Corporation contributed \$88,135 toward these expenses. The Economic Director and Administrative Assistant's, estimated time devoted to the Corporation is 50%, all of which was covered with this contribution resulting in no in-kind revenue or expenses allocated to the Corporation in 2020.

**COMMUNITY IMPROVEMENT CORPORATION
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020
(Continued)**

15. 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 Corporation. In addition, the impact on the Corporation's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Community Improvement Corporation
Meigs County

Statement of Financial Position
December 31, 2019

ASSETS

<u>Current Assets</u>	<u>Dec. 31, 2019</u>
Cash and Cash Equivalents	
Farmers Bank - Reg Checking	\$ 248,691
Farmers Bank - Escrow	4,186
Farmers Bank - Revolving Loan	8,523
Farmers Bank - CD	172,334
Ohio Valley Bank - CD	173,377
Home National Bank 58	173,116
Accounts Receivable Late Payments	434
Accrued Interest	8,173
Rev Loan Current Portion	57,801
Total Current Assets	\$ 846,635
 <u>Non-Current Assets</u>	
Rev Loan Fund - BP	\$ 13,003
Rev Loan Fund - MC	16,263
Rev Loan Fund - Inc	3,835
Rev Loan Fund - SEA	11,777
Rev Loan Fund - FCT	6,903
Rev Loan Fund - WME	6,086
Rev Loan Fund - HST	19,599
Rev Loan Fund - RC	12,865
Rev Loan Fund - PFS	2,363
Rev Loan Fund - COM	14,762
Lease to Purchase - Spec II RR	1,534,439
Rev Loan Fund Current Portion	(57,801)
Total Non-Current Assets	\$ 1,584,094
 <u>Fixed Assets</u>	
Industrial Park - Cole Property	\$ 40,000
Land - Industrial Park 26.97 Acres	110,945
Improvements - Industrial Park	524,530
Building - State Garage - AEP	443,420
Mural Office Building	199,979
Mural Office Building Land	4,596
AEP Septic System Maj Repairs	20,200
Land - Pomeroy Jr High	74,900
Land - Monkey Run - Pomeroy Ohio	190,600
Holzer ER Building	5,996,596
Land - Health Campus	391,082
Spec III Building	6,763
Website	24,265
Accumulated Depreciation	(1,812,141)
Total Fixed Assets	\$ 6,215,735
 TOTAL ASSETS	 \$ 8,646,464

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

Community Improvement Corporation
Meigs County

Statement of Financial Position
December 31, 2019

LIABILITIES

<u>Current Liabilities</u>	<u>Dec. 31, 2019</u>
Prepaid Loan Fund	\$ 229
Unearned Income - ODOD II	3,242
Interest Payable	15,559
Current Portion LTD	197,920
Total Current Liabilities	<u>\$ 216,950</u>
<u>Long Term Liabilities</u>	
Bond Payable - OVB - Holzer ER	4,948,948
Note Payable - Spec III	1,310,458
Current Portion LTD	(197,920)
Total Long Term Liabilities	<u>\$ 6,061,486</u>
TOTAL LIABILITES	\$ 6,278,436
Net Position	
Unrestricted Net Position - Prior	2,471,172
Depreciation Adjustment: See Note 2F	33,488
Unrestricted Net Position - Prior	2,504,660
Current Income (Loss)	(136,632)
Total Retained Net Position	<u>\$ 2,368,028</u>
TOTAL LIABILITIES AND NET Position	<u><u>\$ 8,646,464</u></u>

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

Community Improvement Corporation
Meigs County

Statement of Activities and Change in Net Position
For the Year Ended December 31, 2019

<u>Operating Revenues:</u>	Dec. 31, 2019
CIC Dues	\$ 1,650
Lease Revenues	351,000
Interest & Loan Fee Revenues	108,112
Holzer Grant for Operating Expense	75,000
Grant Income	10,000
Mural Building Rent Income	10,402
Donations	624
Total Operating Revenues	\$ 556,788
<u>Operating Expenses</u>	
Advertising and Marketing	\$ 1,250
Cleaning and Maintenance	4,587
Community Support	264
Depreciatin Expense	237,525
Downtown Revitalization Grant	6,349
Dues and Memberships	2,500
Interest Expense	278,462
Legal and Professional Services	4,800
Meeting and Appreciation Expense	6,207
Meigs Community Fund - Grant	10,000
Mileage Reimbursement	212
Miscellaneous Expense	64
Mowing/Snow/Cleaning/Maint	5,050
Office Expense	87
Other Taxes and Government Fees	25
Payroll and Occupancy Paid to the County	85,000
Postage	49
Reimburse Mileage Expense 1099 Issued	15,000
Property and Other Insurance	3,801
Real Estate Taxes	8,308
Repairs and Maintenance	8,228
Revolving Loan Fees	77
State Audit Expense	6,834
Supplies	653
Utilities	4,703
Website Expense - Grant Funded	3,385
Total Expenses	\$ 693,420
Operating Income (Loss)	\$ (136,632)
Net Increase (Decrease) in Net Position	\$ (136,632)

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

Community Improvement Corporation
Meigs County

Statement of Cash Flows
For the Year Ended December 31, 2019

	Dec. 31, 2019
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>	
Increase/(Decrease) in Net Assets	\$ (136,632)
Adjustments to Reconcile Cash Flow:	
Depreciation	204,037
Decrease (Increase) in Current Assets:	
Accrued Interest	166
Accounts Receivable Late Payments	(434)
Rev Loan Current Portion	1,446
Increase (Decrease) in Current Liabilities	
Prepaid Rev Loan Fund	(297)
Interest Payable	3,721
PP Real Estate Taxes - Mural Building	(3,189)
Current Portion LTD	33,752
Total Adjustments	\$ 239,202
 Cash Provided (Used) by Operations	 \$ 102,570
<u>CASH FLOW FROM INVESTING ACTIVITIES:</u>	
Sales (Purchases) of Assets	
Rev Loan Fund - BP	2,129
Rev Loan Fund - MC	5,010
Rev Loan Fund - Inc	5,024
Rev Loan Fund - SEA	(11,777)
Rev Loan Fund - FCT	3,660
Rev Loan Fund - WME	3,239
Rev Loan Fund - HST	(15,616)
Rev Loan Fund - RC	6,482
Rev Loan Fund - PFS	2,528
Rev Loan Fund - COM	(13,749)
Lease to Purchase Spec II RR	26,121
Rev Loan Current Portion	(1,446)
Building - Mural Office	(97,697)
Building - Spec III	(6,763)
Depreciation Correction on Prior Year Sale	33,488
 Cash Provided (Used) by Investing	 \$ (59,367)

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

Community Improvement Corporation
Meigs County

Statement of Cash Flows
For the Year Ended December 31, 2019

CASH FLOW FROM FINANCING ACTIVITIES:	
Bond Payable - OVB - Holzer ER	\$ (124,452)
Note Payable - Spec III	(39,300)
Current Portion LTD	<u>(33,752)</u>
Cash Provided (Used) by Financing	\$ (197,504)
Increase/(Decrease) in Net Position	(154,301)
Cash at the Beginning of Period	<u>934,528</u>
Cash at the End of Period	<u><u>\$ 780,227</u></u>

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

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**COMMUNITY IMPROVEMENT CORPORATION
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

1. Description of Entity

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

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

2. Summary of Significant Accounting Policies

A. Basis of Accounting

The financial statements of the Corporation are maintained and have been presented on an accrual basis of accounting, consequently, revenues are recognized when earned and expenses are recognized when incurred. This is in accordance with the requirements of the Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standard No. 117, Financial Statements for Not-for-Profit Organizations. Under FASB Statement No. 117, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets.

In 1997, the Corporation adopted Statement of Financial Accounting Standards No. 116, "Accounting for Contributions Received and Contributions Made" (SFAS No. 116) and Statement of Financial Accounting Standards No. 117, "Financial Statements for Not-For-Profit Organizations" (SFAS No. 117). The statements of the new standards have been applied to the years presented.

B. *Conditional Promises to Give.*

As of the date of the financial statements, the Corporation had no conditional promises to give from any funding or potential funding source.

C. *Cash and Cash Equivalents.*

Cash and cash equivalents (see Note 5) consist of cash held in checking and savings accounts and the face value of certificates of deposit. At year-end and throughout the year, the Corporation's cash balances were maintained by bonded staff or deposited into a local bank. Management believes that the Corporation is not exposed to any significant risk on cash and cash equivalents.

**COMMUNITY IMPROVEMENT CORPORATION
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019
(Continued)**

2. Summary of Significant Accounting Policies (continued)

D. Classification of New Assets

Under these provisions, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the organization and changes therein are classified and reported as follows:

- **Unrestricted net assets** – Net assets that are not subject to donor-imposed stipulations.
- **Temporary restricted net assets** – Net assets subject to donor-imposed stipulation that may or will be met either by actions of the organization and/or the passage of time.

E. Bad Debts.

It is the policy of the Corporation to write off bad debts incurred through its operations in the period in which the default occurred or its existence became known. Management does not believe, as of December 31, 2019, that any such default on its receivables are likely to occur: therefore, no estimate has been presented for any such uncollectible amounts.

F. Depreciation

The basis of depreciation is either cost or appraised value or estimated value of donated property. All depreciable assets are being depreciated under the MACRS method for both financial book and tax purposes. Most depreciable assets are buildings and building improvements, the lives of these assets and depreciation is 39 years (one-half year in year one and one-half year in year thirty-nine). The website is amortized over 15 years. Small equipment for in office use is expensed as purchased. This method is in accordance with generally accepted accounting principles. Depreciation charged to operations was \$237,525 for the year ended December 31, 2019. Depreciation from prior years was adjusted by (33,488.37) to correct straight line Depreciation to MARCS Tax Depreciation to match Form 990.

G. Federal Income Tax

No provisions are made for federal income tax and city income tax because the Corporation is tax exempt under Section 501(c) 3 of the Internal Revenue Code. Accordingly, no provision for federal income tax is required. The Corporation has not entered into any transactions, which would subject it to unrelated business income tax. The Federal Return of Organizations Exempt from Income Tax for the Corporation is no longer subject to examination for the years ending prior to and including 2016. In the normal course of business, however the Corporation is subject to examination by various other taxing authorities. Although the outcome of such examination is always uncertain, management believes there are no significant unrecognized tax liabilities as of December 31, 2019.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**COMMUNITY IMPROVEMENT CORPORATION
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019
(Continued)**

3. Fixed Assets

Although fixed assets were formerly capitalized at cost (or estimated historical cost), during 2020 fixed assets values were adjusted to reflect fair market value, due to a lack of supporting documentation for actual cost. Fixed asset information is updated for additions and retirements during the year. Donated fixed assets are recorded at their estimated or appraised value as of the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

The property known as the Old ODOT Garage was gift via a director's deed in 2001. The gift was valued at \$443,420 with improvements. The property is a commercial space that is rented to AEP.

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

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

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

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

4. Industrial Park

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

**COMMUNITY IMPROVEMENT CORPORATION
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019
(Continued)**

5. Cash and Cash Equivalents

The Corporation as of December 31, 2019, had the following deposits with local financial institutions.

	BALANCES @ 12/31/2019	
	Reconciled	Statement
Farmers B&S - Checking Regular	\$ 248,691	\$ 252,878
Farmers B&S - Revolving Account	\$ 8,523	\$ 8,523
Farmers B&S – ODOD II Escrow	\$ 4,186	\$ 4,186
Farmers B&S- CD	\$ 172,334	\$ 172,334
Home National Bank - CD	\$ 173,116	\$ 173,116
Ohio Valley Bank - CD	\$ 173,377	\$ 173,377
Total	\$ 780,227	\$ 784,414

Certificates of Deposit: The Corporation also has three long term Certificates of Deposit being held at the banks shown above. As of the dates of the financial statements, all of the Corporation's deposits are fully collateralized by the Federal Deposit Insurance Corporation, under the terms of Section 343 of the Dodd – Frank Wall Street Reform and Consumer Protection Act.

Revolving Account: The Farmers Bank and Savings revolving account is made up of payments received from various loans given to local businesses. Due to the historic flooding in downtown Pomeroy in February 2018 the loan recipients were granted an extension onto their amortization schedule so that March 2018 payment was added to the end with no additional charges of interest.

6. Debt

The Corporation's debt outstanding at December 31, 2019 was as follows

	12/31/19 Principal	Interest Rate
OVB Holzer Building	\$ 4,948,948	4.00%
FB Spec Building III Loan	\$ 1,310,458	5.25%
Total	\$ 6,259,406	

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

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

**COMMUNITY IMPROVEMENT CORPORATION
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019
(Continued)**

6. Debt (Continued)

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

The annual requirements to amortize debt outstanding as of December 31, 2019 including interest as follows:

Year Ending 31-Dec	Holzer ER	Spec III Bldg Note	Total
2020	327,892	110,601	438,493
2021	327,892	110,601	438,493
2022	327,892	110,601	438,493
2023	327,892	110,601	438,493
2024	327,892	110,601	438,493
2025-2029	1,639,458	553,005	2,192,463
2030-2034	1,639,458	553,005	2,192,463
2035-2039	1,639,458	414,753	2,054,211
2040-2044	1,115,965	0	1,115,965
Total	\$7,673,799	\$2,073,768	9,747,567

7. Operating Leases

The Corporation had operating leases in effect as of December 31, 2019 with various entities for rental of building space. The details of these operating leases are as follows:

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

Revenue from operating leases were recorded at \$351,000 for 2019 down from the amount received in 2018 of \$593,585 due in part to the sale of the Rio Grande and REMRAM buildings in 2018..

**COMMUNITY IMPROVEMENT CORPORATION
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019
(Continued)**

8. Subsequent Events

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

9. Advertising and Marketing

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

10. Contingencies

Concentration of Funding Sources – Grants and Donations.

The Corporation is funded through grants; lease revenue; and memberships from individuals, businesses, and governmental agencies. The support is contingent upon the continued availability of federal, state, and local funds; renewal of lease agreements; and the continued support of the community.

11. Pension Plan

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

12. Measure of Operations

In its statements of activities and cash flows, the Corporation includes in its definition of operations all revenues and expenses that are an integral part of its service, programming, and supporting activities. Contributions, investment revenue, and net fund-raising revenue are itemized as operating receipts on the statement of cash flows, yet considered non-operating for purposes of analysis of revenue and expenses on the statement of financial activities.

13. Contract Contingencies

Under the terms of grant agreements, periodic audits are required, and certain reimbursements or awards may be questioned as inappropriate. Such audits could lead to reimbursement to provider agencies. Management believes disallowances, if any, will be immaterial

14. In Kind Contributions

The Meigs County Board of Commissioners pays the salary and related fringe benefits for an Economic Director and Administrative Assistant. The Board also pays the rent on the property located at 236 East Main Street, Pomeroy, Ohio, occupied by the corporation which includes utilities, telephone and long-distance expenses for the Corporation.

**COMMUNITY IMPROVEMENT CORPORATION
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019
(Continued)**

14. In Kind Contributions (Continued)

In 2019, The Corporation contributed \$85,000 toward these expenses. The Economic Director and Administrative Assistant's, estimated time devoted to the Corporation is 50%, all of which was covered with this contribution resulting in no in-kind revenue or expenses allocated to the Corporation in 2019.

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OHIO AUDITOR OF STATE KEITH FABER



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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

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

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Community Improvement Corporation, Meigs County, Ohio, (the Corporation) as of and for the years ended December 31, 2020 and 2019 and the related notes to the financial statements, and have issued our report thereon dated November 23, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Corporation.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing 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 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 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 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 financial statements. 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 Corporation's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

November 23, 2021

Community Improvement Corporation Meigs County

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2020 AND 2019

Finding Number	Finding Summary	Status	Additional Information
2018-001	Material Weakness for financial statement errors.	Corrected.	

OHIO AUDITOR OF STATE KEITH FABER



MEIGS COUNTY COMMUNITY IMPROVEMENT CORPORATION

MEIGS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 12/9/2021

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