



**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

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555 WEST GOODALE NEW COMMUNITY AUTHORITY  
FRANKLIN COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019



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 555 West Goodale New Community Authority, Franklin County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2020 through December 31, 2020. 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. 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

August 23, 2021

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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 Edgar Waldo Way  
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 years ended December 31, 2020 and 2019, 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 financial position of the 555 West Goodale New Community Authority, Franklin County, Ohio, as of December 31, 2020 and 2019, and the respective changes in financial position and cash flows thereof for the years 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.

As discussed in Note 6 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Authority. We did not modify our opinion regarding this matter.

**Other Matters**

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include Management's discussion and analysis to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. The Authority has omitted the management's discussion and analysis. Our opinion on the basic financial statements is not affected by this missing information.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2021, 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  
June 26, 2021



**555 West Goodale New Community Authority**  
**Franklin County**  
*Statement of Net Position*  
*As of December 31, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
Assets:		
Current Assets:		
Cash and Cash Equivalents	\$ 94,768	\$ -
Total Current Assets	<u>94,768</u>	<u>-</u>
Total Assets	<u>\$ 94,768</u>	<u>\$ -</u>
Liabilities:		
Current Liabilities:		
Accounts Payable	\$ 13,374	\$ 170,570
Accrued Liabilities	1,017	-
Accrued Interest Payable	116,502	-
Notes Payable Due within one year	<u>644,852</u>	<u>-</u>
Total Current Liabilities	<u>775,745</u>	<u>170,570</u>
Long Term Liabilities:		
Accrued Interest Payable	-	21,432
Notes Payable	<u>8,453,264</u>	<u>1,767,121</u>
Total Long-Term Liabilities	<u>8,453,264</u>	<u>1,788,553</u>
Total Liabilities	<u>9,229,009</u>	<u>1,959,123</u>
Net Position:		
Unrestricted	<u>(9,134,241)</u>	<u>(1,959,123)</u>
Total Net Position	<u>\$ (9,134,241)</u>	<u>\$ (1,959,123)</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 Years Ended December 31, 2020 and 2019*

	2020	2019
Operating Revenues:		
Community Development Charges	\$ 434,000	\$ -
Gross Profit	434,000	-
Operating Expenses:		
Legal Fees	\$ 12,650	\$ 15,079
Insurance Expense	2,990	2,816
Audit Fees	2,164	2,193
Bank Fees	148	-
Total Operating Expenses	17,952	20,088
Operating Income (Loss)	416,048	(20,088)
Non-Operating Revenue (Expense)		
Interest Expense	(190,848)	(21,432)
Trustee Servicing Fees	(6,212)	-
Donated Capital Assets	(7,394,106)	(1,767,121)
Total Other Expenses	(7,591,166)	(1,788,553)
Change in Net Position	(7,175,118)	(1,808,641)
Net Position at January 1	(1,959,123)	(150,482)
Net Position at December 31	\$ (9,134,241)	\$ (1,959,123)

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, 2020 and 2019*

	2020	2019
Cash Flows from Operating Activities:		
Cash Received from Community Development Charges	\$ 434,000	\$ -
Cash Received from (paid to) Developer for Accounts Payable - net	(175,000)	-
Cash Payment of Operating Expenses	(148)	-
Net cash provided by operating activities	258,852	-
Cash Flows from Capital Financing Activities		
Proceeds from Long-Term Debt	7,394,106	1,767,121
Principal Paid on Notes	(117,335)	-
Interest Paid on Notes	(41,554)	-
Trustee Servicing Fees paid on Notes Payable	(5,195)	-
Donated Capital Assets	(7,394,106)	(1,767,121)
Net cash provided (used) for Capital Financing Activities	(164,084)	-
Net increase/(decrease) in cash and cash equivalents	94,768	-
Cash at January 1	-	-
Cash at December 31	\$ 94,768	\$ -
Reconciliation of Operating Income(Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	\$ 416,048	\$ (20,088)
Increase (Decrease) in Liabilities		
Account Payable	(157,196)	20,088
Net Cash Provided by (Used in) Operating Activities	\$ 258,852	\$ -

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, 2020 and 2019*

**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 redevelopment.

**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, 2020 and 2019*

**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, 2020 or 2019.

**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 the date which the financial statements were available to be issued.

**NOTE 3 – ACCUMULATED DEFICIT OF NET POSITION**

At December 31, 2020, the Authority has an accumulated deficit net position of \$9,134,241. 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 community development charges.

**NOTE 4 – RISK MANAGEMENT**

For the years ended December 31, 2020 and 2019, the Authority has obtained risk coverage for general liability, including theft or loss.

**NOTE 5 – NOTES PAYABLE**

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 loan 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. The amortization schedule for this loan is not yet available from OWDA. During 2020 the Authority made one draw in April 2020 in the amount of \$1,943,692 and accrued interest of \$38,598 was added to the loan balance. The authority expects to make additional draws in 2021 as additional project expenditures are incurred. Once all draws are completed OWDA will recalculate the repayment schedule based upon the timing of actual draws made.

**555 West Goodale New Community Authority  
Franklin County**

*Notes to the Financial Statements  
December 31, 2020 and 2019*

**NOTE 5 – NOTES PAYABLE (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 loan payments of \$82,899. 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. During 2020 the Authority made one draw in April 2020 for \$450,415 and accrued interest of \$15,626 was added to the loan balance. The authority expects to make additional draws in 2021 as additional project expenditures are incurred. Once all draws are completed OWDA will recalculate the repayment schedule based upon the timing of actual draws made.

The Authority entered into an agreement on May 23, 2018 with Jobs Ohio to loan a maximum amount of \$5,000,000 at 2% for eligible costs of the project. Loan payments will be made over 15 years and begin in the month after draws are made on the loans. The Authority made one draw in June 2020 for the full \$5,000,000. In August 2020 the Authority began monthly payments of \$32,754 (including principal, interest, and servicing fees).

Proceeds from the above loans are forwarded to the Developer as reimbursement for funds expended on the redevelopment project. Therefore, these costs were expensed by the Authority as Donated Capital Assets. These loans will be repaid over the repayment period through community development charges assessed annually.

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Beginning Balance 1/1/2020</u>	<u>Additions</u>	<u>Repayment</u>	<u>Ending Balance 12/31/2020</u>
OWDA Brownfield	7/1/2035	2.56%	\$ 1,207,317	\$ 1,982,289	\$ -	\$ 3,189,606
OWDA Stormwater	7/1/2030	2.51%	559,804	466,041	-	1,025,845
Ohio Jobs	7/1/2035	2.00%	-	5,000,000	(117,335)	4,882,665
		<b>Total</b>	<u>\$ 1,767,121</u>	<u>\$ 7,448,330</u>	<u>\$(117,335)</u>	<u>\$ 9,098,116</u>

Principal and interest payments by year are as follows:

Year	Ohio Water Development Authority				Jobs Ohio	
	<u>Brownfield</u>		<u>Stormwater</u>		<u>Principal</u>	<u>Interest</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		
2021	\$279,426	\$127,211	\$79,296	\$87,246	\$286,130	\$95,041
2022	286,625	120,012	81,299	85,243	292,634	89,259
2023	294,010	112,628	83,352	83,190	299,287	83,346
2024	301,585	105,053	85,457	81,084	306,091	77,298
2025	309,355	97,283	87,616	78,926	313,049	71,112
2026-2030	1,670,513	362,674	3,078,606	360,295	1,675,289	257,747
2031-2035	1,897,085	136,102	0	0	1,710,185	81,154
Total	<u>\$5,038,599</u>	<u>\$1,060,963</u>	<u>\$3,495,626</u>	<u>\$775,984</u>	<u>\$4,882,665</u>	<u>\$754,957</u>

**NOTE 6 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Authority. In addition, the impact on the Authority's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.



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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**

555 West Goodale New Community Authority  
Franklin County  
555 Edgar Waldo Way  
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 years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 26, 2021, 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. We also noted the financial impact of COVID-19 and the ensuing emergency measure will impact subsequent periods of the Authority.

***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  
June 26, 2021



# OHIO AUDITOR OF STATE KEITH FABER



**555 WEST GOODALE NEW COMMUNITY 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 9/2/2021**

88 East Broad 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](http://www.ohioauditor.gov)