



OHIO AUDITOR OF STATE
KEITH FABER



**POWELL COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY
DECEMBER 31, 2022 AND 2021**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Powell Community Infrastructure Financing Authority
Delaware County
400 South Fifth Street, Suite 220
Columbus, Ohio 43215

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Powell Community Infrastructure Financing Authority, Delaware County, Ohio (Authority), as of and for the years ended December 31, 2022, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Powell Community Infrastructure Financing Authority, Delaware County, Ohio as of December 31, 2022, 2021 and 2020, and the changes in its financial position and cash flows for the years then ended in accordance with the 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the 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 the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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 August 20, 2025, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



Tiffany L Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

August 20, 2025

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**POWELL COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2022 AND 2021
(UNAUDITED)**

The management's discussion and analysis of the Powell Community Infrastructure Financing Authority, Delaware, Ohio, (the Authority), financial performance provides an overall review of the Authority's financial activities for the fiscal years ended December 31, 2022 and 2021. The intent of this discussion and analysis is to look at the Authority's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Authority's financial performance.

Financial Highlights

1. The Authority encourages the orderly development of a well-planned, diversified community of approximately 125 acres in Delaware County, including the City of Powell.
2. Net position at December 31, 2022 and 2021 totaled a negative \$3,888,745 and a negative \$4,139,194, respectively. The negative net position balance was caused by the costs incurred for capital assets acquired and improved, which were donated upon completion.
3. The Authority's intergovernmental debt (Infrastructure Acquisition Bonds, Series 2021) decreased during fiscal year 2022 by \$180,000.

In 2014, the Authority issued a Communities Facilities Development Revenue Bond, Series 2014B for \$2,000,000 to construct community facilities in The Reserve at Scioto Glenn. In fiscal year 2022 and 2021, there was \$0 and \$70,532 respectively, in unpaid interest expense that was added to principal.

In 2016, the Authority issued a Communities Facilities Development Revenue Bond, Series 2015A for \$33,000 to construct community facilities in The Grandshire. The Authority made principal payment of \$10 Series 2015A bond as of December 31, 2022 and 2021.

Future payments of the Authority's debt will be paid through the collection of community development charges imposed on the residences benefiting from the capital assets.

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Authority's financial activities and financial position. The *Statement of Net Position* and *Statement of Revenues, Expenses, and Changes in Net Position* provide information about the activities of the Authority, including all short-term and long-term financial resources and obligations. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets, all liabilities

**POWELL COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2022 AND 2021
(UNAUDITED)**

and all deferred inflows of resources are included in the Statement of Net Position. The Statement of Net Position represents the financial position of the Authority. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in net position. The Statement of Cash Flows reflects how the Authority finances and meets its cash flow needs. Finally, the notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided on the basic financial statements.

Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position and the Statement of Cash Flows

These financials look at all financial transactions and asks the question, "How did we do financially?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position answer this question. These statements include *all assets, liabilities, deferred inflows of resources, revenues, and expenses* using the *accrual basis of accounting*, similar to the accounting used by most private-sector companies. The basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The Authority's change in net position is important because it tells the reader that, for the Authority as a whole, the *financial position* of the Authority has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. These statements can be found on pages 8 and 9 of this report.

The Statement of Cash Flows provides information about how the Authority finances and meets the cash flow needs of its operations. The Statement of Cash Flows can be found on page 10 of this report.

The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data on pages 11-21.

**POWELL COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2022 AND 2021
(UNAUDITED)**

Financial Analysis

Table 1 provides a summary of the Authority's net position for fiscal years 2022, 2021 and 2020.

Table 1
Net Position

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Assets:			
Current Assets	\$ 814,587	\$ 662,221	\$ 1,228,195
Investments	-	-	-
Total Assets	<u>814,587</u>	<u>662,221</u>	<u>1,228,195</u>
Liabilities:			
Current Liabilities	211,446	207,914	138,043
Long Term Liabilities	3,933,820	4,037,697	4,872,175
Total Liabilities	<u>4,145,266</u>	<u>4,245,611</u>	<u>5,010,218</u>
Total Deferred Inflows of Resources	562,402	555,804	525,092
Net Position:			
Unrestricted - (Deficit)	(3,893,081)	(4,139,194)	(4,307,115)
Total Net Position - (Deficit)	<u><u>\$ (3,893,081)</u></u>	<u><u>\$ (4,139,194)</u></u>	<u><u>\$ (4,307,115)</u></u>

Net Position: Net position represents the difference between assets and liabilities and deferred inflows of resources. The Authority had net positions of negative \$3,893,081 in 2022, and negative \$4,139,194 in 2021.

Table 2 reflects the changes in net positions for fiscal years 2022, 2021, and 2020.

**POWELL COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2022 AND 2021
(UNAUDITED)**

Table 2
Change in Net Positions

	<u>2022</u>	<u>2021</u>	<u>2020</u>
	\$ 555,804	\$ 525,095	\$ 460,531
Operating Revenue			
Financial Management Services	23,155	34,992	18,941
Legal Fees	25,648	21,846	15,302
Auditor Expense	-	8,938	-
Bank Fees	509	404	395
Insurance	3,341	2,717	2,577
Board Meeting Expense	250	150	100
Total Operating Expense	<u>52,903</u>	<u>69,047</u>	<u>37,315</u>
 Operating Income	 502,901	 456,048	 423,216
 Non-Operating Revenue (Expenses)			
Earnings on Investments	6,506	315	2,754
Interest Revenues	-	242	-
Interest Expense	(243,024)	(225,565)	(268,146)
Bond Issuance & Refian Costs	-	(17,537)	-
Loss on Bonds Refinance	-	(27,042)	-
Total Non-Operating Revenue (Expenses)	<u>(236,518)</u>	<u>(269,587)</u>	<u>(265,392)</u>
 Change in Net Position	 266,383	 186,461	 157,824
Intergovernmental Transfers	<u>(20,270)</u>	<u>(18,540)</u>	<u>(16,935)</u>
 Change in Net Position after Transfers	 <u>\$ 246,113</u>	 <u>\$ 167,921</u>	 <u>\$ 140,889</u>

Change in net position has varied in the last three (3) years. Revenues increased \$30,709 in 2022 and by \$64,654 in 2021. The increase in community development charge revenues is attributed to the addition of new home construction.

**POWELL COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2022 AND 2021
(UNAUDITED)**

The Authority's operating expenses decreased by \$16,144 in 2022 and increased by \$31,732 in 2021. This change from year to year was mainly caused because there was a decrease in Financial Management Services costs and Audit Expense costs of \$11,837 and \$8,938 respectively. Finally, interest expense increased by \$17,459 in 2022 and decreased by \$42,581 in 2021 as a result of disposal of intergovernmental debt.

Community Development Charge

The Authority can levy a community development charge up to 10.25 mills on the assessed value of land and improvements within the Authority. The Community Development Charge is calculated on thirty-five percent of the total market value of chargeable property, which includes buildings, structures, and improvements. Revenue from Community Development Charges paid by each owner of a chargeable parcel will be used to pay for administrative expenses and retire the debt incurred to acquire and construct infrastructure assets.

Budgeting

The Authority is not required to follow the budgetary provisions set forth in Ohio Revised Code Chapter 5705.

Capital Assets

The Authority does not have Capital Assets

Debt

As of fiscal year-end December 31, 2022 and 2021, the Authority had \$4,113,830 and \$4,217,707 in outstanding community facilities development revenue bonds, respectively. The outstanding balance includes \$76,133 and \$70,532 in 2022 and 2021, respectively, of unpaid interest that was added to the principal balance. Principal payments of \$180,010 and \$2,350,010 were made in 2022 and 2021 respectively. For further information regarding the Authority's debt obligations, refer to Notes 8 and 9 in the Notes to the Basic Financial Statements.

Contacting Authority's Financial Management

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the Authority's finances and to reflect the Authority's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to John Parm, Treasurer, Powell Community Infrastructure Financing Authority, 400 South Fifth Street, Suite 220, Columbus, Ohio 43215.

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Powell Community Infrastructure Financing Authority
Delaware County
Statements of Net Position
As of December 31, 2022 and 2021

ASSETS	2022	2021
Current Assets		
Checking/Savings		
1001 · Huntington National Bank #1483	\$ 504	\$ 3,900
1036 · Star Ohio - Original Powell	130,511	16,177
1038 · Star Ohio - 2 Mill Saving2	17,412	17,119
Star Ohio - Epcon Savings	94,922	65,161
Total Checking/Savings	<u>\$ 243,349</u>	<u>\$ 102,357</u>
Other Current Assets		
1210 · Accounts Receivable Community Development Charge	<u>571,238</u>	<u>559,864</u>
Total Current Assets	<u>571,238</u>	<u>559,864</u>
TOTAL ASSETS	<u><u>\$ 814,587</u></u>	<u><u>\$662,221</u></u>
LIABILITIES & NET POSITION		
Liabilities		
Current Liabilities		
20000 · Accounts Payable	\$ 10,712	\$ 8,808
2609 · Accrued interest on 2021 bonds	2,091	-
2611 · Accrued Interest on 2014 B	18,217	17,728
2600 · Accrued Interest on ECA	-	1,160
2612 · Accrued Interest on 2015A	416	208
2640 · Bonds Payable Current	<u>180,010</u>	<u>180,010</u>
Total Current Liabilities	<u>211,446</u>	<u>207,914</u>
Long Term Liabilities		
2505 · Bonds Payable 2021	1,075,000	1,255,000
2530 · Bonds Payable Series 2014B	2,825,900	2,749,767
2540 · Bonds Payable Series 2015A	<u>32,920</u>	<u>32,930</u>
Total Long Term Liabilities	<u>3,933,820</u>	<u>4,037,697</u>
Total Liabilities	<u><u>\$ 4,145,266</u></u>	<u><u>\$ 4,245,611</u></u>
Deferred Inflows of Resources		
2630 · Deferred Inflows of Resources	<u>562,402</u>	<u>555,804</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>\$ 4,707,668</u></u>	<u><u>\$ 4,801,415</u></u>
Net Position		
Unrestricted	(3,893,081)	(4,139,194)
Total Net Position - (Deficit)	<u><u>\$ (3,893,081)</u></u>	<u><u>\$ (4,139,194)</u></u>

See notes to the financial statements.

Powell Community Infrastructure Financing Authority
Delaware County
Statements of Revenues, Expenses and Changes in Net Position
As of December 31, 2022 and 2021

	2022	2021
Ordinary Revenue/Expense		
Revenues		
4000 · Community Development Income	\$ 555,804	\$ 525,095
Total Revenues	<u>555,804</u>	<u>525,095</u>
Expense		
5102 · Financial Management Services	23,155	34,992
5105 · Legal Fees	25,648	21,846
5110 · Auditor Expenses	0	8,938
5117 · Bank Fees	509	404
5125 · Insurance	3,341	2,717
5150 · Board Meeting Expense	250	150
Total Operating Expense	<u>52,903</u>	<u>69,047</u>
Net Operating Income	502,901	456,048
Non-Operating Income (Expenses)		
Other Income		
9020 · Dividend Income	6,506	315
9025 · Interest Income	-	242
Other Expenses		
9100 · Interest Expense	(243,024)	(225,565)
5160 · Bond Issuance & Refinance Costs	-	(17,537)
9045 · Loss on bonds refinance	-	(27,042)
Total Non-operating Revenues/(Expenses)	<u>(236,518)</u>	<u>(269,587)</u>
Change in Net Position Before Transfers	266,383	186,461
Intergovernmental Transfers		
Transfers to Liberty CIFA	<u>(20,270)</u>	<u>(18,540)</u>
Change in Net Position	246,113	167,921
Beginning Net Position - (Deficit)	(4,139,194)	(4,307,115)
Ending Net Position - (Deficit)	<u>\$ (3,893,081)</u>	<u>\$ (4,139,194)</u>

See notes to the financial statements.

Powell Community Infrastructure Financing Authority
Delaware County
Statements of Cash Flows
As of December 31, 2022 and 2021

	2022	2021
Cash Flows From Operating Activities		
Cash received from community development charges	\$ 551,029	\$ 525,134
Cash payments for financial management services	(24,304)	(29,480)
Cash payments for legal fees	(22,431)	(19,165)
Cash payments for audit fees	(578)	(8,323)
Cash payments for insurance	(2,889)	(2,717)
Cash payments for board meeting expense	(250)	(150)
Cash payments for other expenses	(547)	(404)
Net Cash Provided by Operating Activities	500,030	464,895
Cash Flows From Investing Activities		
Cash received from interest and dividends	6,506	350
Net Cash Provided by Investing Activities	6,506	350
Cash Flows From Capital and Related Financing Activities		
Payment of bond principal	(180,000)	(889,821)
Payment to other authorities	(20,270)	(18,540)
Payment of interest costs on bonds	(136,574)	(136,329)
Payment of interest on intergovernment debt	(28,700)	(17,198)
Net Cash Used in Capital and Related Financing Activities	(365,544)	(1,061,888)
Net Change in Cash	140,992	(596,643)
Cash, Beginning of year	102,357	699,000
Cash, End of year	\$ 243,349	\$ 102,357
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ 502,901	\$ 456,048
Adjustments to Reconcile Operating Income to Net Cash Provided by Operations:		
Change in community development charges receivable	(11,374)	(30,670)
Change in accounts and other payables	1,904	8,808
Change in deferred inflows	6,599	30,709
Net Cash Provided by Operating Activities	\$ 500,030	\$ 464,895

See notes to the financial statements.

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021**

NOTE 1 - REPORTING ENTITY

The Powell Community Infrastructure Financing Authority, Delaware County, Ohio (the Authority) is a “community authority” created pursuant to Chapter 349 of the Ohio Revised Code (the Act). On May 11, 2001, Triangle Real Estate (the Developer) filed a petition (the Petition) for creation of the Authority with the Board of County Commissioners of Delaware County, Ohio. The Petition was accepted by a resolution of the Board on May 31, 2001. The Petition, which may be subject to amendment or change, allows the Authority to finance the costs of publicly owned and operated community facilities with assessed Community Development Charges. The Petition was adopted by Resolution No. 01-681 on June 25, 2001.

By its Resolution, the County Commissioners determined that the new community authority 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 was organized as a body corporate and politic in the State.

By law, the Authority is governed by a seven (7) member board of trustees. At inception, the Board of County Commissioners of Delaware County appointed four (4) of the trustees and the remaining three (3) trustees were appointed by the Developer. All appointed trustees have since been replaced by elected citizen members who are residents of the community authority.

The community authority was initially comprised of approximately 52 acres of land located in the City of Powell (the City), Delaware County, Ohio. The 52 acres of land is generally bounded by the Grandshire Subdivision to the south, Powell Road to the north, Old Sawmill road to the west, and CSX Transportation to the east. It also includes the addition of approximately 7 acres, known as Traditions of Powell, by resolution in 2005. It consists of a 40-unit condominium community and two (2) commercial lots located in Powell, Ohio within the boundaries of West Olentangy Street, Case Avenue and Lincoln Street. The entire project includes the construction of waterline, sanitary sewer, main line sanitary sewer, storm sewer, bike path, roads and street improvements.

On February 21, 2014, the Developer filed an Application to Amend the Petition to Establish the Authority (the "Application") to add certain parcels of real estate owned by Epcon Sawmill, LLC (Epcon) and The Reserve at Scioto Glenn, LLC (The Reserve). On April 7, 2014, Delaware County Commissioners approved the Application pursuant to its Resolution No. 14-388. This amendment increased the Community Authority acreage from 52 acres to 125 acres.

The Epcon property is approximately 3 acres. The land is generally bound by Gray Oaks Drive to the north, Sawmill Road to the west and Winter Hill Place to the east. The plan is to develop a residential development consisting of 23 units of single family housing. Construction was completed in 2015.

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021**

NOTE 1 - REPORTING ENTITY (CONTINUED)

The Reserve at Scioto Glenn property is approximately 70 acres. The land is generally bound by farmland to the south, Home Road to the north, Scioto Reserve Subdivision to the west and Steitz Road to the east. The plan is to develop a residential development consisting of approximately 119 units of single family housing. Construction was completed in 2015. The project includes the construction of a sanitary sewer, water and storm sewer, earthwork, pavement, sidewalks and curbing.

In accordance with the Act and the Petition, the Authority can levy a community development charge up to 10.25 mills on the assessed value of the land and improvements within the Authority. 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 significant accounting policies followed in the preparation of these basic financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

Basis of Presentation

The Authority's basic financial statements consist of Statement of Net Position, Statement of Revenues, Expenses and Change in Net Position, and Statement of Cash Flows. The Authority uses enterprise accounting to maintain its financial records during the fiscal year. Enterprise accounting focuses on the determination of operating income, changes in net position, financial position, and cash flows.

The Authority distinguishes operating revenues and expenses from non-operating activities. Operating revenues and expenses generally result from providing services and producing and delivering goods or services in connection with the Authority's primary operations. All revenues and expenses not considered operating are reported as non-operating revenues and expenses.

Measurement Focus and Basis of Accounting

The Authority's financial activity is accounted for using a flow of economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Authority are included on the Statement of Net Position. The Statement of Revenues, Expenses and Change in Net Position present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The Statement of Cash Flows reflect how the Authority finances and meets its cash flow needs.

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made. The Authority's financial statements have been prepared using the accrual basis of accounting in conformity with GAAP.

A. Cash and Investments

Cash received by the Authority is deposited with a financial institution. Deposit and investments having an original maturity of three months or less at the time they are purchased are presented in the financial statements as Cash and Cash Equivalents.

B. Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their 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 assets are available. The Authority had no restricted net position at fiscal years end 2022 and 2021.

C. 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. 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 this definition are reported as non-operating.

D. Use of Estimates

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

E. Federal Income Taxes

The Authority is exempt from federal income taxes under IRS regulations.

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Capital Assets

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The Authority does not maintain a capitalization threshold. Infrastructure assets acquired or constructed by the Authority are capitalized; however, the Authority does not depreciate capital assets as all assets are donated to other governments upon acquisition/completion.

NOTE 3 - ACCUMULATED DEFICIT OF NET POSITION

At December 31, 2022 and 2021, the Authority has an accumulated deficit of net position of \$3,888,745 and \$4,139,194, respectively. This deficit 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 incurred the costs of constructing community facilities. The titles to these assets have been transferred to the community with the related costs recorded as a capital contribution expense to the receiving entity. This deficit will be reduced and eliminated as the outstanding debt is paid with, primarily, future community development charge revenues.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the Authority into three (3) 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 Trustee 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 cash. Interim cash are those monies that 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.

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021**

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

State statutes permits interim monies to be deposited or invested in a variety of securities and investments including US treasury notes, bills, bonds 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.

Deposits

Custodial Credit Risk – Deposits. The carrying amount of the Authority's deposits at December 31, 2022 and 2021 were \$504 and \$3,900, respectively. The bank balances were the same as the carrying values for both years. The Authority's deposits are protected only up to amounts covered by the Federal Depository Insurance Corporation (FDIC). The Authority had no deposits at fiscal years 2022 and 2021 in excess of the FDIC insurance levels.

Investments

The measurement value of Star Ohio at December 31, 2022 was \$242,845 and at December 31, 2021 was \$98,457.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Authority measures its Investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards

For 2021, there were no limitations or restrictions on any participant withdrawals due to advance of notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

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 STAR Ohio (the State Treasury Asset Reserve of Ohio). STAR Ohio carries a rating of AAAm by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard ratings service.

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021**

NOTE 4 - DEPOSITS AND INVESTMENTS – CONTINUED

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, STAR Ohio or within financial institutions within the State of Ohio as designated by the Federal Reserve Board. For the year ended December 31, 2022 and 2021, the Authority has invested 100% of its investments in STAR Ohio.

NOTE 5 - RECEIVABLES

Receivables at December 31, 2022 and 2021 consisted of community development charges. All receivables are considered collectible in full within one year.

NOTE 6 – COMMUNITY DEVELOPMENT CHARGE

Charge assessments are levied in December. The assessed value is established by state law at 35% of the current market value, the sales price, or the permit value whichever is the highest.

Market values are determined based on the County Auditor's appraisal, lot values, or a calculated costs for occupied homes that have not yet been appraised by the Delaware County Auditor. Amounts assessed and due but not collected, are reflected as both a receivable and a deferred inflow of resources on the statement of net position. For the years ended December 31, 2022 and 2021, the amount of deferred revenues recorded was \$562,402 and \$555,804, respectively. For the years ended December 31, 2022 and 2021, the amount of receivables recorded was \$571,238 and \$559,864, respectively.

Community development charge revenue represents the amount levied and paid during the current year. The Authority can levy an annual community development charge of up to 10.25 mills on the assessed value of all property initially developed within the Authority which were initially referred to as the Murphy Park and Traditions developments. Community Development charge collected is to be used for Powell Authority Proportionate Share of administrative expenses associated with the City of Powell general obligation bonds and City of Powell bond debt service.

The community development charge for the Epcon Property Development is currently levied at 5.9 mills or \$689 per parcel on the 23 separate parcels developed. Of this amount, \$117 per parcel is to be used for 1) Proportionate Share of Authority administrative expenses associated with Epcon Bonds and 2) Epcon Bond debt services. The remaining \$572 per parcel of community development charge from the Epcon Property is to be used for Powell Authority administrative costs and debt service. Total Proportionate Share of administrative expenses for the Epcon Bonds for the year ended December 31, 2022 and 2021 was \$397 and \$454, respectively.

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021**

NOTE 6 – COMMUNITY DEVELOPMENT CHARGE (CONTINUED)

The community development charge for the Metro Property Development is levied at a rate of 10.25 mills. Of this amount, 8.25 mills or 80.49% of the community development charge is to be used for 1) Proportionate Share of Powell Authority administrative expenses associated with the Metro Bonds, and 2) Metro Bonds debt service. Total Proportionate Share of administrative expenses for the Metro Bonds for the year ended December 31, 2022 and 2021 came to \$ 33,166 and \$37,296, respectively. Of the remaining 2 mills of community development charge 1 mill or 9.755 % will go to service Powell CIFA City of Powell general obligation bond debt and 1 mill will go to the Liberty CIFA to be used to services its general obligation bond debt. For the years ended December 31, 2022 and 2021, the amount collected for this purpose was \$20,270 and \$18,540, respectively for each entity.

NOTE 7 – CAPITAL ASSETS

On June 12, 2015 a development agreement was signed between the Powell Community Infrastructure Financing Authority, Triangle Properties, Inc and Epcon Property LLC to construct a roadway entrance, install water lines and make sanitary sewer improvements for The Grandshire project.

The construction is financed by Community Facilities Development Revenue Bond, Series 2015A. Construction was completed in 2015 and assets costing \$33,000 were transferred to the City of Powell upon completion as provided in the development agreement.

On August 25, 2014 a development agreement was signed between the Powell Community Infrastructure Financing Authority, Triangle Properties, Inc and Metro Development LLC to construct a water line and sanitary sewers, to replace pumps, control systems and electrical panels in an existing pump station, to construct a storm sewer, to create sub-base for public streets and a storm basin for the public storm system, to install pavement for curb and gutter for public streets and to create sidewalks in The Reserve at Scioto Glenn. The construction was financed by Community Facilities Development Revenue Bond, Series 2014B. Construction was completed in 2015 and assets costing \$2,000,000 including \$107,076 in accrued construction interest costs were transferred to the City of Powell upon completion as provided in the development agreement.

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021**

NOTE 8 - LONG-TERM OBLIGATIONS

The Authority's long-term obligation activity for the years ended December 31, 2022 and 2021 was as follows:

Community Facilities Development Revenue Bonds	Balance January 1	New Debt	Reductions	Balance December 31	Due in One Year
2022					
Series 2014B	\$2,749,767	\$76,133	-	\$2,825,900	-
Series 2015A	32,940	-	\$10	32,930	\$10

Community Facilities Development Revenue Bonds	Balance January 1	New Debt	Reductions	Balance December 31	Due in One Year
2021					
Series 2014B	\$2,679,235	\$70,532	-	\$2,749,767	-
Series 2015A	\$32,950	-	\$10	\$32,940	\$10

Community Facilities Development Revenue Bond, Series 2014B

On August 25, 2014, the Authority issued a \$2,000,000 community facilities development revenue bond. The purpose is to provide funds to acquire and construct community facilities and to acquire and develop land in connection with The Reserve at Scioto Glenn (Metro Property). The bond has an interest rate of 7.59%. Metro Development, LLC and Infrastructure Administrative Services, LLC are the registered owners of the bond.

The proceeds of the bond was used to construct a water line and sanitary sewers, to replace pumps, control systems and electrical panels in an existing pump station, to construct a storm sewer, to create sub-base for public streets in The Reserve at Scioto Glenn and a storm basin for the public storm system, to install pavement for curb and gutter for public streets and to create sidewalks. The community development charges, not to exceed 8.25 mills, are pledged for repayment. The financing Authority expects that all of the debt service on the notes will be paid from these revenues. Principal and interest on this bond shall be paid semi-annually on June 1 and December 1, beginning June 1, 2016 until principal sum is paid, in the following order: first, any interest which has accrued on the outstanding principal amount of this Bond; second, the unpaid principal of this Bond.

Interest accrued, but not paid by June 1 or December 1 of each year (with respect to interest which has accrued during the prior calendar year), shall be added to the principal balance. Interest shall be calculated based on a year of 365 or 366 days, as appropriate, and on the actual number of days elapsed from January 1 to December 31 of each year.

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021**

NOTE 8 - LONG-TERM OBLIGATIONS (CONTINUED)

For the year ended December 31, 2022, \$210,685 interest was accrued on the bonds. Of this amount, \$134,061 was paid in interest and \$76,133 remained in the accrued interest account.

For the year ended December 31, 2021, \$204,813 of interest was accrued on the bonds. Of this amount \$133,827 was paid in interest and \$70,532 was added to the principal balance of the bond as a non-cash transaction.

The fixed rate bond is subject to optional redemption in whole on any date occurring on or after December 1, 2028, at a redemption price equal to 103% of the principal amount being redeemed plus interest accrued to the redemption date. There are no scheduled principal payments on this bond.

Community Facilities Development Revenue Bond, Series 2015A

On June 12, 2015, the Authority issued a \$33,000 community facilities development revenue bond. The purpose is to provide funds to construct community facilities in connection with The Grandshire (Epcon Property). The bond is transferable and exchangeable for a bond in the same principal amount. The bond has an interest rate of 7.59%. The final maturity of the bond is

December 1, 2044. Triangle Properties, Inc. and Infrastructure Administrative Services LLC are the registered owners of the bond.

The proceeds of the bond will be used to construct a roadway entrance, install water lines and make sanitary sewer improvements. The community development charges, not to exceed 10.25 mills, are pledged for repayment. The Financing Authority expects that all of the debt service on the notes will be paid from these revenues.

Principal and interest on this bond shall be paid on June 1 and December 1, beginning December 1, 2015 until principal sum is paid, in the following order: first, any interest which has accrued on the outstanding principal amount of this Bond; second, the unpaid principal of this Bond. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months. The bond is subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount redeemed, plus interest accrued to the redemption date.

The fixed rate bond is subject to optional redemption at a redemption price equal to 103% of the principal amount being redeemed plus interest accrued to the redemption date in whole on any date occurring on or after December 1, 2029 or in part on any interest payment date occurring on or after December 1, 2029.

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021**

NOTE 8 - LONG-TERM OBLIGATIONS (CONTINUED)

The annual principal and interest payments for the Authority's portion of the 2015A Bonds are as follows:

Year	Principal	Interest	Total
2023	\$ 10	\$ 2,499	\$ 2,509
2024	20	2,499	\$ 2,519
2025	100	2,497	\$ 2,597
2026	180	2,490	\$ 2,670
2027	280	2,476	\$ 2,756
2028 - 2032	3,170	11,982	\$ 15,152
2033 - 2037	7,340	10,114	\$ 17,454
2038 - 2042	13,790	6,432	\$ 20,222
2043 - 2044	8,040	905	\$ 8,945
Total:	<u>\$ 32,930</u>	<u>\$ 41,894</u>	<u>\$ 74,824</u>

NOTE 9 - INTERGOVERNMENTAL DEBT

Pursuant to a City of Powell ordinance, on April 23, 2012, the City issued \$9,915,000 in tax exempt, general obligation bonds to refinance the Community Facilities Adjustable Rate notes of which the Powell Community Infrastructure Financing Authority utilized \$3,130,000 to retire its two outstanding notes (Series 2002 and 2005), as mentioned above. The balance of the issue was assumed by the Liberty Community Infrastructure Financing Authority.

Year	Infrastructure Acquisition Bonds, Series 2012		Additions	Payments	Ending Balance	Due in One Year
	Beginning Balance					
2021	\$ 2,275,000		-	2,275,000	\$ -	-

Of the total \$9,915,000 issue, approximately 26% or \$2,600,000 of the issue consists of a 10-year Serial Bond with an average effective interest rate of approximately 3.2% and payable by 2022.

The balance of the issue totaling \$7,315,000 consist of Term Bonds carrying an average effective interest rate of 3.24% with maturity dates of December 1, in the years between 2023 and 2036. All of the Bonds have interest payment dates of June 1 and December 1 of each year.

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021**

NOTE 9 - INTERGOVERNMENTAL DEBT (CONTINUED)

The Bonds maturing after December 1, 2021 are subject to redemptions at the option of the City, either in whole, or in part in such order of maturity as the City shall determine, on any date on or after June 1, 2022, at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the date fixed for redemption. The Bonds maturing on December 1, 2024, 2027, 2030, 2032, 2034, and 2036 are subject to mandatory sinking fund redemption prior to stated maturity.

The 2012 bonds have been redeemed in 2021.

Refunding Bonds, Series 2021

On May, 2021, Series 2021 bonds was issued in order to redeem the Series 2012 bonds. The principal balance at the time of redemption for Series 2012 bonds was \$2,160,000. The loss of redemption is \$27,042.

Infrastructure Acquisition Bonds, Series 2021	Beginning Balance	Additions	Payments	Ending Balance	Due in One Year
Year					
2022	\$ 1,435,000	-	180,000	\$ 1,255,000	\$ 180,000
2021	\$ -	1,510,000	75,000	\$ 1,435,000	\$ 180,000

The annual principal and interest payments for the Authority's portion of the Refunding Bonds, Series 2021 are as follows:

Year	Principal	Interest	Total
2023	\$ 180,000	\$ 25,100	\$ 205,100
2024	185,000	21,500	206,500
2025	190,000	17,800	207,800
2026	195,000	14,000	209,000
2027	195,000	10,100	205,100
2028 - 2029	310,000	8,400	318,400
Total:	\$ 1,255,000	\$ 96,900	\$ 1,351,900

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021**

NOTE 10 – RISK MANAGEMENT

The Authority belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remained unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022 and 2021.

	2022	2021
Assets	\$21,662,291	\$21,777,439
Liabilities	(18,158,351)	(15,037,383)
Members' Equity	<u>\$3,503,940</u>	<u>\$6,740,056</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

NOTE 11- CONTINGENT LIABILITIES

There are no claims or lawsuits pending against the Authority.

NOTE 12 – RELATED PARTY

The Powell Community Infrastructure Financing Authority has engaged in transactions with related parties, as defined by accounting standards. Related parties include individuals or entities that can significantly influence or be influenced by the Authority in their financial and operating policies.

During the year ended December 31, 2021, the Authority entered into transactions with related parties. There is a member of the board that also concurrently holds the position of President of Village Communities, Inc. The owner of Village Communities, Inc., or interests owned or

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021**

NOTE 12 – RELATED PARTY (CONTINUED)

controlled by the owner of Village Communities, Inc., holds outstanding debt that is owed by the Authority.

**POWELL COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2021 AND 2020
(UNAUDITED)**

The management's discussion and analysis of the Powell Community Infrastructure Financing Authority, Delaware, Ohio, (the Authority), financial performance provides an overall review of the Authority's financial activities for the fiscal years ended December 31, 2021 and 2020. The intent of this discussion and analysis is to look at the Authority's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Authority's financial performance.

Financial Highlights

1. The Authority encourages the orderly development of a well-planned, diversified community of approximately 125 acres in Delaware County, including the City of Powell.
2. Net position at December 31, 2022 and 2021 totaled a negative \$4,139,194 and a negative \$4,307,118, respectively. The negative net position balance was caused by the costs incurred for capital assets acquired and improved, which were donated upon completion.
3. The Authority's intergovernmental debt (Infrastructure Acquisition Bonds, Series 2012) decreased in fiscal year 2021 and 2020 by \$2,160,000, which represents disposal of this debt.

In 2014, the Authority issued a Communities Facilities Development Revenue Bond, Series 2014B for \$2,000,000 to construct community facilities in The Reserve at Scioto Glenn. In fiscal year 2021, there was \$70,532 and in fiscal year 2020, there was \$78,612, respectively, in unpaid interest expense that was added to the principal balance.

In 2016, the Authority issued a Communities Facilities Development Revenue Bond, Series 2015A for \$33,000 to construct community facilities in The Grandshire. The Authority made principal payment of \$10 and \$10 on the Series 2015A bond as of December 31, 2021 and 2020.

In 2021, the Authority issued Series 2021 Bonds to refund the series 2012 Bonds. The face value of the Series 2021 Bonds issued to refund the Series 2012 Bonds is \$1,510,000.

Future payments of the Authority's debt will be paid through the collection of community development charges imposed on the residences benefiting from the capital assets.

**POWELL COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2021 AND 2020
(UNAUDITED)**

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Authority's financial activities and financial position. The *Statement of Net Position* and *Statement of Revenues, Expenses, and Changes in Net Position* provide information about the activities of the Authority, including all short-term and long-term financial resources and obligations. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets, all liabilities and all deferred inflows of resources are included in the Statement of Net Position. The Statement of Net Position represents the financial position of the Authority. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in net position. The Statement of Cash Flows reflects how the Authority finances and meets its cash flow needs. Finally, the notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided on the basic financial statements.

Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position and the Statement of Cash Flows

These financials look at all financial transactions and asks the question, "How did we do financially?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position answer this question. These statements include *all assets, liabilities, deferred inflows of resources, revenues, and expenses* using the *accrual basis of accounting*, similar to the accounting used by most private-sector companies. The basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The Authority's change in net position is important because it tells the reader that, for the Authority as a whole, the *financial position* of the Authority has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. These statements can be found on pages 8 and 9 of this report.

The Statement of Cash Flows provides information about how the Authority finances and meets the cash flow needs of its operations. The Statement of Cash Flows can be found on page 10 of this report.

The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data on pages 11-21.

**POWELL COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2021 AND 2020
(UNAUDITED)**

Financial Analysis

Table 1 provides a summary of the Authority's net position for fiscal years 2021, 2020 and 2019.

Table 1
Net Position

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assets:			
Current Assets	\$ 662,221	\$ 1,228,195	\$ 1,109,598
Investments	-	-	-
Total Assets	<u>662,221</u>	<u>1,228,195</u>	<u>1,109,598</u>
Liabilities:			
Current Liabilities	207,914	138,043	188,500
Long Term Liabilities	4,037,697	4,872,175	4,908,574
Total Liabilities	<u>4,245,611</u>	<u>5,010,218</u>	<u>5,097,074</u>
Total Deferred Inflows of Resources	<u>555,804</u>	<u>525,092</u>	<u>460,528</u>
Net Position:			
Unrestricted - (Deficit)	(4,139,194)	(4,307,115)	(4,448,004)
Total Net Position - (Deficit)	<u><u>\$ (4,139,194)</u></u>	<u><u>\$ (4,307,115)</u></u>	<u><u>\$ (4,448,004)</u></u>

Net Position: Net position represents the difference between assets and liabilities and deferred inflows of resources. The Authority had net positions of negative \$4,139,194 in 2021, and a negative \$4,307,115 in 2020.

Table 2 reflects the changes in net positions for fiscal years 2021, 2020, and 2019.

**POWELL COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2021 AND 2020
(UNAUDITED)**

Table 2
Change in Net Positions

	2021	2020	2019
Operating Revenue	\$ 525,095	\$ 460,531	\$ 420,641
Operating Expenses			
Financial Management Services	34,992	18,941	17,829
Legal Fees	21,846	15,302	16,776
Auditor Expense	8,938	-	8,938
Bank Fees	404	395	441
Insurance	2,717	2,577	2,512
Other Expense	-	-	10
Board Meeting Expense	150	100	-
Total Operating Expenses	69,047	37,315	46,506
Operating Income	456,048	423,216	374,135
Non-Operating Revenue (Expenses)			
Earnings on Investments	315	2,754	9,843
Interest Revenues	242	-	2,510
Interest expense	(225,565)	(268,146)	(264,194)
Bond Issuance & Refinance Costs	(17,537)	-	-
Loss on Bonds Refinanced	(27,042)	-	-
Total Non-Operating Revenue (Expenses)	(269,587)	(265,392)	(251,841)
Change in Net Position	186,461	157,824	122,294
Intergovernmental Transfers	(18,540)	(16,935)	(13,245)
Change in Net Position after Transfers	\$ 167,921	\$ 140,889	\$ 109,049

Change in net position has varied in the last three (3) years. Revenues increased \$64,564 in 2021 and by \$39,890 in 2020. The increase in community development charge revenues is attributed to the addition of new home construction.

**POWELL COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2021 AND 2020
(UNAUDITED)**

The Authority's operating expenses increased by \$31,732 in 2021 and decreased by \$9,189 in 2020. This change from year to year was mainly caused because there were audit costs and additional legal expenses in 2019 that were not present in 2020 and 2018. Finally, interest expense increased by \$42,586 in 2021 as a result of disposal of intergovernmental debt, and increased by \$3,952 in 2020 as a result of additional debt incurred because of unpaid interest in each respective year.

Community Development Charge

The Authority can levy a community development charge up to 10.25 mills on the assessed value of land and improvements within the Authority. The Community Development Charge is calculated on thirty-five percent of the total market value of chargeable property, which includes buildings, structures, and improvements. Revenue from Community Development Charges paid by each owner of a chargeable parcel will be used to pay for administrative expenses and retire the debt incurred to acquire and construct infrastructure assets.

Budgeting

The Authority is not required to follow the budgetary provisions set forth in Ohio Revised Code Chapter 5705.

Capital Assets

The Authority does not have Capital Assets.

Debt

As of fiscal year-end December 31, 2021 and 2020, the Authority had \$4,217,707 and \$4,872,185 in outstanding community facilities development revenue bonds, respectively. The outstanding balance includes \$70,532 and \$78,611 in 2021 and 2020, respectively, of unpaid interest that was added to the principal balance. Principal payments of \$2,350,010 and \$115,010 were made in 2021 and 2020 respectively. For further information regarding the Authority's debt obligations, refer to Notes 8 and 9 in the Notes to the Basic Financial Statements.

Contacting Authority's Financial Management

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the Authority's finances and to reflect the Authority's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to John Parm, Treasurer, Powell Community Infrastructure Financing Authority, 400 South Fifth Street, Suite 220, Columbus, Ohio 43215.

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Powell Community Infrastructure Financing Authority
Delaware County
Statements of Net Position
As of December 31, 2021 and 2020

ASSETS	2021	2020
Current Assets		
Checking/Savings		
1001 · Huntington National Bank #1483	\$ 3,900	\$ 894
1036 · Star Ohio - Original Powell	16,177	575,918
1038 · Star Ohio - 2 Mill Saving2	17,119	57,088
Star Ohio - Epcon Savings	65,161	65,100
Total Checking/Savings	<u>\$ 102,357</u>	<u>\$ 699,000</u>
Other Current Assets		
1210 · Accounts Receivable Community Development Charge	559,864	529,195
Total Other Current Assets	<u>559,864</u>	<u>529,195</u>
TOTAL ASSETS	<u>\$662,221</u>	<u>\$1,228,195</u>
LIABILITIES & NET POSITION		
Liabilities		
Current Liabilities		
20000 · Accounts Payable	\$ 8,808	\$ -
2611 · Accrued Interest on 2014 B	17,728	-
2600 · Accrued Interest on ECA	1,160	23,033
2612 · Accrued Interest on 2015A	208	-
2640 · Bonds Payable Current	180,010	115,010
Total Current Liabilities	<u>207,914</u>	<u>138,043</u>
Long Term Liabilities		
2505 · Bonds Payable 2021	1,255,000	-
2500 · Bonds Payable ECA 2012	-	2,160,000
2530 · Bonds Payable Series 2014B	2,749,767	2,679,235
2540 · Bonds Payable Series 2015A	32,930	32,940
Total Long Term Liabilities	<u>4,037,697</u>	<u>4,872,175</u>
Total Liabilities	<u>\$ 4,245,611</u>	<u>\$ 5,010,218</u>
Deferred Inflows of Resources	<u>555,804</u>	<u>525,092</u>
Total Liabilities and Deferred Inflows of Resources	<u>4,801,415</u>	<u>5,535,310</u>
Net Position		
Unrestricted	(4,139,194)	(4,307,115)
Total Net Position - (Deficit)	<u>\$ (4,139,194)</u>	<u>\$ (4,307,115)</u>

See notes to the financial statements.

Powell Community Infrastructure Financing Authority
Delaware County
Statements of Revenues, Expenses and Changes in Net Position
As of December 31, 2021 and 2020

	2021	2020
Ordinary Revenue/Expense		
Revenues		
4000 · Community Development Income	\$ 525,095	\$ 460,531
Total Revenues	<u>525,095</u>	<u>460,531</u>
Expense		
5102 · Financial Management Services	34,992	18,941
5105 · Legal Fees	21,846	15,302
5110 · Auditor Expenses	8,938	-
5117 · Bank Fees	404	395
5125 · Insurance	2,717	2,577
5150 · Board Meeting Expense	150	100
Total Operating Expense	<u>69,047</u>	<u>37,315</u>
Net Operating Income	456,048	423,216
Non-Operating Income (Expenses)		
Other Income		
9020 · Dividend Income	315	2,754
9025 · Interest Income	242	-
Other Expenses		
9100 · Interest Expense	(225,565)	(268,146)
5160 · Bond Issuance & Refinance Costs	(17,537)	-
9045 · Loss on bonds refinance	(27,042)	-
Total Non-operating Revenues/(Expenses)	<u>(269,587)</u>	<u>(265,392)</u>
Change in Net Position Before Transfers	186,461	157,824
Intergovernmental Transfers		
Transfers to Liberty CIFA	<u>(18,540)</u>	<u>(16,935)</u>
Change in Net Position	167,921	140,889
Beginning Net Position - (Deficit)	(4,307,115)	(4,448,004)
Ending Net Position - (Deficit)	<u>\$ (4,139,194)</u>	<u>\$ (4,307,115)</u>

See notes to the financial statements.

Powell Community Infrastructure Financing Authority
Delaware County
Statements of Cash Flows
As of December 31, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities		
Cash received from community development charges	\$ 525,134	\$ 458,486
Cash payments for financial management services	(29,480)	(20,933)
Cash payments for legal fees	(19,165)	(19,202)
Cash payments for audit fees	(8,323)	-
Cash payments for insurance	(2,717)	(2,577)
Cash payments for board meeting expense	(150)	(100)
Cash payments for other expenses	(404)	(395)
Net Cash Provided by Operating Activities	<u>464,895</u>	<u>415,279</u>
Cash Flows From Investing Activities		
Cash received from interest and dividends	350	2,752
Net Cash Provided by Investing Activities	<u>350</u>	<u>2,752</u>
Cash Flows From Capital and Related Financing Activities		
Payment of bond principal	(889,821)	(115,010)
Payment to other authorities	(18,540)	(30,180)
Payment of interest costs on bonds	(136,329)	(153,620)
Payment of interest on intergovernment debt	(17,198)	(67,233)
Net Cash Used in Capital and Related Financing Activities	<u>(1,061,888)</u>	<u>(366,043)</u>
Net Change in Cash	(596,643)	51,988
Cash, Beginning of year	699,000	647,012
Cash, End of year	<u>\$ 102,357</u>	<u>\$ 699,000</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ 456,048	\$ 423,216
Adjustments to Reconcile Operating Income to Net Cash Provided by Operations:		
Change in community development charges receivable	(30,670)	(66,609)
Change in accounts and other payables	8,808	(5,889)
Change in deferred inflows	30,709	64,561
Net Cash Provided by Operating Activities	<u>\$ 464,895</u>	<u>\$ 415,279</u>

See notes to the financial statements.

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020**

NOTE 1 - REPORTING ENTITY

The Powell Community Infrastructure Financing Authority, Delaware County, Ohio (the Authority) is a “community authority” created pursuant to Chapter 349 of the Ohio Revised Code (the Act). On May 11, 2001, Triangle Real Estate (the Developer) filed a petition (the Petition) for creation of the Authority with the Board of County Commissioners of Delaware County, Ohio. The Petition was accepted by a resolution of the Board on May 31, 2001. The Petition, which may be subject to amendment or change, allows the Authority to finance the costs of publicly owned and operated community facilities with assessed Community Development Charges. The Petition was adopted by Resolution No. 01-681 on June 25, 2001.

By its Resolution, the County Commissioners determined that the new community authority 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 was organized as a body corporate and politic in the State.

By law, the Authority is governed by a seven (7) member board of trustees. At inception, the Board of County Commissioners of Delaware County appointed four (4) of the trustees and the remaining three (3) trustees were appointed by the Developer. All appointed trustees have since been replaced by elected citizen members who are residents of the community authority.

The community authority was initially comprised of approximately 52 acres of land located in the City of Powell (the City), Delaware County, Ohio. The 52 acres of land is generally bounded by the Grandshire Subdivision to the south, Powell Road to the north, Old Sawmill road to the west, and CSX Transportation to the east. It also includes the addition of approximately 7 acres, known as Traditions of Powell, by resolution in 2005. It consists of a 40-unit condominium community and two (2) commercial lots located in Powell, Ohio within the boundaries of West Olentangy Street, Case Avenue and Lincoln Street. The entire project includes the construction of waterline, sanitary sewer, main line sanitary sewer, storm sewer, bike path, roads and street improvements.

On February 21, 2014, the Developer filed an Application to Amend the Petition to Establish the Authority (the "Application") to add certain parcels of real estate owned by Epcon Sawmill, LLC (Epcon) and The Reserve at Scioto Glenn, LLC (The Reserve). On April 7, 2014, Delaware County Commissioners approved the Application pursuant to its Resolution No. 14-388. This amendment increased the Community Authority acreage from 52 acres to 125 acres.

The Epcon property is approximately 3 acres. The land is generally bound by Gray Oaks Drive to the north, Sawmill Road to the west and Winter Hill Place to the east. The plan is to develop a residential development consisting of 23 units of single family housing. Construction was completed in 2015.

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020**

NOTE 1 - REPORTING ENTITY (CONTINUED)

The Reserve at Scioto Glenn property is approximately 70 acres. The land is generally bound by farmland to the south, Home Road to the north, Scioto Reserve Subdivision to the west and Steitz Road to the east. The plan is to develop a residential development consisting of approximately 119 units of single family housing. Construction was completed in 2015. The project includes the construction of a sanitary sewer, water and storm sewer, earthwork, pavement, sidewalks and curbing.

In accordance with the Act and the Petition, the Authority can levy a community development charge up to 10.25 mills on the assessed value of the land and improvements within the Authority. 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 significant accounting policies followed in the preparation of these basic financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

Basis of Presentation

The Authority's basic financial statements consist of Statement of Net Position, Statement of Revenues, Expenses and Change in Net Position, and Statement of Cash Flows. The Authority uses enterprise accounting to maintain its financial records during the fiscal year. Enterprise accounting focuses on the determination of operating income, changes in net position, financial position, and cash flows.

The Authority distinguishes operating revenues and expenses from non-operating activities. Operating revenues and expenses generally result from providing services and producing and delivering goods or services in connection with the Authority's primary operations. All revenues and expenses not considered operating are reported as non-operating revenues and expenses.

Measurement Focus and Basis of Accounting

The Authority's financial activity is accounted for using a flow of economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Authority are included on the Statement of Net Position. The Statement of Revenues, Expenses and Change in Net Position present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The Statement of Cash Flows reflect how the Authority finances and meets its cash flow needs.

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made. The Authority's financial statements have been prepared using the accrual basis of accounting in conformity with GAAP.

A. Cash and Investments

Cash received by the Authority is deposited with a financial institution. Deposit and investments having an original maturity of three months or less at the time they are purchased are presented in the financial statements as Cash and Cash Equivalents.

B. Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their 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 assets are available. The Authority had no restricted net position at fiscal years end 2021 and 2020.

C. 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. 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 this definition are reported as non-operating.

D. Use of Estimates

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

E. Federal Income Taxes

The Authority is exempt from federal income taxes under IRS regulations.

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Capital Assets

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The Authority does not maintain a capitalization threshold. Infrastructure assets acquired or constructed by the Authority are capitalized; however, the Authority does not depreciate capital assets as all assets are donated to other governments upon acquisition/completion.

NOTE 3 - ACCUMULATED DEFICIT OF NET POSITION

At December 31, 2021 and 2020, the Authority has an accumulated deficit of net position of \$4,139,194 and \$4,307,118, respectively. This deficit 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 incurred the costs of constructing community facilities. The titles to these assets have been transferred to the community with the related costs recorded as a capital contribution expense to the receiving entity. This deficit will be reduced and eliminated as the outstanding debt is paid with, primarily, future community development charge revenues.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the Authority into three (3) 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 Trustee 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 cash. Interim cash are those monies that 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.

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020**

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

State statutes permits interim monies to be deposited or invested in a variety of securities and investments including US treasury notes, bills, bonds 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.

Deposits

Custodial Credit Risk – Deposits. The carrying amount of the Authority's deposits at December 31, 2022 and 2021 were \$504 and \$3,900, respectively. The bank balances were the same as the carrying values for both years. The Authority's deposits are protected only up to amounts covered by the Federal Depository Insurance Corporation (FDIC). The Authority had no deposits at fiscal years 2022 and 2021 in excess of the FDIC insurance levels.

Investments

The measurement value of Star Ohio at December 31, 2021 was \$98,457 and at December 31, 2020 was \$698,106.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Authority measures its Investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards

For 2021, there were no limitations or restrictions on any participant withdrawals due to advance of notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

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 STAR Ohio (the State Treasury Asset Reserve of Ohio). STAR Ohio carries a rating of AAA by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard ratings service.

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020**

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, STAR Ohio or within financial institutions within the State of Ohio as designated by the Federal Reserve Board. For the year ended December 31, 2021 and 2020, the Authority has invested 100% of its investments in STAR Ohio.

NOTE 5 - RECEIVABLES

Receivables at December 31, 2021 and 2020 consisted of community development charges. All receivables are considered collectible in full within one year.

NOTE 6 – COMMUNITY DEVELOPMENT CHARGE

Charge assessments are levied in December. The assessed value is established by state law at 35% of the current market value, the sales price, or the permit value whichever is the highest.

Market values are determined based on the County Auditor's appraisal, lot values, or a calculated costs for occupied homes that have not yet been appraised by the Delaware County Auditor. Amounts assessed and due but not collected, are reflected as both a receivable and a deferred inflow of resources on the statement of net position. For the years ended December 31, 2022 and 2021, the amount of deferred revenues recorded was \$555,804 and \$525,095, respectively. For the years ended December 31, 2021 and 2020, the amount of receivables recorded was \$559,864 and \$529,195, respectively.

Community development charge revenue represents the amount levied and paid during the current year. The Authority can levy an annual community development charge of up to 10.25 mills on the assessed value of all property initially developed within the Authority which were initially referred to as the Murphy Park and Traditions developments. Community Development charge collected is to be used for Powell Authority Proportionate Share of administrative expenses associated with the City of Powell general obligation bonds and City of Powell bond debt service.

The community development charge for the Epcon Property Development is currently levied at 5.9 mills or \$689 per parcel on the 23 separate parcels developed. Of this amount, \$117 per parcel is to be used for 1) Proportionate Share of Authority administrative expenses associated with Epcon Bonds and 2) Epcon Bond debt services. The remaining \$572 per parcel of community development charge from the Epcon Property is to be used for Powell Authority administrative costs and debt service. Total Proportionate Share of administrative expenses for the Epcon Bonds for the year ended December 31, 2022 and 2021 was \$454 and \$294, respectively.

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020**

NOTE 6 – COMMUNITY DEVELOPMENT CHARGE (CONTINUED)

The community development charge for the Metro Property Development is levied at a rate of 10.25 mills. Of this amount, 8.25 mills or 80.49% of the community development charge is to be used for 1) Proportionate Share of Powell Authority administrative expenses associated with the Metro Bonds, and 2) Metro Bonds debt service. Total Proportionate Share of administrative expenses for the Metro Bonds for the year ended December 31, 2021 and 2020 came to \$37,296 and \$19,858, respectively. Of the remaining 2 mills of community development charge 1 mill or 9.755 % will go to service Powell CIFA City of Powell general obligation bond debt and 1 mill will go to the Liberty CIFA to be used to services its general obligation bond debt. For the years ended December 31, 2021 and 2020, the amount collected for this purpose was \$18,540 and \$16,935, respectively for each entity.

NOTE 7 – CAPITAL ASSETS

On June 12, 2015 a development agreement was signed between the Powell Community Infrastructure Financing Authority, Triangle Properties, Inc and Epcon Property LLC to construct a roadway entrance, install water lines and make sanitary sewer improvements for The Grandshire project. The construction is financed by Community Facilities Development Revenue Bond, Series 2015A. Construction was completed in 2015 and assets costing \$33,000 were transferred to the City of Powell upon completion as provided in the development agreement.

On August 25, 2014 a development agreement was signed between the Powell Community Infrastructure Financing Authority, Triangle Properties, Inc and Metro Development LLC to construct a water line and sanitary sewers, to replace pumps, control systems and electrical panels in an existing pump station, to construct a storm sewer, to create sub-base for public streets and a storm basin for the public storm system, to install pavement for curb and gutter for public streets and to create sidewalks in The Reserve at Scioto Glenn. The construction was financed by Community Facilities Development Revenue Bond, Series 2014B. Construction was completed in 2015 and assets costing \$2,000,000 including \$107,076 in accrued construction interest costs were transferred to the City of Powell upon completion as provided in the development agreement.

NOTE 8 - LONG-TERM OBLIGATIONS

The Authority's long-term obligation activity for the years ended December 31, 2022 and 2021 was as follows:

Community Facilities Development Revenue Bonds	Balance January 1	New Debt	Reductions	Balance December 31	Due in One Year
2021					
Series 2014B	\$2,679,235	\$70,532	-	\$2,749,767	-
Series 2015A	32,950	-	\$10	\$32,940	\$10

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020**

Community Facilities Development Revenue Bonds	Balance January 1	New Debt	Reductions	Balance December 31	Due in One Year
2020					
Series 2014B	\$2,600,624	\$78,611	-	\$2,679,235	-
Series 2015A	\$32,960	-	\$10	\$32,950	\$10

Community Facilities Development Revenue Bond, Series 2014B

On August 25, 2014, the Authority issued a \$2,000,000 community facilities development revenue bond. The purpose is to provide funds to acquire and construct community facilities and to acquire and develop land in connection with The Reserve at Scioto Glenn (Metro Property). The bond has an interest rate of 7.59%. Metro Development, LLC and Infrastructure Administrative Services, LLC are the registered owners of the bond.

The proceeds of the bond was used to construct a water line and sanitary sewers, to replace pumps, control systems and electrical panels in an existing pump station, to construct a storm sewer, to create sub-base for public streets in The Reserve at Scioto Glenn and a storm basin for the public storm system, to install pavement for curb and gutter for public streets and to create sidewalks. The community development charges, not to exceed 8.25 mills, are pledged for repayment. The financing Authority expects that all of the debt service on the notes will be paid from these revenues. Principal and interest on this bond shall be paid semi-annually on June 1 and December 1, beginning June 1, 2016 until principal sum is paid, in the following order: first, any interest which has accrued on the outstanding principal amount of this Bond; second, the unpaid principal of this Bond.

Interest accrued, but not paid by June 1 or December 1 of each year (with respect to interest which has accrued during the prior calendar year), shall be added to the principal balance. Interest shall be calculated based on a year of 365 or 366 days, as appropriate, and on the actual number of days elapsed from January 1 to December 31 of each year.

For the year ended December 31, 2021, \$204,813 interest was accrued on the bonds. Of this amount, \$119,857 was paid in interest and \$70,532 was remained in the accrued interest account.

For the year ended December 31, 2020, \$198,469 of interest was accrued on the bonds. Of this amount \$133,826.88 was paid in interest and \$78,611 was added to the principal balance of the bond as a non-cash transaction.

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020**

NOTE 8 - LONG-TERM OBLIGATIONS (CONTINUED)

The fixed rate bond is subject to optional redemption in whole on any date occurring on or after December 1, 2028, at a redemption price equal to 103% of the principal amount being redeemed plus interest accrued to the redemption date. There are no scheduled principal payments on this bond.

Community Facilities Development Revenue Bond, Series 2015A

On June 12, 2015, the Authority issued a \$33,000 community facilities development revenue bond. The purpose is to provide funds to construct community facilities in connection with The Grandshire (Epcon Property). The bond is transferable and exchangeable for a bond in the same principal amount. The bond has an interest rate of 7.59%. The final maturity of the bond is

December 1, 2044. Triangle Properties, Inc. and Infrastructure Administrative Services LLC are the registered owners of the bond.

The proceeds of the bond will be used to construct a roadway entrance, install water lines and make sanitary sewer improvements. The community development charges, not to exceed 10.25 mills, are pledged for repayment. The Financing Authority expects that all of the debt service on the notes will be paid from these revenues.

Principal and interest on this bond shall be paid on June 1 and December 1, beginning December 1, 2015 until principal sum is paid, in the following order: first, any interest which has accrued on the outstanding principal amount of this Bond; second, the unpaid principal of this Bond. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months. The bond is subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount redeemed, plus interest accrued to the redemption date.

The fixed rate bond is subject to optional redemption at a redemption price equal to 103% of the principal amount being redeemed plus interest accrued to the redemption date in whole on any date occurring on or after December 1, 2029 or in part on any interest payment date occurring on or after December 1, 2029.

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020**

NOTE 8 - LONG-TERM OBLIGATIONS (CONTINUED)

The annual principal and interest payments for the Authority's portion of the 2015A Bonds are as follows:

Year	Principal	Interest	Total
2022	\$ 10	\$ 2,500	\$ 2,510
2023	10	2,499	2,509
2024	20	2,499	2,519
2025	100	2,497	2,597
2026	180	2,490	2,670
2027 - 2031	2,540	12,085	14,625
2032 - 2036	6,350	10,596	16,946
2037 - 2041	12,270	7,363	19,633
2042 - 2044	11,460	1,774	\$ 13,234
Total:	<u>\$ 32,940</u>	<u>\$ 44,303</u>	<u>\$ 77,243</u>

NOTE 9 - INTERGOVERNMENTAL DEBT

Pursuant to a City of Powell ordinance, on April 23, 2012, the City issued \$9,915,000 in tax exempt, general obligation bonds to refinance the Community Facilities Adjustable Rate notes of which the Powell Community Infrastructure Financing Authority utilized \$3,130,000 to retire its two outstanding notes (Series 2002 and 2005), as mentioned above. The balance of the issue was assumed by the Liberty Community Infrastructure Financing Authority.

Year	Infrastructure Acquisition Bonds, Series 2012		Additions	Payments	Ending Balance	Due in One Year
	Beginning Balance	Year				
2021	\$ 2,275,000		-	2,275,000	-	\$ -
2020	\$ 2,390,000		-	115,000	2,275,000	\$ -

Of the total \$9,915,000 issue, approximately 26% or \$2,600,000 of the issue consists of a 10-year Serial Bond with an average effective interest rate of approximately 3.2% and payable by 2022.

The balance of the issue totaling \$7,315,000 consist of Term Bonds carrying an average effective interest rate of 3.24% with maturity dates of December 1, in the years between 2023 and 2036. All of the Bonds have interest payment dates of June 1 and December 1 of each year.

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020**

NOTE 9 - INTERGOVERNMENTAL DEBT (CONTINUED)

The Bonds maturing after December 1, 2021 are subject to redemptions at the option of the City, either in whole, or in part in such order of maturity as the City shall determine, on any date on or after June 1, 2022, at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the date fixed for redemption. The Bonds maturing on December 1, 2024, 2027, 2030, 2032, 2034, and 2036 are subject to mandatory sinking fund redemption prior to stated maturity.

The 2012 bonds have been redeemed in 2021.

Refunding Bonds, Series 2021

On May, 2021, Series 2021 bonds was issued in order to redeem the Series 2012 bonds. The principal balance at the time of redemption for Series 2012 bonds was \$2,160,000. The loss of redemption is \$27,042.

Infrastructure Acquisition Bonds, Series 2021	Beginning Balance	Additions	Payments	Ending Balance	Due in One Year
Year					
2021	\$ -	1,510,000	75,000	1,435,000	\$ 180,000

The annual principal and interest payments for the Authority's portion of the Refunding Bonds, Series 2021 are as follows:

Year	Principal	Interest	Total
2022	\$ 180,000	\$ 28,700	\$ 208,700
2023	180,000	25,100	205,100
2024	185,000	21,500	206,500
2025	190,000	17,800	207,800
2026	195,000	14,000	209,000
2027 - 2029	505,000	18,500	523,500
Total:	\$ 1,435,000	\$ 125,600	\$ 1,560,600

NOTE 10 – RISK MANAGEMENT

The Government belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

**Powell Community Infrastructure
Financing Authority
Delaware County
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020**

NOTE 10 – RISK MANAGEMENT (CONTINUED)

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021 and 2020.

	2021	2020
Assets	\$21,777,439	\$18,826,974
Liabilities	(15,037,383)	(13,530,267)
Members' Equity	<u>\$6,740,056</u>	<u>\$5,296,707</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

NOTE 11- CONTINGENT LIABILITIES

There are no claims or lawsuits pending against the Authority.

NOTE 12 – RELATED PARTY

The Powell Community Infrastructure Financing Authority has engaged in transactions with related parties, as defined by accounting standards. Related parties include individuals or entities that can significantly influence or be influenced by the Authority in their financial and operating policies.

During the year ended December 31, 2021, the Authority entered into transactions with related parties. There is a member of the board that also concurrently holds the position of President of Village Communities, Inc. The owner of Village Communities, Inc., or interests owned or controlled by the owner of Village Communities, Inc., holds outstanding debt that is owed by the Authority.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Powell Community Infrastructure Financing Authority, Delaware County, (the Authority) as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated August 20, 2025.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

Powell Community Infrastructure Financing Authority
Delaware County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by Government Auditing Standards
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Purpose of This Report

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

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

August 20, 2025

OHIO AUDITOR OF STATE KEITH FABER



POWELL COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY

DELAWARE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/9/2025

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