

NEW ALBANY COMMUNITY AUTHORITY
FRANKLIN COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2021 & 2020**



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Board of Directors
New Albany Community Authority
8000 Walton Parkway
New Albany, Ohio 43054

We have reviewed the *Independent Auditor's Report* of the New Albany Community Authority, Franklin County, prepared by Julian & Grube, Inc., for the period January 1, 2020 through December 31, 2021. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 26, 2022

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**NEW ALBANY COMMUNITY AUTHORITY
FRANKLIN COUNTY, OHIO**

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Independent Auditor's Report

New Albany Community Authority
Franklin County
8000 Walton Parkway, Suite 120
New Albany, Ohio 43054

To the Members of the Board of Trustees:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the New Albany Community Authority, Franklin County, Ohio, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the New Albany Community Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the New Albany Community Authority, as of December 31, 2021 and 2020, and the changes in financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the New Albany Community Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described in Note 16 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the New Albany Community Authority. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the New Albany Community Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the New Albany Community Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the New Albany Community Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2022 on our consideration of the New Albany Community Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the New Albany Community Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the New Albany Community Authority's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
July 15, 2022

**NEW ALBANY COMMUNITY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021**

The discussion and analysis of the New Albany Community Authority's financial performance provides an overview of the Authority's financial performance as a whole for the period ended December 31, 2021. The intention of this discussion and analysis is to look at the Authority's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Authority's financial performance. This is an interim statement and certain comparisons to prior years may be understated or overstated due to the monthly periods included.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999. Certain comparative information between the current years and prior year is required to be presented, and is presented in the MD&A.

Financial Highlights

Key financial highlights for 2021 and 2020 follow:

- Total assets increased \$2,594,766 or 9.78%, between December 31, 2021 and December 31, 2020. Total liabilities decreased \$3,819,212 or -15.49% between December 31, 2021 and December 31, 2020. Total net position increased \$6,320,119 or 280.60% between December 31, 2021 and December 31, 2020.
- Total revenues increased \$5,816,829, or 52.73%, between December 31, 2021 and December 31, 2020. Total expenditures increased \$6,547,205 or 164.43%, between December 31, 2021 and December 31, 2020.

Using this Annual Financial Report

This financial report contains the basic financial statements of the Authority, as well as the Management's Discussion and Analysis and notes to the basic financial statements. The basic financial statements include a statement of net assets, statement of revenues, expenses and change in net assets, and a statement of cash flows for the period ending December 31, 2021. As the Authority reports its operations using enterprise fund accounting, all financial transactions and accounts are reported as one activity, therefore the entity wide and the fund presentations information is the same.

Statement of Net Position

The statement of net position answers the question, "How did we do financially during the year?" This statement include all assets and liabilities, both financial and capital, and short-term and long-term, using the accrual basis of accounting and the economic resources focus, which is similar to the accounting used by private sector companies. This basis of accounting takes into account all revenues and expenses during the year regardless of when the cash is received or paid.

This statement reports the Authority's net position, however, in evaluating the overall position and financial viability of the Authority, non-financial information, such as the condition of Authority's capital assets, will also need to be evaluated.

**NEW ALBANY COMMUNITY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021**

Summary Statement of Net Position

Assets:	<u>2021</u>	<u>2020</u>
Other Assets	\$ 29,126,424	\$ 26,531,658
 Total Assets	 <u>29,126,424</u>	 <u>26,531,658</u>
 Deferred outflows of resources:	 <u>281,575</u>	 <u>375,434</u>
 Liabilities:		
Current Liabilities	196,687	310,449
Long-Term Debt	20,638,853	24,344,303
 Total Liabilities	 <u>20,835,540</u>	 <u>24,654,752</u>
 Net Position: Unrestricted	 \$ 8,572,459	 \$ 2,252,340
 Total Net Position	 <u>\$ 8,572,459</u>	 <u>\$ 2,252,340</u>

The increase in total assets between December 31, 2021 and December 31, 2020 was due to a increase in cash and equivalents of \$4,892,045 offset by a decrease in accounts receivable of \$788,217 and a decrease in Capital Projects (Amphitheater) of \$1,509,062. The decrease in liabilities between December 31, 2021 and December 31, 2020 was due to due to payments of \$3,350,000 on existing bonds and amortization of bond premium for a net decrease of \$3,705,450 and a decrease in interest payable and accounts payable of \$113,762.

Summary Statement of Revenues, Expenses, and Changes in Net Position

	<u>2021</u>	<u>2020</u>
Operating Revenues	\$ 16,849,104	\$ 11,032,276
Operating Expenses	<u>55,412</u>	<u>76,559</u>
Operating Income	16,793,692	10,955,717
Non-Operating Revenue (Expenses)	<u>(10,473,573)</u>	<u>(3,905,223)</u>
Change in Net Position	\$ 6,320,119	\$ 7,050,494

The increase in operating revenues between December 31, 2021 and December 31, 2020 was due an decrease of \$158,950 in the Community Development Charge and an increase in City of New Albany Income Tax Revenues of \$1,828,674 and an increase in grant revenue of \$4,147,104. The increase in operating expenses and Non-Operating Revenue and Expenses and between December 31, 2021 and December 31, 2020 was due to an increase in economic development project funding of \$6,638,768, a decrease in interest expense of \$128,039, a decrease in general and administrative expenses of \$21,146 and by a decrease in interest & other income of \$57,622.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances and to show the Authority's accountability for the money it receives, spends and invests. Questions concerning any of the information provided in this report or requests for additional information should be directed to Brent Bradbury, Chief Financial Officer, 8000 Walton Parkway, Suite 120, New Albany, Ohio 43054.

NEW ALBANY COMMUNITY AUTHORITY
STATEMENT OF NET POSITION
December 31, 2021

Assets:	
Equity in pooled cash and cash equivalents	\$ 49,595
Cash with fiscal and escrow agents:	
Community bonds - refunding reserve fund	1,960,369
Community bonds - service fund	1,656,323
Community bonds - General account	2,765
Infrastructure bond project fund	1,442
Infrastructure bond Series E Bond Fund	1,119,318
Infrastructure bond service fund	17,024,804
Infrastructure improvement bond reserve E	843,119
Economic development fund	320,023
 Receivables:	
Community development charge	3,523,380
Income tax receivable	536,708
Infrastructure fund - City of New Albany	2,087,393
Infrastructure payments	<u>1,185</u>
 Total assets	 <u>29,126,424</u>
 Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	<u>281,575</u>
 Total deferred outflows of resources	 <u>281,575</u>
 Liabilities:	
Accounts payable	26,809
Interest payable-Community bonds (\$36M)	147,438
Interest payable-Infrastructure fund.	22,440
Long-Term Liabilities:	
Due with one year.	4,060,450
Due in more than one year.	<u>16,578,403</u>
 Total liabilities	 <u>20,835,540</u>
 Net position:	
Unrestricted (deficit)	<u>\$ 8,572,459</u>
 Total net position	 <u><u>\$ 8,572,459</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEW ALBANY COMMUNITY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended December 31, 2021

Operating revenues:	
Community development charge	\$ 3,480,664
City of New Albany Income Tax	8,132,894
New Albany Community Foundation Grant	<u>5,235,546</u>
Total operating revenues	16,849,104
Operating expenses:	
Bank Charges	262
Insurance	676
Professional Fees	1,200
Bond Trustee Fees	5,350
Accounting fees	15,000
Legal fees	27,083
County Collection fees	<u>5,841</u>
Total operating expenses	<u>55,412</u>
Operating income (loss)	<u>16,793,692</u>
Nonoperating revenues (expenses):	
Interest income -trust accounts	1,744
Interest expense- community facilities bonds	(486,583)
Interest & fiscal charge expense- infrastructure bonds	(231,231)
Economic development project funding	<u>(9,757,503)</u>
Total nonoperating revenues (expenses)	<u>(10,473,573)</u>
Change in net position	6,320,119
Net position at beginning of period	<u>\$ 2,252,340</u>
Net position at end of period	<u><u>\$ 8,572,459</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEW ALBANY COMMUNITY AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

Cash flows from operating activities:	
Cash received from community development charge	\$ 3,597,543
Cash received from city income tax	8,713,110
Cash received from New Albany Community Foundation Grant	5,235,546
Cash payments for administrative expenses	(8,993)
Cash payments for reimbursements/legal fees	(27,083)
Cash payments for trustee fees	<u>(5,350)</u>
Net cash provided by (used in) operating activities	<u>17,504,773</u>
 Cash flows from capital and related financing activities:	
Principal retirement on debt service	(3,350,000)
Interest and fiscal charges	(1,016,031)
Amphitheater Project	(5,235,546)
Economic development contributions	<u>(3,012,895)</u>
Net cash provided by (used in) capital and related financing activities	<u>(12,614,472)</u>
 Cash flows from investing activities:	
Interest received	<u>1,744</u>
Net cash provided by investing activities	<u>1,744</u>
Net increase (decrease) in cash and cash equivalents	4,892,045
Cash and cash equivalents at the beginning of the period	<u>18,085,712</u>
Cash and cash equivalents at the end of the period	<u>\$ 22,977,757</u>
 Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ 16,793,692
 (Increase) Decrease in Assets:	
Community development charge receivable	122,719
Income tax receivable	580,217
Infrastructure payments	85,282
 Increase (Decrease) in Liabilities:	
Accounts payable	<u>(77,137)</u>
Net cash provided by (used in) operating activities	<u>\$ 17,504,773</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2021**

NOTE 1 - DESCRIPTION OF THE ENTITY

The New Albany Community Authority (the "Authority") is a "community authority" created pursuant to Chapter 349 of the Ohio Revised Code (the Act). On July 7, 1992, the New Albany Company Limited Partnership (the Developer) filed a petition (the Petition) for the creation of the Authority with the Board of County Commissioners of the County of Franklin, Ohio. The Petition, which may be subject to amendment or other change, allows the Authority to finance from its community development charge up to \$41,450,000 of "costs" of publicly owned and operated community facilities including, but not limited to, the acquisition or construction of a new school, roads, a fire station, and a fire truck. In accordance with the Act, the Petition was accepted by the County Commissioners' Resolution No. 699-92, adopted July 7, 1992. By its Resolution on August 24, 1992, the County Commissioners determined that the new community district would be conducive to the public health, safety, convenience, and welfare, and that it was intended to result in the development of a new community as described in the Act. The Authority thereby organized as a body corporate and politic in the State. On July 7, 1996, the County Commissioners, by their Resolution amended the Petition to increase the "costs" from \$41,450,000 to \$43,450,000.

The Authority is governed by a seven member Board of Trustees. The Franklin County Board of County Commissioners, a related organization, appoints four of the Trustees. The remaining three Trustees are appointed by the Developer. The Authority is currently comprised of approximately 5,000 acres of land located in Northeast Franklin County, Ohio ("the District"). In accordance with the Act and the Petition, the Authority can levy a community development charge (CDC) of up to 9.75 mills on the assessed value of the land and improvements within the District. The need and amount of the charge is determined annually by the Board of Trustees of the Authority.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the Authority's accounting policies are described below.

A. Basis of Presentation

Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise accounting uses the flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources are included on the statement of net position. The difference between total assets and deferred outflows of resources and liabilities and deferred inflows of resources are defined as net position. The statement of revenues, expenses and changes in net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

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

The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C. Community Development Charge Receivable

The Community Development Charge is recognized as a receivable in the financial statements. The receivable represents charges that have been assessed as of December 31.

D. Deferred Inflows of Resources and Deferred Outflows of Resources

A deferred inflow of resources is an acquisition of net position by the Authority that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the Authority that is applicable to a future reporting period.

**NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2021**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

E. Unamortized Deferred Loss/Bond Issuance Costs

Bond losses are deferred and amortized over the term of the bonds using the bond outstanding method, which approximates the effective interest method. Unamortized deferred losses on refunding's are reported as a deferred outflow of resources on the statement of net position. Bond issuance costs are expensed when they occur.

F. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Authority. For the Authority, these revenues are community development charges, income taxes and foundation grant. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the Authority. All revenues and expenses not meeting the definition are reported as non-operating.

G. Use of Estimates

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of American requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

H. Net Position

Net position represents the difference between assets, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority first applies restricted resources when an expense is incurred for which both restricted and unrestricted net position are available. The Authority has no restricted net position at fiscal year-end 2021.

NOTE 3 - NET POSITION

At December 31, 2021, the Authority had accumulated positive Net Position of \$8,572,459. This is a result of how the Authority is structured and its basic operations. The Authority was established to finance the costs of publicly owned and operated community facilities. The Authority incurs the costs of constructing community facilities. The titles to these assets are then transferred to other local public bodies serving the community and the related costs are recorded as an expense. This can result in a Net Position deficit that would be reduced and eliminated as outstanding debt is paid. See Note 12 for further discussion of debt repayment.

NOTE 4 - DEPOSIT AND INVESTMENTS

State statutes classify monies held by the Authority into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Authority treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Trustees has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including passbook accounts.

Protection of the Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Authority by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio; and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAR Ohio).

The Authority may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State as to which there is no default of principal, interest, or coupons; and,
3. Obligations of the Authority.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Authority, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian, including passbook accounts.

Deposits

Custodial Credit Risk - Custodial credit risk for deposits is the risk that in the event of bank failure, the Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Authority has no deposit policy for custodial credit risk.

At year end December 31, 2021, the carrying amounts, as well as the bank balance of the Authority's deposits were \$49,595. The total bank balance is federally insured.

Investments

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The U.S. Government money market mutual funds are measured at the net asset value per share.

	<u>Measurement Value</u>
U.S. Government Money Market Mutual Funds	<u>22,928,163</u>

NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk - Interest rate risk is that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the Authority manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority limits its investments to U.S. Government Money Market Mutual Funds. Investments in U.S. Government Money Market Mutual Funds are rated AAAm by Standard and Poor's.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Authority's investment policy allows investments in money market accounts, certificates of deposit or within financial institutions within the State of Ohio as designated by the Federal Reserve Board. For the year ended December 31, 2021, the Authority has invested 100% of its investments in U.S. Government Money Market Mutual Funds.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority does not have a policy for custodial credit risk. All of the Authority's investments are either insured and registered in the name of the

NOTE 5 - CASH WITH FISCAL AND ESCROW AGENTS

At December 31, 2021, the carrying amount of the Authority's cash with fiscal and escrow agents was \$22,928,163. This amount is held in escrow for projects funded by bond issuances. These funds are held in U.S. Government Money Market Mutual Funds.

NOTE 6 - COMMUNITY FACILITIES BOND RESERVE

The refunding of the Community Facilities Bonds (CFB) in March of 2012 required the Authority to create a \$1,877,375 reserve fund for any short fall on the bond payment. The cash balance of this account at December 31, 2021 totaled \$1,960,369, including the \$1,877,375 for the reserve requirement. The balance of the account is interest earnings to be used for debt service. The reserve requirements amounts to 50% of the largest annual (2022) debt service payment for the bonds. In addition to the required reserve the Authority has additional cash in the service fund, general account and equity pooled cash and cash equivalents of \$1,708,683 for a total available of \$3,669,052 as of December 31, 2021. Debt service (principle and interest) of \$3,754,750 are due in 2022. See Note 12 for additional information on the

NOTE 7 - INFRASTRUCTURE FUND

In 1997, the City of New Albany (the "City") created the first of several Economic Opportunity Zones (EOZ) in the Business Campus/Park with other EOZ areas added as development has expanded in New Albany. In addition to the EOZ's the City and the Authority created a Multi-Purpose Infrastructure Improvement fund to provide funding for certain infrastructure improvements in the Business Campus/Park. In 1997, the Authority issued \$10,000,000 in Multi-Purpose Infrastructure Improvements Bonds for the first phase of projects. In 2000, a second phase of projects created the need for the Authority to refund the bonds and issue an additional \$6,700,000 to bring the total to \$16,700,000 of Infrastructure Bonds outstanding. In 2004, the Authority again refunded the bonds reducing the total to \$16,100,000. In May 2011, the Authority refunded the remaining \$8,800,000 in outstanding bonds by retiring \$900,000 of the bonds with cash, issuing \$5,900,000 in fixed rate bonds payable over ten years and \$2,000,000 in a note that expired on June 1, 2012. In June 2012, the Authority reissued the \$2,000,000 note for an additional 12 months and in June 2013 the Authority issued \$1,750,000 in notes reducing the outstanding balance by \$250,000. On May 30, 2014 the Authority retired the entire \$1,750,000 note. In December 2017, the Authority retired the remaining \$3,190,000 balance of the \$5,900,000 bonds and issued \$9,210,000 in new 15-year bonds for widening Beech Road. The Authority's sole source of repayment for these notes and bonds is from income taxes collected by the City from employees and businesses in the EOZ. The Authority receives 30% and 50%, respectively, from Phase I and Phase II of the gross income tax revenues collected by New Albany within the EOZ. In addition to the refunding in 2004, the City and the Authority, through an Economic Development Agreement, created the Economic Development Fund (EDF) to promote development within the Economic Opportunity Zone. The EDF's sole funding is from the surplus funds in the Infrastructure Bond Service Fund. Each year, the City directs the Authority (after meeting certain debt service requirements) to transfer funds to the EDF from the Infrastructure Surplus based on terms defined in the Economic Development Agreement.

**NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2021**

NOTE 7 - INFRASTRUCTURE FUND (Continued)

The City also directs the Authority to disburse funds from the EDF for certain City council approved projects.

As of December 31, 2021, the following is a summary of the Projects that have been approved for disbursement from the fund.

The following is a summary of the Projects that have been approved for disbursement from the EDF:

Project Description	Authorized Amount	Amounts Disbursed as of 12/31/2021	Authorized disbursements remaining	2021 disbursements
Extension of Forest Drive "Canini Trust Project"	2,000,000	(2,000,000)	-	
Fiber optic network (2007, 2009, 2011)	3,150,363	(3,150,363)	-	
"Incubator Project" Tech Columbus	1,500,000	(1,500,000)	-	
US 62 Project	1,700,000	(1,700,000)	-	
Waters Edge Project	300,000	(300,000)	-	
Souder Road	1,800,000	(1,800,000)	-	
Business Park East Debt Service	6,714,100	(6,636,351)	77,749	542,895
Business Park Incentives (2010, 2011)	400,900	(400,900)	-	
Business Park East - Greywater System	100,000	(100,000)	-	
Bob Evans Loan	1,000,000	(1,000,000)	-	
2012 Incentive payment, Zarley ROW, INC@8000	600,000	(600,000)	-	
Beech Rd Widening	2,000,000	(2,000,000)	-	
Business Campus East Water Tower	1,650,000	(1,650,000)	-	
Forrest Dr. Connector	930,000	(930,000)	-	
Fiber optic network 2014	250,000	(250,000)	-	
Smith Mill Road Loop Lighting & Street Trees	700,000	(700,000)	-	
Smith Mill Road Sanitary Sewer extension	400,000	(400,000)	-	
Smith Mill Loop Grey Water System extension	200,000	(200,000)	-	
COTA Park & Ride construction	250,000	(250,000)	-	
Blacklick Sanitary Trunk Lind	900,000	(900,000)	-	
Smiths Mill Rd Loop Fiber optic extension	50,000	(50,000)	-	
Business Park East Infrastructure Advance *	7,000,000	(6,000,000)	1,000,000	
Truck Clu-de-sac, EDF 2014, Fiber Expansion 2015	1,945,000	-	1,945,000	
CIC-Innovate New Albany 2016	50,000	(50,000)	-	
Beech Road Landscaping	225,000	(225,000)	-	
Blacklick Water Design	500,000	(500,000)	-	
A & F Drop Lane on Smith's Mill Road	750,000	(750,000)	-	
Innovation Campus West	950,000	(950,000)	-	
Innovation Road Sanitary Extension to Harrison Rd.	200,000	(200,000)	-	
Economic Incentives 2016	550,000	(550,000)	-	
Harrison to Mink Road Connector	5,500,000	(5,500,000)	-	
2017 Incentives, Blacklick Water & Sewer, Jug Water Line	5,550,000	(5,550,000)	-	
2018 Incentives, Blacklick Water & Sewer, Beech Rd	4,000,000	(3,970,000)	30,000	
2019 Incentives, Shuttle services, Economic Development	2,515,000	(2,515,000)	-	
2020 Incentives, Shuttle services, Economic Development	2,570,000	(2,570,000)	-	
2021 Incentives, Shuttle services, Economic Development	2,470,000	(2,470,000)	-	2,470,000
Planning/design for Economic Development in Licking County	1,500,000		1,500,000	
	\$ 62,870,363	\$ (58,317,614)	\$ 4,552,749	\$ 3,012,895

* To date \$3,912,607 of the \$6,000,000 advance has been repaid.

NOTE 8 - COMMUNITY DEVELOPMENT CHARGE

The Authority can levy an annual community development charge up to 9.75 mills on the assessed value of all property within the District. The charge was levied at 2.90 mills for 2021. Charge revenue recognized represents the amount levied as of October 1 of the preceding year. Charge assessments are levied October 1 on the assessed values as of July 1, the lien date. Assessed values are established by State law at 35% of appraised market value. Market values are determined by the Authority based on the County Auditor's appraisal, lot values, or a calculated cost for occupied homes that have not yet been appraised by the County Auditor. The 2021 assessed values of all property within the District were \$1,200,228,568. The 2021 receivable recognized based on these figures was \$3,480,664, however, the total receivable recorded is plus or less any credited or delinquent amounts on account.

**NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2021**

NOTE 9 - CITY OF NEW ALBANY INCOME TAX

The Authority receives 30% and 50%, respectively, from Phase I and Phase II of the gross income tax revenues collected by the City of New Albany for the Economic Opportunity Zone. The Economic Opportunity Zone is approximately 950 acres of land that the New Albany Company is developing into a business campus. The City of New Albany Income Tax is used to make payments on the Multi-Purpose Infrastructure Bonds described in Note 12.

NOTE 10 - CITY OF NEW ALBANY RECEIVABLE

The City of New Albany requested a \$6,000,000 advance from the Economic Development Fund in 2014 for certain projects in the Business Park. The advance was requested for projects that anticipated reimbursement from third parties after completion of the projects. \$3,912,607 has been repaid to the Economic Development Fund as of December 31, 2021.

NOTE 11 - UNAMORTIZED DEFERRED CHARGES

The unamortized deferred charges represent the deferred cost for the Series C Community Bonds that were issued in 2012. These costs are to be amortized over the remaining term of the bond issue or through the year 2024.

NOTE 12 - DEBT

A schedule of changes in bonds of the Authority for 2021 follows:

	<u>Outstanding 12/31/2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding 12/31/2021</u>	<u>Amounts Due Within One Year</u>
Community Facilities Refunding Bonds, Series C, 2012, \$35,610,000, 2-5%	14,620,000	-	(2,825,000)	11,795,000	3,165,000
Premium on Refunding Bond Issued Series C	1,413,823	-	(302,962)	1,110,861	302,962
Premium on Refunding Bond Issued Series E	625,480	-	(52,488)	572,992	52,488
Multi-Purpose Infrastructure Improvement and Refunding Bonds, Series E 2017, \$9,210,000, 2-4%	7,685,000	-	(525,000)	7,160,000	540,000
Total	<u>24,344,303</u>	<u>-</u>	<u>(3,705,450)</u>	<u>20,638,853</u>	<u>4,060,450</u>

Community Facilities Refunding Bonds, Series C: In December 2001, the Community Facilities Bonds Series "B" were issued to refund the \$38,115,000 of Series "A" bonds. In March 2012, the 2001 bonds were called and refunded with Community Facilities Bonds Series "C", \$35,610,000 in new bonds and a premium of \$4,089,988. The final due date for the bonds are December 1, 2024 and the average coupon interest rate on the bonds is 4.51%. The premium is recognized on a straight line basis. In conjunction with the 2012 refunding a reserve account was initially funded at \$1,877,375 from bond proceeds placed in a reserve account (Note 6). The Authority has covenanted that Pledged Receipts received will be deposited as follows: (a) first - to the Rebate Fund until it contains the amount, if any, necessary to discharge any rebate liability to the United States for bonds or notes issued pursuant to the General Bond Resolution, (b) second - up to \$100,000 annually to the General Purpose Fund to the extent necessary to restore the balance of the General Purpose Fund to \$100,000, (c) third - to the Bond Service Account in the Bond Service Fund, until the Bond Service Account contains an amount which will be equal to the Bond Service Charges due in the remainder of the current Fiscal Year on all Bonds outstanding, (d) fourth - to the Series C Reserve Account until it contains the Required Reserve and (e) fifth - any remainder to the Authority for deposit in the General Purpose Fund for the purpose of paying any administrative expenses or for any other lawful purpose.

**NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2021**

NOTE 12 - DEBT (CONTINUED)

Multi-Purpose Infrastructure Improvement and Refunding Bonds, Series D: In 2000, the Authority issued the Multi-Purpose Infrastructure Improvement Bonds, Series B in the amount of \$16,700,000. The \$16,700,000 series B Infrastructure Bonds were refunded in January, 2004, including a principal payment of \$600,000, leaving a total of \$16,100,000 due. Principal payments totaling \$7,300,000 were made since the bonds were issued in 2004 leaving a balance due to \$8,800,000 as of December 31, 2010. In May 2011, the bonds were again refunded with a combination of \$5,900,000 in ten year fixed rate bonds and a \$2,000,000 13 month note plus \$900,000 in cash. The fixed rate bonds have a net interest cost of 3.45%, are callable after five years and are scheduled to be retired in December 2021. The \$2,000,000 note was issued with a 1.2% interest rate and matured on June 1, 2012. On June 1, 2012, \$2,000,000 in notes were issued at a 1% interest rate to retire the maturing 2011 notes. On June 1, 2013 the \$2,000,000 note was retired and a \$1,750,000 12 month note was issued. On May 30, 2014 the \$1,750,000 note was fully retired. The bonds were issued with a premium of \$192,113. The premium is recognized on a straight line basis. The Authority's sole source of repayment for these bonds is from income taxes on businesses in Phase I and Phase II of the gross income tax revenues collected by the City of New Albany for the Economic Opportunity Zone. The Authority initially had credit and liquidity support for the bonds in an irrevocable standby letter of credit in the amount of \$16,219,979 with Key Bank. On May 20, 2011, the letter of credit was canceled by the Authority.

Multi-Purpose Infrastructure Improvement Bonds, Series E: In December 2017, the Multi-Purpose Infrastructure Improvement Bonds, Series E, were issued at \$9,210,000 with a premium of \$787,318, with the proceeds fully retiring the remaining \$3,190,000 of the 2011, Series D Bonds. The final due date for the bonds are December 1, 2032 and the average coupon interest rate on the bonds is 3.73%. The premium is recognized on a straight line basis. Long-term debt requirements for the Community Facilities Refunding Bonds, series C, and Multi-Purpose Infrastructure Improvement and Refunding Bonds, Series E as of December 31, 2021 are as follows:

<u>Year</u>	<u>Community Facilities Refunding Bonds, Series C</u>		<u>Multi-Purpose Infrastructure Improvement and Refunding Bonds, Series E</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2022	3,165,000	589,750	540,000	269,281	4,564,031
2023	3,305,000	431,500	560,000	253,081	4,549,581
2024	5,325,000	266,250	580,000	230,681	6,401,931
2025	-	-	605,000	207,481	812,481
2026	-	-	625,000	183,281	808,281
2027-2031	-	-	3,470,000	583,400	4,053,400
2032	-	-	780,000	31,200	811,200
Total	11,795,000	1,287,500	7,160,000	1,758,405	2,200,905

NOTE 13 - AMPHITHEATER DESIGN PROJECT

In 2018, The New Albany Community Foundation ("Foundation") and the Authority entered into a Grant and Agency Agreement for the design of the Rose Run Amphitheater (the "Amphitheater"). The agreement provides that the Foundation will provide a grant to the Authority in the amount of \$570,000 to be used for the sole and express purpose of paying the costs of the Design Professionals under their engagement agreements for the design of the Amphitheater. In August 2020, the agreement was modified to include construction of the Amphitheater increasing the total to \$7,098,489. In addition to the grant, the agreement provides that the Foundation will act as agent on behalf of the Authority in connection with all design work on the project and any contracts made by the Foundation related to the Amphitheater will not exceed the amount of the Grant Funds provided for in the agreement. The agreement also provided that the Foundation will have the following authority without limitation related to the Amphitheater project:

- A. All design and supervisory functions relating to the Project;
- B. Negotiation, execution and performance of its obligations under all contracts and arrangements to procure all labor, materials and equipment necessary to or desirable for any of the foregoing;
- C. Obtaining all necessary permits, licenses, consents, approvals, entitlements and other authorizations, required under applicable laws (including without limitation Environmental Laws), from all Governmental Authorities in connection with the Provision of the Project Facilities and all other components of the Project in accordance with the Plans and Specifications, and all of the foregoing required for the use and occupancy of the Project by the Construction Agent, all of which may be obtained in the name of the Construction Agent;
- D. Maintaining all books and records with respect to the foregoing; and
- E. Payment of all costs and expenses and performance of all other acts necessary in connection with the foregoing.

The Agent shall have sole management and control over the Project.
Costs provided under the agreement totaled \$6,745,316 as of December 31, 2021.
The Amphitheater project was completed during 2021 and the facility was turned over to the City.

**NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2021**

NOTE 14 - ECONOMIC DEVELOPMENT PROJECTS

Project Assets are accumulated as constructed and then recorded as contributions when dedicated to the municipality or other public entity. Economic Development contributions are typically disbursed to the City for approved projects. Contributions in 2021 include \$542,895 for debt service related the Business Park East infrastructure, and \$2,470,000 related to several other projects including incentives, CIC Operating Costs, shuttle services in the business park, Rev1 Ventures support incentives and professional services for "Economic Development Projects". During 2021, 6,744,608 of costs related to the Amphitheater project were also contributed to the City. An additional project totaling \$1,500,000 was approved by the board for Planning & Design for Economic Development in Licking County, but as of the report date has not been contributed to the City.

NOTE 15 - RELATED PARTY TRANSACTIONS

The Authority was created by the New Albany Company Limited Partnership (the "Developer"). The Authority is contracting with the Developer to provide accounting services. The Authority has not paid the Developer for 2021 infrastructure accounting services as of December 31, 2021. Additionally, the Fiscal Officer for the Authority is also the Fiscal Officer for the Developer.

NOTE 16 - 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. Ohio's state of emergency ended in June 2021, while the national state of emergency continues. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Authority. The impact on the Authority's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**NEW ALBANY COMMUNITY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020**

The discussion and analysis of the New Albany Community Authority's financial performance provides an overview of the Authority's financial performance as a whole for the period ended December 31, 2020. The intention of this discussion and analysis is to look at the Authority's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Authority's financial performance. This is an interim statement and certain comparisons to prior years may be understated or overstated due to the monthly periods included.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999. Certain comparative information between the current years and prior year is required to be presented, and is presented in the MD&A.

Financial Highlights

Key financial highlights for 2020 and 2019 follow:

- Total assets increased \$3,972,716 or 17.61%, between December 31, 2020 and December 31, 2019. Total liabilities decreased \$3,437,384 or 12.24% between December 31, 2020 and December 31, 2019. Total net position increased \$7,050,495 or 146.94% between December 31, 2020 and December 31, 2019.
- Total revenues decreased \$82,696, or .74%, between December 31, 2020 and December 31, 2019. Total expenditures decreased \$149,560 or 3.9%, between December 31, 2020 and December 31, 2019.

Using this Annual Financial Report

This financial report contains the basic financial statements of the Authority, as well as the Management's Discussion and Analysis and notes to the basic financial statements. The basic financial statements include a statement of net assets, statement of revenues, expenses and change in net assets, and a statement of cash flows for the period ending December 31, 2020. As the Authority reports its operations using enterprise fund accounting, all financial transactions and accounts are reported as one activity, therefore the entity wide and the fund presentations information is the same.

Statement of Net Position

The statement of net position answers the question, "How did we do financially during the year?" This statement include all assets and liabilities, both financial and capital, and short-term and long-term, using the accrual basis of accounting and the economic resources focus, which is similar to the accounting used by private sector companies. This basis of accounting takes into account all revenues and expenses during the year regardless of when the cash is received or paid.

This statement reports the Authority's net position, however, in evaluating the overall position and financial viability of the Authority, non-financial information, such as the condition of Authority's capital assets, will also need to be evaluated.

**NEW ALBANY COMMUNITY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020**

Summary Statement of Net Position

	<u>2020</u>	<u>2019</u>
Assets:		
Other Assets	\$ 26,531,658	\$ 22,558,944
Total Assets	<u>26,531,658</u>	<u>22,558,944</u>
Deferred outflows of resources:	<u>375,434</u>	<u>469,292</u>
Liabilities:		
Current Liabilities	310,449	272,455
Long-Term Debt	24,344,303	27,944,681
Total Liabilities	<u>24,654,752</u>	<u>28,217,136</u>
Net Position: Unrestricted	\$ 2,252,340	\$ (4,798,154)
Total Net Position	<u>\$ 2,252,340</u>	<u>\$ (4,798,154)</u>

The increase in total assets between December 31, 2020 and December 31, 2019 was due to a increase in cash and equivalents of \$1,854,154 and a increase in accounts receivable of \$639,374. The decrease in liabilities between December 31, 2020 and December 31, 2019 was due to due to payments of \$3,350,000 on existing bonds and amortization of bond premium for a net decrease of \$3,475,378 and a decrease in interest payable and accounts payable of \$28,158.

Summary Statement of Revenues, Expenses, and Changes in Net Position

	<u>2020</u>	<u>2019</u>
Operating Revenues	\$ 11,032,276	\$ 11,114,972
Operating Expenses	<u>76,559</u>	<u>70,929</u>
Operating Income	10,955,717	11,044,043
Non-Operating Revenue (Expenses)	<u>(3,905,223)</u>	<u>(3,761,292)</u>
Change in Net Position	\$ 7,050,495	\$ 7,282,750

The increase in operating revenues between December 31, 2020 and December 31, 2019 was due an increase of \$50,671 in the Community Development Charge and a decrease in City of New Albany Income Tax Revenues of \$815,279 and an increase in grant revenue of \$681,911. The decrease in operating expenses and Non-Operating Revenue and Expenses and between December 31, 2020 and December 31, 2019 was due to an increase in development project funding of \$44,725, a decrease in interest expense of \$115,723, a increase in general and administrative expenses of \$5,529 and by a decrease in interest & other income of \$214,928.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances and to show the Authority's accountability for the money it receives, spends and invests. Questions concerning any of the information provided in this report or requests for additional information should be directed to Brent Bradbury, Chief Financial Officer, 8000 Walton Parkway, Suite 120, New Albany, Ohio 43054.

NEW ALBANY COMMUNITY AUTHORITY
STATEMENT OF NET POSITION
December 31, 2020

Assets:	
Equity in pooled cash and cash equivalents	\$ 32,299
Cash with fiscal and escrow agents:	
Community bonds - refunding reserve fund	1,960,218
Community bonds - service fund	1,700,017
Community bonds - General account	2,765
Infrastructure bond project fund	1,442
Infrastructure bond Series E Bond Fund	347
Infrastructure bond service fund	13,225,745
Infrastructure improvement bond reserve E	842,928
Economic development fund	319,951
Receivables:	
Community development charge	3,646,099
Income tax receivable	1,116,925
Infrastructure fund - City of New Albany	2,087,393
Infrastructure payments	86,467
Other Assets:	
Capital Assets - Projects in Process	<u>1,509,062</u>
Total assets	<u>26,531,658</u>
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	<u>375,434</u>
Total deferred outflows of resources	<u>375,434</u>
Liabilities:	
Accounts payable	103,946
Interest payable-Community bonds (\$36M)	182,750
Interest payable-Infrastructure fund	23,753
Long-Term Liabilities:	
Due with one year	3,705,450
Due in more than one year	<u>20,638,853</u>
Total liabilities	<u>24,654,752</u>
Net position:	
Unrestricted (deficit)	<u>\$ 2,252,340</u>
Total net position	<u>\$ 2,252,340</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEW ALBANY COMMUNITY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended December 31, 2020

Operating revenues:	
Community development charge	\$ 3,639,614
City of New Albany Income Tax.	6,304,220
New Albany Community Foundation Grant.	<u>1,088,442</u>
Total operating revenues	11,032,276
Operating expenses:	
Insurance	2,993
Professional Fees.	1,200
Bond Trustee Fees	5,100
Accounting fees	20,816
Legal fees	41,421
County Collection fees	<u>5,029</u>
Total operating expenses	<u>76,559</u>
Operating income (loss)	<u>10,955,717</u>
Nonoperating revenues (expenses):	
Interest income -trust accounts.	59,366
Interest expense- community facilities bonds	(603,797)
Interest & fiscal charge expense- infrastructure bonds.	(242,057)
Economic development project funding	<u>(3,118,735)</u>
Total nonoperating revenues (expenses)	<u>(3,905,223)</u>
Change in net position	7,050,494
Net position at beginning of period	<u>\$ (4,798,154)</u>
Net position at end of period	<u><u>\$ 2,252,340</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEW ALBANY COMMUNITY AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

Cash flows from operating activities:	
Cash received from community development charge	\$ 3,578,463
Cash received from city income tax	5,807,149
Cash received from New Albany Community Foundation Grant	1,088,441
Cash payments for administrative expenses	35,285
Cash payments for reimbursements/legal fees	(121,743)
Cash payments for trustee fees	<u>(5,100)</u>
Net cash provided by (used in) operating activities	<u>10,382,495</u>
Cash flows from capital and related financing activities:	
Principal retirement on debt service	(3,245,000)
Interest and fiscal charges	(1,135,531)
Amphitheater Project Design	(1,088,442)
Economic development contributions	<u>(3,118,735)</u>
Net cash provided by (used in) capital and related financing activities	<u>(8,587,708)</u>
Cash flows from investing activities:	
Interest received	<u>59,366</u>
Net cash provided by investing activities	<u>59,366</u>
Net increase (decrease) in cash and cash equivalents	1,854,153
Cash and cash equivalents at the beginning of the period	<u>16,231,559</u>
Cash and cash equivalents at the end of the period	<u>\$ 18,085,712</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ 10,955,717
(Increase) Decrease in Assets:	
Community development charge receivable	(61,151)
Income tax receivable	(497,071)
Infrastructure payments	(81,152)
Increase (Decrease) in Liabilities:	
Accounts payable	<u>66,152</u>
Net cash provided by (used in) operating activities	<u>\$ 10,382,495</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

NOTE 1 - DESCRIPTION OF THE ENTITY

The New Albany Community Authority (the "Authority") is a "community authority" created pursuant to Chapter 349 of the Ohio Revised Code (the Act). On July 7, 1992, the New Albany Company Limited Partnership (the Developer) filed a petition (the Petition) for the creation of the Authority with the Board of County Commissioners of the County of Franklin, Ohio. The Petition, which may be subject to amendment or other change, allows the Authority to finance from its community development charge up to \$41,450,000 of "costs" of publicly owned and operated community facilities including, but not limited to, the acquisition or construction of a new school, roads, a fire station, and a fire truck. In accordance with the Act, the Petition was accepted by the County Commissioners' Resolution No. 699-92, adopted July 7, 1992. By its Resolution on August 24, 1992, the County Commissioners determined that the new community district would be conducive to the public health, safety, convenience, and welfare, and that it was intended to result in the development of a new community as described in the Act. The Authority thereby organized as a body corporate and politic in the State. On July 7, 1996, the County Commissioners, by their Resolution amended the Petition to increase the "costs" from \$41,450,000 to \$43,450,000.

The Authority is governed by a seven member Board of Trustees. The Franklin County Board of County Commissioners, a related organization, appoints four of the Trustees. The remaining three Trustees are appointed by the Developer. The Authority is currently comprised of approximately 5,000 acres of land located in Northeast Franklin County, Ohio ("the District"). In accordance with the Act and the Petition, the Authority can levy a community development charge (CDC) of up to 9.75 mills on the assessed value of the land and improvements within the District. The need and amount of the charge is determined annually by the Board of Trustees of the Authority.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the Authority's accounting policies are described below.

A. Basis of Presentation

Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise accounting uses the flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources are included on the statement of net position. The difference between total assets and deferred outflows of resources and liabilities and deferred inflows of resources are defined as net position. The statement of revenues, expenses and changes in net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

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

The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C. Community Development Charge Receivable

The Community Development Charge is recognized as a receivable in the financial statements. The receivable represents charges that have been assessed as of December 31.

D. Deferred Inflows of Resources and Deferred Outflows of Resources

A deferred inflow of resources is an acquisition of net position by the Authority that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the Authority that is applicable to a future reporting period.

**NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

E. Unamortized Deferred Loss/Bond Issuance Costs

Bond losses are deferred and amortized over the term of the bonds using the bond outstanding method, which approximates the effective interest method. Unamortized deferred losses on refunding's are reported as a deferred outflow of resources on the statement of net position. Bond issuance costs are expensed when they occur.

F. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Authority. For the Authority, these revenues are community development charges, income taxes and foundation grant. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the Authority. All revenues and expenses not meeting the definition are reported as non-operating.

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

H. Net Position

Net position represents the difference between assets, deferred outflows, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority first applies restricted resources when an expense is incurred for which both restricted and unrestricted net position are available. The Authority has no restricted net position at fiscal year-end 2020.

NOTE 3 - NET POSITION

At December 31, 2020, the Authority had accumulated positive Net Position of \$2,252,340. This is a result of how the Authority is structured and its basic operations. The Authority was established to finance the costs of publicly owned and operated community facilities. The Authority incurs the costs of constructing community facilities. The titles to these assets are then transferred to other local public bodies serving the community and the related costs are recorded as an expense. This can result in a Net Position deficit that would be reduced and eliminated as outstanding debt is paid. See Note 12 for further discussion of debt repayment.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the Authority into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Authority treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Trustees has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including passbook accounts.

Protection of the Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Authority by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio; and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAR Ohio).

The Authority may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State as to which there is no default of principal, interest, or coupons; and,
3. Obligations of the Authority.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Authority, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian, including passbook accounts.

Deposits

Custodial Credit Risk - Custodial credit risk for deposits is the risk that in the event of bank failure, the Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Authority has no deposit policy for custodial credit risk.

At year end December 31, 2020, the carrying amounts, as well as the bank balance of the Authority's deposits were \$32,299. The total bank balance is federally insured.

Investments

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The U.S. Government money market mutual funds are measured at the net asset value per share.

	<u>Measurement Value</u>
U.S. Government Money Market Mutual Funds	<u>18,053,413</u>

NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk - Interest rate risk is that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the Authority manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority limits its investments to U.S. Government Money Market Mutual Funds. Investments in U.S. Government Money Market Mutual Funds was rated AAAM by Standard and Poor's.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Authority's investment policy allows investments in money market accounts, certificates of deposit or within financial institutions within the State of Ohio as designated by the Federal Reserve Board. For the year ended December 31, 2020, the Authority has invested 100% of its investments in U.S. Government Securities.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority does not have a policy for custodial credit risk. All of the Authority's investments are either insured and registered in the name of the Authority or at least registered in the name of the Authority.

NOTE 5 - CASH WITH FISCAL AND ESCROW AGENTS

At December 31, 2020, the carrying amount of the Authority's cash with fiscal and escrow agents was \$18,053,413. This amount is held in escrow for projects funded by bond issuances. These funds are held in U.S. Government Money Market Mutual Funds.

NOTE 6 - COMMUNITY FACILITIES BOND RESERVE

The refunding of the Community Facilities Bonds (CFB) in March of 2012 required the Authority to create a \$1,877,375 reserve fund for any short fall on the bond payment. The cash balance of this account at December 31, 2020 totaled \$1,960,218, including the \$1,877,375 for the reserve requirement. The balance of the account accrues interest earnings to be used for debt service. The reserve requirements amounts to 50% of the largest annual (2022) debt service payment for the bonds. In addition to the required reserve the Authority has additional cash of \$1,735,081 for a total available of \$3,695,299 as of December 31, 2020. Debt service (principle and interest) of \$3,555,600 are due in 2021. See Note 12 for additional information on the CFB.

NOTE 7 - INFRASTRUCTURE FUND

In 1997, the City of New Albany (the "City") created the first of several Economic Opportunity Zones (EOZ) in the Business Campus/Park with other EOZ areas added as development has expanded in New Albany. In addition to the EOZ's the City and the Authority created a Multi-Purpose Infrastructure Improvement fund to provide funding for certain infrastructure improvements in the Business Campus/Park. In 1997, the Authority issued \$10,000,000 in Multi-Purpose Infrastructure Improvements Bonds for the first phase of projects. In 2000, a second phase of projects created the need for the Authority to refund the bonds and issue an additional \$6,700,000 to bring the total to \$16,700,000 of Infrastructure Bonds outstanding. In 2004, the Authority again refunded the bonds reducing the total to \$16,100,000. In May 2011, the Authority refunded the remaining \$8,800,000 in outstanding bonds by retiring \$900,000 of the bonds with cash, issuing \$5,900,000 in fixed rate bonds payable over ten years and \$2,000,000 in a note that expired on June 1, 2012. In June 2012, the Authority reissued the \$2,000,000 note for an additional 12 months and in June 2013 the Authority issued \$1,750,000 in notes reducing the outstanding balance by \$250,000. On May 30, 2014 the Authority retired the entire \$1,750,000 note. In December 2017, the Authority retired the remaining \$3,190,000 balance of the \$5,900,000 bonds and issued \$9,210,000 in new 15-year bonds for widening Beech Road. The Authority's sole source of repayment for these notes and bonds is from income taxes collected by the City from employees and businesses in the EOZ. The Authority receives 30% and 50%, respectively, from Phase I and Phase II of the gross income tax revenues collected by the City within the EOZ. In addition to the refunding in 2004, the City and the Authority, through an Economic Development Agreement, created the Economic Development Fund (EDF) to promote development within the Economic Opportunity Zone. The EDF's sole funding is from the surplus funds in the Infrastructure Bond Service Fund. Each year, the City directs the Authority (after meeting certain debt service requirements) to transfer funds to the EDF from the Infrastructure Surplus based on terms defined in the Economic Development Agreement.

NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

NOTE 7 - INFRASTRUCTURE FUND (Continued)

The City also directs the Authority to disburse funds from the EDF for certain City council approved projects.

As of December 31, 2020, the following is a summary of the Projects that have been approved for disbursement from the fund.

The following is a summary of the Projects have been approved for disbursement from the Fund:

<u>Project Description</u>	Authorized Amount	Amounts Disbursed as of 12/31/2020	Authorized disbursements remaining	2020 disbursements
Extension of Forest Drive "Canini Trust Project"	2,000,000	(2,000,000)	-	
Fiber optic network (2007, 2009, 2011)	3,150,363	(3,150,363)	-	
"Incubator Project" Tech Columbus	1,500,000	(1,500,000)	-	
US 62 Project	1,700,000	(1,700,000)	-	
Waters Edge Project	300,000	(300,000)	-	
Souder Road	1,800,000	(1,800,000)	-	
Business Park East Debt Service	6,714,100	(5,544,721)	1,169,379	548,735
Business Park Incentives (2010, 2011)	400,900	(400,900)	-	
Business Park East - Greywater System	100,000	(100,000)	-	
Bob Evans Loan	1,000,000	(1,000,000)	-	
2012 Incentive payment, Zarley ROW, INC@8000	600,000	(600,000)	-	
Beech Rd Widening	2,000,000	(2,000,000)	-	
Business Campus East Water Tower	1,650,000	(1,650,000)	-	
Forrest Dr. Connector	930,000	(930,000)	-	
Fiber optic network 2014	250,000	(250,000)	-	
Smith Mill Road Loop Lighting & Street Trees	700,000	(700,000)	-	
Smith Mill Road Sanitary Sewer extension	400,000	(400,000)	-	
Smith Mill Loop Grey Water System extension	200,000	(200,000)	-	
COTA Park & Ride construction	250,000	(250,000)	-	
Blacklick Sanitary Trunk Lind	900,000	(900,000)	-	
Smiths Mill Rd Loop Fiber optic extension	50,000	(50,000)	-	
Business Park East Infrastructure Advance *	7,000,000	(6,000,000)	1,000,000	
Truck Clu-de-sac, EDF 2014, Fiber Expansion 2015	1,945,000	-	1,945,000	
CIC-Innovate New Albany 2016	50,000	(50,000)	-	
Beech Road Landscaping	225,000	(225,000)	-	
Blacklick Water Design	500,000	(500,000)	-	
A & F Drop Lane on Smith's Mill Road	750,000	(750,000)	-	
Innovation Campus West	950,000	(950,000)	-	
Innovation Road Sanitary Extension to Harrison Rd.	200,000	(200,000)	-	
Economic Incentives 2016	550,000	(550,000)	-	
Harrison to Mink Road Connector	5,500,000	(5,500,000)	-	
2017 Incentives, Blacklick Water & Sewer, Jug Water Line	5,550,000	(5,550,000)	-	
2018 Incentives, Blacklick Water & Sewer, Beech Rd	4,000,000	(3,970,000)	30,000	
2019 Incentives, Shuttle services, Economic Development	2,515,000	(2,515,000)	-	
2020 Incentives, Shuttle services, Economic Development	2,570,000	(2,570,000)	-	2,570,000
	\$ 58,900,363	\$ (54,755,984)	\$ 4,144,379	\$ 3,118,735

* To date \$3,912,607 of the \$6,000,000 advance has been repaid.

NOTE 8 - COMMUNITY DEVELOPMENT CHARGE

The Authority can levy an annual community development charge up to 9.75 mills on the assessed value of all property within the District. The charge was levied at 3.40 mills for 2020. Charge revenue recognized represents the amount levied as of October 1 of the preceding year. Charge assessments are levied October 1 on the assessed values as of July 1, the lien date. Assessed values are established by State law at 35% of appraised market value. Market values are determined by the Authority based on the County Auditor's appraisal, lot values, or a calculated cost for occupied homes that have not yet been appraised by the County Auditor. The 2020 assessed values of all property within the District were \$1,070,473,826. The 2020 receivable recognized based on these figures was \$3,639,614, however, the receivable amount is plus or less any credited or delinquent amounts on account.

**NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

NOTE 9 - CITY OF NEW ALBANY INCOME TAX

The Authority receives 30% and 50%, respectively, from Phase I and Phase II of the gross income tax revenues collected by the City of New Albany for the Economic Opportunity Zone. The Economic Opportunity Zone is approximately 950 acres of land that the New Albany Company is developing into a business campus. The City of New Albany Income Tax is used to make payments on the Multi-Purpose Infrastructure Bonds described in Note 12.

NOTE 10 - CITY OF NEW ALBANY RECEIVABLE

The City of New Albany requested a \$6,000,000 advance from the Economic Development Fund in 2014 for certain projects in the Business Park. The advance was requested for projects that anticipated reimbursement from third parties after completion of the projects. \$3,912,607 has been repaid to the Economic Development Fund as of December 31, 2020.

NOTE 11 - UNAMORTIZED DEFERRED CHARGES

The unamortized deferred charges represent the deferred cost for the Series C Community Bonds that were issued in 2012. These costs are to be amortized over the remaining term of the bond issue or through the year 2024.

NOTE 12 - DEBT

A schedule of changes in bonds of the Authority for 2020 follows:

	<u>Outstanding 12/31/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding 12/31/2020</u>	<u>Amounts Due Within One Year</u>
Community Facilities Refunding Bonds, Series C, 2012, \$35,610,000, 2-5%	17,350,000	-	(2,730,000)	14,620,000	2,825,000
Premium on Refunding Bond Issued Series C	1,716,785	-	(302,962)	1,413,823	302,962
Premium on Refunding Bond Issued Series E	677,896	-	(52,416)	625,480	52,488
Multi-Purpose Infrastructure Improvement and Refunding Bonds, Series E, 2017, \$9,210,000, 2-4%	8,200,000	-	(515,000)	7,685,000	525,000
Total	<u>27,944,681</u>	<u>-</u>	<u>(3,600,378)</u>	<u>24,344,303</u>	<u>3,705,450</u>

Community Facilities Refunding Bonds, Series C: In December 2001, the Community Facilities Bonds Series "B" were issued to refund the \$38,115,000 of Series "A" bonds. In March 2012, the 2001 bonds were called and refunded with Community Facilities Bonds Series "C", \$35,610,000 in new bonds and a premium of \$4,089,988. The final due date for the bonds are December 1, 2024 and the average coupon interest rate on the bonds is 4.51%. The premium is recognized on a straight line basis. In conjunction with the 2012 refunding a reserve account was initially funded at \$1,877,375 from bond proceeds placed in a reserve account (Note 6). The Authority has covenanted that Pledged Receipts received will be deposited as follows: (a) first - to the Rebate Fund until it contains the amount, if any, necessary to discharge any rebate liability to the United States for bonds or notes issued pursuant to the General Bond Resolution, (b) second - up to \$100,000 annually to the General Purpose Fund to the extent necessary to restore the balance of the General Purpose Fund to \$100,000, (c) third - to the Bond Service Account in the Bond Service Fund, until the Bond Service Account contains an amount which will be equal to the Bond Service Charges due in the remainder of the current Fiscal Year on all Bonds outstanding, (d) fourth - to the Series C Reserve Account until it contains the Required Reserve and (e) fifth - any remainder to the Authority for deposit in the General Purpose Fund for the purpose of paying any administrative expenses or for any other lawful purpose.

**NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

NOTE 12 - DEBT (CONTINUED)

Multi-Purpose Infrastructure Improvement and Refunding Bonds, Series D: In 2000, the Authority issued the Multi-Purpose Infrastructure Improvement Bonds, Series B in the amount of \$16,700,000. The \$16,700,000 series B Infrastructure Bonds were refunded in January, 2004, including a principal payment of \$600,000, leaving a total of \$16,100,000 due. Principal payments totaling \$7,300,000 were made since the bonds were issued in 2004 leaving a balance due to \$8,800,000 as of December 31, 2010. In May 2011, the bonds were again refunded with a combination of \$5,900,000 in ten year fixed rate bonds and a \$2,000,000 13 month note plus \$900,000 in cash. The fixed rate bonds have a net interest cost of 3.45%, are callable after five years and were scheduled to be retired in December 2021. The \$2,000,000 note was issued with a 1.2% interest rate and matured on June 1, 2012. On June 1, 2012, \$2,000,000 in notes were issued at a 1% interest rate to retire the maturing 2011 notes. On June 1, 2013 the \$2,000,000 note was retired and a \$1,750,000 12 month note was issued. On May 30, 2014 the \$1,750,000 note was fully retired. The bonds were issued with a premium of \$192,113. The premium is recognized on a straight line basis. The Authority's sole source of repayment for these bonds is from income taxes on businesses in Phase I and Phase II of the gross income tax revenues collected by the City of New Albany for the Economic Opportunity Zone. The Authority initially had credit and liquidity support for the bonds in an irrevocable standby letter of credit in the amount of \$16,219,979 with Key Bank. On May 20, 2011, the letter of credit was canceled by the Authority.

Multi-Purpose Infrastructure Improvement Bonds, Series E: In December 2017, the Multi-Purpose Infrastructure Improvement Bonds, Series E, were issued at \$9,210,000 with a premium of \$787,318, with the proceeds fully retiring the remaining \$3,190,000 of the 2011, Series D Bonds. The final due date for the bonds are December 1, 2032 and the average coupon interest rate on the bonds is 3.73%. The premium is recognized on a straight line basis. Long-term debt requirements for the Community Facilities Refunding Bonds, Series C, and Multi-Purpose Infrastructure Improvement and Refunding Bonds, Series E as of December 31, 2020 are as follows:

<u>Year</u>	Community Facilities Refunding Bonds, Series C		Multi-Purpose Infrastructure Improvement and Refunding Bonds, Series E		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2021	2,825,000	731,000	525,000	285,031	4,366,031
2022	3,165,000	589,750	540,000	269,281	4,564,031
2023	3,305,000	431,500	560,000	253,081	4,549,581
2024	5,325,000	266,250	580,000	230,681	6,401,931
2025	-	-	605,000	207,481	812,481
2026-2030	-	-	3,345,000	705,481	4,050,481
2031-2032	-	-	1,530,000	92,400	1,622,400
Total	14,620,000	2,018,500	7,685,000	2,043,436	26,366,936

NOTE 13 - AMPHITHEATER DESIGN PROJECT

In 2018, The New Albany Community Foundation ("Foundation") and the Authority entered into a Grant and Agency Agreement for the design of the Rose Run Amphitheater (the "Amphitheater"). The agreement provides that the Foundation will provide a grant to the Authority in the amount of \$570,000 to be used for the sole and express purpose of paying the costs of the Design Professionals under their engagement agreements for the design of the Amphitheater. In August 2020, the agreement was modified to include construction of the Amphitheater increasing the total to \$7,098,489. In addition to the grant, the agreement provides that the Foundation will act as agent on behalf of the Authority in connection with all design work on the project and any contracts made by the Foundation related to the Amphitheater will not exceed the amount of the Grant Funds provided for in the agreement. The agreement also provided that the Foundation will have the following authority without limitation related to the Amphitheater project:

- A. All design and supervisory functions relating to the Project;
- B. Negotiation, execution and performance of its obligations under all contracts and arrangements to procure all labor, materials and equipment necessary to or desirable for any of the foregoing;
- C. Obtaining all necessary permits, licenses, consents, approvals, entitlements and other authorizations, required under applicable laws (including without limitation Environmental Laws), from all Governmental Authorities in connection with the Provision of the Project Facilities and all other components of the Project in accordance with the Plans and Specifications, and all of the foregoing required for the use and occupancy of the Project by the Construction Agent, all of which may be obtained in the name of the Construction Agent;
- D. Maintaining all books and records with respect to the foregoing; and
- E. Payment of all costs and expenses and performance of all other acts necessary in connection with the foregoing.

The Agent shall have sole management and control over the Project.
Costs provided under the agreement totaled \$1,509,062 for as of December 31, 2020.

NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

NOTE 14 - ECONOMIC DEVELOPMENT PROJECTS

Project Assets are accumulated as constructed and then recorded as contributions when dedicated to the municipality or other public entity. Economic Development contributions are typically disbursed to the City for approved projects. Contributions in 2020 include \$548,735 for debt service related the Business Park East infrastructure, and \$2,570,000 related to several other projects including incentives, CIC Operating Costs, shuttle services in the business park, Rev1 Ventures support incentives and professional services for "Economic Development Projects".

NOTE 15 - RELATED PARTY TRANSACTIONS

The Authority was created by the New Albany Company Limited Partnership (the "Developer"). The Authority is contracting with the Developer to provide accounting services. The Authority has not paid the Developer for 2020 infrastructure accounting services as of December 31, 2020. Additionally, the Fiscal Officer for the Authority is also the Fiscal Officer for the Developer.

NOTE 16 - 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 Authority. The impact on the Authority's future operating costs, revenues, and additional recovery from emergency funding, either federal, state or local, cannot be estimated.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

New Albany Community Authority
Franklin County
8000 Walton Parkway, Suite 120
New Albany, Ohio 43054

To the Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the New Albany Community Authority, Franklin County, Ohio, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the New Albany Community Authority's basic financial statements, and have issued our report thereon dated July 15, 2022, wherein we noted as described in Note 16 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the New Albany Community Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the New Albany Community Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the New Albany Community Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the New Albany Community Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

New Albany Community Authority
Franklin County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the New Albany Community Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the New Albany Community Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the New Albany Community Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
July 15, 2022

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OHIO AUDITOR OF STATE KEITH FABER



NEW ALBANY COMMUNITY AUTHORITY

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/8/2022

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