



OHIO AUDITOR OF STATE
KEITH FABER

A small, thin-lined outline of the state of Ohio is positioned to the right of the auditor's name, partially overlapping the text.

**THE RIVERSOUTH AUTHORITY
FRANKLIN COUNTY
DECEMBER 31, 2024**

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INDEPENDENT AUDITOR'S REPORT

The RiverSouth Authority
Franklin County
150 South Front Street, Suite 210
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 RiverSouth Authority, Franklin County, Ohio (Authority), a component unit of the City of Columbus, as of and for the year ended December 31, 2024 and 2023, 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 RiverSouth Authority, Franklin County, Ohio as of December 31, 2024 and 2023, and the changes in financial position and its cash flows for the year 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 September 26, 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

September 26, 2025

The management's discussion and analysis of The RiverSouth Authority's (the "Authority") financial performance provides an overall review of the Authority's financial activities for the year ending December 31, 2024. The intent of this discussion and analysis is to look at the Authority's financial performance as a whole; readers should also review the basic financial statements and notes to the financial statements to enhance their understanding of the Authority's financial performance.

Financial Highlights

Key financial highlights for 2024 are as follows:

- The Authority distributed \$16,986,521 of funds from the RiverSouth Area Redevelopment Bonds, Series 2023A project account to pay the costs of land acquisition, land development and community facilities.
- Total net position of the Authority was (\$19,497,048) at December 31, 2024. This was a decrease of \$17,081,736 from the balance at December 31, 2023.
- The Authority had operating revenues of \$1,261,785 and operating expenses of \$17,014,728 during 2024. The Authority also had (\$1,328,793) in non-operating revenue (expenses) during 2024. This was a decrease of \$580,129 from non-operating revenue (expenses) during 2023.

Using these Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the Authority's financial activities. 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. The *statement of cash flows* provides information about how the Authority finances and meets the cash flow needs of its operations.

Reporting the Authority Financial Activities

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

These documents look at all financial transactions and ask the question, "How did we do financially during 2024?" The statement of net position and the statement of revenues, expenses and changes in net position answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The RiverSouth Authority

Management's Discussion and Analysis

These two statements report the Authority's *net position* and changes in that net position. This 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 and the cash flows can be found as listed in the table of contents.

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

The table below provides a summary of the Authority's net position at December 31, 2024, 2023, and 2022.

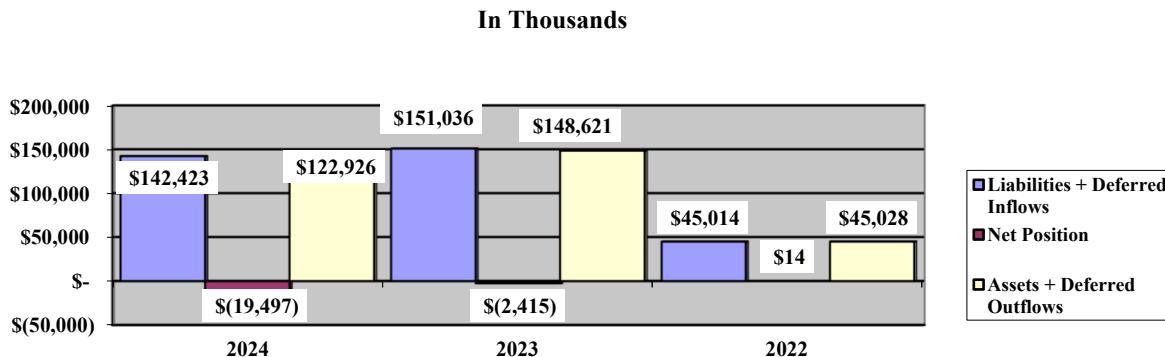
	Net Position		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Current assets	\$ 5,380,424	\$ 8,642,543	\$ 8,045,896
Noncurrent assets	<u>117,481,820</u>	<u>139,554,430</u>	<u>36,179,106</u>
Total assets	<u>122,862,244</u>	<u>148,196,973</u>	<u>44,225,002</u>
<u>Deferred Outflows of Resources</u>	<u>63,979</u>	<u>424,133</u>	<u>803,076</u>
<u>Liabilities</u>			
Current liabilities	5,176,530	8,647,396	8,038,795
Noncurrent liabilities	<u>83,935,980</u>	<u>89,078,261</u>	<u>36,975,572</u>
Total liabilities	<u>89,112,510</u>	<u>97,725,657</u>	<u>45,014,367</u>
<u>Deferred Inflows of Resources</u>	53,310,761	53,310,761	-
<u>Net Position</u>			
Unrestricted	<u>(19,497,048)</u>	<u>(2,415,312)</u>	<u>13,711</u>
Total net position	<u>\$ (19,497,048)</u>	<u>\$ (2,415,312)</u>	<u>\$ 13,711</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2024, the Authority's liabilities plus deferred inflow of resources exceeded assets plus deferred outflows of resources by \$19,497,048. Assets and liabilities of the Authority consist primarily of restricted cash and cash equivalents, leases receivable, accrued interest and bonds payable. The decrease in assets is due to the receipt of lease payments and grant distributions made from the 2023 bond project fund. The decrease in liabilities is due to bond principal payments. Deferred outflows of resources consist of deferred charges on refunding for the Series 2012 and Series 2014 bonds. Deferred inflows of resources consist of deferred revenue related to the issuance of the Series 2023 bonds.

The RiverSouth Authority

Management's Discussion and Analysis

The chart below illustrates the Authority's assets, deferred outflows of resources, liabilities, deferred inflows and net position at December 31, 2024, 2023, and 2022.



The table below shows the changes in net position for 2024, 2023, and 2022.

Change in Net Position			
	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Operating Revenues:</u>			
Lease payments	\$ 1,261,785	\$ 1,337,024	\$ 1,651,828
<u>Operating Expenses:</u>			
Grant Distributions	16,986,521	1,836,174	-
Accounting	13,612	16,390	16,128
Insurance	3,482	3,501	3,590
Legal & Other	11,113	1,060	16,332
Total operating expenses	<u>17,014,728</u>	<u>1,857,125</u>	<u>36,050</u>
<u>Non-Operating Revenues/(Expenses):</u>			
Interest Expense	(4,267,509)	(3,006,659)	(1,651,828)
Investment income	2,911,436	1,581,025	6,120
Bond Issuance Expense	-	(504,218)	-
Developer contributions	27,280	20,930	36,020
Total nonoperating revenues	<u>(1,328,793)</u>	<u>(1,908,922)</u>	<u>(1,609,688)</u>
Change in net position	(17,081,736)	(2,429,023)	6,090
Net position at the beginning of the year	<u>(2,415,312)</u>	<u>13,711</u>	<u>7,621</u>
Net position at the end of the year	<u><u>\$ (19,497,048)</u></u>	<u><u>\$ (2,415,312)</u></u>	<u><u>\$ 13,711</u></u>

The primary operating revenue of the Authority is lease payments from the City of Columbus. Operating expenses consist mostly of grant distributions. Operating expenses increased due to grant distributions. The increase in investment income was due to a full year of earnings on the invested proceeds of the 2023

The RiverSouth Authority

Management's Discussion and Analysis

bond issuance. In the prior year, bond issuance expense was for legal and financial consulting services related to the 2023 bond issuance. There were no bond issues in 2024.

Capital Assets and Debt Administration

The Authority does not have any capital assets. Bond proceeds were used to fund projects of the developer and the City and those assets are recorded with the respective entity.

At December 31, 2024, the Authority had \$88,745,869 in bonds outstanding. Of this amount, \$4,809,889 is due in one year and \$83,935,980 is due in more than one year. The Authority had the following bonds outstanding at December 31, 2024, 2023, and 2022:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Redevelopment Bonds:</u>			
2012 Refunding	\$ -	\$ 3,200,000	\$ 6,245,000
2014 Refunding	3,595,000	7,015,000	10,265,000
2016 Series A	22,280,000	23,140,000	23,960,000
2023 Series	60,000,000	60,000,000	-
Premiums	2,870,869	3,620,571	4,390,160
Total bonds payable	\$ 88,745,869	\$ 96,975,571	\$ 44,860,160

For further information regarding the Authority's debt, refer to Note 6 to the basic financial statements.

Contacting the Authority's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Joseph Schueler, Treasurer, The RiverSouth Authority, 150 S. Front St., Suite 210, Columbus, Ohio 43215.

The RiverSouth Authority

Statement of Net Position

December 31, 2024 and 2023

	12/31/24	12/31/23
Assets:		
Current Assets:		
Cash and Cash Equivalents	\$ 20,886	\$ 7,531
Accrued Interest Receivable	366,641	124,560
Accrued Investment Earnings	182,006	259,861
Prepaid Assets	1,002	1,003
Lease Receivable - Current Portion	4,809,889	8,249,588
Total Current Assets	<u>5,380,424</u>	<u>8,642,543</u>
Noncurrent Assets:		
Restricted Assets	40,299,059	57,941,820
Lease Receivable	<u>77,182,761</u>	<u>81,612,610</u>
Total Assets	<u>122,862,244</u>	<u>148,196,973</u>
Deferred Outflow of Resources:		
Deferred Outflow of Resources - Deferred Charge on Refunding	63,979	424,133
Liabilities:		
Current Liabilities:		
Accrued Interest Payable	366,641	397,808
Bonds Payable - Current Portion	<u>4,809,889</u>	<u>8,249,588</u>
Total Current Liabilities	<u>5,176,530</u>	<u>8,647,396</u>
Non-current Liabilities:		
Payable from Restricted Assets	-	352,278
Bonds Payable	<u>83,935,980</u>	<u>88,725,983</u>
Total Liabilities	<u>89,112,510</u>	<u>97,725,657</u>
Deferred Inflow of Resources:		
Deferred Inflows from Lease	<u>53,310,761</u>	<u>53,310,761</u>
Net Position - Unrestricted	<u>\$ (19,497,048)</u>	<u>\$ (2,415,312)</u>

The RiverSouth Authority

Statement of Revenue, Expenses, and Changes in Net Position

Years Ended December 31, 2024 and 2023

	2024	2023
Operating Revenue - Lease Revenue	\$ 1,261,785	\$ 1,337,024
Operating Expenses:		
Grant Distributions	16,986,521	1,836,174
Accounting	13,612	16,390
Insurance	3,482	3,501
Legal and Other	11,113	1,060
Total Operating Expenses	<u>17,014,728</u>	<u>1,857,125</u>
Operating Income/(Loss)	(15,752,943)	(520,101)
Non-operating Revenue (Expenses):		
Interest Expense	(4,267,509)	(3,006,659)
Bond Issuance Expense	-	(504,218)
Investment Income	2,911,436	1,581,025
Developer Contributions	27,280	20,930
Total Non-operating Revenue (Expenses)	<u>(1,328,793)</u>	<u>(1,908,922)</u>
Change in Net Position	(17,081,736)	(2,429,023)
Net Position - Beginning of Period	<u>(2,415,312)</u>	<u>13,711</u>
Net Position - End of Period	<u>\$ (19,497,048)</u>	<u>\$ (2,415,312)</u>

The RiverSouth Authority

Statement of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flow from Operating Activities -		
Cash received from City of Columbus for lease payments	8,889,250	8,872,319
Cash payments for operating expenses	(17,339,725)	(1,483,895)
Net cash provided by operating activities	<u>(8,450,475)</u>	<u>7,388,424</u>
Cash Flows from Noncapital and Related Financing Activities		
Cash received on issuance of bonds	-	60,000,000
Principal paid on debt	(7,480,000)	(7,115,000)
Interest paid on debt	(4,688,222)	(3,153,705)
Bond issuance costs	-	(504,218)
Net cash used by noncapital and related financing activities	<u>(12,168,222)</u>	<u>49,227,077</u>
Cash Flows from Investing Activities		
Interest received	<u>2,989,291</u>	<u>1,321,164</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(17,629,406)	57,936,665
Cash and cash equivalents - Beginning of year	57,949,351	12,686
Cash and cash equivalents - End of year	<u>40,319,945</u>	<u>57,949,351</u>
 Classification of Cash and Cash Equivalents		
Cash	20,886	7,531
Restricted cash	<u>40,299,059</u>	<u>57,941,820</u>
Total cash and cash equivalents	<u>40,319,945</u>	<u>57,949,351</u>
 Reconciliation of Operating Income to Net Cash from Operating Activities:		
Operating (loss) income	(15,752,943)	(520,101)
Adjustments to reconcile operating loss to net cash from operating activities:		
Developer contributions	27,280	20,930
Changes in assets and liabilities - Prepaid Assets	1	22
- Accrued Interest Receivable	(242,081)	29,647
- Lease Receivable	7,869,546	7,505,648
- Payable from Restricted Assets	<u>(352,278)</u>	<u>352,278</u>
Total adjustments	<u>7,302,468</u>	<u>7,908,525</u>
Accounts payable		
Net cash used in operating activities	<u>(8,450,475)</u>	<u>7,388,424</u>

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Note 1 - Organization

The RiverSouth Authority (the "Authority") is a new community authority created by the City of Columbus, Ohio (the "City") pursuant to Chapter 349 of the Ohio Revised Code as a body corporate and politic. The Authority was created to govern the redevelopment and revitalization of a new community referred to as the RiverSouth District. The Columbus Downtown Development Corporation ("CDDC"), a nonprofit corporation, has been appointed the developer of the new community. The Authority's board of trustees consists of nine members. The City initially appointed five of the nine authority board members, four citizen members and one local government member. The developer appointed four of the board members. Over time, as development of the RiverSouth District occurs and population of the new community grows, the board appointment authority will shift from the initial appointment authority to elected citizen members of the new community in specified proportions of population growth, as defined by Chapter 349.04 of the Ohio Revised Code.

Note 2 - Significant Accounting Policies

Reporting Entity

The Authority's financial reporting entity has been defined in accordance with Governmental Accounting Standards Board (GASB) standards. The financial statements include all divisions and operations for which the Authority is financially accountable. Financial accountability exists if a primary government/component unit appoints a majority of an organization's governing board and is able to impose its will on that organization. Financial accountability may also be deemed to exist if there is potential for the organization to provide financial benefits to, or impose financial burdens on, the primary government/component unit. On this basis, no governmental organizations other than the Authority itself are included in the financial reporting entity.

The City appoints a voting majority of the board of the Authority. Additionally, the master lease agreement (see Note 5) between the City and the Authority restricts the Authority from issuing any new bonded debt without approval from the City. As such, the Authority is fiscally dependent on the City and is included as a blended component unit in the City's Annual Comprehensive Financial Report, as required by GASB standards.

Report Presentation

The financial statements of the Authority have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as applicable to governmental units.

Lease payments from the City and all recurring-type expenses are reported as operating revenue and expenses. Transactions, which are capital, financing, or investing related, such as investment earnings, are reported as nonoperating revenue and expenses.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported

Note 2 – Significant Accounting Policies (Continued)

amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Specific Balances and Transactions

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Restricted Assets

The Authority received proceeds from the 2016 Scioto Peninsula Area redevelopment bond issuance and the 2023 RiverSouth Area Redevelopment bond issuance for the use of construction and debt service. The unspent proceeds have been classified as restricted assets on the statement of net position.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The Authority has only one item that qualifies for reporting in this category, which is the deferred charge on refunding for the Series 2012 and Series 2014 bonds. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt. The deferred charge on refunding for the Series 2012 bonds was fully amortized during 2024.

Deferred inflows of resources result from the acquisition of net assets that is applicable to a future period. For the Authority, this applies to the lease receivable related to the 2023 bond issue. The deferred inflow represents the net present value of the future lease payments receivable from the City. This amount is deferred and amortized based on each year's actual lease payments.

Net Position

Under GASB Statement 63, the Authority presents the statement of net position utilizing the net position format (assets plus deferred outflows of resources minus liabilities minus deferred inflows of resources equal net position).

Revenue Recognition

The Authority's revenue is derived from lease payments from the City and interest income earned on cash held by a trustee. Revenue is recorded when earned.

Note 2 – Significant Accounting Policies (Continued)

New Accounting Pronouncements

For 2023, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 96, "Subscription-Based Information Technology Arrangements." GASB Statement No. 96 provides guidance on accounting and financial reporting for subscription-based information technology arrangements for government end users. The implementation of the Statements had no effect on beginning net position/fund balance.

In 2022, the GASB issued Statement No. 100, Accounting Changes and Error Corrections—an Amendment of GASB 62. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The provisions of this Statement were effective for fiscal years beginning after June 15, 2023. Implementation of this standard had no effect on the current year financial statements.

Note 3 – Accumulated Deficit of Net Position

At December 31, 2024, the Authority had an accumulated deficit of net position of \$19,497,048. This deficit is a result of how the Authority is structured and its basic operations. The Authority was established to finance the costs of acquiring and developing land and acquiring and constructing community facilities. The titles to these assets are owned by the community and the related costs are recorded as an expense by the Authority. This deficit will be reduced and eliminated as outstanding debt is paid with future lease payments made by the City.

Note 4 - Cash and Cash Equivalents

At December 31, 2024 and 2023, the carrying amount of the Authority's cash and cash equivalents was \$40,319,945 and \$57,949,351, respectively. These funds, deposited with the trustee, consisted of a U.S. government money market fund. The U.S. government money market fund has been rated Aaa by Standard & Poor's and is considered a cash equivalent. While the funds are uncollateralized and uninsured, their disposition and availability are governed by bond resolution and the master trust agreement and the first and fifth supplemental trust agreements between the Authority and U.S. Bank.

Note 5 - Lease Receivable

In order to facilitate the redevelopment, the Authority and the City entered into a master lease agreement and the first supplemental lease, both dated June 1, 2004 (collectively, the "2004 Lease"), to provide for the financing of certain improvements in the RiverSouth District. A second supplemental lease was executed on October 1, 2005. Under the terms of the lease, the Authority agrees to issue debt to finance redevelopment activities, as authorized by Columbus City Council, and to lease to the City certain parcels of land located in the RiverSouth area in downtown Columbus. The City's lease interest includes the underlying land only and does not include existing buildings or improvements made, whether or not the

Note 5 - Lease Receivable (Continued)

improvements are financed by bonds issued by the Authority. Upon the expiration of the lease terms, all right, title, and interest in the land will be transferred to the City. The leases expire when all outstanding bonds (including any refunding bonds) are no longer outstanding. Rental payments commenced on November 21, 2007 in amounts necessary to meet the bond debt service charges, establish and maintain any required reserves, and provide for the payment of any principal or interest on notes not otherwise provided for. A receivable is recorded in an amount approximating the bonds payable, including unamortized bond premium and deferred outflows of resources.

In 2017, the Authority and the City entered into a second master lease agreement and first supplemental lease, both dated September 1, 2016 (collectively, the "2016 Lease"), to provide for the financing of certain improvements in the Scioto Peninsula of the RiverSouth District. Under the terms of the lease, the Authority agrees to issue debt to finance redevelopment activities, as authorized by Columbus City Council, and to lease to the City certain parcels of land located in the RiverSouth area in downtown Columbus. The City's lease interest includes the underlying land and improvements made on the land that were financed by the 2016 bonds. Upon the expiration of the lease terms, all right, title, and interest in the land and related buildings and improvements on the land will be transferred to the City. The leases expire when all outstanding bonds (including any refunding bonds) are no longer outstanding. Rental payments commenced on June 1, 2018 in amounts necessary to meet the bond debt service charges, establish and maintain any required reserves, and provide for the payment of any principal or interest on notes not otherwise provided for. During the construction phase of the Scioto Peninsula Project, all costs incurred in relation to the project were capitalized as project development costs. As of December 31, 2018, the Authority had substantially completed the construction of the project, and a lease receivable was recognized in an amount approximating the bonds payable, including unamortized bond premium.

On June 1, 2023, the Authority and the City entered into a fifth supplemental lease to the 2004 master lease agreement to provide for the financing of improvements in the RiverSouth District. The fifth supplemental lease identifies projects eligible for financing, which may be changed subject to approval by the City via City Council ordinance or resolution. Rental payments will commence in 2025 in amounts necessary to meet the bond debt service charges related to the 2023 bonds, establish and maintain any required reserves, and provide for the payment of any principal or interest on notes not otherwise provided for. A receivable is recorded in an amount approximating the net present value of the bond debt service payments.

Note 6 - Bonds Payable

The RiverSouth Area Redevelopment Bonds, 2005 Series A and 2004 Series A, were issued to provide funds to pay the costs of acquiring and developing land and acquiring and constructing community facilities. These bonds are payable from the revenue, receipts, and other moneys assigned under a master trust agreement dated June 1, 2004 between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by the first supplemental trust agreement dated June 1, 2004 and the second supplemental trust agreement dated October 1, 2005 (together, the "Trust Agreement").

Note 6 - Bonds Payable (continued)

The 2005 Series A and 2004 Series A bonds have been refunded by the 2012 Series A and 2014 Series A bonds, at which time the third supplemental trust agreement dated April 1, 2012 and the fourth supplemental trust agreement dated April 1, 2014, respectively, were entered into in order to fund the debt service on the refunded bonds. The 2012 Series A bonds were issued in the amount of \$24,635,000, and the 2014 Series A bonds were issued in the amount of \$31,100,000. The 2012 Series A bonds matured in December 2024.

The RiverSouth Authority Scioto Peninsula Area Redevelopment Bonds, Series 2016, were issued in the amount of \$27,515,000 to provide funds to pay the costs of developing land and constructing a 600-space underground public parking garage and related recreational park. The bonds were issued at a premium of \$4,042,102 on September 1, 2016. These bonds are payable from the revenue, receipts, and other moneys assigned under a master trust agreement dated September 1, 2016 between the Authority and U.S. Bank National Association, as trustee, as supplemented by the first supplemental trust agreement dated September 1, 2016.

In 2023, the RiverSouth Area Redevelopment Bonds, Series 2023A, were issued in the amount of \$60,000,000 to provide funds to pay the costs of land acquisition, land development and community facilities. The bonds were issued at par on June 29, 2023. These bonds are payable from the revenue, receipts, and other moneys assigned under the master trust agreement dated June 1, 2004 between the Authority and U.S. Bank National Association, as trustee, as supplemented by the fifth supplemental trust agreement dated June 1, 2023.

Changes in bonds payable during the years ended December 31, 2024 and 2023 were as follows:

	2024				
	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Redevelopment bonds:					
2012 Refunding	\$ 3,200,000	\$ -	\$ (3,200,000)	\$ -	\$ -
2014 Refunding	7,015,000		(3,420,000)	3,595,000	3,595,000
2016 Series	23,140,000		(860,000)	22,280,000	900,000
2023 Series	60,000,000			60,000,000	-
Total principal outstanding	<u>93,355,000</u>	-	(7,480,000)	<u>85,875,000</u>	<u>4,495,000</u>
Unamortized bond premiums	3,620,571	-	(749,702)	2,870,869	314,889
Total bonds payable	\$ 96,975,571	\$ -	\$ (8,229,702)	\$ 88,745,869	\$ 4,809,889

The RiverSouth Authority

Notes to Financial Statements

December 31, 2024 and 2023

Note 6 - Bonds Payable (continued)

	2023				
	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Redevelopment bonds:					
2012 Refunding	\$ 6,245,000	\$ -	\$ (3,045,000)	\$ 3,200,000	\$ 3,200,000
2014 Refunding	10,265,000		(3,250,000)	7,015,000	3,420,000
2016 Series	23,960,000		(820,000)	23,140,000	860,000
2023 Series		60,000,000		60,000,000	-
Total principal outstanding	40,470,000	60,000,000	(7,115,000)	93,355,000	7,480,000
Unamortized bond premiums	4,390,160	-	(769,589)	3,620,571	769,588
Total bonds payable	\$ 44,860,160	\$ 60,000,000	\$ (7,884,589)	\$ 96,975,571	\$ 8,249,588

The revenue and receipts assigned by the Trust Agreement are primarily composed of certain rental payments to be paid to the Authority under the lease with the City. The rental payments paid by the City to the Authority are from moneys specifically appropriated for such purpose and are to be the primary source of money to pay debt service. The obligation of the city to make rental payments pursuant to the 2004 Lease and the 2016 Lease is expressly made subject to the availability of the annual appropriations for such purpose. Notwithstanding the requirement for annual appropriations of rental payments for the payment of debt service, the City has agreed that all such rental payments required to pay debt service will be included in the estimated budgets of the City. The Authority and the City contemplate that the supplemental agreements to the lease will make provision for rental payments to be paid to the Authority in amounts at least adequate to meet the debt service on the Series 2012, Series 2014, Series 2016 bonds and Series 2023 bonds. Neither the leased land nor the capital facilities to be financed with the bond proceeds are pledged to secure payment on the bonds. The first rental payment on the 2004 Lease from the City was made on December 1, 2007, and the first rental payment on the 2016 Lease from the City was made on June 1, 2018. The first rental payment on the fifth supplement to the 2004 lease related to the 2023 bonds will be made on June 1, 2025.

The RiverSouth Authority

Notes to Financial Statements

December 31, 2024 and 2023

Note 6 - Bonds Payable (continued)

Annual debt service requirements to maturity for the above bond obligations are as follows:

Years Ending December 31	Principal	Interest	Total
2025	\$ 4,495,000	\$ 4,309,847	\$ 8,804,847
2026	2,265,000	4,174,972	6,439,972
2027	2,380,000	4,063,359	6,443,359
2028	2,495,000	3,947,281	6,442,281
2029	2,615,000	3,824,141	6,439,141
2030-2034	15,025,000	17,157,486	32,182,486
2035-2039	18,870,000	13,277,090	32,147,090
2040-2044	18,240,000	8,373,458	26,613,458
2045-2049	19,490,000	3,465,862	22,955,862
Total	<u>\$ 85,875,000</u>	<u>\$ 62,593,496</u>	<u>\$ 148,468,496</u>

Principal payments are made on June 1 for the 2014 Refunding Bonds, December 1 for the 2016 Series Bonds and December 1 for the 2023 Series Bonds. Interest payments for all bonds are made on June 1 and December 1 of each year.

The Authority does not have any direct borrowing or direct placement debt. The Authority's debt agreements contain acceleration clauses that stipulate that, in the event of default, the principal of all bonds then outstanding (if not then due and payable) and any interest on those bonds shall become immediately due and payable.

Note 7 - Conduit Financing Program

Conduit financing represents bonds and notes for project financings, which are collateralized by the related amounts to be received under leases. In accordance with GASB 91, Conduit Debt Obligations, the bonds issued by the Authority under a conduit financing program do not create a liability to The RiverSouth Authority and, therefore, are not presented on the Authority's financial statements. The Authority has no responsibility for the payment of the debt issued, as the repayment is supported solely by the credit of the borrowing entity (frequently enhanced with a letter of credit). Under the conduit financing program, there is no credit exposure to the Authority. The total amount of conduit debt issued by the Authority and outstanding at December 31, 2024 and 2023 was \$6,640,000 and \$8,125,000, respectively.

Note 8 - Subsequent Events

On May 9, 2025, the Authority entered into an agreement with CDDC Holdings 37, Ltd. ("Holdings"), a limited liability company whose sole member is CDDC, for the development, design and construction of improvements to Holdings' office building located at 37 West Broad Street in downtown Columbus. Under the terms of the agreement, the Authority will provide up to \$500,000 for design and construction services and up to \$5,000,000 for the construction of tenant improvements.

The Authority has committed to use its best efforts to issue bonds in an amount sufficient to fully fund the full project budget, currently estimated to be approximately \$40 million, within 180 days of the agreement. The City's Department of Utilities is the contemplated tenant for the building and will occupy the entire building at the conclusion of construction. The lease with the City, which is not yet complete, will serve as the funding source and the security for the repayment of the new series of bonds to be issued 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**

The RiverSouth Authority
Franklin County
150 South Front Street, Suite 210
Columbus, Ohio 43215

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the The RiverSouth Authority, Franklin County, Ohio (the Authority), a component unit of the City of Columbus, as of and for the year ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated September 26, 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.

The RiverSouth Authority
Franklin County
Independent Auditor's Report On Internal Control Over
Financial Reporting And On Compliance And Other Matters
Required By Government Auditing Standards
Page 2

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*.

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

September 26, 2025

**THE RIVERSOUTH AUTHORITY
FRANKLIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2024**

Finding Number	Finding Summary	Status	Additional Information
2023-001	Financial Reporting – Material Weakness	Fully Corrected	None

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OHIO AUDITOR OF STATE KEITH FABER



THE RIVERSOUTH AUTHORITY

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 10/21/2025

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