

NEW ALBANY COMMUNITY AUTHORITY
FRANKLIN COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2023 & 2022**

OHIO AUDITOR OF STATE
KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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 audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The 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

October 11, 2024

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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 New Albany Community Authority, Franklin County, Ohio, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise 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 New Albany Community Authority, as of December 31, 2023 and 2022, 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 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.

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 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 opinions. 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 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 30, 2024 on our consideration of 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 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 New Albany Community Authority's internal control over financial reporting and compliance.



Julian & Grube, Inc.
July 30, 2024

**NEW ALBANY COMMUNITY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending December 31, 2023**

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, 2023. 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 2023 and 2022 follow:

Total assets increased \$1,771,410 or 8.51%, between December 31, 2023 and December 31, 2022. Total liabilities and deferred inflows of resources decreased \$4,289,803 or -30.34% between December 31, 2023 and December 31, 2022. Total net position increased \$6,061,213 or 90.84% between December 31, 2023 and December 31, 2022.

- Total operating revenues decreased \$410,884, or -3.92%, between December 31, 2023 and December 31, 2022. Total expenses and non-operating revenues (expenses) decreased \$8,372,184 or -67.62%, between December 31, 2023 and December 31, 2022.

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 position, a statement of revenues, expenses and changes in net position, and a statement of cash flows for the year ending December 31, 2023. 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 Ending December 31, 2023**

Summary Statement of Net Position

Assets:	<u>2023</u>	<u>2022</u>
Other Assets	\$ 22,581,013	\$ 20,809,603
Total Assets	<u>22,581,013</u>	<u>20,809,603</u>
Liabilities:		
Current Liabilities	79,412	73,945
Long-Term Debt	9,768,016	13,885,504
Total Liabilities	<u>9,847,428</u>	<u>13,959,449</u>
Deferred inflows of resources:	-	177,782
Net Position: Unrestricted	\$ 12,733,585	\$ 6,672,372
Total Net Position	<u>\$ 12,733,585</u>	<u>\$ 6,672,372</u>

The increase in total assets between December 31, 2023 and December 31, 2022 was due to an increase in cash and equivalents of \$2,998,392 offset by a decrease in accounts receivable of \$1,226,982. The decrease in liabilities and deferred inflows of resources between December 31, 2023 and December 31, 2022 was due to payments of \$4,295,270 on existing bonds and amortization of bond premium offset by an increase in interest payable and accounts payable of \$5,467.

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

	<u>2023</u>	<u>2022</u>
Operating Revenues	\$ 10,069,655	\$ 10,480,539
Operating Expenses	<u>48,730</u>	<u>100,316</u>
Operating Income (Loss)	10,020,925	10,380,223
Non-Operating Revenue (Expenses)	<u>(3,959,712)</u>	<u>(12,280,310)</u>
Change in Net Position	\$ 6,061,213	\$ (1,900,087)

The decrease in operating revenues between December 31, 2023 and December 31, 2022 was due an decrease of \$1,143,061 in the Community Development Charge, an increase in City of New Albany Income Tax Revenues of \$1,464,078 and a decrease in grant revenue of \$731,901. The decrease in operating expenses and Non-Operating Revenue (Expenses) between December 31, 2023 and December 31, 2022 was due to an decrease in economic development project funding of \$7,783,717, an increase in interest expense of \$62,505, a decrease in operating expenses of \$51,586 and an increase in interest & other income of \$599,386.

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
For the Year Ending December 31, 2023

Assets:	
Equity in pooled cash and cash equivalents	\$ 56,632
Cash with fiscal and escrow agents:	
Community bonds - refunding reserve fund	6,998
Community bonds - service fund	1,004,097
Community bonds - General account	2,922
Community bonds - Refunding account	2,966
Infrastructure bond project fund	1,525
Infrastructure bond Series E Bond Fund	842
Infrastructure bond service fund	15,051,923
Infrastructure improvement bond reserve E	891,386
Economic development fund	338,344
Receivables:	
Community development charge	2,383,101
Income tax receivable	752,684
Infrastructure fund - City of New Albany	2,087,393
Infrastructure payments	200
Total assets	22,581,013
Accounts payable	26,655
Interest payable-Community bonds	33,534
Interest payable-Infrastructure fund	19,223
Long-Term Liabilities:	
Due with one year	3,872,488
Due in more than one year	5,895,528
Total liabilities	9,847,428
Net position:	
Unrestricted (deficit)	\$ 12,733,585
Total net position	\$ 12,733,585

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEW ALBANY COMMUNITY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ending December 31, 2023

Operating revenues:	
Community development charge	\$ 2,392,260
City of New Albany Income Tax	7,677,395
Total operating revenues	<u>10,069,655</u>
Operating expenses:	
Bank charges	787
Insurance	3,419
Professional Fees	1,200
Bond Trustee Fees	6,500
Accounting fees	15,000
Legal fees	21,824
Total operating expenses	<u>48,730</u>
Operating income (loss)	<u>10,020,925</u>
Non-operating revenues (expenses):	
Interest income- trust accounts	803,834
Interest expense- community facilities bonds	(65,184)
Interest & fiscal charge expense- infrastructure bonds	(197,377)
Economic development project funding	<u>(4,500,985)</u>
Total non-operating revenues (expenses)	<u>(3,959,712)</u>
Change in net position	6,061,213
Net position at beginning of period	<u>\$ 6,672,372</u>
Net position at end of period	<u><u>\$ 12,733,585</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEW ALBANY COMMUNITY AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ending December 31, 2023**

Cash flows from operating activities:	
Cash received from community development charge	\$ 3,543,874
Cash received from city income tax	7,744,278
Cash payments for administrative expenses	(27,905)
Cash payments for reimbursements/legal fees	(21,334)
Cash payments for trustee fees	<u>1,985</u>
Net cash provided by (used in) operating activities	<u>11,240,898</u>
Cash flows from capital and related financing activities:	
Principal retirement on debt service	(4,065,000)
Interest and fiscal charges	(480,354)
Economic development contributions	<u>(4,500,985)</u>
Net cash provided by (used in) capital and related financing activities	<u>(9,046,340)</u>
Cash flows from investing activities:	
Interest received	<u>\$ 803,834</u>
Net cash provided by investing activities	<u>803,834</u>
Net increase (decrease) in cash and cash equivalents	2,998,392
Cash and cash equivalents at the beginning of the period	<u>14,359,243</u>
Cash and cash equivalents at the end of the period	<u>\$ 17,357,635</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ 10,020,925
(Increase) Decrease in Assets:	
Community development charge receivable	1,151,615
Income tax receivable	66,883
Infrastructure payments	8,485
Increase(Decrease) in Liabilities:	
Accounts payable	<u>(7,010)</u>
Net cash Provided by (Used in) operating activities	<u><u>\$ 11,240,898</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ending December 31, 2023

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 generally accepted accounting principles (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 BASIC FINANCIAL STATEMENTS
For the Year Ending December 31, 2023

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 and income taxes. 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 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, deferred outflows of resources, 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 2023.

NOTE 3 - NET POSITION

At December 31, 2023, the Authority had accumulated positive Net Position of \$12,733,585. 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 11 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 BASIC FINANCIAL STATEMENTS
For the Year Ending December 31, 2023

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, Government National Mortgage Association, and Student Loan Marketing 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. 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, 2023, the carrying amount, as well as the bank balance of the Authority’s deposits were \$56,632. The total bank balance was 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.

	<u>Measurement Value</u>
U.S. Government Money Market Mutual Funds	\$17,301,003

NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ending December 31, 2023

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, 2023, 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 Authority or at least registered in the name of the Authority.

NOTE 5 - CASH WITH FISCAL AND ESCROW AGENTS

At December 31, 2023, the carrying amount of the Authority's cash with fiscal and escrow agents was \$17,301,003. This amount is held in escrow for projects funded by bond issuances. These funds are held in Money Market Accounts invested in U.S. Government Securities.

NOTE 6 - COMMUNITY FACILITIES BOND RESERVES

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 remaining Cash balance of this account at December 31, 2023 totaled \$6,998, including only interest earnings. The balance of the account is interest earnings to be used for debt service. The reserve requirement was eliminated with the refunding of the 2012 bonds in 2022. The Authority has additional cash in the service fund of \$1,004,097 available as of December 31, 2023. Debt service of \$3,374,136 is due in 2024. See Note 11 for additional information on the CFB.

NOTE 7 - INFRASTRUCTURE FUND

In 1997, the Village of New Albany 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 Village 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 \$800,000 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 New Albany 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 Village of New Albany 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, New Albany 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 BASIC FINANCIAL STATEMENTS
For the Year Ending December 31, 2023

NOTE 7 - INFRASTRUCTURE FUND (Continued)

New Albany also directs the Authority to disburse funds from the EDF for certain New Albany council approved projects.

As of December 31, 2023, the following is a summary of the Projects that have been approved for disbursement from the fund.

<u>Project Description</u>	Authorized Amount	Amounts Disbursed as of 12/31/2023	Authorized disbursements remaining	2023 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	(6,714,151)	(51)	
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)	-	
Planning/design for Economic Development in Licking County	1,500,000	(1,500,000)	-	
2022 Incentives, Shuttle services, Economic Development	3,975,000	(3,975,000)	-	
2022 Incentives, Shuttle services, Economic Development	6,000,000	(6,000,000)	-	
2023 Incentives, Shuttle services, Economic Development	5,250,000	(4,500,000)	750,000	4,500,000
	\$ 78,095,363	\$ (74,370,414)	\$ 3,724,949	\$ 4,500,000

* 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 1.95 mills for 2023. 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 2023 assessed values of all property within the District were \$1,226,799,701. The 2023 receivable recognized based on these figures was \$2,392,260, however, the total receivable recorded is plus or less any credited or delinquent amounts on account.

**NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ending December 31, 2023**

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-Infrastructure Bonds described in Note 11.

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, 2023.

NOTE 11 - DEBT

A schedule of changes in bonds and other long-term obligations of the Authority for 2023 follows:

	<u>Outstanding 12/31/2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding 12/31/2023</u>	<u>Amounts Due Within One Year</u>
Community Facilities Refunding Bonds, Series D, 2022, \$6,745,000, 4.14%	6,745,000	-	(3,505,000)	3,240,000	3,240,000
Premium on Refunding Bond Issued Series E	520,504	-	(52,488)	468,016	52,488
Multi-Purpose Infrastructure Improvement and Refunding Bonds, Series E 2017, \$9,210,000, 2-4%	<u>6,620,000</u>	<u>-</u>	<u>(560,000)</u>	<u>6,060,000</u>	<u>580,000</u>
Total	<u>13,885,504</u>	<u>-</u>	<u>(4,117,488)</u>	<u>9,768,016</u>	<u>3,872,488</u>

Community Facilities Refunding Bonds, Series C: In December 2001, the Community Facilities Bonds Series "B" (CFB) 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. In December 2022 the Series C Bonds were called and refunded with Community Facility Refunding Bonds Series "D", \$6,745,000 in new bonds. The final due date for the bonds are December 1, 2024 and the average coupon interest rate is 4.14%. The 2022 refunding of the 2012 C bonds totaled \$8,720,062, with \$6,745,000 new Series "D" bonds combined with \$1,877,375 from the 2012C reserve account and \$97,687 from the 2012 C bond service fund.

NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ending December 31, 2023

NOTE 11 - 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 \$800,000 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 D and Multi-Purpose Infrastructure Improvement and Refunding Bonds, Series E as of December 31, 2023 are as follows:

<u>Year</u>	<u>Community Facilities Refunding Bonds, Series D</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>	
2024	3,240,000	134,136	580,000	230,681	4,184,817
2025	-	-	605,000	207,481	812,481
2026	-	-	625,000	183,281	808,281
2027	-	-	640,000	170,000	810,000
2028	-	-	665,000	144,400	809,400
2029-2032	-	-	2,945,000	300,200	3,245,200
Total	3,240,000	134,136	6,060,000	1,236,044	10,670,180

NOTE 12 - 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 of New Albany for approved projects. Contributions in 2023 of \$4,500,000 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 13 - 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 2023 infrastructure accounting services as of December 31, 2023. Additionally, the Fiscal Officer for the Authority is also the Fiscal Officer for the Developer.

**NEW ALBANY COMMUNITY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending December 31, 2022 (unaudited)**

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 year ended December 31, 2022. 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 2022 and 2021 follow:

- Total assets decreased \$8,598,395 or -29.24%, between December 31, 2022 and December 31, 2021. Total liabilities and deferred inflows of resources decreased \$6,698,309 or -32.15% between December 31, 2022 and December 31, 2021. Total net position decreased \$1,900,087 or - 22.17% between December 31, 2022 and December 31, 2021.
- Total revenues decreased \$6,368,565, or -37.80%, between December 31, 2022 and December 31, 2021. Total operating expenses and non-operating revenues (expenses) increased \$1,851,641 or -17.59%, between December 31, 2022 and December 31, 2021.

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 position, a statement of revenues, expenses and changes in net position, and a statement of cash flows for the period ending December 31, 2022. 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 Ending December 31, 2022 (unaudited)**

Summary Statement of Net Position

	<u>2022</u>	<u>2021</u>
Assets:		
Other Assets	\$ 20,809,603	\$ 29,126,424
Total Assets	<u>20,809,603</u>	<u>29,126,424</u>
Deferred outflows of resources:	<u>-</u>	<u>281,575</u>
Liabilities:		
Current Liabilities	73,945	196,687
Long-Term Debt	13,885,504	20,638,853
Total Liabilities	<u>13,959,449</u>	<u>20,835,540</u>
Deferred inflows of resources:	<u>177,782</u>	<u>-</u>
Net Position: Unrestricted	\$ 6,672,372	\$ 8,572,459
Total Net Position	<u>\$ 6,672,372</u>	<u>\$ 8,572,459</u>

The increase in total assets between December 31, 2022 and December 31, 2021 was due to a decrease in cash and equivalents of \$8,618,515 offset by a increase in accounts receivable of \$301,694. The decrease in Deferred outflows of resources was due a refunding of the Community Facilities Series "C" bonds. The decrease in liabilities between December 31, 2022 and December 31, 2021 was due to payments of \$12,335,000 on existing bonds issuance of new bonds of \$6,745,000 and amortization of bond premium for a net decrease of \$6,575,567 and a decrease in interest payable and accounts payable of \$122,742. The increase in Deferred inflows of resources was due to the refunding of the Community Facilities Series "C" bonds.

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

	<u>2022</u>	<u>2021</u>
Operating Revenues	\$ 10,480,539	\$ 16,849,104
Operating Expenses	<u>100,316</u>	<u>55,412</u>
Operating Income (Loss)	10,380,223	16,793,692
Non-Operating Revenue (Expenses)	<u>(12,280,310)</u>	<u>(10,473,573)</u>
Change in Net Position	\$ (1,900,087)	\$ 6,320,119

The increase in operating revenues between December 31, 2022 and December 31, 2021 was due an increase of \$54,657 in the Community Development Charge, a decrease in City of New Albany Income Tax Revenues of \$1,919,577 and a decrease in grant revenue of \$4,503,645. The increase in operating expenses and Non-Operating Revenue (Expenses) between December 31, 2022 and December 31, 2021 was due to an increase in economic development project funding of \$2,527,199, a decrease in interest expense of \$517,758, an operating increase in operating expenses of \$44,904 and an increase in interest & other income of \$202,704.

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
For the Year Ending December 31, 2022

Assets:	
Equity in pooled cash and cash equivalents	\$ 34,997
Cash with fiscal and escrow agents:	
Community bonds - refunding reserve fund	5,394
Community bonds - refunding fund	2,967
Community bonds - service fund	1,288,987
Community bonds - General account	2,794
Infrastructure bond project fund	1,457
Infrastructure bond Series E Bond Fund	438
Infrastructure bond service fund	11,846,922
Infrastructure improvement bond reserve E	851,922
Economic development fund	323,365
Receivables:	
Community development charge	3,534,715
Income tax receivable	819,567
Infrastructure fund - City of New Albany	2,087,393
Infrastructure & other payments	<u>8,685</u>
Total assets	<u>20,809,603</u>
Liabilities:	
Accounts payable	33,664
Interest payable-Community bonds.	17,841
Interest payable-Infrastructure fund.	22,440
Long-Term Liabilities:	
Due with one year.	4,117,488
Due in more than one year.	<u>9,768,016</u>
Total liabilities	<u>13,959,449</u>
Deferred inflows of resources:	
Unamortized deferred charges on debt refunding	<u>177,782</u>
Total deferred inflows of resources	<u>177,782</u>
Net position:	
Unrestricted (deficit)	<u>\$ 6,672,372</u>
Total net position	<u><u>\$ 6,672,372</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 Ending December 31, 2022

Operating revenues:	
Community development charge	\$ 3,535,321
City of New Albany Income Tax	6,213,317
New Albany Community Foundation Grant	<u>731,901</u>
Total operating revenues	10,480,539
Operating expenses:	
Bank Charges	788
Insurance	5,824
Professional Fees	3,742
Bond Trustee Fees	6,110
Accounting fees	25,337
Legal fees	<u>58,515</u>
Total operating expenses	<u>100,316</u>
Operating income (loss)	<u>10,380,223</u>
Non-operating revenues (expenses):	
Interest income -trust accounts	204,448
Interest expense- community facilities bonds	16,737
Interest & fiscal charge expense- infrastructure bonds	(216,793)
Economic development project funding	<u>(12,284,702)</u>
Total non-operating revenues (expenses)	<u>(12,280,310)</u>
Change in net position	(1,900,087)
Net position at beginning of period	<u>\$ 8,572,459</u>
Net position at end of period	<u><u>\$ 6,672,372</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEW ALBANY COMMUNITY AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ending December 31, 2022

Cash flows from operating activities:

Cash received from community development charge	\$ 3,523,986
Cash received from city income tax	5,930,459
Cash received from New Albany Community Foundation Grant	731,901
Cash payments for administrative expenses	(28,337)
Cash payments for reimbursements/legal fees	(66,515)
Cash payments for trustee fees	<u>(6,110)</u>
Net cash provided by (used in) operating activities	<u>10,085,384</u>

Cash flows from capital and related financing activities:

Debt proceeds	6,745,000
Principal retirement on debt service	(12,335,000)
Interest and fiscal charges	(1,033,645)
Amphitheater Project	(731,901)
Economic development contributions	<u>(11,552,800)</u>
Net cash provided by (used in) capital and related financing activities	<u>(18,908,346)</u>

Cash flows from investing activities:

Interest received	<u>\$ 204,448</u>
Net cash provided by investing activities	<u>204,448</u>

Net increase (decrease) in cash and cash equivalents (8,618,514)

Cash and cash equivalents at the beginning of the period 22,977,757

Cash and cash equivalents at the end of the period \$ 14,359,243

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:

Operating income (loss)	\$ 10,380,223
 (Increase) Decrease in Assets:	
Community development charge receivable	(11,335)
Income tax receivable	(282,858)
Infrastructure payments	(7,501)
 Increase(Decrease) in Liabilities:	
Accounts payable	<u>6,855</u>
Net cash provided by (used in) operating activities	<u><u>\$ 10,085,584</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ending December 31, 2022

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 generally accepted accounting principles (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 BASIC FINANCIAL STATEMENTS
For the Year Ending December 31, 2022

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

E. Unamortized Deferred Loss/Bond Issuance Costs

Bond losses and gains 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. Unamortized deferred gains 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 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 year-end 2022.

NOTE 3 - NET POSITION

At December 31, 2022, the Authority had accumulated positive Net Position of \$6,672,372. 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 BASIC FINANCIAL STATEMENTS
For the Year Ending December 31, 2022

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, Government National Mortgage Association, and Student Loan Marketing 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;
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. 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, 2022, the carrying amounts, as well as the bank balance of the Authority's deposits were \$34,997. The total bank balances 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	\$14,324,246

NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ending December 31, 2022

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, 2022, 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 Authority or at least registered in the name of the Authority.

NOTE 5 - CASH WITH FISCAL AND ESCROW AGENTS

At December 31, 2022, the carrying amount of the Authority's cash with fiscal and escrow agents was \$14,324,246. This amount is held in escrow for projects funded by bond issuances. These funds are held in Money Market Accounts invested in U.S. Government Securities.

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. In December 2022 the CFB were refunded and the reserve requirement was eliminated. The Cash balance of this account at December 31, 2022 totaled \$5,394, including only interest earnings. The balance of the account is interest earnings will be used for debt service. The 2012 CFB reserve requirement amounted 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 of \$1,288,987 available as of December 31, 2022 for Debt Service. 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 \$800,000 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 New Albany 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 Village of New Albany 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, New Albany 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 BASIC FINANCIAL STATEMENTS
For the Year Ending December 31, 2022

NOTE 7 - INFRASTRUCTURE FUND (Continued)

New Albany also directs the Authority to disburse funds from the EDF for certain New Albany council approved projects.

As of December 31, 2022, the following is a summary of the Projects that have been approved for disbursement from the fund.

<u>Project Description</u>	Authorized Amount	Amounts Disbursed as of 12/31/2022	Authorized disbursements remaining	2022 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	(6,714,100)	-	77,800
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)	-	
Planning/design for Economic Development in Licking County	1,500,000	(1,500,000)	-	1,500,000
2022 Incentives, Shuttle services, Economic Development	3,975,000	(3,975,000)	-	3,975,000
2022 Incentives, Shuttle services, Economic Development	6,000,000	(6,000,000)	-	6,000,000
	\$ 72,845,363	\$ (69,870,363)	\$ 2,975,000	\$ 11,552,800

* 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 2022. 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 2022 assessed values of all property within the District totaled \$1,208,580,717. The 2022 receivable recognized based on these figures was \$3,504,885 however, the total receivable recorded is plus or less any credited or delinquent amounts on account.

**NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ending December 31, 2022**

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, 2022.

NOTE 11 - UNAMORTIZED DEFERRED CHARGES

The unamortized deferred charges represent the deferred inflows of resources for the Series D Community Bonds that were issued in 2022. These costs are to be amortized over the remaining term of the bond issue or through the year 2023.

NOTE 12 - DEBT

A schedule of changes in bonds and other long-term obligations of the Authority for 2022 follows:

	Outstanding <u>12/31/2021</u>	<u>Additions</u>	<u>Reductions</u>	Outstanding <u>12/31/2022</u>	Amounts Due Within <u>One Year</u>
Community Facilities Refunding Bonds, Series C, 2012, \$35,610,000, 2-5%	11,795,000	-	(11,795,000)	-	-
Premium on Refunding Bond Issued Series C	1,110,861	-	(1,110,861)	-	-
Series D, 2022, \$6,745,000, 4.14%		6,745,000		6,745,000	3,505,000
Premium on Refunding Bond Issued Series E	572,992	-	(52,488)	520,504	52,488
Multi-Purpose Infrastructure Improvement and Refunding Bonds, Series E 2017, \$9,210,000, 2-4%	<u>7,160,000</u>	<u>-</u>	<u>(540,000)</u>	<u>6,620,000</u>	<u>560,000</u>
Total	<u><u>20,638,853</u></u>	<u><u>6,745,000</u></u>	<u><u>(13,498,349)</u></u>	<u><u>13,885,504</u></u>	<u><u>4,117,488</u></u>

Community Facilities Refunding Bonds, Series C: In December 2001, the Community Facilities Bonds Series "B" (CFB) 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. In December 2022 the Series C Bonds were called and refunded with Community Facility Refunding Bonds Series "D", \$6,745,000 in new bonds. The final due date for the bonds are December 1, 2024 and the average coupon interest rate is 4.14%. The 2022 refunding of the 2012 C bonds totaled \$8,720,062, with \$6,745,000 new Series "D" bonds combined with \$1,877,375 from the 2012C reserve account and \$97,687 from the 2012 C bond service fund.

NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ending December 31, 2022

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 \$800,000 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 D and Multi-Purpose Infrastructure Improvement and Refunding Bonds, Series E as of December 31, 2022 are as follows:

<u>Year</u>	Community Facilities Refunding Bonds, Series D		Multi-Purpose Infrastructure Improvement and Refunding Bonds, Series E		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2023	3,505,000	227,273	560,000	253,018	4,545,291
2024	3,240,000	73,136	580,000	230,681	4,123,817
2025	-	-	605,000	207,481	812,481
2026	-	-	625,000	183,281	808,281
2027	-	-	640,000	170,000	810,000
2028-2032	-	-	3,610,000	444,600	4,054,600
Total	6,745,000	300,409	6,620,000	1,489,061	15,154,470

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 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, including modifications. 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 \$7,477,217 as of December 31, 2022.

NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ending December 31, 2022

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 2022 include \$77,800 for debt service related the Business Park East infrastructure, and \$9,975,000 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". An additional project totaling \$1,500,000 was approved by the board in 2021 for Planning & Design for Economic Development in Licking County, but was not contributed to the City until 2022.

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 2022 infrastructure accounting services as of December 31, 2022. Additionally, the Fiscal Officer for the Authority is also the Fiscal Officer for the Developer.

**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 New Albany Community Authority, Franklin County, Ohio, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise New Albany Community Authority's basic financial statements, and have issued our report thereon dated July 30, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 New Albany Community Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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 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 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 New Albany Community Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
July 30, 2024

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 11/7/2024

65 East State 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