



OHIO AUDITOR OF STATE  
**KEITH FABER**





**COMMUNITY IMPROVEMENT CORPORATION OF GREATER CHILLICOTHE  
ROSS 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 of Greater Chillicothe  
Ross County  
45 East Main Street  
Chillicothe, Ohio 45601

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the Community Improvement Corporation of Greater Chillicothe, Ross 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, functional expenses 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 Corporation, as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Other Matters**

As discussed in Note 9 to the 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 March 7, 2022, on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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  
March 7, 2022

**COMMUNITY IMPROVEMENT CORPORATION OF GREATER CHILLICOTHE,  
ROSS COUNTY, INCLUDING CHILLICOTHE, OHIO, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2020**

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	<b>PRIMARY GOVERNMENT</b>
<b>ASSETS</b>	
Cash	\$88,677
Industrial Park Land and Improvements Held for Resale	1,399,814
<b>TOTAL ASSETS</b>	<b>\$1,488,491</b>
 <b>LIABILITIES AND NET ASSETS</b>	
Accrued Real Estate Taxes	\$2,640
Loan Payable	43,400
<i>TOTAL LIABILITIES</i>	46,040
 <i>NET ASSETS</i>	
Without donor restrictions	1,442,451
With donor restrictions	0
<i>TOTAL NET ASSETS</i>	1,442,451
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$1,488,491</b>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**COMMUNITY IMPROVEMENT CORPORATION OF GREATER CHILlicoTHE,  
ROSS COUNTY, INCLUDING CHILlicoTHE, OHIO, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	PRIMARY GOVERNMENT		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>OPERATING ACTIVITIES</b>			
<b>REVENUE AND OTHER SUPPORT:</b>			
Donations	\$95,000	\$0	\$95,000
Membership Dues	1,850	0	1,850
Rent	2,000	0	2,000
Interest on Deposits	37	0	37
Net Assets Released from Purpose Restriction	0	0	0
	98,887	0	98,887
<b>TOTAL REVENUE AND SUPPORT</b>	<b>98,887</b>	<b>0</b>	<b>98,887</b>
<b>EXPENSES:</b>			
Supporting Services:			
Management and general	93,760	0	93,760
	93,760	0	93,760
<b>TOTAL EXPENSES</b>	<b>93,760</b>	<b>0</b>	<b>93,760</b>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<b>5,127</b>	<b>0</b>	<b>5,127</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>1,437,324</b>	<b>0</b>	<b>1,437,324</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$1,442,451</b>	<b>\$0</b>	<b>\$1,442,451</b>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS



**COMMUNITY IMPROVEMENT CORPORATION OF GREATER CHILLICOTHE,  
ROSS COUNTY, INCLUDING CHILLICOTHE, OHIO, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b><u>PRIMARY GOVERNMENT MANAGEMENT AND GENERAL</u></b>
Salaries	75,211
Payroll Taxes	5,923
Employee Benefits	3,998
Accounting/Legal/Professional	1,210
Telephone	593
Insurance	500
Real Estate Taxes	<u>6,325</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u><u>\$93,760</u></u></b>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**COMMUNITY IMPROVEMENT CORPORATION OF GREATER CHILLCOTHE,  
ROSS COUNTY, INCLUDING CHILLCOTHE, OHIO, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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	<b><u>PRIMARY GOVERNMENT</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Changes in Net Assets	\$5,127
<i>Adjustments to Reconcile Change in Net Position to Net Cash Provided by Operating Activities:</i>	
<i>Increase/(Decrease) in Operating Liabilities:</i>	
Accounts Payable	0
Accrued Real Estate Tax Payable	<u>2</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>5,129</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	5,129
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>83,548</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$88,677</u></u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**COMMUNITY IMPROVEMENT CORPORATION OF GREATER CHILLICOTHE, ROSS COUNTY,  
INCLUDING CHILLICOTHE, OHIO, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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**NOTE 1 - DESCRIPTION OF THE REPORTING ENTITY**

The Community Improvement Corporation of Greater Chillicothe, Ross County, including Chillicothe, Ohio, Inc. (the Corporation) is a nonprofit organization exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code. The Corporation was formed in 1964 to encourage and promote the industrial, economic, commercial and civic development of Ross County and the territory surrounding the City of Chillicothe. Resources for the Corporation's activities are primarily provided by contributions from local governments and businesses.

The Corporation's functions are:

- 1) The administration of a Revolving Loan Fund, which makes low interest loans available to local business entities that encourage economic development and create jobs in the community.
- 2) The encouragement of both foreign and domestic investment in the local community, as well as publicizing the advantage of locating job-creating industries in the Chillicothe-Ross County area.
- 3) The Corporation facilitates real estate transactions for the County and City to encourage new business to locate in the community.

At a special meeting held on March 16, 2017, the board of trustees of the Corporation voted to amend the "Code of Regulations" to significantly streamline and restructure its governing board of trustees. The number of trustees was reduced from twenty-one to five, one member of which must be the Mayor of the City of Chillicothe and one member must be a member of the Ross County Commissioners. The Economic Development Alliance of Southern Ohio, a 501(c)(3) non-profit economic development organization in Ross County, will appoint the other three members. The Corporation is now doing business as Greater Chillicothe and Ross County Development.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements are prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation**

The financial statements of Corporation have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require Corporation to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Corporation management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Corporation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

**COMMUNITY IMPROVEMENT CORPORATION OF GREATER CHILLICOTHE,  
ROSS COUNTY, INCLUDING CHILLICOTHE, OHIO, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of operations – The Statements of Activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to Corporation’s ongoing management and general activities and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents

The Corporation considers all short-term investments with an original maturity of three months or less when acquired to be cash equivalents for the cash flows statement. The Corporation had no cash equivalents at December 31, 2020.

Federal Income Taxes

No provisions are made for federal, state, or local income tax because the Corporation is tax exempt under Section 501(c)(6) of the Internal Revenue Code.

Property Held for Resale

In October 1997, the City of Chillicothe transferred ownership of 91.945 acres of land to the Corporation. Design, survey, and other costs associated with the development of the property have been capitalized as incurred. Real estate taxes and insurance costs have been capitalized during the period during which activities necessary to get the property ready for its intended use are in progress.

Land held for resale is measured at fair value using other significant observable (Level 2) inputs. Land was recorded at the fair market value as of the date of the donation. The remaining balance of the asset was valued per invoices of contractors, real estate tax bills, and insurance premium invoices. The current fair market value approximates the Corporation’s current asking price for the property.

Depreciation

The Corporation provides for depreciation in amounts adequate to amortized costs over the estimated useful lives of the assets. Certain assets are being depreciated under the straight line method for both financial books and tax purposes. The lives of the assets and depreciation expenses under this method are in accordance with generally accepted accounting principles.

**COMMUNITY IMPROVEMENT CORPORATION OF GREATER CHILLICOTHE, ROSS COUNTY,  
INCLUDING CHILLICOTHE, OHIO, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Revenue Recognition**

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

**Functional Expenses**

The costs of providing program and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, all costs have been allocated and supporting services benefited. Since this is the only type of activity at this time, no allocation is needed for expenses.

**Use of Estimates**

The preparation of financial statements in conformity with the accrual bases of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**COMMUNITY IMPROVEMENT CORPORATION OF GREATER CHILLICOTHE,  
ROSS COUNTY, INCLUDING CHILLICOTHE, OHIO, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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**NOTE 3 – CAPITAL ASSETS**

Capital assets and related accumulated depreciation at December 31, 2020 are as follows:

<u>Asset Category</u>	<u>Balance at December 31, 2019</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance at December 31, 2020</u>
<i>Nondepreciable Capital Assets:</i>				
Industrial Park Land and Improvements	\$1,399,814	\$0	\$0	\$1,399,814
Total Nondepreciable Capital Assets	1,399,814	0	0	1,399,814
<i>Depreciable Capital Assets:</i>				
Furniture and Equipment	5,297	0	0	5,297
Total Depreciable Capital Assets	5,297	0	0	5,297
<i>Accumulated Depreciation:</i>				
Furniture, Fixtures and Equipment	(5,297)	0	0	(5,297)
Total Accumulated Depreciation	(5,297)	0	0	(5,297)
Depreciable Capital Assets, Net	0	0	0	0
Capital Assets, Net	\$1,399,814	\$0	\$0	\$1,399,814

**NOTE 4 – AVAILABILITY AND LIQUIDITY**

The following represents Corporation's financial assets at December 31, 2020:

	<u>2020</u>
Financial assets at year end:	
Cash	\$88,677
Total financial assets	88,677
Less amounts not available to be used within one year:	
Net assets with donor restrictions	0
Financial assets available to meet general expenditures over the next twelve months	\$88,677

**NOTE 5 – RELATED PARTY RELATIONSHIPS**

The Chillicothe-Ross Chamber of Commerce and the Corporation have directors that are members of both boards. Other than sharing some board members and the Corporation renting office space from the Chillicothe-Ross Chamber of Commerce, the two organizations do not have any other relationships as of December 31, 2020.

**COMMUNITY IMPROVEMENT CORPORATION OF GREATER CHILLICOTHE, ROSS COUNTY,  
INCLUDING CHILLICOTHE, OHIO, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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**NOTE 6 – NOTES AND LOANS PAYABLE**

In August 2017, the Corporation received an interest-free loan of \$43,400 from the Ross County Commissioners to be used to pay the local share of an Ohio Department of Transportation project to complete Industrial Drive located in the Gateway Interchange Industrial Park. The loan is to be repaid upon the sale of property lots owned by the Corporation in the industrial park.

Debt outstanding at December 31, 2020 was as follows:

Description	Issue Date	Interest Rate	Balance 12/31/19	Issued	Retired	Balance 12/31/20	Amount Due In One Year
Industrial Drive Project	8/21/2017	0.00%	\$43,400	\$0	\$0	\$43,400	\$0
Total			<u>\$43,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$43,400</u>	<u>\$0</u>

The Industrial Drive Project Loan does not have a repayment schedule.

**NOTE 7 - CONCENTRATION OF CREDIT RISKS**

As of December 31, 2020, all \$88,677 of the Corporation's depository balances were covered by Federal Deposit Insurance Corporation (FDIC) Insurance.

**NOTE 8 – NET ASSETS**

Net assets without donor restrictions for the years ended December 31, 2020 are as follows:

	<u>2020</u>
Undesignated	\$1,442,451

**NOTE 9 – SUBSEQUENT EVENTS**

The Corporation has evaluated subsequent events through January 10, 2022, the date which the financial statements were available to be issued.

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Corporation. The investments of the pension and other employee benefit plan in which the Corporation participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Corporation's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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**COMMUNITY IMPROVEMENT CORPORATION OF GREATER CHILLICOTHE,  
ROSS COUNTY, INCLUDING CHILLICOTHE, OHIO, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2019**

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	<b>PRIMARY GOVERNMENT</b>
<b>ASSETS</b>	
Cash	\$83,548
Industrial Park Land and Improvements Held for Resale	1,399,814
<b>TOTAL ASSETS</b>	<b>\$1,483,362</b>
 <b>LIABILITIES AND NET ASSETS</b>	
Accounts Payable	\$0
Accrued Real Estate Taxes	2,638
Loan Payable	43,400
<i>TOTAL LIABILITIES</i>	<i>46,038</i>
 <i>NET ASSETS</i>	
Without donor restrictions	1,437,324
With donor restrictions	0
<i>TOTAL NET ASSETS</i>	<i>1,437,324</i>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$1,483,362</b>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**COMMUNITY IMPROVEMENT CORPORATION OF GREATER CHILlicoTHE,  
ROSS COUNTY, INCLUDING CHILlicoTHE, OHIO, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>PRIMARY GOVERNMENT</b>		
	<b>WITHOUT DONOR RESTRICTIONS</b>	<b>WITH DONOR RESTRICTIONS</b>	<b>TOTAL</b>
<b>OPERATING ACTIVITIES</b>			
<b>REVENUE AND OTHER SUPPORT:</b>			
Donations	\$96,400	\$0	\$96,400
Rent	2,870	0	2,870
Interest on Deposits	45	0	45
Net Assets Released from Purpose Restriction	0	0	0
<b>TOTAL REVENUE AND SUPPORT</b>	99,315	0	99,315
<b>EXPENSES:</b>			
Supporting Services:			
Management and general	101,832	0	101,832
Total Supporting Services	101,832	0	101,832
<b>TOTAL EXPENSES</b>	101,832	0	101,832
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	(2,517)	0	(2,517)
<b>NET ASSETS, BEGINNING OF YEAR</b>	1,439,841	0	1,439,841
<b>NET ASSETS, END OF YEAR</b>	\$1,437,324	\$0	\$1,437,324

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**COMMUNITY IMPROVEMENT CORPORATION OF GREATER CHILLICOTHE,  
ROSS COUNTY, INCLUDING CHILLICOTHE, OHIO, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b><u>PRIMARY GOVERNMENT MANAGEMENT AND GENERAL</u></b>
Salaries	78,843
Payroll Taxes	6,213
Employee Benefits	1,880
Accounting/Legal/Professional	6,721
Telephone	593
Insurance	502
Real Estate Taxes	<u>7,080</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u><u>\$101,832</u></u></b>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**COMMUNITY IMPROVEMENT CORPORATION OF GREATER CHILLICOTHE,  
ROSS COUNTY, INCLUDING CHILLICOTHE, OHIO, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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	<b><u>PRIMARY GOVERNMENT</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Changes in Net Assets	(\$2,517)
<i>Adjustments to Reconcile Change in Net Position to Net Cash Provided by Operating Activities:</i>	
<i>(Increase)/Decrease in Operating Assets:</i>	
Accrued Real Estate Taxes	25
<i>Increase/(Decrease) in Operating Liabilities:</i>	
Accounts Payable	<u>0</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(2,492)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(2,492)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>86,040</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$83,548</u></u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**COMMUNITY IMPROVEMENT CORPORATION OF GREATER CHILLICOTHE, ROSS COUNTY,  
INCLUDING CHILLICOTHE, OHIO, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements are prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation**

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**COMMUNITY IMPROVEMENT CORPORATION OF GREATER CHILLICOTHE,  
ROSS COUNTY, INCLUDING CHILLICOTHE, OHIO, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of operations – The Statements of Activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to Corporation’s ongoing management and general activities and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents

The Corporation considers all short-term investments with an original maturity of three months or less when acquired to be cash equivalents for the cash flows statement. The Corporation had no cash equivalents at December 31, 2019.

Federal Income Taxes

No provisions are made for federal, state, or local income tax because the Corporation is tax exempt under Section 501(c)(6) of the Internal Revenue Code.

Property Held for Resale

In October 1997, the City of Chillicothe transferred ownership of 91.945 acres of land to the Corporation. Design, survey, and other costs associated with the development of the property have been capitalized as incurred. Real estate taxes and insurance costs have been capitalized during the period during which activities necessary to get the property ready for its intended use are in progress.

Land held for resale is measured at fair value using other significant observable (Level 2) inputs. Land was recorded at the fair market value as of the date of the donation. The remaining balance of the asset was valued per invoices of contractors, real estate tax bills, and insurance premium invoices. The current fair market value approximates the Corporation’s current asking price for the property.

Depreciation

The Corporation provides for depreciation in amounts adequate to amortized costs over the estimated useful lives of the assets. Certain assets are being depreciated under the straight line method for both financial books and tax purposes. The lives of the assets and depreciation expenses under this method are in accordance with generally accepted accounting principles.

**COMMUNITY IMPROVEMENT CORPORATION OF GREATER CHILLICOTHE, ROSS COUNTY,  
INCLUDING CHILLICOTHE, OHIO, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Revenue Recognition**

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

**Functional Expenses**

The costs of providing program and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, all costs have been allocated and supporting services benefited. Since this is the only type of activity at this time, no allocation is needed for expenses.

**Use of Estimates**

The preparation of financial statements in conformity with the accrual bases of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**New Accounting Pronouncement**

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

**COMMUNITY IMPROVEMENT CORPORATION OF GREATER CHILLICOTHE,  
ROSS COUNTY, INCLUDING CHILLICOTHE, OHIO, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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**NOTE 3 – CAPITAL ASSETS**

Capital assets and related accumulated depreciation at December 31, 2019 are as follows:

<u>Asset Category</u>	<u>Balance at December 31, 2018</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance at December 31, 2019</u>
<i>Nondepreciable Capital Assets:</i>				
Industrial Park Land and Improvements	\$1,399,814	\$0	\$0	\$1,399,814
Total Nondepreciable Capital Assets	<u>1,399,814</u>	<u>0</u>	<u>0</u>	<u>1,399,814</u>
<i>Depreciable Capital Assets:</i>				
Furniture and Equipment	5,297	0	0	5,297
Total Depreciable Capital Assets	<u>5,297</u>	<u>0</u>	<u>0</u>	<u>5,297</u>
<i>Accumulated Depreciation:</i>				
Furniture and Equipment	(5,297)	0	0	(5,297)
Total Accumulated Depreciation	<u>(5,297)</u>	<u>0</u>	<u>0</u>	<u>(5,297)</u>
Depreciable Capital Assets, Net	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Capital Assets, Net</b>	<b><u><u>\$1,399,814</u></u></b>	<b><u><u>\$0</u></u></b>	<b><u><u>\$0</u></u></b>	<b><u><u>\$1,399,814</u></u></b>

**NOTE 4 – AVAILABILITY AND LIQUIDITY**

The following represents Corporation's financial assets at December 31, 2019:

	<u>2019</u>
Financial assets at year end:	
Cash	\$83,548
Total financial assets	<u>83,548</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>0</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$83,548</u></u>

**NOTE 5 – RELATED PARTY RELATIONSHIPS**

The Chillicothe-Ross Chamber of Commerce and the Corporation have directors that are members of both boards. Other than sharing some board members and the Corporation renting office space from the Chillicothe-Ross Chamber of Commerce, the two organizations do not have any other relationships as of December 31, 2019.



**COMMUNITY IMPROVEMENT CORPORATION OF GREATER CHILLICOTHE, ROSS COUNTY,  
INCLUDING CHILLICOTHE, OHIO, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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**NOTE 6 – NOTES AND LOANS PAYABLE**

In August 2017, the Corporation received an interest-free loan of \$43,400 from the Ross County Commissioners to be used to pay the local share of an Ohio Department of Transportation project to complete Industrial Drive located in the Gateway Interchange Industrial Park. The loan is to be repaid upon the sale of property lots owned by the Corporation in the industrial park.

Debt outstanding at December 31, 2019 was as follows:

Description	Issue Date	Interest Rate	Balance 12/31/18	Issued	Retired	Balance 12/31/19	Due in One Year
Industrial Drive Project	8/21/2017	0.00%	43,400	0	0	43,400	0
Total			<u>\$43,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$43,400</u>	<u>\$0</u>

The Industrial Drive Project Loan does not have a repayment schedule.

**NOTE 7 - CONCENTRATION OF CREDIT RISKS**

As of December 31, 2019, all \$83,548 of the Corporation’s depository balances were covered by Federal Deposit Insurance Corporation (FDIC) Insurance.

**NOTE 8 – NET ASSETS**

Net assets without donor restrictions for the years ended December 31, 2019 are as follows:

	<u>2019</u>
Undesignated	\$1,437,324

**NOTE 9 – SUBSEQUENT EVENTS**

The Corporation has evaluated subsequent events through January 10, 2022, the date which the financial statements were available to be issued.

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Corporation. The investments of the pension and other employee benefit plan in which the Corporation participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Corporation’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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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 of Greater Chillicothe  
Ross County  
45 East Main Street  
Chillicothe, Ohio 45601

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 of Greater Chillicothe, Ross County, (the Corporation) (a not-for-profit corporation) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Corporation's statement of financial position, related statements of activities, functional expenses and cash flows and have issued our report thereon dated March 7, 2022. 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*.

Community Improvement Corporation of Greater Chillicothe  
Ross County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

***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  
March 7, 2022



GREATER CHILLICOTHE  
& ROSS COUNTY, OHIO

DEVELOPMENT

45 East Main Street  
Chillicothe, OH

45601

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

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2018-001	Material Weakness – No audit of Component Unit for 2017	Fully Corrected	N/A



# OHIO AUDITOR OF STATE KEITH FABER



**COMMUNITY IMPROVEMENT CORPORATION OF GREATER CHILLICOTHE  
ROSS 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 3/31/2022**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)