



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

**POWELL DEVELOPMENT CORPORATION (A
COMPONENT UNIT OF THE CITY OF POWELL, OHIO)**

DELAWARE COUNTY

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2023

OHIO AUDITOR OF STATE
KEITH FABER



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

Board of Directors
Powell Development Corporation
47 Hall Street
Powell, Ohio 43065

We have reviewed the *Independent Auditor's Report* of the Powell Development Corporation, Delaware County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads 'Keith Faber'.

Keith Faber
Auditor of State
Columbus, Ohio

August 27, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Powell Development Corporation
Powell, Ohio:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Powell Development Corporation (the "Corporation"), a component unit of the City of Powell, Ohio, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Corporation'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 Corporation as of December 31, 2023, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation, 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 Corporation'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.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Corporation'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 Corporation'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. The 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 GAAS, 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 June 28, 2024 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation'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 Corporation's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
June 28, 2024

Powell Development Corporation
(A Component Unit of City of Powell, Ohio)
Delaware County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023
(Unaudited)

This discussion and analysis is to provide users of the Powell Development Corporation's (the Corporation), formerly known as Powell Community Improvement Corporation, basic financial statements with a narrative introduction, overview, and analysis of those statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the Corporation during 2023 are as follows:

- Total net position at year-end was \$647,124, an increase of \$170,912 in comparison with the same balance at December 31, 2022.
- Total assets increased by \$1,086,422 and total liabilities increased by \$915,510 in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements.

The Statement of Net Position and Statement of Activities use the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting includes all assets, liabilities, revenues and expenses of the Corporation regardless of when cash is received or paid.

The Statement of Activities reports the change in net position. The change in net position is important because it tells the reader whether the financial position of the Corporation has improved or diminished.

All of the Corporation's activities are classified as business-type activities.

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Powell Development Corporation
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(Unaudited)

The table below shows the Corporation's net position for 2023 compared to 2022.

Net Position

	2023	2022
Assets:		
Current Assets		
Cash and cash equivalents	\$ 757,432	\$ 471,314
Loans Receivable	20,000	20,000
Prepaid items	799	495
Total Current Assets	778,231	491,809
Noncurrent Assets		
Property Held for Sale or Development	800,000	-
Total Noncurrent Assets	800,000	-
 Total Assets	 1,578,231	 491,809
Liabilities:		
Current Liabilities		
Accounts payable	42,357	12,897
Refundable deposits	-	2,700
Notes Payable	296,250	-
Total Current Liabilities	338,607	15,597
Noncurrent Liabilities		
Notes Payable	592,500	-
Total Noncurrent	592,500	-
 Total Liabilities	 931,107	 15,597
Net Position:		
Unrestricted	647,124	476,212
Total Net Position	\$ 647,124	\$ 476,212

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Cash and cash equivalents increased significantly in comparison with prior fiscal year-end. This increase is due to the contributions related to the City of Powell's new construction in progress (CIP) funding policy, in which up to 5% of the municipal income tax is available to the Corporation for economic development activities.

Non-current assets and liabilities increased significantly during the fiscal year due to the purchase of real-estate for future economic development.

The table below shows the changes in net position for the year ended December 31, 2023 compared with December 31, 2022.

Changes in Net Position

	2023	2022
Operating Revenues:		
Contributions	\$ 650,000	\$ 319,210
Rental income	12,700	24,050
Total Operating Revenues	<u>662,700</u>	<u>343,260</u>
Operating Expenses:		
Community support	112,170	26,872
Administrative charges	12,962	20,926
Development	385,000	-
Total Operating Expenses	<u>510,132</u>	<u>47,798</u>
Operating Income (Loss)	152,568	295,462
Non-Operating Revenues:		
Grants	-	5,581
Investment Income	18,344	-
Total Non-Operating Revenues	<u>18,344</u>	<u>5,581</u>
Change in Net Position	170,912	301,043
Beginning Net Position	476,212	175,169
Ending Net Position	<u>\$ 647,124</u>	<u>\$ 476,212</u>

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Contributions increased in comparison to prior year. The increase is the result of contributions from the City related to the City's new CIP funding policy.

Total operating expenses increased during the year due to a \$385,000 increase in development expenses. The real-estate acquired during the year was adjusted to fair market value.

Contacting the Corporation

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Corporation's finances and to demonstrate the Corporation's accountability for the money and property it administers. If you have any questions about this report or need additional financial information, contact the Finance Director for the City of Powell, Ohio, 47 Hall Street, Powell, Ohio, 43065-8357.

Powell Development Corporation
(A Component Unit of City of Powell, Ohio)
Delaware County, Ohio
Statement of Net Position
December 31, 2023

Assets	
Current Assets	
Cash and cash equivalents	\$ 757,432
Loans Receivable	20,000
Prepaid items	799
Total Current Assets	778,231
Noncurrent Assets	
Property Held for Sale or Development	800,000
Total Noncurrent Assets	800,000
Total Assets	1,578,231
Liabilities	
Current Liabilities	
Accounts payable	42,357
Notes Payable	296,250
Total Current Liabilities	338,607
Noncurrent Liabilities	
Notes Payable	592,500
Total Noncurrent Liabilities	592,500
Total Liabilities	931,107
Net Position	
Unrestricted	647,124
Total Net Position	\$ 647,124

See accompanying notes to the basic financial statements.

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Statement of Revenues, Expenses and Change in Net Position
For the Year Ended December 31, 2023

Operating Revenues	
Contributions	\$ 650,000
Rental income	12,700
Total Operating Revenues	<u>662,700</u>
Operating Expenses	
Community support	112,170
Administrative charges	12,962
Development	385,000
Total Operating Expenses	<u>510,132</u>
Operating Income	152,568
Non-operating Revenues (Expenses)	
Investment Income	18,344
Total Non-Operating Revenues (Expenses)	<u>18,344</u>
Operating Income and Change in net position	170,912
Net Position, Beginning of Year	476,212
Net Position, End of Year	<u>\$ 647,124</u>

See accompanying notes to the basic financial statements.

Powell Development Corporation
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Statement of Cash Flows
For the Year Ended December 31, 2023

Cash Flows from Operating Activities	
Cash received from contributions	\$ 650,000
Cash received from renters	10,000
Cash payments for community support	(80,383)
Cash payments for administrative expenses	(15,593)
Net Cash Flows Provided by Operating Activities	564,024
 Cash Flows from Capital Related Financing Activities	
Cash Payments for Loan Principal	(296,250)
Net Cash Flows Used for Capital Related Financing Activities	(296,250)
 Cash Flows from Investing Activities	
Cash Received from Interest and Dividends	18,344
Net Cash Flows Provided by Investing Activities	18,344
Net Change in Cash	286,118
Cash and Cash Equivalents, Beginning of Year	471,314
Cash and Cash Equivalents, End of Year	\$ 757,432
 Reconciliation of Operating Income to Net Cash Provided By Operating Activities:	
Operating Income	\$ 152,568
Adjustments Held for Sale or Development	385,000
Decrease (Increase) in Current Assets	
Prepaid items	(304)
Increase (Decrease) in Current Liabilities	
Accounts Payable	29,460
Refundable Deposit Payable	(2,700)
Net Cash Flows Provided By Operating Activities	\$ 564,024
 Schedule of Non-Cash Transactions	
During the year, the Corporation entered into a direct financing agreement for the acquisition of property in the amount of \$1,185,000	

See accompanying notes to the basic financial statements.

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 1 – DESCRIPTION OF THE ENTITY

The Powell Development Corporation (Corporation), formerly known as Powell Community Improvement Corporation, was formed pursuant to Ordinance 2010-19 passed on May 5, 2010 and incorporated as a Corporation not-for-profit under Section 1702 and 1724 of the Ohio Revised Code. The Corporation was created to assist the City in the revitalization and enhancement of property, and to advance, encourage, and promote industrial, economic, commercial and civic development of the City of Powell. The Corporation has been designated as the City of Powell’s agent for economic development.

The Corporation is also considered a blended component unit of the City of Powell for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 80, Blending Requirement for Certain Component Units – An Amendment of GASB Statement No. 14, GASB Statement No. 14, The Financial Reporting Entity as amended by GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnibus.

The Corporation has received Internal Revenue Service approval of its tax-exempt status. Therefore, the accompanying financial statements contain no provision for income taxes.

The reporting entity is composed of the Corporation, component units, and other organizations that are included to ensure that the financial statements of the Corporation are not misleading.

Component units are legally separate organizations for which the Corporation is financially accountable. The Corporation is financially accountable for an organization if the Corporation appoints a voting majority of the organization’s governing board and the Corporation is able to significantly influence the programs or services performed or provided by the organization; or the Corporation is legally entitled to or can otherwise access the organization’s resources; or the Corporation is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization; or the Corporation is obligated for the debt of the organization. Component units may also include organizations for which the Corporation approves the budget, the issuance of debt, or the levying of taxes. Currently, the Corporation does not have any component units.

The Board of Trustees believes these financial statements present all activities for which the Corporation is financially responsible.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Measurement focus, basis of accounting, and financial statement presentation

The significant accounting policies following in the preparation of these financial statements conform to generally accepted accounting principles for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

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The Corporation has created a single proprietary enterprise fund to account for its activities. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Corporation's enterprise fund are contributions from the City of Powell and rental income. Operating expenses for the Corporation include community support, administrative expenses, and other costs associated with its mission. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Corporation's policy to use restricted resources first, then unrestricted resources as they are needed.

B. Cash and Cash Equivalents

The Corporation's cash and cash equivalents include cash on hand, demand deposits, and STAR Ohio. For purposes of the Statement of Cash Flows and presentation on the Statement of Net Position, all cash in checking accounts is considered to be cash and cash equivalents.

STAR Ohio is an investment pool managed by the State Treasurer's Office that 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 GASB Statement No. 79, Certain External Investment Pools and Pool Participants. Investments in STAR Ohio are valued at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption 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.

C. Accounts Receivable

The Corporation uses the allowance method of accounting for doubtful accounts. All accounts were considered to be fully collectible as of December 31, 2023. Therefore, no allowance for doubtful accounts has been recorded in these financial statements.

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For the Year Ended December 31, 2023

D. Prepayments

Payments made to vendors for services that will benefit periods beyond the current fiscal year are recorded as prepayments by recording a current asset for the prepaid amount at the time of the purchase and the expense in the year in which services are consumed.

E. Unearned Revenue

Unearned revenue recorded represents resources that have been received, but not yet earned as of fiscal year-end. The Corporation did not have any unearned revenue at year-end.

F. Net Position

Net position represents the difference between assets and liabilities. Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation, less any outstanding capital related debt. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Corporation applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The Corporation did not have any investments in capital assets nor any net position restrictions at December 31, 2023.

G. Use of Estimates

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

H. Assets Held for Resale

Assets held for resale represent properties purchased by or donated to the Corporation. These properties are valued based upon the purchase price or estimated fair market value at the date of donation plus any costs of maintenance, rehabilitation, or demolition of structures on the properties for an amount not to exceed the net realizable value of each property. The Corporation holds the properties until the real estate is either sold to a new owner or an individual who will reuse the property.

I. Implementation of New Accounting Principles

For the year ended December 31, 2023, the Corporation has implemented GASB Statement No. 93, paragraphs 13 and 14, *Replacement of Interbank Offered Rates*, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Available Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and certain provisions of GASB Statement No. 99, *Omnibus 2022*.

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For the Year Ended December 31, 2023

GASB Statement No. 93, paragraphs 13 and 14, provide an exception to the lease modifications guidance in GASB Statement No. 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The implementation of GASB Statement No. 93 paragraphs 13 and 14, did not have an effect on the financial statements of the Corporation.

GASB Statement No. 94 improves financial reporting by establishing the definitions of public-private and public-public partnership arrangements and availability payment arrangements as well as provides uniform guidance on accounting and financial reporting for transactions that meet the definitions. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 96 improves financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The statement also enhances the relevance and reliability of the financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and discloses essential information about the arrangement. The note disclosures also allow the users to understand the scale and important aspects of the SBITA activities and evaluate the obligations and assets resulting from the SBITAs. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of certain provisions of GASB Statement No. 99 that relate to extension of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, and pledges of future revenues by pledging governments, did not have an effect on the financial statements of the Corporation.

NOTE 3 – DEPOSITS AND INVESTMENTS

Some statutes classify monies held by the Corporation into three categories:

Active monies are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Corporation 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 Corporation has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidence 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.

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

Protection of the Corporation's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

- 1) United States 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; Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- 2) Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement exceeds the principal value of the agreement by at least two percent and be marked to the market daily with the term of the agreement not exceeding thirty days;
- 3) Bonds and other obligations of the State of Ohio;
- 4) No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- 5) The State Treasurer's investment pool (Star Ohio);
- 6) Certain bankers' acceptance for a period not to exceed one hundred and eighty days and commercial paper notes for a period not to exceed two hundred and seventy days in an amount not to exceed forty percent of the interim monies available for investment at any one time; and
- 7) Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Corporation, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specific dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer

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For the Year Ended December 31, 2023

or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits At year-end, \$0 of the Corporation’s bank balance was exposed to custodial credit risk. Although the securities were held by the pledging financial institutions’ trust department in the Corporation’s name and all statutory requirements for the investment of money has been followed, noncompliance with Federal requirements could potentially subject the Corporation to a successful claim by FDIC.

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of a bank failure, the Corporation will not be able to recover deposits or collateral securities that are in possession of an outside party. The Corporation has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

- Eligible securities pledged to the Corporation and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.
- OPCS required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

As of December 31, 2023, the Corporation had the following investment and maturity:

Investment Type	Measurement Value	% of Total Investments	Maturities < 1 year
Net Asset Value NAV:			
STAR Ohio	\$ 678,344	100.00%	\$ 678,344

STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average maturity of the portfolio held by STAR Ohio as of December 31, 2023, is 46 days and it carries rating of AAAM by S&P Global ratings.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Powell Development Corporation
City of Powell, Ohio:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Powell Development Corporation (the "Corporation"), a component unit of the City of Powell, Ohio, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated June 28, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation'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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 Corporation'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 have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
June 28, 2024

OHIO AUDITOR OF STATE KEITH FABER



POWELL COMMUNITY IMPROVEMENT CORPORATION

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 9/10/2024

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

This report is a matter of public record and is available online at
www.ohioauditor.gov