



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

555 WEST GOODALE NEW COMMUNITY AUTHORITY
FRANKLIN COUNTY

REGULAR AUDIT

For the Year Ended December 31, 2018
Fiscal Year Audited Under GAGAS: 2018

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Board of Trustees
555 West Goodale New Community Authority
555 West Goodale Street
Columbus, Ohio 43215

We have reviewed the *Independent Auditor's Report* of the 555 West Goodale New Community Authority, Franklin County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2018 through December 31, 2018. 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 555 West Goodale New Community Authority is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

October 1, 2019

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555 West Goodale New Community Authority
Franklin County, Ohio
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INDEPENDENT AUDITOR'S REPORT

555 West Goodale New Community Authority
Franklin County
555 West Goodale Street
Columbus, Ohio 43215

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the 555 West Goodale New Community Authority, Franklin County, Ohio (the Authority), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the 555 West Goodale New Community Authority , Franklin County, Ohio, as of December 31, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, the Authority has an accumulated deficit net position. This deficit is a result of how the Authority is structured and its basic operations. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2019, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.



BHM CPA Group, Inc.
Piketon, Ohio
August 29, 2019

555 West Goodale New Community Authority
Franklin County
Statement of Net Position
As of December 31, 2018

	<u>2018</u>
Liabilities:	
Current Liabilities:	
Accounts Payable	\$ 150,482
Total Current Liabilities	<u>150,482</u>
Total Liabilities	<u>150,482</u>
Net Position:	
Unrestricted	<u>(150,482)</u>
Total Net Position	<u><u>(150,482)</u></u>

The notes to the financial statements are an integral part of this statement.

555 West Goodale New Community Authority
Franklin County
Statement of Revenues, Expenses and Changes in Net Position
For The Year Ended December 31, 2018

	<u>2018</u>
Operating Expenses:	
Legal Fees	147,249
Insurance Expense	3,147
Audit Fees	86
Total Operating Expenses	<u>150,482</u>
Operating Income (Loss)	(150,482)
Change in Net Position	(150,482)
Net Position at January 1	<u>-</u>
Net Position at December 31	<u><u>\$ (150,482)</u></u>

The notes to the financial statements are an integral part of this statement.

555 West Goodale New Community Authority
Franklin County
Statement of Cash Flows
as of December 31, 2018

	<u>2018</u>
Cash Flows from Operating Activities:	
Operating Income (Loss)	\$ (150,482)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase (Decrease) in accounts payable & other accrued liabilities	150,482
Net cash provided by operating activities	<u> -</u>
Cash at January 1	<u> -</u>
Cash at December 31	<u><u> -</u></u>

The notes to the financial statements are an integral part of this statement.

555 West Goodale New Community Authority

Franklin County

Notes to the Financial Statements

December 31, 2018

NOTE 1 – REPORTING ENTITY

The 555 West Goodale New Community Authority, Franklin County, Ohio (the “Authority”) is a community authority created pursuant to Chapter 349 of the Ohio Revised Code (ORC). The Authority is comprised of approximately 19.3 acres of land located in Columbus, Ohio for re development.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

For financial reporting purposes, the Authority’s basic financial statements would include all funds, agencies, boards, commissions, and departments for which the Authority is financially accountable. Financial accountability, as defined by the GASB, exists if the Authority appoints a voting majority of an organization’s Governing Board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the Authority. The Authority may also be financially accountable for governmental organizations with a separately elected Governing Board, a Governing Board appointed by another government, or a jointly appointed Board that is fiscally dependent on the Authority. The Authority also took into consideration other organizations for which the nature and significance of their relationship with the Authority are such that exclusion would cause the Authority’s basic financial statements to be misleading or incomplete.

A. Basis of Presentation

The Authority’s basic financial statements consist of a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows. The Authority uses enterprise accounting to maintain its financial records during the fiscal year. Enterprise accounting focuses on the determination of operating income, changes in net position, financial position, and cash flows.

B. Measurement Focus and Basis of Accounting

The Authority’s financial activity is accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities and deferred inflows of resources associated with the operation of the Authority are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The Statement of Cash Flows reflects how the Authority finances and meets its cash flow needs. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

C. Cash and Cash Equivalents

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

555 West Goodale New Community Authority
Franklin County
Notes to the Financial Statements
December 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Net Position

Net position represents the difference between assets and liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority first applies restricted resources when an expense is incurred for which both restricted and unrestricted net position are available. The Authority had no restricted net position at December 31, 2018.

E. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Authority. For the Authority, these revenues are community development charges. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the Authority. All revenues and expenses not meeting this definition are reported as non-operating.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

G. Subsequent Events

The Authority has evaluated subsequent events through August 29, 2019, the date which the financial statements were available to be issued.

NOTE 3 – ACCUMULATED DEFICIT OF NET POSITION

At December 31, 2018, the Authority has accumulated deficit net position of \$150,482. This deficit is a result of how the Authority is structured and its basic operations. The Authority was established to finance the costs of community land and facilities and has incurred such costs. The related deficit will be reduced and eliminated with future development charges.

NOTE 4 – RISK MANAGEMENT

For the year ended December 31, 2018, the Authority has obtained risk coverage for general liability, including theft or loss.

NOTE 5 – SUBSEQUENT EVENTS

The Authority entered into an agreement on May 23, 2018 with the Ohio Water Development Authority (OWDA) to loan a maximum amount of \$5,000,000 at 2.560% from Other Projects- Brownfield Fund for 15 years starting on January 1, 2021 (the first payment date) with estimated semi-annual loans payments of \$113,245. The Authority did not make any draws from this loan during 2018. During 2019 the Authority made one draw in July 2019 in the amount of \$1,207,317.

555 West Goodale New Community Authority

Franklin County

Notes to the Financial Statements

December 31, 2018

NOTE 5 – SUBSEQUENT EVENTS (Continued)

The Authority entered into an agreement on May 23, 2018 with the Ohio Water Development Authority (OWDA) to loan a maximum amount of \$3,480,000 at 2.510% for wastewater facilities for 10 years starting on January 1, 2021 (the first payment date) with estimated semi-annual loans payments of \$82,899. The Authority did not receive any proceeds from this loan during 2018. The Authority did not make any draws from this loan during 2018. During 2019 the Authority made one draw in July 2019 in the amount of \$559,804.

The Authority entered into an agreement on May 23, 2018 with the Ohio Jobs to loan an amount of \$5,000,000 at 2% for eligible costs of the project for 15. The Authority did not receive any proceeds from this loan during 2018. No draws have been made on this loan as of August 29, 2019.



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

555 West Goodale New Community Authority
Franklin County
555 West Goodale Street
Columbus, Ohio 43215

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the 555 West Goodale New Community Authority, Franklin County, (the Authority) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated August 29, 2019, wherein we noted the Authority has an accumulated deficit net position. This deficit is a result of how the Authority is structured and its basic operations.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Authority's financial statements. *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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
August 29, 2019

OHIO AUDITOR OF STATE KEITH FABER



555 WEST GOODALE NEW COMMUNITY AUTHORITY

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 15, 2019**