



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

555 WEST GOODALE NEW COMMUNITY AUTHORITY
FRANKLIN COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Board of Trustees
555 West Goodale New Community Authority
555 Edgar Waldo Way
Columbus, Ohio 43215

We have reviewed the *Independent Auditor's Report* of 555 West Goodale New Community Authority, Franklin County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2021 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. 555 West Goodale New Community Authority is responsible for compliance with these laws and regulations.

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

Keith Faber
Auditor of State
Columbus, Ohio

June 14, 2022

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

555 West Goodale New Community Authority
Franklin County
555 Edgar Waldo Way
Columbus, Ohio 43215

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the 555 West Goodale New Community Authority, Franklin County, Ohio (Authority), as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the 555 West Goodale New Community Authority, Franklin County, Ohio as of December 31, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2022, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

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

BHM CPA Group, Inc.
Piketon, Ohio
May 31, 2022

555 West Goodale New Community Authority
Franklin County
Statement of Net Position
As of December 31, 2021 and 2020

	2021	2020
Assets:		
Current Assets:		
Cash and Cash Equivalents	\$ 110,324	\$ 94,768
Total Current Assets	110,324	94,768
Total Assets	\$ 110,324	\$ 94,768
Liabilities:		
Current Liabilities:		
Accounts Payable	\$ 5,594	\$ 13,374
Accrued Liabilities	958	1,017
Accrued Interest Payable	111,453	116,502
Notes Payable Due within one year	660,558	644,852
Total Current Liabilities	778,563	775,745
Long Term Liabilities:		
Notes Payable	12,111,479	8,453,264
Total Long-Term Liabilities	12,111,479	8,453,264
Total Liabilities	12,890,042	9,229,009
Net Position:		
Unrestricted	(12,779,718)	(9,134,241)
Total Net Position	\$ (12,779,718)	\$ (9,134,241)

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

555 West Goodale New Community Authority
Franklin County
Statement of Revenues, Expenses and Changes in Net Position
For The Years Ended December 31, 2021 and 2020

	2021	2020
Operating Revenues:		
Community Development Charges	\$ 1,000,000	\$ 434,000
Operating Expenses:		
Legal Fees	5,489	12,650
Insurance Expense	2,493	2,990
Audit Fees	2,205	2,164
Bank Fees	247	148
Total Operating Expenses	10,434	17,952
Operating Income (Loss)	989,566	416,048
Non Operating Revenue (Expense):		
Interest Expense	(304,449)	(190,848)
Trustee Servicing Fees	(11,821)	(6,212)
Donated Capital Assets	(4,318,773)	(7,394,106)
Total Non Operating Revenue (Expense)	(4,635,043)	(7,591,166)
Change in Net Position	(3,645,477)	(7,175,118)
Net Position at January 1	(9,134,241)	(1,959,123)
Net Position at December 31	\$ (12,779,718)	\$ (9,134,241)

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

555 West Goodale New Community Authority
Franklin County
Statement of Cash Flows
as of December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities:		
Cash Received from Community Development Charges	\$ 1,000,000	\$ 434,000
Cash Received from (paid to) Developer for Accounts Payable - net	(18,000)	(175,000)
Cash Payment of Operating Expenses	(214)	(148)
Net cash provided (used) by operating activities	981,786	258,852
Cash Flows from Capital and Related Financing Activities		
Proceeds from Long-Term Notes	4,318,773	7,394,106
Principal Paid on Notes Payable	(644,852)	(117,335)
Interest Paid on Notes Payable	(309,498)	(41,554)
Trustee Servicing Fees Paid on Notes Payable	(11,880)	(5,195)
Donated Capital Assets	(4,318,773)	(7,394,106)
Net cash provided (used) for Capital and Related Financing Activities	(966,230)	(164,084)
Net increase/(decrease) in cash and cash equivalents	15,556	94,768
Cash and Cash Equivalents at Beginning of Year	94,768	-
Cash and Cash Equivalents at End of Year	\$ 110,324	\$ 94,768
Reconciliation of Operating Income(Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating Income (Loss)	\$ 989,566	\$ 416,048
Increase (Decrease) in Liabililites		
Accounts Payable	(7,780)	(157,196)
Net Cash Provided by (Used in) Operating Activities	\$ 981,786	\$ 258,852

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

555 West Goodale New Community Authority

Franklin County

Notes to the Financial Statements

December 31, 2021

NOTE 1 – REPORTING ENTITY

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Basis of Presentation

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

B. Measurement Focus and Basis of Accounting

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

C. Cash and Cash Equivalents

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

555 West Goodale New Community Authority
Franklin County
Notes to the Financial Statements
December 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Net Position

Net position represents the difference between assets and liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority first applies restricted resources when an expense is incurred for which both restricted and unrestricted net position are available. The Authority had no restricted net position at December 31, 2021 or 2020.

E. Operating Revenues and Expenses

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

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

G. Subsequent Events

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

NOTE 3 – ACCUMULATED DEFICIT OF NET POSITION

At December 31, 2021, the Authority has an accumulated deficit net position of \$12,779,718. This deficit is a result of how the Authority is structured and its basic operations. The Authority was established to finance the costs of community land and facilities and has incurred such costs. The related deficit will be reduced and eliminated with future community development charges.

NOTE 4 – RISK MANAGEMENT

For the years ended December 31, 2021 and 2020, the Authority has obtained risk coverage for general liability, including theft or loss.

NOTE 5 – NOTES PAYABLE

The Authority entered into an agreement on May 23, 2018 with the Ohio Water Development Authority (OWDA) to loan a maximum amount of \$5,000,000 at 2.56% from Other Projects-Brownfield Fund for 15 years with repayments starting on January 1, 2021 (the first payment date) with semi-annual principal and interest loan payments of \$203,319. The Authority did not make any draws from this loan during 2018. During 2019 the Authority made one draw in July 2019 in the amount of \$1,207,317. During 2020 the Authority made one draw in April 2020 in the amount of \$1,943,692 and accrued interest of \$38,598 was added to the loan balance. During 2021 the Authority made one draw in June 2021 in the amount of \$1,809,059 and a final draw in November 2021 in the amount of \$39,933.

555 West Goodale New Community Authority

Franklin County

Notes to the Financial Statements

December 31, 2021

The Authority entered into an agreement on May 23, 2018 with the Ohio Water Development Authority (OWDA) to loan a maximum amount of \$3,480,000 at 2.51% for stormwater facilities for 10 years starting on January 1, 2021 (the first payment date) with semi-annual principal and interest loan payments of \$83,271. The Authority did not make any draws from this loan during 2018. During 2019 the Authority made one draw in July 2019 in the amount of \$559,804. During 2020 the Authority made one draw in April 2020 for \$450,415 and accrued interest of \$15,626 was added to the loan balance. During 2021 the Authority made one draw in June 2021 in the amount of \$1,816,099 and a final draw in November 2021 in the amount of \$653,682.

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

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

The Authority's long-term note activity for the year ended December 31, 2021 was as follows:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Repayment</u>	<u>Ending Balance</u>
OWDA Brownfield	7/1/2035	2.56%	\$3,189,606	\$1,848,992	\$(279,426)	\$4,759,172
OWDA Stormwater	7/1/2030	2.51%	1,025,845	2,469,781	(79,296)	3,416,330
Jobs Ohio	7/1/2035	2.00%	4,882,665	-	(286,130)	4,596,535
Total			<u>\$ 9,098,116</u>	<u>\$ 4,318,773</u>	<u>\$ (644,852)</u>	<u>\$12,772,037</u>

555 West Goodale New Community Authority
Franklin County
Notes to the Financial Statements
December 31, 2021

Principal and interest payments by year are as follows:

Year	Ohio Water Development Authority				Jobs Ohio		Total
	Brownfield		Stormwater		Principal	Interest	
	Principal	Interest	Principal	Interest			
2022	286,625	120,012	81,299	85,243	292,634	89,259	955,073
2023	294,010	112,628	83,352	83,190	299,287	83,346	955,812
2024	301,585	105,053	85,457	81,084	306,091	77,298	956,568
2025	309,355	97,283	87,616	78,926	313,049	71,112	957,341
2026	317,325	89,313	89,829	76,713	320,166	64,787	958,132
2027-2031	1,713,552	319,635	2,988,777	283,583	1,713,374	223,894	7,242,814
2032-2035	1,536,721	89,828	-	-	1,351,934	50,221	3,028,704
Total	\$ 4,759,172	\$ 933,751	\$ 3,416,330	\$ 688,738	\$4,596,535	\$ 659,916	\$ 15,054,442

NOTE 6 – COVID-19

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



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

555 West Goodale New Community Authority
Franklin County
555 Edgar Waldo Way
Columbus, Ohio 43215

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the 555 West Goodale New Community Authority, Franklin County, (the Authority) as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated May 31, 2022, wherein we noted the Authority has an accumulated deficit net position. This deficit is a result of how the Authority is structured and its basic operations. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Authority.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
May 31, 2022

OHIO AUDITOR OF STATE KEITH FABER



555 WEST GOODALE NEW COMMUNITY AUTHORITY

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 6/28/2022

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