



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

NORTHERN PICKAWAY COUNTY JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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OHIO AUDITOR OF STATE
KEITH FABER



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Board of Directors
Northern Pickaway County Joint Economic Development District
133 South Court Street
Circleville, Ohio 43133

We have reviewed the *Independent Auditor's Report* of the Northern Pickaway County Joint Economic Development District, Pickaway County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2019 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. The Northern Pickaway County Joint Economic Development District 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

September 21, 2021

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NORTHERN PICKAWAY COUNTY JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY
Table of Contents
For the Years Ended December 31, 2020 and 2019

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor’s Report.....	1
 <i>For the Year Ended December 31, 2020</i>	
Management’s Discussion and Analysis	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	7
Statement of Activities.....	8
Fund Financial Statements:	
Balance Sheet – Governmental Funds	9
Reconciliation of Total Governmental Fund Balances To Net Position of Governmental Activities	10
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	12
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) – General Fund.....	13
Notes to the Basic Financial Statements	15
 <i>For the Year Ended December 31, 2019</i>	
Management’s Discussion and Analysis	22
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	27
Statement of Activities.....	28
Fund Financial Statements:	
Balance Sheet – Governmental Funds	29
Reconciliation of Total Governmental Fund Balances To Net Position of Governmental Activities	30
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	31
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	32
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) – General Fund.....	33
Notes to the Basic Financial Statements	34
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matter Required by <i>Government Auditing Standards</i>	43

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INDEPENDENT AUDITOR'S REPORT

Northern Pickaway County Joint Economic Development District
Pickaway County
113 S. Court Street
Circleville, Ohio 43113

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Northern Pickaway County Joint Economic Development District, Pickaway County, Ohio (the District), as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District'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 District'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 District'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 governmental activities and the major fund of the District, as of December 31, 2020 and 2019, and the respective changes in financial position thereof and the budgetary comparison for the General Fund 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 8 to the 2020 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. 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* listed in the table of contents, 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. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 2021, on our consideration of the District'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 District's internal control over financial reporting and compliance.



BHM CPA Group, Inc.
Piketon, Ohio
July 19, 2021

**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

The management's discussion and analysis of the Northern Pickaway County Joint Economic Development District (the "District") financial performance provides an overall review of the District's financial activities for the year ended December 31, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- The total net position of the District was \$1,352,434 at December 31, 2020, which represents an increase of \$302,768 compared to 2019.
- Total governmental activities revenues were \$689,194, all of which were classified as general revenues, and total expenses were \$386,426.
- The general fund had revenues of \$723,066 and expenditures of \$386,426 in 2020. The general fund's fund balance increased from \$994,899 to \$1,331,539 during the year.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the District as a whole, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. All activities of the District are reported in the General Fund.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

The view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2020?" The statement of net position and the statement of activities answer this question. These statements include all assets, liabilities, deferred inflows and outflows 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.

These two statements report the District's *net position* and changes in that position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

The District's statement of net position and statement of activities can be found on pages 7 - 8 of this report.

**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Reporting the District's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All activities of the District are reported in the general fund.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 15 - 21 of this report.

Government-Wide Financial Analysis

The table below provides a summary of the District's assets, liabilities and net position for 2020 and 2019:

	Net Position	
	Governmental Activities	
	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Current and other assets	\$ 1,573,087	\$ 1,071,864
<u>Liabilities</u>		
Current and other liabilities	<u>220,653</u>	<u>22,198</u>
<u>Net position</u>		
Unrestricted	<u>\$ 1,352,434</u>	<u>\$ 1,049,666</u>

Over time, net position can serve as a useful indicator of a government's financial position. At year-end, net position was \$1,352,434 for the governmental activities, all of which is unrestricted. This is the amount by which assets (primarily cash and cash equivalents and income taxes receivable) exceeded liabilities (intergovernmental payables) at December 31, 2020.

The following table provides a summary of the District's change in net position for its governmental activities for 2020 and 2019.

**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Change in Net Position

	Governmental Activities	
	2020	2019
Revenues		
General revenues:		
Income taxes	\$ 683,837	\$ 552,729
Earnings on investments	4,967	10,384
Miscellaneous	390	-
Total revenues	689,194	563,113
Expenses:		
Economic development	53,165	350,000
Administration	38,204	43,102
Intergovernmental	295,057	220,343
Total expenses	386,426	613,445
Change in net position	302,768	(50,332)
Net position at beginning of year	1,049,666	1,099,998
Net position at end of year	\$ 1,352,434	\$ 1,049,666

Governmental Activities

Revenues of \$689,194 exceeded expenses of \$386,426 resulting in an increase in net position of \$302,768. Income taxes revenue increased due to an increase in collections as the District continues to attract new employment opportunities. The primary expenses for the District are economic development and intergovernmental expenses. The latter represents the District's payments to participating governments for approved project expenses, in accordance with the JEDD agreement, and the former is the District's own payments for those projects.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at year-end.

The District's governmental fund reported a fund balance of \$1,331,539 which is \$336,640 more than last year's balance of \$994,899. Unassigned fund balance at December 31, 2020 was \$1,265,510.

General Fund

The District's general fund balance increased \$336,640. The table that follows assists in illustrating the revenues and expenditures of the general fund.

**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>2020</u>	<u>2019</u>	<u>Percentage</u>
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<u>Revenues</u>			
Income taxes	\$ 717,709	\$ 498,616	43.94 %
Earnings on investments	4,967	10,384	(52.17) %
Other	<u>390</u>	<u>-</u>	N/A
Total revenues	<u>\$ 723,066</u>	<u>\$ 509,000</u>	42.06 %
<u>Expenditures</u>			
Economic development	\$ 53,165	\$ 350,000	(84.81) %
Administration	38,204	43,102	(11.36) %
Intergovernmental	<u>295,057</u>	<u>220,343</u>	33.91 %
Total expenditures	<u>\$ 386,426</u>	<u>\$ 613,445</u>	(37.01) %

Revenues increased in 2020 as discussed on the previous page. Economic development expenditures decreased as proposed projects were delayed. Administration expenditures consist of various fees, including income tax collection, legal, finance and insurance. Intergovernmental expenditures consist of amounts paid to the City of Columbus, the Village of Ashville and Harrison Township per the JEDD agreement.

Budgeting Highlights

The District's budget is prepared according to the agreement between the County and the City and is based upon accounting for all transactions on a basis of cash receipts and disbursements.

The original 2020 budgeted revenues were not amended during the year. The budgeted revenues of \$385,000 consisted of income tax collections. Actual budget-basis revenues for the year were \$721,913, or \$336,913 more than budgeted. This variance is primarily due to an increase in income tax collections.

The original and final budget expenditures amounted to \$253,705. Actual budget-basis expenditures were \$187,971, or \$65,734 less than budgeted. This variance is primarily due to a decrease in intergovernmental payments to the JEDD parties during the year.

Current Issues

The challenge for all Joint Economic Development Districts is to provide quality services to the businesses residing within the boundaries of the district while staying within sometimes an unpredictable amount of revenues. The Board of Directors is continuously assessing not only the current needs of the businesses but also the future needs of current and future businesses.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Mr. Mark Bidwell, Fiscal Officer, 133 South Court Street, Circleville, Ohio 43113.

**NORTHERN PICKAWAY COUNTY JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF NET POSITION
DECEMBER 31, 2020

		<u>Governmental Activities</u>
Assets:		
Equity in pooled cash and cash equivalents . . .	\$	1,232,032
Cash with fiscal agent		286,684
Receivables:		
Income taxes		54,371
		<hr/>
Total assets		1,573,087
		<hr/>
Liabilities:		
Due to other governments		220,653
		<hr/>
Total liabilities		220,653
		<hr/>
Net position:		
Unrestricted.		1,352,434
		<hr/>
Total net position	\$	<u>1,352,434</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NORTHERN PICKAWAY COUNTY JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Governmental Activities
Expenses:	
Economic development	\$ 53,165
Administration	38,204
Intergovernmental.	295,057
Total program expenses	386,426
Revenues:	
General revenues:	
Income taxes	683,837
Earnings on investments	4,967
Other	390
Total general revenues	689,194
Change in net position	302,768
Net position at beginning of year.	1,049,666
Net position at end of year	\$ 1,352,434

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NORTHERN PICKAWAY COUNTY JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2020

		General
Assets:		
Equity in pooled cash and cash equivalents	\$	1,232,032
Cash with fiscal agent.		286,684
Receivables:		
Income taxes		54,371
Total assets		1,573,087
Liabilities:		
Due to other governments.		220,653
Total liabilities		220,653
Deferred inflows of resources:		
Unavailable income tax revenue.		20,895
Fund balance:		
Committed for administration distribution		19,990
Committed for partner investment distribution.		46,039
Unassigned		1,265,510
Total fund balance	\$	1,331,539

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NORTHERN PICKAWAY COUNTY JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2020

Total governmental fund balance	\$ 1,331,539
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>	
Income taxes that are not available to pay for current-period expenditures are reported as deferred inflows of resources in governmental funds.	<u>20,895</u>
Net position of governmental activities	<u><u>\$ 1,352,434</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NORTHERN PICKAWAY COUNTY JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

		<u>General</u>
Revenues:		
Income taxes	\$	717,709
Earnings on investments		4,967
Other		390
Total revenues		<u>723,066</u>
Expenditures:		
Current:		
Economic development		53,165
Administration		38,204
Intergovernmental		295,057
Total expenditures		<u>386,426</u>
Net change in fund balance		336,640
Fund balance at beginning of year		<u>994,899</u>
Fund balance at end of year	\$	<u><u>1,331,539</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NORTHERN PICKAWAY COUNTY JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Net change in fund balance - total governmental funds	\$	336,640
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.		
Unavailable income taxes		<u>(33,872)</u>
Change in net position of governmental activities	\$	<u>302,768</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NORTHERN PICKAWAY COUNTY JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Income taxes	\$ 385,000	\$ 385,000	\$ 716,556	\$ 331,556
Earnings on investments	-	-	4,967	4,967
Other	-	-	390	390
Total revenues	<u>385,000</u>	<u>385,000</u>	<u>721,913</u>	<u>336,913</u>
Expenditures:				
Current:				
Economic development	25,000	25,000	53,165	(28,165)
Administration	60,267	60,267	39,029	21,238
Intergovernmental	168,438	168,438	95,777	72,661
Total expenditures	<u>253,705</u>	<u>253,705</u>	<u>187,971</u>	<u>65,734</u>
Net change in fund balances	131,295	131,295	533,942	402,647
Fund balance at beginning of year	<u>984,774</u>	<u>984,774</u>	<u>984,774</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,116,069</u>	<u>\$ 1,116,069</u>	<u>\$ 1,518,716</u>	<u>\$ 402,647</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 1 - DESCRIPTION OF THE DISTRICT

The Northern Pickaway County Joint Economic Development District, Pickaway County, Ohio, (the "District") is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District was formed in accordance with Ohio Revised Code (ORC) Sections 715.70 through 715.72 as a result of an agreement between the City of Columbus, the Village of Ashville and the Township of Harrison, Pickaway County, Ohio (hereafter the "JEDD Parties", each a "JEDD Party"). The District is directed by a five member Board of Directors. The District's purpose is to promote economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Pickaway County, City of Columbus, Village of Ashville, Harrison Township and the District. The District's geographic area is located entirely in Harrison Township, Ohio and the primary source of revenue is a tax on income earned in the District.

In accordance with Section 715.70(F)(5) of the ORC, the Board has entered into an agreement with the City of Columbus to administer, collect and enforce the income tax on behalf of the District (the "Tax Agreement"). The Tax Agreement provides that the Columbus City Auditor shall be the Administrator of the income tax of the District (the "Administrator"), who shall be responsible for the receipt and safekeeping of the income tax receipts collected within the District.

The District's management believes these financial statements present all activities for which the District is financially accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the District's accounting policies are described below.

A. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. District activities generally are financed through a tax on income earned in the District.

The statement of net position presents the financial condition of the governmental activities of the District at year end. The statement of activities compares expenses with program revenues for each of the District's activities. Expenses are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program revenues include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational requirements of a particular program and revenues of interest earned on grants that is required to be used to support a particular program. General revenues are all receipts not classified as program revenues, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the District's general revenues. The District did not have any program revenues.

**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Fund Financial Statements - During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. All activities of the District are reported in the General Fund.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. Governmental fund assets less liabilities and deferred inflows of resources is reported as fund balance. All activities of the District are reported in the General Fund.

The District has no proprietary or fiduciary funds.

C. Measurement Focus

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net position. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation, where applicable, with brief explanations to better identify the relationship between the government-wide statements and the financial statements for governmental funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources and in the presentation of expenses versus expenditures.

Revenues - Nonexchange Transactions - Nonexchange transactions, in which the District receives value without directly giving equal value in return, includes income taxes. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. For the District, available means expected to be received within sixty days of year-end.

**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Under the modified accrual basis, income taxes revenue is considered to be both measurable and available at year end.

Deferred Inflows of Resources - A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period.

Income taxes due at December 31, 2020, but not received within sixty days of year-end are not available to finance current year operations and thus are reported as deferred inflows of resources on the modified accrual basis.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

E. Budgetary Data

The Ohio Revised Code does not require the District to budget annually. However, the bylaws governing the District require the District to adopt by November 15 of each fiscal year an annual budget and annual appropriations for the next fiscal year. Management prepares an annual budget for internal monitoring and compliance with the bylaws.

F. Cash and Cash Equivalents

The District's fund balances are maintained by the City of Columbus as Administrator for the District and in demand deposit accounts maintained by the District.

G. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The District had no nonspendable fund balance at December 31, 2020.

Restricted - Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws of regulations of other governments; or is imposed by law through constitutional provisions. The District had no restricted fund balance at December 31, 2020.

Committed - The Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements. The District had committed fund balance at December 31, 2020 for amounts collected and available for distribution in accordance with provisions outlined in the District's formation contract adopted by the JEDD Parties.

**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Assigned - Assigned fund balances are intended for specific purposes, but do not meet the criteria to be classified as *restricted* or *committed*. In the general fund, *assigned* amounts represent intended uses established by the Board delegated that authority by resolution, or by State Statute. The District had no assigned fund balance at December 31, 2020.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes amounts not included in other classifications.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

H. Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District had no restricted net position at December 31, 2020.

I. Estimates

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

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

For 2020, the District has applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance" to GASB Statement Nos. 87 and 89, which were originally due to be implemented in 2020. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following pronouncement is postponed by one year and the District has elected delaying implementation until the fiscal year ended December 31, 2021:

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

The following pronouncements are postponed by eighteen months and the District has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 4 - DEPOSITS

The ORC prescribes allowable deposits of the District. The carrying amount of deposits at December 31, 2020 was \$1,518,716. The breakdown of the District's deposits follows:

Maintained by the City of Columbus as Administrator for the District	\$ 286,684
Demand deposit accounts	<u>1,232,032</u>
Total cash and cash equivalents	<u><u>\$ 1,518,716</u></u>

Based on the criteria described in GASB Statement No. 40, "*Deposits and Investment Risk Disclosures*", as of December 31, 2020, \$982,032 of the District's bank balance of \$1,232,032 was potentially exposed to custodial risk as discussed below, while \$250,000 was covered by the Federal Deposit Insurance Corporation (the "FDIC").

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District's 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 (2) participation in the 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 requires 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. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

NOTE 5 - LOCAL INCOME TAX

In accordance with Section 715.70(F) of the ORC, the District levies an income tax on substantially all earned income arising from employment or business activities within the District. During 2020, the income tax rate was 2.5%. The rate of the income tax will change from time to time so that it is equal to the income tax rate being levied by the City of Columbus.

Employers within the District withhold income tax on employee compensation and remit the tax to the City of Columbus as Administrator for the District. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually with the City of Columbus.

On the first business day of each quarter, the Administrator provides the District with an amount sufficient to pay the outstanding or expected expenses of the operation of the District for that quarter (including, but not limited to, the expense of administering the income tax pursuant to the Tax Agreement) in accordance with the budget and the appropriations resolution (as amended from time to time) of the Board, which amount shall not exceed 12.5% of the income tax revenues for that calendar year. For the months of January and February 2020, the District received 11.408% of the 12.5% charged for administrative costs and the City of Columbus received 1.092%. For the rest of 2020, the District received 11.27% and the City of Columbus received 1.23%.

Net tax receipts in excess of the 12.5% administrative costs above shall be divided and deposited equally into two accounts: 43.75% to the Partner Proceeds account and the 43.75% to the Partner Investment Reimbursement account.

**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 5 - LOCAL INCOME TAX - (Continued)

Net tax receipts (and any investment earnings) deposited into the Partner Proceeds account is paid and remitted no less frequently than annually to the JEDD Parties as follows: 70% to the City of Columbus, 15% to the Village of Ashville and 15% to Harrison Township. The monies so paid or remitted to the JEDD Parties shall be used by each JEDD Party for the purposes of the District and for the purposes of the JEDD Parties in accordance with Revised Code 715.70(F).

Net tax receipts (and any investment earnings) deposited into the Partner Investment Reimbursement account shall be paid and remitted no less frequently than annually as follows:

1. The Partner Investment Reimbursement account shall continue to exist until the JEDD Parties have been reimbursed for capital improvement projects made on behalf of and authorized by the District or any other related joint economic development districts. Capital improvement projects to be paid from the Partner Investment Reimbursement account specifically include, but are not limited to, those projects undertaken pursuant to the Annexation Moratorium Agreement. If at any point this account is no longer needed, all receipts generated through the income tax shall be deposited in the Partner Proceeds account.
2. The JEDD Parties shall develop a capital improvement plan for the District that shall detail the initial infrastructure required to support the District and identify the JEDD Party that has agreed to provide such infrastructure. The capital improvement plan shall also identify infrastructure improvements made or in the process of being made prior to the establishment of the District for which a JEDD Party is to be reimbursed.
3. The District Board, in consultation with the JEDD Parties, shall update the District's capital improvement plan on a frequency to be determined by the Board, but no less frequently than every five years.
4. Each JEDD Party shall be reimbursed for all project costs expended in accordance with the approved capital improvement plan.
 - a) While it is understood that each JEDD Party will likely need to finance its projects, no financing costs, as defined in ORC 133.01(K), are reimbursable. Each JEDD Party shall bear its own financing expense.
 - b) The City of Columbus shall not seek reimbursement for project costs which are recovered through front foot fees paid to its water or wastewater utility. In addition, no JEDD Party will seek reimbursement for project costs that will be recovered or reimbursed through other sources such as developer assistance or reimbursement payments, or revenues from tax increment financing.
 - c) Any federal or State grant funds obtained on behalf of a JEDD Party and/or the District shall be used to reduce the total cost for infrastructure investment required by the JEDD Party and are not eligible for reimbursement.
5. On an annual basis, each JEDD Party shall submit to the Board documentation for authorized capital improvement project costs incurred by the JEDD Party during the prior year.
6. To the extent monies are available within the Partner Investment Reimbursement account the Board shall remit annually payment to each respective JEDD Party for documented expenses. The JEDD Parties assume that the receipts to this fund will not be adequate to meet the reimbursement expenses on an annual basis. All expenses not reimbursed the first year submitted shall be carried forward to future years until paid to the respective JEDD Party in proportion to the outstanding amounts owed to those parties.

**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 6 - BUDGETARY BASIS OF ACCOUNTING

While the District is reporting financial position, results of operations and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis is based upon accounting for transactions on a basis of cash receipts and disbursements. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis); and,
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

The following table reconciles the change in fund balance reported in the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statement for the general fund:

Net Change in Fund Balance	
	<u>General</u>
Budget basis	\$ 533,942
Reversal of prior year revenue accruals	(32,323)
Current year revenue accruals	33,476
Reversal of prior year expenditure accruals	22,198
Current year expenditure accruals	<u>(220,653)</u>
GAAP basis	<u><u>\$ 336,640</u></u>

NOTE 7 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to contracted personnel; and natural disasters. The District purchased Public Officials Liability insurance and General Liability coverage from Darwin Select Insurance Company through Wichert Insurance. The liability insurance covers up to \$2,000,000 in the aggregate. Settled claims have not exceeded coverage and there has been no significant reduction in coverage over the past three years.

NOTE 8 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. However, the impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 9 - SUBSEQUENT EVENTS

Effective March 1, 2021, the collection fee charged by the City of Columbus was decreased from 1.23% to 1.022% of the 12.5% charged for administrative costs. The amount the District received was increased from 11.27% to 11.478%.

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**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

The management's discussion and analysis of the Northern Pickaway County Joint Economic Development District (the "District") financial performance provides an overall review of the District's financial activities for the year ended December 31, 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2019 are as follows:

- The total net position of the District was \$1,049,666 at December 31, 2019, which represents a decrease of \$50,332 compared to 2018.
- Total governmental activities revenues were \$563,113, all of which were classified as general revenues, and total expenses were \$613,445.
- The general fund had revenues of \$509,000 and expenditures of \$613,445 in 2019. The general fund's fund balance decreased from \$1,099,344 to \$994,899 during the year.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the District as a whole, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. All activities of the District are reported in the General Fund.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

The view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2019?" The statement of net position and the statement of activities answer this question. These statements include all assets, liabilities, deferred inflows and outflows 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.

These two statements report the District's *net position* and changes in that position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

The District's statement of net position and statement of activities can be found on pages 27 -28 of this report.

**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Reporting the District's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All activities of the District are reported in the general fund.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 34 - 42 of this report.

Government-Wide Financial Analysis

The table below provides a summary of the District's assets, liabilities and net position for 2019 and 2018:

	Net Position	
	Governmental Activities	
	<u>2019</u>	<u>2018</u>
<u>Assets</u>		
Current and other assets	\$ <u>1,071,864</u>	\$ <u>1,114,188</u>
<u>Liabilities</u>		
Current and other liabilities	<u>22,198</u>	<u>14,190</u>
<u>Net position</u>		
Unrestricted	\$ <u>1,049,666</u>	\$ <u>1,099,998</u>

Over time, net position can serve as a useful indicator of a government's financial position. At year-end, net position was \$1,049,666 for the governmental activities, all of which is unrestricted. This is the amount by which assets (primarily cash and cash equivalents and income taxes receivable) exceeded liabilities (accounts and intergovernmental payables) at December 31, 2019.

The following table provides a summary of the District's change in net position for its governmental activities for 2019 and 2018.

**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Change in Net Position

	Governmental Activities	
	<u>2019</u>	<u>2018</u>
Revenues		
General revenues:		
Income taxes	\$ 552,729	\$ 374,111
Earnings on investments	10,384	13,097
Total general revenues	563,113	387,208
Total revenues	563,113	387,208
Expenses:		
Economic development	350,000	-
Administration	43,102	29,445
Intergovernmental	220,343	177,660
Total expenses	613,445	207,105
Change in net position	(50,332)	180,103
Net position at beginning of year	1,099,998	919,895
Net position at end of year	\$ 1,049,666	\$ 1,099,998

Governmental Activities

Expenses of \$613,445 exceeded revenues of \$563,113 resulting in a decrease in net position of \$50,332. Income taxes revenue increased due to an increase in collections. The primary expenses for the District are economic development and intergovernmental expenses. The latter represents the District's payments to participating governments for approved project expenses, in accordance with the JEDD agreement, and the former is the District's own payments for those projects.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at year-end.

The District's governmental fund (as presented on the balance sheet on page 10) reported a fund balance of \$994,899 which is \$104,445 less than last year's balance of \$1,099,344. Unassigned fund balance at December 31, 2019 was \$905,113.

**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

General Fund

The District's general fund balance decreased \$104,445. The table that follows assists in illustrating the revenues and expenditures of the general fund.

	2019 <u>Amount</u>	2018 <u>Amount</u>	Percentage <u>Change</u>
<u>Revenues</u>			
Income taxes	\$ 498,616	\$ 383,521	30.01 %
Earnings on investments	<u>10,384</u>	<u>13,097</u>	(20.71) %
Total revenues	<u>\$ 509,000</u>	<u>\$ 396,618</u>	28.34 %
<u>Expenditures</u>			
Economic development	\$ 350,000	\$ -	N/A
Administration	43,102	29,445	46.38 %
Intergovernmental	<u>220,343</u>	<u>177,660</u>	24.03 %
Total expenditures	<u>\$ 613,445</u>	<u>\$ 207,105</u>	196.20 %

Overall, both revenues and expenditures increased in 2019, as discussed on the previous page. Administration expenditures consist of various fees, including income tax collection, legal, finance and insurance. Intergovernmental expenditures consist of amounts paid to the City of Columbus, the Village of Ashville and Harrison Township per the JEDD agreement. The economic development expenditures are the District's share of project costs.

Budgeting Highlights

The District's budget is prepared according to the agreement between the County and the City and is based upon accounting for all transactions on a basis of cash receipts and disbursements.

The original 2019 budgeted revenues were not amended during the year. The budgeted revenues of \$436,500 consisted of income tax collections. Actual budget-basis revenues for the year were \$498,216, or \$61,716 (14.14%) more than budgeted. This variance is primarily due to an increase in income tax collections.

The original and final budget expenditures amounted to \$821,828. Actual budget-basis expenditures were \$605,437, or \$216,391 (26.33%) less than budgeted. This variance is primarily due to \$150,000 in budgeted economic development expenditures for projects that were not completed during the year.

Current Issues

The challenge for all Joint Economic Development Districts is to provide quality services to the businesses residing within the boundaries of the district while staying within sometimes an unpredictable amount of revenues. The Board of Directors is continuously assessing not only the current needs of the businesses but also the future needs of current and future businesses.

**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Ms. Gayle Sharret Spangler, Fiscal Officer, 133 South Court Street, Circleville, Ohio 43113.

**NORTHERN PICKAWAY COUNTY JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF NET POSITION
DECEMBER 31, 2019

		<u>Governmental Activities</u>
Assets:		
Equity in pooled cash and cash equivalents . . .	\$	873,615
Cash with fiscal agent		111,159
Receivables:		
Income taxes		87,090
		<hr/>
Total assets		1,071,864
		<hr/>
Liabilities:		
Accounts payable.		825
Due to other governments		21,373
		<hr/>
Total liabilities		22,198
		<hr/>
Net position:		
Unrestricted.		1,049,666
		<hr/>
Total net position	\$	<u>1,049,666</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NORTHERN PICKAWAY COUNTY JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

		<u>Governmental Activities</u>
Expenses:		
Economic development	\$	350,000
Administration		43,102
Intergovernmental.		<u>220,343</u>
Total program expenses		<u>613,445</u>
Revenues:		
General revenues:		
Income taxes		552,729
Earnings on investments		<u>10,384</u>
Total general revenues		<u>563,113</u>
Change in net position		(50,332)
Net position at beginning of year.		<u>1,099,998</u>
Net position at end of year	\$	<u><u>1,049,666</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NORTHERN PICKAWAY COUNTY JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2019

		General
Assets:		
Equity in pooled cash and cash equivalents	\$	873,615
Cash with fiscal agent.		111,159
Receivables:		
Income taxes		87,090
Total assets		1,071,864
Liabilities:		
Accounts payable		825
Due to other governments.		21,373
Total liabilities		22,198
Deferred inflows of resources:		
Unavailable income tax revenue.		54,767
Fund balance:		
Committed for administration distribution		18,544
Committed for partner investment distribution.		71,242
Unassigned		905,113
Total fund balance	\$	994,899

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NORTHERN PICKAWAY COUNTY JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2019

Total governmental fund balance	\$ 994,899
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>	
Income taxes that are not available to pay for current-period expenditures are reported as deferred inflows of resources in governmental funds.	<u>54,767</u>
Net position of governmental activities	<u><u>\$ 1,049,666</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NORTHERN PICKAWAY COUNTY JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

		General
Revenues:		
Income taxes	\$	498,616
Earnings on investments		10,384
Total revenues		509,000
Expenditures:		
Current:		
Economic development		350,000
Administration		43,102
Intergovernmental		220,343
Total expenditures		613,445
Net change in fund balance		(104,445)
Fund balance at beginning of year		1,099,344
Fund balance at end of year	\$	994,899

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NORTHERN PICKAWAY COUNTY JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Net change in fund balance - total governmental funds	\$ (104,445)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.	
Unavailable income taxes	<u>54,113</u>
Change in net position of governmental activities	<u><u>\$ (50,332)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NORTHERN PICKAWAY COUNTY JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Income taxes	\$ 436,500	\$ 436,500	\$ 487,832	\$ 51,332
Earnings on investments	-	-	10,384	10,384
Total revenues	<u>436,500</u>	<u>436,500</u>	<u>498,216</u>	<u>61,716</u>
Expenditures:				
Current:				
Economic development	500,000	500,000	350,000	150,000
Administration	84,328	84,328	43,057	41,271
Intergovernmental	237,500	237,500	212,380	25,120
Total expenditures	<u>821,828</u>	<u>821,828</u>	<u>605,437</u>	<u>216,391</u>
Net change in fund balances	(385,328)	(385,328)	(107,221)	278,107
Fund balance at beginning of year	<u>1,091,995</u>	<u>1,091,995</u>	<u>1,091,995</u>	<u>-</u>
Fund balance at end of year	<u>\$ 706,667</u>	<u>\$ 706,667</u>	<u>\$ 984,774</u>	<u>\$ 278,107</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 - DESCRIPTION OF THE DISTRICT

The Northern Pickaway County Joint Economic Development District, Pickaway County, Ohio, (the "District") is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District was formed in accordance with Ohio Revised Code (ORC) Sections 715.70 through 715.72 as a result of an agreement between the City of Columbus, the Village of Ashville and the Township of Harrison, Pickaway County, Ohio (hereafter the "JEDD Parties", each a "JEDD Party"). The District is directed by a five member Board of Directors. The District's purpose is to promote economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Pickaway County, City of Columbus, Village of Ashville, Harrison Township and the District. The District's geographic area is located entirely in Harrison Township, Ohio and the primary source of revenue is a tax on income earned in the District.

In accordance with Section 715.70(F)(5) of the ORC, the Board has entered into an agreement with the City of Columbus to administer, collect and enforce the income tax on behalf of the District (the "Tax Agreement"). The Tax Agreement provides that the Columbus City Auditor shall be the Administrator of the income tax of the District (the "Administrator"), who shall be responsible for the receipt and safekeeping of the income tax receipts collected within the District.

The District's management believes these financial statements present all activities for which the District is financially accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the District's accounting policies are described below.

A. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. District activities generally are financed through a tax on income earned in the District.

**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The statement of net position presents the financial condition of the governmental activities of the District at year end. The statement of activities compares expenses with program revenues for each of the District's activities. Expenses are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program revenues include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational requirements of a particular program and revenues of interest earned on grants that is required to be used to support a particular program. General revenues are all receipts not classified as program revenues, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the District's general revenues. The District did not have any program revenues.

Fund Financial Statements - During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. All activities of the District are reported in the General Fund.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. Governmental fund assets less liabilities and deferred inflows of resources is reported as fund balance. All activities of the District are reported in the General Fund.

The District has no proprietary or fiduciary funds.

C. Measurement Focus

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net position. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation, where applicable, with brief explanations to better identify the relationship between the government-wide statements and the financial statements for governmental funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources and in the presentation of expenses versus expenditures.

Revenues - Nonexchange Transactions - Nonexchange transactions, in which the District receives value without directly giving equal value in return, includes income taxes. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. For the District, available means expected to be received within sixty days of year-end.

Under the modified accrual basis, income taxes revenue is considered to be both measurable and available at year end.

Deferred Inflows of Resources - A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period.

Income taxes due at December 31, 2019, but not received within sixty days of year-end are not available to finance current year operations and thus are reported as deferred inflows of resources on the modified accrual basis.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Budgetary Data

The Ohio Revised Code does not require the District to budget annually. However, the bylaws governing the District require the District to adopt by November 15 of each fiscal year an annual budget and annual appropriations for the next fiscal year. Management prepares an annual budget for internal monitoring and compliance with the bylaws.

F. Cash and Cash Equivalents

The District's fund balances are maintained by the City of Columbus as Administrator for the District and in demand deposit accounts maintained by the District.

G. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The District had no nonspendable fund balance at December 31, 2019.

Restricted - Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws of regulations of other governments; or is imposed by law through constitutional provisions. The District had no restricted fund balance at December 31, 2019.

Committed - The Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements. The District had committed fund balance at December 31, 2019 for amounts collected and available for distribution in accordance with provisions outlined in the District's formation contract adopted by the JEDD Parties.

Assigned - Assigned fund balances are intended for specific purposes, but do not meet the criteria to be classified as *restricted* or *committed*. In the general fund, *assigned* amounts represent intended uses established by the Board delegated that authority by resolution, or by State Statute. The District had no assigned fund balance at December 31, 2019.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes amounts not included in other classifications.

**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

H. Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District had no restricted net position at December 31, 2019.

I. Estimates

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2019, the District has implemented GASB Statement No. 83, "Certain Asset Retirement Obligations", GASB Statement No. 84, "Fiduciary Activities", GASB Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements" and GASB Statement No. 90, "Majority Equity Interests - an amendment to GASB Statements No. 14 and No. 61".

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the District.

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. The implementation of GASB Statement No 84 did not have an effect on the financial statements of the District.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the District.

**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 90 improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the District.

NOTE 4 - DEPOSITS

The ORC prescribes allowable deposits of the District. The carrying amount of deposits at December 31, 2019 was \$984,774. The breakdown of the District’s deposits follows:

Maintained by the City of Columbus as Administrator for the District	\$ 111,159
Demand deposit accounts	<u>873,615</u>
Total cash and cash equivalents	<u>\$ 984,774</u>

Based on the criteria described in GASB Statement No. 40, “*Deposits and Investment Risk Disclosures*”, as of December 31, 2019, \$623,615 of the District’s bank balance of \$984,774 was exposed to custodial risk as discussed below, while \$361,159 was covered by the Federal Deposit Insurance Corporation (the “FDIC”).

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District’s 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 (2) participation in the 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 requires 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. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

NOTE 5 - LOCAL INCOME TAX

In accordance with Section 715.70(F) of the ORC, the District levies an income tax on substantially all earned income arising from employment or business activities within the District. During 2019, the income tax rate was 2.5%. The rate of the income tax will change from time to time so that it is equal to the income tax rate being levied by the City of Columbus.

**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 5 - LOCAL INCOME TAX - (Continued)

Employers within the District withhold income tax on employee compensation and remit the tax to the City of Columbus as Administrator for the District. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually with the City of Columbus.

On the first business day of each quarter, the Administrator provides the District with an amount sufficient to pay the outstanding or expected expenses of the operation of the District for that quarter (including, but not limited to, the expense of administering the income tax pursuant to the Tax Agreement) in accordance with the budget and the appropriations resolution (as amended from time to time) of the Board, which amount shall not exceed 12.5% of the income tax revenues for that calendar year. For the month of January 2019, the District received 11.648% of the 12.5% charged for administrative costs and the City of Columbus received 0.852%. For the rest of 2019, the District received 11.408% and the City of Columbus received 1.092%.

Net tax receipts in excess of the 12.5% administrative costs above shall be divided and deposited equally into two accounts: 43.75% to the Partner Proceeds account and the 43.75% to the Partner Investment Reimbursement account.

Net tax receipts (and any investment earnings) deposited into the Partner Proceeds account is paid and remitted no less frequently than annually to the JEDD Parties as follows: 70% to the City of Columbus, 15% to the Village of Ashville and 15% to Harrison Township. The monies so paid or remitted to the JEDD Parties shall be used by each JEDD Party for the purposes of the District and for the purposes of the JEDD Parties in accordance with Revised Code 715.70(F).

Net tax receipts (and any investment earnings) deposited into the Partner Investment Reimbursement account shall be paid and remitted no less frequently than annually as follows:

1. The Partner Investment Reimbursement account shall continue to exist until the JEDD Parties have been reimbursed for capital improvement projects made on behalf of and authorized by the District or any other related joint economic development districts. Capital improvement projects to be paid from the Partner Investment Reimbursement account specifically include, but are not limited to, those projects undertaken pursuant to the Annexation Moratorium Agreement. If at any point this account is no longer needed, all receipts generated through the income tax shall be deposited in the Partner Proceeds account.
2. The JEDD Parties shall develop a capital improvement plan for the District that shall detail the initial infrastructure required to support the District and identify the JEDD Party that has agreed to provide such infrastructure. The capital improvement plan shall also identify infrastructure improvements made or in the process of being made prior to the establishment of the District for which a JEDD Party is to be reimbursed.
3. The District Board, in consultation with the JEDD Parties, shall update the District's capital improvement plan on a frequency to be determined by the Board, but no less frequently than every five years.
4. Each JEDD Party shall be reimbursed for all project costs expended in accordance with the approved capital improvement plan.

**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 5 - LOCAL INCOME TAX - (Continued)

- a) While it is understood that each JEDD Party will likely need to finance its projects, no financing costs, as defined in ORC 133.01(K), are reimbursable. Each JEDD Party shall bear its own financing expense.
 - b) The City of Columbus shall not seek reimbursement for project costs which are recovered through front foot fees paid to its water or wastewater utility. In addition, no JEDD Party will seek reimbursement for project costs that will be recovered or reimbursed through other sources such as developer assistance or reimbursement payments, or revenues from tax increment financing.
 - c) Any federal or State grant funds obtained on behalf of a JEDD Party and/or the District shall be used to reduce the total cost for infrastructure investment required by the JEDD Party and are not eligible for reimbursement.
5. On an annual basis, each JEDD Party shall submit to the Board documentation for authorized capital improvement project costs incurred by the JEDD Party during the prior year.
 6. To the extent monies are available within the Partner Investment Reimbursement account the Board shall remit annually payment to each respective JEDD Party for documented expenses. The JEDD Parties assume that the receipts to this fund will not be adequate to meet the reimbursement expenses on an annual basis. All expenses not reimbursed the first year submitted shall be carried forward to future years until paid to the respective JEDD Party in proportion to the outstanding amounts owed to those parties.

NOTE 6 - BUDGETARY BASIS OF ACCOUNTING

While the District is reporting financial position, results of operations and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis is based upon accounting for transactions on a basis of cash receipts and disbursements. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis); and,
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

**NORTHERN PICKAWAY COUNTY
JOINT ECONOMIC DEVELOPMENT DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 6 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

The following table reconciles the change in fund balance reported in the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statement for the general fund:

	<u>General</u>
Budget basis	\$ (107,221)
Reversal of prior year revenue accruals	(21,539)
Current year revenue accruals	32,323
Reversal of prior year expenditure accruals	14,190
Current year expenditure accruals	<u>(22,198)</u>
GAAP basis	<u>\$ (104,445)</u>

NOTE 7 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to contracted personnel; and natural disasters. The District purchased Public Officials Liability insurance and General Liability coverage from Darwin Select Insurance Company through Wichert Insurance. The liability insurance covers up to \$2,000,000 in the aggregate. Settled claims have not exceeded coverage and there has been no significant reduction in coverage over the past three years.

NOTE 8 - SUBSEQUENT EVENT

Effective February 1, 2020, the collection fee charged by the City of Columbus was increased from 1.092% to 1.23% of the 12.5% charged for administrative costs. The amount the District received was decreased from 11.408% to 11.27%.

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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**

Northern Pickaway County Joint Economic Development District
Pickaway County
113 S. Court Street
Circleville, Ohio 43113

To the Board of Directors:

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 governmental activities and the major fund of the Northern Pickaway County Joint Economic Development District, Pickaway County, (the District) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 19, 2021, wherein we also noted the financial impact of COVID-19 and the ensuing emergency measure will impact subsequent periods of the District.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 District'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 District'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 District'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 financial statements. 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 District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group, Inc.
Piketon, Ohio
July 19, 2021

OHIO AUDITOR OF STATE KEITH FABER



NORTHERN PICKAWAY COUNTY JOINT ECONOMIC DEVELOPMENT DISTRICT

PICKAWAY 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 10/5/2021

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