



**POWELL DEVELOPMENT CORPORATION (A)
COMPONENT UNIT OF THE CITY OF POWELL, OHIO)
DELAWARE COUNTY
REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2024**



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Columbus, Ohio 43215
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Board of Directors
Powell Development Corporation
47 Hall Street
Powell, OH 43065

We have reviewed the *Independent Auditors' Report* of the Powell Development Corporation, Delaware County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2024 through December 31, 2024. 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.

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink that reads "Tiffany L Ridenbaugh".

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

August 20, 2025

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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, 2024, 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, 2024, 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 25, 2025 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 25, 2025

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, 2024
(Unaudited)

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

FINANCIAL HIGHLIGHTS

Key financial highlights for the Corporation during 2024 are as follows:

- Ø Total net position at year-end was \$893,191, an increase of \$246,067 in comparison with the same balance at December 31, 2023.
- Ø Total assets decreased by \$24,152 and total liabilities decreased by \$270,219 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
(A Component Unit of City of Powell, Ohio)
Delaware County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

The table below shows the Corporation's net position for 2024 compared to 2023.

	Net Position	
	<u>2024</u>	<u>2023</u>
Assets:		
Current Assets		
Cash and cash equivalents	\$ 728,978	\$ 757,432
Accounts receivable	4,384	-
Loans Receivable	20,000	20,000
Prepaid items	717	799
Total Current Assets	<u>754,079</u>	<u>778,231</u>
Noncurrent Assets		
Property Held for Sale or Development	<u>800,000</u>	<u>800,000</u>
Total Noncurrent Assets	<u>800,000</u>	<u>800,000</u>
Total Assets	<u>1,554,079</u>	<u>1,578,231</u>
Liabilities:		
Current Liabilities		
Accounts payable	68,388	42,357
Notes Payable	<u>296,250</u>	<u>296,250</u>
Total Current Liabilities	<u>364,638</u>	<u>338,607</u>
Noncurrent Liabilities		
Notes Payable	<u>296,250</u>	<u>592,500</u>
Total Noncurrent	<u>296,250</u>	<u>592,500</u>
Total Liabilities	<u>660,888</u>	<u>931,107</u>
Net Position:		
Unrestricted	893,191	647,124
Total Net Position	<u>\$ 893,191</u>	<u>\$ 647,124</u>

Noncurrent liabilities decreased from the previous year due to principal payments made during the current year.

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, 2024
(Unaudited)

The table below shows the changes in net position for the year ended December 31, 2024 compared with December 31, 2023.

Changes in Net Position		
	2024	2023
Operating Revenues:		
Contributions	\$ 850,000	\$ 650,000
Rental Income	-	12,700
Miscellaneous	4,384	-
Total Operating Revenues	<u>854,384</u>	<u>662,700</u>
Operating Expenses:		
Community Support	597,647	112,170
Administrative Charges	37,362	12,962
Development	-	385,000
Total Operating Expenses	<u>635,009</u>	<u>510,132</u>
Operating Income	219,375	152,568
Non-Operating Revenues:		
Investment Income	26,692	18,344
Total Non-Operating Revenues	<u>26,692</u>	<u>18,344</u>
Change in Net Position	246,067	170,912
Beginning Net Position	647,124	476,212
Ending Net Position	<u>\$ 893,191</u>	<u>\$ 647,124</u>

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

Total operating expenses increased during the year primarily due to an increase in community support incentive payments.

Powell Development Corporation
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Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

Debt Administration

At the end of 2024, the Corporation's long-term debt outstanding decreased in comparison with the prior year. This decrease represents principal reduction payments during the year.

See Note 6 in the notes to the financial statements for more detail on the Corporation's long-term obligations.

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, 2024

Assets

Current Assets

Cash and cash equivalents	\$ 728,978
Accounts Receivable	4,384
Loans Receivable	20,000
Prepaid items	717
Total Current Assets	<u>754,079</u>

Noncurrent Assets

Property Held for Sale or Development	800,000
Total Noncurrent Assets	<u>800,000</u>

Total Assets

1,554,079

Liabilities

Current Liabilities

Accounts payable	68,388
Notes Payable	296,250
Total Current Liabilities	<u>364,638</u>

Noncurrent Liabilities

Notes Payable	296,250
Total Noncurrent Liabilities	<u>296,250</u>

Total Liabilities

660,888

Net Position

Unrestricted	893,191
Total Net Position	<u>\$ 893,191</u>

See accompanying notes to the basic financial statements.

**Powell Development Corporation
(A Component Unit of City of Powell, Ohio)
Delaware County, Ohio**

*Statement of Revenues, Expenses and Change in Net Position
For the Year Ended December 31, 2024*

Operating Revenues

Contributions	\$ 850,000
Miscellaneous	4,384
Total Operating Revenues	854,384

Operating Expenses

Community support	597,647
Administrative charges	37,362
Total Operating Expenses	635,009

Operating Income 219,375

Non-operating Revenues (Expenses)

Investment Income	26,692
Total Non-Operating Revenues (Expenses)	26,692

Operating Income and Change in net position 246,067

Net Position, Beginning of Year 647,124

Net Position, End of Year \$ 893,191

Powell Development Corporation
(A Component Unit of City of Powell, Ohio)
Delaware County, Ohio
Statement of Cash Flows
For the Year Ended December 31, 2024

Cash Flows from Operating Activities	
Cash received from contributions	\$ 850,000
Cash payments for community support	(567,734)
Cash payments for administrative expenses	(41,162)
Net Cash Flows Provided by Operating Activities	<u><u>241,104</u></u>
Cash Flows from Non-Capital Related Financing Activities	
Cash Payments for Loan Principal	(296,250)
Net Cash Flows Used for Non-Capital Related Financing Activities	<u><u>(296,250)</u></u>
Cash Flows from Investing Activities	
Cash Received from Interest and Dividends	26,692
Net Cash Flows Provided by Investing Activities	<u><u>26,692</u></u>
Net Change in Cash	(28,454)
Cash and Cash Equivalents, Beginning of Year	757,432
Cash and Cash Equivalents, End of Year	<u><u>\$ 728,978</u></u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:	
Operating Income	\$ 219,375
Decrease (Increase) in Current Assets	
Accounts Receivable	(4,384)
Prepaid items	82
Increase (Decrease) in Current Liabilities	
Accounts Payable	26,031
Net Cash Flows Provided By Operating Activities	<u><u>\$ 241,104</u></u>

See accompanying notes to the basic financial statements.

**Powell Development Corporation
(A Component Unit of City of Powell, Ohio)
Delaware County, Ohio**

Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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.

Powell Development Corporation
(A Component Unit of City of Powell, Ohio)
Delaware County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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 reserves the right to limit participant transactions to \$250,000,000 per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100,000,000 or more. For the year ended December 30, 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

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, 2024. Therefore, no allowance for doubtful accounts has been recorded in these financial statements.

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.

Powell Development Corporation
(A Component Unit of City of Powell, Ohio)
Delaware County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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, 2024.

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, 2024, the Corporation has implemented certain provisions of GASB Statement No. 99, *Omnibus 2022*, GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, and GASB Statement No. 101, *Compensated Absences*.

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 financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 did not have an effect on the financial statements of the Corporation.

Powell Development Corporation
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide a more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessment accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences to promote consistency and better meet the information needs of financial statement users. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. The implementation of GASB Statement No. 101 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.

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.

Powell Development Corporation
(A Component Unit of City of Powell, Ohio)
Delaware County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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 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.

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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, 2024, the Corporation had the following investment and maturity:

Investment Type	Measurement Value	% of Total Investments	Maturities < 1 year
Net Asset Value NAV: STAR Ohio	\$ 712,928	100.00%	\$ 712,928

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, 2024, is 27 days and it carries rating of AAAm by S&P Global ratings.

NOTE 4 – CONTINGENT LIABILITIES

Management believes there are no pending claims or lawsuits.

NOTE 5 – RISK MANAGEMENT

The Corporation is subjected to certain types of risk in the performance of its normal functions. The Board views this exposure as minimal as the Corporation currently has no employees and minimal operating activity. The Corporation has general liability insurance and not-for-profit organizational policies. Settlements have not exceeded coverage in any of the last three fiscal years. There has been no significant reduction in coverage from the prior year.

Powell Development Corporation
(A Component Unit of City of Powell, Ohio)
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 6 – LONG-TERM OBLIGATIONS

The changes in the Corporation's long-term obligations during the fiscal year consist of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Vincent J. Margello, Jr. Living Trust	\$ 888,750	\$ -	\$ 296,250	\$ 592,500	\$ 296,250
Total Long Term Obligations	<u>\$ 888,750</u>	<u>\$ -</u>	<u>\$ 296,250</u>	<u>\$ 592,500</u>	<u>\$ 296,250</u>

2023 Real Estate Purchase and Sale Agreement – On December 20, 2022, the Corporation entered into an agreement with Vincent J. Margello, Jr. Living Trust for the purchase of land. The agreement was closed in 2023 as the Corporation acquired real-estate for economic development purposes in the City. The agreement will be paid in full in 2026.

Principal requirements to retire the long-term obligations outstanding at December 31, 2024 are as follows:

Years	Principal
2025	296,250
2026	296,250
	<u>\$ 592,500</u>

**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*, 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, 2024, 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 25, 2025.

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 were not 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 25, 2025

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OHIO AUDITOR OF STATE KEITH FABER



POWELL DEVELOPMENT 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 9/2/2025

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