



OHIO AUDITOR OF STATE
KEITH FABER



**LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY
DECEMBER 31, 2021 AND 2020**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Liberty Community Infrastructure Financing Authority
Delaware County
585 South Front Street, Suite 220
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 Liberty Community Infrastructure Financing Authority, Delaware County, Ohio (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 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 Liberty Community Infrastructure Financing Authority, Delaware 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.

Other Matter

The financial statements of the Liberty Community Infrastructure Financing Authority, Delaware County, Ohio (the Authority), as of and for the year ended December 31, 2019, were audited by a predecessor auditors whose report dated September 30, 2020, expressed an unmodified opinion on those statements.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2023, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

May 24, 2023

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**LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2021 and 2020
(UNAUDITED)**

The management's discussion and analysis of the Liberty Community Infrastructure Financing Authority, Delaware, Ohio, (the Authority), financial performance provides an overall review of the Authority's financial activities for the fiscal years ended December 31, 2021 and 2020. The intent of this discussion and analysis is to look at the Authority's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Authority's financial performance.

Financial Highlights

- Net position at December 31, 2021 totaled a negative \$18,230,123. Net position at December 31, 2020 totaled a negative \$20,269,972. The negative net position is caused by the costs incurred for capital assets acquired and improved, which were donated upon completion or acquisition. The Authority accumulates infrastructure improvement costs that are reflected in the Statements of Net Position, upon closing, as capital assets.
- The Authority's debt decreased in 2021 by \$5,875,000 and decreased in 2020 by \$1,040,000 including capitalized interest. In 2021, the Authority refinanced \$7,165,000 of Series 2011 and 2012 Bonds (City of Powell Bonds) with Series 2021 Bond resulting in a financial loss of \$176,787. This loss is recorded on the Statements of revenues, Expenses and Changes in Net Position. In addition, the Authority has intergovernmental bonds with the City of Powell in the amount of \$9,550,000. Both the Authority's debt (Series 2019 Bond and the intergovernmental bond to the City of Powell), will be paid through the collection of community development charges imposed on the owners of the parcels benefiting from the initial financing of the capital asset construction.
- It has been the Authority's policy to invest excess funds in Federally-backed investments, primary in certificate of deposits and with the State of Ohio investments Star Ohio. In 2021, the entity has redeemed all the certificates of deposits.

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Authority's financial activities and financial position. The *Statement of Net Position* and *Statement of Revenues, Expenses, and Changes in Net Position* provide information about the activities of the Authority, including all short-term and long-term financial resources and obligations. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included in the Statement of Net Position.

**LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2021 and 2020
(UNAUDITED)**

The Statement of Net Position represents the financial position of the Authority. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in net total position. The Statement of Cash Flows reflects how the Authority finances and meets its cash flow needs. Finally, the notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided on the basic financial statements.

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

These financials look at all financial transactions and asks the question, How did we do financially? The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position answer this question. These statements include *all assets, liabilities, revenues, and expenses* using the *accrual basis of accounting*, similar to the accounting used by most private-sector companies. The basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Authority's *net position* and changes in net position. This change in net position is important because it tells the reader that, for the Authority as a whole, the *financial position* of the Authority has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. These statements can be found on pages 9 thru 12 of this report.

The Statement of Cash Flows provides information about how the Authority finances and meets the cash flow needs of its operations. The Statement of Cash Flows can be found on page 11 of this report.

The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis

Table 1 provides a summary of Authority's net position for fiscal years 2021, 2020, and 2019.

**LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2021 and 2020
(UNAUDITED)**

Table 1
Net Position

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assets:			
Current Assets	\$ 2,935,672	\$ 5,166,004	\$ 3,299,502
Non-current Assets	<u>893,501</u>	<u>1,925,492</u>	<u>2,828,578</u>
Total assets	<u>\$ 3,829,173</u>	<u>\$ 7,091,496</u>	<u>\$ 6,128,080</u>
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Liabilities:			
Current Liabilities	\$ 2,700,714	\$ 1,141,831	\$ 1,095,269
Long Term Liabilities	<u>16,158,530</u>	<u>23,000,000</u>	<u>24,070,000</u>
Total Liabilities	<u>18,859,244</u>	<u>24,141,831</u>	<u>25,165,269</u>
Total Deferred Inflows of Resources	<u>3,200,052</u>	<u>3,219,635</u>	<u>3,014,189</u>
Net Position:			
Unrestricted	<u>(18,230,123)</u>	<u>(20,269,972)</u>	<u>(22,051,378)</u>
Total Net Position	<u>\$ (18,230,123)</u>	<u>\$ (20,269,970)</u>	<u>\$ (22,051,378)</u>

Table 2
Change in Net Position

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Revenue	\$ 2,861,806	\$ 2,645,152	\$ 2,619,337
Operating Expenses	(109,493)	(82,807)	(50,993)
Non-Operating Revenues/(Expenses)			
Earnings on Investments/Other Income	4,812	58,607	83,006
Unrealized Gain/(Loss) on Investments	-	1,109	49,974
Realized Gain/(Loss) on Investments	(9,435)	-	-
Loss on Bond Refinance	(176,787)	-	-
Interest Expense	(273,897)	(281,809)	(364,173)
City of Powell Interest Expenses on Debt	(191,205)	(575,781)	(593,748)
Interest Expense - 2021 ST Loan	(1,279)	-	-
Debt Issue Costs	(83,213)	-	(286,983)
Transfers from Other Authority	<u>18,540</u>	<u>16,935</u>	<u>13,245</u>
Total Change in Net Position	<u>\$ 2,039,849</u>	<u>\$ 1,781,406</u>	<u>\$ 1,469,665</u>

**LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2021 and 2020
(UNAUDITED)**

Change in Net Position

Change in net position has experienced increase from 2019 to 2021 because of several factors. The main factor is the decrease of City of Powell Interest Expenses from 2019 to 2021. Operating revenue is flat from 2019 to 2020, but has a large increase from 2020 to 2021 due to increased development and increase in real estate prices.

Operating cost kept increasing for the last three years primarily due to increase in professional fees. The Authority incurred overall decrease in interest costs in 2020 from 2019 by \$82,364. Interest costs decreased by \$391,209 from 2020 to 2021.

Community Development Charge

Revenue from Community Development Charge paid by each owner of a chargeable parcel will be used to pay off the debt incurred to acquire/construct the asset that have subsequently donated to other local governments. The Community Development Charge is calculated on thirty-five percent of the assessed value of chargeable property, which includes buildings, structures, and improvements. The amount of revenue will increase in years when available parcels are sold and improvements are made, thus increasing the total assessed value of chargeable property.

Budgeting

The Authority is not required to follow the budgetary provisions set forth in Ohio Revised Code Chapter 5705.

Contacting Authority's Financial Management

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the Authority's finances and to reflect the Authority'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 John Parns, Treasurer, Liberty Community Infrastructure Financing Authority, 400 South 5th Street, Suite 220, Columbus, Ohio 43215, (614) 224-3078.

Liberty Community Infrastructure Financing Authority

Statements of Net Position As of December 31, 2021 and 2020

ASSETS		
Current Assets		
Total Cash and Cash Equivalents	\$ 26,632	\$ 2,268,779
Other Current Assets		
Community Development Charges Accounts Receivable	2,909,040	2,896,348
Interest Receivable	-	877
Total Other Current Assets	2,909,040	2,897,225
Non-Current Assets		
Investments	-	1,236,980
Restricted Assets: Funds Held by Bond Trustee	893,501	688,512
Total Non-Current Assets	<u>893,501</u>	<u>1,925,492</u>
TOTAL ASSETS	<u><u>\$ 3,829,173</u></u>	<u><u>\$ 7,091,496</u></u>
LIABILITIES		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 45,141	\$ -
Other Current Liabilities		
Series 2019 A Accrued Interest	23,119	23,738
Accrued Interest City of Powell	21,175	48,095
Accrued Interest ST Loan series 2021	1,279	-
ST Loan series 2021	775,000	-
Series 2019A Bond Payable - ST	215,000	205,000
Intergovernmental Debt Payable	<u>1,620,000</u>	<u>865,000</u>
Total Other Current Liabilities	<u>2,655,573</u>	<u>1,141,833</u>
Total Current Liabilities	2,700,714	1,141,833
Non-Current Liabilities		
Series 2019 A Bond Payable	8,225,000	8,440,000
Intergovernmental Debt Payable	-	-
City of Powell 2021 Bonds	5,123,530	-
City of Powell 2011 Bonds	-	5,975,000
City of Powell 2012 Bonds	-	5,430,000
City of Powell 2015 Bonds	<u>2,810,000</u>	<u>3,155,000</u>
Total Intergovernmental Debt Payable	<u>7,933,530</u>	<u>14,560,000</u>
Total Non-Current Liabilities	<u>16,158,530</u>	<u>23,000,000</u>
Total Liabilities	<u>18,859,244</u>	<u>24,141,833</u>
Deferred Inflows of Resources		
Community Charge Revenues	2,868,905	2,863,242
Gain on refinance of debt	<u>331,147</u>	<u>356,393</u>
Total Deferred Inflows of Resources	<u>3,200,052</u>	<u>3,219,635</u>
Total Liabilities and Deferred Inflows of Resources	22,059,296	27,361,468
NET POSITION		
Unrestricted Net Position - (Deficit)	(18,230,124)	(20,269,972)
Total Net Position	<u><u>\$ (18,230,124)</u></u>	<u><u>\$ (20,269,972)</u></u>

See accountant's compilation report and accompanying notes.

Liberty Community Infrastructure Financing Authority
Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUE (EXPENSE)		
Operating Revenues		
Community Development Charges	\$ 2,861,806	\$ 2,645,152
Total Operating Revenues	<u>2,861,806</u>	<u>2,645,152</u>
Operating Expense		
Treasurer Office Expense	34,506	23,952
Legal Expense	66,287	43,817
Auditor Expense	2,112	6,808
Trustee Fees	-	2,250
Communication Expense	-	309
Office Expense	750	750
Bank Fees	310	406
Insurance Expense	2,743	2,450
Board Meeting Expense	900	300
Delaware Collection Fees	1,446	1,765
Other Fee Expense	439	-
Total Operating Expense	<u>109,493</u>	<u>82,807</u>
OPERATING INCOME	<u>2,752,313</u>	<u>2,562,345</u>
NON-OPERATING REVENUE (EXPENSE)		
Other revenues		
Dividend & Interest Income	4,812	58,607
Loss on Bonds Refinance	(176,787)	-
Realized (Loss)/Gain on Investments	(9,435)	-
Unrealized (Loss)/Gain on Investments	-	1,109
Total Other Revenues	<u>(181,410)</u>	<u>59,716</u>
Other Expense		
Interest Expense	273,897	281,809
City of Powell Interest	191,205	575,781
Interest Expense--2021 ST Loan	1,279	-
Debt Issuance Costs	83,213	-
Total Other Expenses	<u>549,594</u>	<u>857,590</u>
TOTAL NON-OPERATING REVENUE (EXPENSE)	<u>(731,004)</u>	<u>(797,874)</u>
Change in Net Position Before Intergovernmental Transfers	<u>2,021,309</u>	<u>1,764,471</u>
Intergovernmental Transfers		
Transfers from Powell CIFA	18,540	16,935
Total Change in Net Positions	<u>2,039,849</u>	<u>1,781,406</u>
Beginning Net Position (Deficit)	<u>(20,269,972)</u>	<u>(22,051,378)</u>
Ending Net Position (Deficit)	<u>\$ (18,230,124)</u>	<u>\$ (20,269,972)</u>

See accountant's compilation report and accompanying notes.

Liberty Community Infrastructure Financing Authority

Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from Community Development Charges	\$ 2,853,331	\$ 2,635,061
Cash payments for treasurer expenses	(25,511)	(23,952)
Cash payments for legal fees	(30,416)	(43,817)
Cash payments for auditing fees	(2,112)	(6,808)
Cash payments for bank fees	(236)	-
Cash payments for insurance	(2,743)	(2,450)
Cash payments for office expense	-	-
Cash payments for board meeting expenses	(900)	(300)
Cash payments for other expenses	(173)	(2,810)
Net Cash Provided by Operating Activities	2,791,240	2,554,924
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments redeemed	1,231,086	1,025,000
Cash Redemption from 2021 ST Loan	775,000	-
Interest, dividends and other revenues	1,195	62,354
Cash received from other Authority	18,540	30,180
Net Cash Provided by/(Used in) Investing Activities	2,025,821	1,117,534
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACT.		
City of Powell Notes principal payments	(6,131,470)	(825,000)
2019A principal payments	(205,000)	(215,000)
Interest paid on 2019A bonds	(284,826)	(275,495)
Interest on City of Powell Notes	(233,125)	(590,781)
Net Transfer from Cash Accounts to Trustee Accounts	(204,787)	(117,052)
Net Cash Used in Capital and Related Financing Activities	(7,059,208)	(2,023,328)
Net Increase (Decrease) in Cash	(2,242,147)	1,649,130
Cash and Cash Equivalents, Beginning of year	2,268,779	619,649
Cash and Cash Equivalents, End of year	\$ 26,632	\$ 2,268,779

See accountant's compilation report and accompanying notes.

Liberty Community Infrastructure Financing Authority

Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 2,752,313	\$ 2,562,345
Adjustments of Operating Income to Net Cash Provided by Operating Activities:		
(Increase)/Decrease in receivables	(11,877)	(239,018)
(Decrease)/Increase in Deferred Inflows: Community Charge Revenues	5,663	230,692
(Decrease)/Increase in accounts payable	45,141	905
Net Cash Provided by Operating Activities	<u>\$ 2,791,240</u>	<u>\$ 2,554,924</u>

See accountant's compilation report and accompanying notes.

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 – REPORTING ENTITY

The Liberty Community Infrastructure Financing Authority, Delaware County, Ohio (the Authority) is a “community authority” created pursuant to Chapter 349 of the Ohio Revised Code (the Act). On August 1, 2000, Triangle Real Estate (the Developer) filed a petition (the Petition) for creation of the Authority with the Board of County Commissioners of Delaware County, Ohio. The Petition, which may be subject to amendment or change, 2019 allows the Authority to finance the costs of publicly owned and operated community facilities with assessed Community Development Charges. In accordance with the Act, the Petition was accepted by the County Commissioners’ Resolution No. 00-748 and approved September 11, 2000. By its Resolution, the County Commissioners determined that the new community district would be conducive to the public health, safety, convenience and welfare, and that it was intended to result in the development of a new community as described in the Act. The Authority thereby organized as a body corporate and politic in the State. On November 18, 2002, the County Commissioners, by their resolution amended the Petition to add certain territory to the area comprising the Authority.

On December 17, 2003, the Authority, the City of Powell (the City) and the Developer agreed, by a First Amendment to the Pre-Annexation Agreement, to adding land to the District. This application was filed with the Delaware County Commissioners on March 29, 2004. The properties were added on April 29, 2004.

The Authority is governed by a seven member Board of Trustees. At inception, the Board of County Commissioners of Delaware County appointed four of the trustees and the remaining three were appointed by the Developer. All appointed trustees have since been replaced by elected citizen members who have residence within the community authority.

At December 31, 2020, the Authority is comprised of approximately 1,579 acres of land located in Southern Delaware County, Ohio. In accordance with the Act and the Petition, the Authority can levy a community development charge up to 10.25 mills on the assessed value of the land and improvements within the District. The need and amount of the charge is determined annually by the Board of Trustees of the Authority.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. The basic financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principals.

Basis of Presentation

The Authority's basic financial statements consist of Statement of Net Position, Statement of Revenues, Expenses and Change in Net Position, and 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.

The Authority distinguishes operating revenues and expenses from non-operating activities. Operating revenues and expenses generally result from providing services and producing and delivering goods or services in connection with the Authority's primary operations. All revenues and expenses not considered operating are reported as non-operating revenues and expenses.

Measurement Focus and Basis of Accounting

The Authority's financial activity is accounted for using a flow of economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Authority are included on the Statement of Net Position. The Statement of Revenues, Expenses and Change in Net Position present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The Statement of Cash Flows reflect how the Authority finances and meets its cash flow needs.

A. Basis of Accounting

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

B. Cash and Investments

Cash received by the Authority is deposited with a financial institution or invested. Deposits and investments 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. Investments with an initial maturity of more than three months are reported as Investments. Investments were limited to Star Ohio Pooled assets. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Net Position

Net position represents the difference between assets and liabilities. 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 positions are available. The Authority had no Restricted Net Position for fiscal years end 2021 and 2020.

D. Federal Income Taxes

The Authority is exempt from federal income taxes under IRS regulations.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

NOTE 3 – NET POSITION – DEFICIT

At December 31, 2021 and 2020, the Authority has a net position deficit of \$18,230,123 and \$20,269,972 respectively. This deficit is the result of how the Authority is structured and its basic operations. The Authority was established to finance the costs of publicly owned and operated community facilities. The Authority incurred the costs of acquiring, constructing, or improving community facilities. The titles to these assets have been transferred to other local governments with the related costs recorded as a capital contribution revenue to the receiving entity.

NOTE 4 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The carrying amount of the Authority's deposits at December 31, 2021 and 2020 was \$19,221 and \$183,267, respectively, and the bank balance equaled the reconciled balance. All deposits were within FDIC insurance limits.

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 4 – CASH AND CASH EQUIVALENTS- CONTINUED

Interest Rate Risk. Interest rate risk is the risk that an interest rate change could adversely affect an investment’s fair value. The Authority does not have a policy to limit its exposure to interest rate risk, however, the Authority’s investments in money market funds are able to be withdrawn on demand.

Credit Risk. Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligations. The Authority does not have a policy to limit its exposure to credit risk. The Authority’s money market funds were unrated. STAR Ohio carries a rating of AAA by Standard and Poor’s.

Savings

The Authority’s also maintains money market savings accounts held by Invesco, the balance of which varies throughout the year based on changing interest rates. The fair value of the Authority’s money market funds at December 31, 2021 and 2020, were \$3,561 and \$39,205, respectively, and the carrying amounts were the same. These amounts are considered cash equivalents and are reflected as cash on the Statements of Net Position.

In addition, the Authority has funds held by Trustees which is restricted cash to be use in accordance with the bond agreements for the Series 2019 debt.

Trustee Held Fund

Beginning in December 2019, the Authority had funds related to the management and payment of the Series 2019 bonds. As a condition for underwriting the bonds the Authority agreed to have a separate Trustee, (Huntington National Bank) to hold various funds needed to meet certain excess cash and payment requirements.

At December 31, 2021, the Trustee maintained the following accounts on behalf of the Authority which are restricted to use:

Debt Service Reserve Fund	\$ 494,456
Note Redemption Fund	6
Administrative Expense Fund	1,922
Bond Fund	<u>397,116</u>
Total Funds Held by Trustee	<u>\$ 893,501</u>

At December 31, 2020, the Trustee maintained the following accounts on behalf of the Authority which are restricted to use:

Debt Service Reserve Fund	\$494,456
Note Redemption Fund	41,706
Administrative Expense Fund	1,922
Bond Fund	<u>150,428</u>
Total Funds Held by Trustee	<u>\$688,512</u>

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 4 – CASH AND CASH EQUIVALENTS– CONTINUED

As of December 31 2021, and 2020, investment balances on these certificates of deposit were \$0 and \$1,236,980, respectively, with an unrealized gain of \$0 and \$1,109 as of December 31, 2021 and December 31, 2020, respectively.

GASB 72 defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Authority’s principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

GASB establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Inputs: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 Inputs: Significant other observable inputs other than Level 1 quoted prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 Inputs: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would rise in pricing an asset or liability.

Assets Measured on a Recurring Basis: Assets and liabilities measured at fair value on a recurring basis are summarized below:

	Using Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
--2021--				
Certificates of Deposit	\$ -	\$ -	\$ -	\$ -
Star Ohio		3,851		3,851
--2020--				
Certificates of Deposit	\$ -	\$1,236,980	\$ -	\$1,236,980
Star Ohio		2,046,308		2,046,308

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 4 – CASH AND CASH EQUIVALENTS– CONTINUED

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

NOTE 5 – COMMUNITY DEVELOPMENT CHARGE

The Authority can levy an annual community development charge up to 10.25 mills on the assessed value of all property within the developed property. The charge is currently levied at 10.25 mills. Charge revenue recognized represents the amount levied on April 1 and October 1 of the current year.

Charge assessments are levied October 1 on the assessed values as of September 30 (the lien date). The assessed value is established by state law at 35% of the current market value.

Market values are determined by the Authority based on the County Auditor's appraisal, lot values, or a calculated cost for occupied homes that have not yet been appraised by the County Auditor.

Amounts assessed and due but not collected, are reflected as both a receivable and deferred inflows on the statement of net position. For the years ended December 31, 2021 and 2020, the amount recorded as a receivable as \$2,909,040 and \$2,896,348, respectively.

For the years ended December 31, 2021 and 2020, the amount recorded as a deferred inflows as \$2,868,905 and \$2,863,242, respectively.

The Pre-annexation agreement with the City of Powell permits the Authority to retain a sufficient amount of the development charge to cover the interest expense on debt owed or facilitated by the City of Powell.

NOTE 6 – RECEIVABLES

Receivables at December 31, 2021 and 2020 consisted of unpaid and accrued of community development charges and accrued interest relating to the certificate of deposits. All receivables are considered collectible.

NOTE 7 – CAPITAL ASSETS

There was no capital asset activity or donations during the years ended December 31, 2021 and 2020.

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 8 – LONG-TERM OBLIGATIONS

The Authority’s long-term obligations activity for the years ended December 31, 2021 and 2020 was as follows:

Series 2019 Bonds

On December 23, 2019, the Authority issued \$8,860,000 in Community Facilities Refunding Bonds, Series 2019. The purpose of this issue was to refinance the existing Community Facilities Adjustable Rate Notes, Series Bonds 2004 to 2006. The serial coupon rate varies from 4.00% to 2.65% with an average coupon rate of 3.142% and an overall bond yield over the life of this series of 2.893%. The Bonds received an “A” (Stable outlook) rating from S&P Global Ratings and sold at a \$276,639 premium which is reflected on the Statement of Net Position as a deferred inflow of resources from the funding of debt for the year ended December 31, 2020. This deferred inflow balance of \$276,639 will be amortized over the bond’s initial stated term of 27 years and will be amortize at a rate of \$10,246 a year beginning in 2020. The deferred inflow of resources had an unamortized balance at December 31, 2021 and 2020 of \$256,147 and \$266,393, respectively.

The Authority incurred bond issuance costs in 2019 of \$286,983, which was expensed as a period costs. Interest on this Note is paid semi-annually on June 1 and December 1 of each year, and principal payments on December 1 of each year beginning December 1, 2020. Upon bond closing, the Bond Trustee, who is currently the Huntington National Bank received the following amounts from those listed below:

Bond issued proceeds	\$9,136,639
Liberty Community Financing Authority	<u>281,000</u>
Total Proceeds	<u>\$9,417,639</u>

The loan proceeds were used to primarily to pay off outstanding Developer bonds balance and accrued interest through the bond closing date of December 23, 2020, and to establish several bond funds required by the loan agreement and pay loan issuance cost. Accordingly, below is a listing of the uses of bond proceeds and Authority contributions:

For deposit into the Note Refund Fund to pay accrued	
Interest and bond principal balances	\$8,602,475
Deposit into the Debt Service Reserve Fund	494,456
Deposit to the Administrative Expense subaccount	33,725
To pay bond issuance costs	<u>286,983</u>
Total Uses	<u>\$9,417,639</u>

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 8 – LONG-TERM OBLIGATIONS(CONTINUED)

Bond Redemption

Optional Prior Redemption

Bonds maturing on or after December 1, 2030 are subject to optional redemption by the Authority, in whole or in part on any date on or after December 1, 2029 at a redemption price equal to par plus accrued interest to the date of redemption.

Additional Mandatory Redemption

The Term Bonds maturing in the years 2036, 2041, and 2046 are subject to additional mandatory redemption in whole or in part at a redemption price of 100% of the principal amount redeemed plus interest accrued to the redemption date, on December 1 of any year from funds on deposit in the Bond Service Fund, with priority of redemption first apportioned to 2046 Term Bonds, then to the 2041 Term Bonds, and finally to the 2036 Term Bonds.

The schedule maturities of principal and interest for the Series 2019A Bonds without consideration for optional and mandatory redemptions is listed below:

<u>Year</u>	<u>Principal Payment</u>	<u>Average Interest Rate</u>	<u>Total Annual Interest</u>	<u>Total P&I Payment</u>
2022	\$ 215,000	4.00%	\$ 276,626	\$ 491,626
2023	\$ 225,000	4.00%	\$ 268,026	\$ 493,026
2024	\$ 235,000	4.00%	\$ 259,026	\$ 494,026
2025	\$ 240,000	4.00%	\$ 249,626	\$ 489,626
2026	\$ 250,000	4.00%	\$ 240,026	\$ 490,026
2027-2031	\$ 1,415,000	4.00%	\$ 1,041,531	\$ 2,456,531
2032-2036	\$ 1,680,000	2.94%	\$ 780,121	\$ 2,460,121
2037-2041	\$ 1,935,000	2.95%	\$ 528,381	\$ 2,463,381
2042-2046	\$ 2,245,000	3.10%	\$ 214,844	\$ 2,459,844
Total	\$ 8,440,000	3.67%	\$ 3,858,207	\$ 12,298,207

The Authority pledge the community charge receipts from the Expansion Areas to the payment of the Series 2019 Bonds. Below is a schedule of the collection of the Expansion Area Community Charge revenue and receipts for the last five years:

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 8 – LONG-TERM OBLIGATIONS(CONTINUED)

	<u>Amount Billed</u>	<u>Collections First Half</u>	<u>Collections Second Half</u>	<u>Yearly Collections</u>	<u>% Collected</u>	<u>% Change</u>
2017	575,219	299,320	278,846	578,166	100.50%	
2018	632,406	356,294	272,166	628,460	99.40%	8.70%
2019	631,262	329,670	306,202	635,872	100.70%	1.20%
2020	636,713	329,096	307,890	636,986	100%	0.20%
2021	734,027	347,006	347,607	694,613	94.63%	5.37%
Total	<u>\$ 3,209,627</u>			<u>\$ 3,174,097</u>	98.89%	

Below is a schedule of the change in balance among the various bond series for the year ended December 31, 2021 and 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Due in One Year</u>
<u>2021</u>					
Series 2019	\$ 8,645,000	\$ -	\$ 205,000	\$ 8,440,000	\$ 215,000
Total	<u>\$ 8,645,000</u>	<u>\$ -</u>	<u>\$ 205,000</u>	<u>\$ 8,440,000</u>	<u>\$ 215,000</u>
<u>2020</u>					
Series 2019	\$ 8,860,000	\$ -	\$ 215,000	\$ 8,645,000	205,000
Total	<u>\$ 8,860,000</u>	<u>\$ -</u>	<u>\$ 215,000</u>	<u>\$ 8,645,000</u>	<u>\$ 205,000</u>

NOTE 9 – SHORT-TERM OBLIGATIONS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>
<u>2021</u>				
2021 Revenue Anticipation Note	\$ -	\$ 775,000	\$ -	\$ 775,000
Total	\$ -	\$ 775,000	\$ -	\$ 775,000

NOTE 10 – INTERGOVERNMENTAL DEBT

On November 6, 2002, the City of Powell annexed a portion of the territory of the Authority into the City. In exchange, the City of Powell issued general obligation bonds (2002 Series Bond) in the amount of \$10,365,000 and notes, in the amount of \$6,900,000. The total proceeds of \$17,265,000 were transferred to the Authority to refund a portion of the \$22,300,000 in Community Facilities Bonds, Series 2001 which were initially issued by the Authority.

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 10 – INTERGOVERNMENTAL DEBT- CONTINUED

The Authority has pledged the community development charge receipts generated by the portion annexed, as well as tap fee receipts, to repay the City for the bond and note principal and related interest costs.

Since 2004, the City of Powell has assumed additional debt totaling \$900,000 to cover the shortfall in payments necessary to cover interest carry cost on the bonds and notes. Additionally, there have been other associated costs and fees, including premiums and discounts, related to the issuance of debt since 2004.

Series 2008 – 2015 Bonds

Series 2008 general obligation bonds in the amount of \$6,900,000 were issued by the City of Powell on June 1, 2008. The bonds have a maturity date of December 1, 2030. The bonds have an interest rate that varies from approximately 3.85% to 4.2% over the life of the bonds.

On December 22, 2015, the City of Powell issued Series 2015 Bonds in the amount of \$4,175,000 to refinance \$4,340,000 of the Series 2008 Bonds. This left a remaining balance of the Series 2008 Bonds of \$805,000 with remaining principal payments through December 1, 2019. The terms of the refinancing resulted in an initial reduction in the principal balance of \$165,000 which is reflected on the Statement of Net Position as a deferred inflows of resources from the refunding of debt for the year ended December 31, 2017.

The deferred balance is amortize over the life of the debt series at an annual amount of \$15,000. The deferred inflow of resources had an unamortized balance at December 31, 2021 and 2020 of \$75,000 and \$90,000, respectively.

The benefit of the refinancing of the Series 2008 Bonds resulted in the reduction of the effective interest rates and debt service savings of \$432,760 on a gross basis and \$327,452 on a net present value basis as of the date of refinancing. The repayment period was also reduced by one year and now the ending payment date is December 1, 2029 versus 2030.

Series 2011 Bonds

In August 2012, the City of Powell refinanced the 2002 Series Bond. The effect is the City was able to obtain a reduction in the effective interest rates. The bonds which are referred to as Bond Series 2011, have coupon rates between 2% and 5% over the 20-year life of the bonds. The refinance resulted in a \$322,373 cost to the Authority, which was expensed as a period cost. Over the life of the new bond, the Authority will save approximately \$2 million in interest over what it previously paid on the City of Powell 2002 Series Bond.

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 10 – INTERGOVERNMENTAL DEBT - CONTINUED

Series 2012 Bonds

Pursuant to a City of Powell ordinance, on April 23, 2012, the City issued \$9,915,000 in tax exempt, general obligation bonds to refinance the Community Facilities Adjustable Rate notes.

The Liberty Community Infrastructure Financing Authority utilized \$6,785,000 of this amount to retire its Community Facilities Adjustable Rate Bonds Series 2002, (Developer Bonds). The remaining original balance of \$3,130,000 was assumed by the Powell Community Infrastructure Financing Authority. Of the total \$9,915,000 issue, approximately 26% or \$2,600,000 of the amount consists of a 10-year Serial Bond with an average effective interest rate of approximately 3.2% and payable in full by 2022.

The balance of the issue, totaling \$7,315,000, consists of Term Bonds carrying an average effective interest rate of 3.24% with maturity dates of December 1, in the years between 2023 and 2036. All of the Bonds have interest payment dates of June 1 and December 1 of each year.

The Bonds maturing after December 1, 2021 are subject to redemption at the option of the City, either in whole or in part, in such order of maturity as the City shall determine, on any date on or after June 1, 2022, at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the date fixed for redemption. The Bonds maturing on December 1, 2024, 2027, 2030, 2032, 2034, and 2036 are subject to mandatory sinking fund redemption prior to stated maturity.

On April 20, 2021, Series 2011 and Series 2012 bonds were refinanced with a new 2021 debt Series which has an interest coupon rate of 2% for the life of the bond. Liberty CIFA made a \$4,500,000 principal payment as part of the refinancing and reduced the outstanding payment term for the existing 2011 Series Bond by six years and reduced the existing Series 2012 by ten years.

Total interest cost for the existing 2011 Bond Series was reduced from \$2,129,920 to \$319,747. Total interest cost for the existing 2012 Bond Series was reduced from \$2,022,098 to \$141,054.

Total interest costs savings resulting from the refinancing of Bond Series 2011 and 2012 over the new six year term is \$3,691,217. Cost of issuance for refinancing 2012 bond is \$25,956.92. Cost of issuance for refinancing 2011 bond is \$57,256.19.

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 10 – INTERGOVERNMENTAL DEBT - CONTINUED

The scheduled principal maturity and interest payments for the Series 2008-2015 Bonds are as follows:

<u>Year</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Total Payment</u>
2022	345,000	126,200	471,200
2023	360,000	112,400	472,400
2024	370,000	98,000	468,000
2025	385,000	83,200	468,200
2026	400,000	67,800	467,800
2027-2029	1,295,000	105,000	1,400,000
Total	<u>\$ 3,155,000</u>	<u>\$ 592,600</u>	<u>\$ 3,747,600</u>

The scheduled principal maturity and interest payments for the New Series 2021 Bonds are as follows:

<u>Year</u>	<u>Principal Payment</u>	<u>Coupon Rate</u>	<u>Total Annual Interest</u>	<u>Total P&I Payment</u>
2022	\$ 1,275,000	2.00%	\$ 127,900	\$ 1,402,900
2023	\$ 1,300,000	2.00%	\$ 102,400	\$ 1,402,400
2024	\$ 1,330,000	2.00%	\$ 76,400	\$ 1,406,400
2025	\$ 1,355,000	2.00%	\$ 49,800	\$ 1,404,800
2026	\$ 1,138,530	2.00%	\$ 22,700	\$ 1,161,230
Total	<u>\$ 6,398,530</u>	<u>2.00%</u>	<u>\$ 379,200</u>	<u>\$ 6,777,730</u>

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 10 – INTERGOVERNMENTAL DEBT - CONTINUED

The Authority’s intergovernmental payment activity for the years ended December 31, 2021 and 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additional Borrowing</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Due in 1 Year</u>
2021					
Series 2008-2015	\$ 3,480,000	-	325,000	3,155,000	\$ 345,000
Series 2011	6,350,000	-	6,350,000	-	-
Series 2012	5,595,000	-	5,595,000	-	-
Series 2021	-	7,165,000	766,470	6,398,350	1,275,000
	<u>\$ 15,425,000</u>	<u>\$ 7,165,000</u>	<u>\$ 13,036,470</u>	<u>\$ 9,553,350</u>	<u>\$ 1,620,000</u>
2020					
Series 2008-2015	\$ 3,795,000	-	315,000	3,480,000	\$ 325,000
Series 2011	6,710,000	-	360,000	6,350,000	375,000
Series 2012	5,745,000	-	150,000	5,595,000	165,000
	<u>\$ 16,250,000</u>	<u>-</u>	<u>825,000</u>	<u>15,425,000</u>	<u>\$ 865,000</u>

NOTE 11 – RISK MANAGEMENT

The Authority belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments (“Members”). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverage to its members sold through sixteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss, except OPRM retains 50% (50% effective November 1, 2012, 41.5% effective November 1, 2011 and 40% effective November 1, 2010) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 800 and 772 members as of December 31, 2020 and 2019, respectively.

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 11 – RISK MANAGEMENT(CONTINUED)

The Government belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged,

however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. Effective November 1, 2020, the OPRM's property retention increased from 33% to 55%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2020.

	<u>2021</u>	<u>2020</u> (In thousands)	<u>2019</u>
Total assets	<u>\$ 21,777</u>	<u>\$ 18,827</u>	<u>\$ 15,920</u>
Total liabilities	<u>\$ 15,037</u>	<u>\$ 13,530</u>	<u>\$ 11,329</u>
Accumulated surplus	<u>\$ 6,740</u>	<u>\$ 5,297</u>	<u>\$ 4,591</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 12 – CONTINGENT LIABILITIES

There are no claims or lawsuits pending against the Authority.

NOTE 13 – SUBSEQUENT EVENT

On September 21, 2022, the Board of Trustees approved Resolution 2022-2 which authorized the issuance of Community Development Charge Revenue Anticipation Notes, Series 2022 in the amount of \$550,000. On March 31, 2023 this loan was repaid in full.

**LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2020 and 2019
(UNAUDITED)**

The management's discussion and analysis of the Liberty Community Infrastructure Financing Authority, Delaware, Ohio, (the Authority), financial performance provides an overall review of the Authority's financial activities for the fiscal years ended December 31, 2020 and 2019. The intent of this discussion and analysis is to look at the Authority's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Authority's financial performance.

Financial Highlights

- Net position at December 31, 2020 totaled a negative \$20,269,972. Net position at December 31, 2019 had a negative net position of \$22,051,378. The negative net position is caused by the costs incurred for capital assets acquired and improved, which were donated upon completion or acquisition. The Authority accumulates infrastructure improvement costs that are reflected in the Statements of Net Position, upon closing, as capital assets.
- The Authority's debt decreased in 2020 by \$1,040,000 and decreased in 2019 by \$1,132,525 including capitalized interest. In 2019, the Authority refinanced \$8,537,475 of Series 2004, 2005 and 2006 Bonds (Developer Bonds) with Series 2019 Bond resulting in a gain of \$276,639. This gain is recorded on the statement of net position as a deferred inflows of resources and amortized over the bond's term. In addition, the Authority has intergovernmental bonds with the City of Powell in the amount of \$15,425,000. Both the Authority's debt (Series 2019 Bond and intergovernmental bond to the City of Powell, will be paid through the collection of community development charges imposed on the owners of the parcels benefiting from the initial financing of the capital asset construction.
- It has been the Authority's policy to invest excess funds in Federally-backed investments, primary in certificate of deposits and with the State of Ohio investments Star Ohio.

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Authority's financial activities and financial position. The *Statement of Net Position* and *Statement of Revenues, Expenses, and Changes in Net Position* provide information about the activities of the Authority, including all short-term and long-term financial resources and obligations. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets, liabilities, and deferred inflows of resources are included in the Statement of Net Position.

The Statement of Net Position represents the financial position of the Authority. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in net total position. The Statement of Cash Flows reflects how the Authority finances and meets its cash flow needs. Finally, the notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided on the basic financial statements.

**LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2020 and 2019
(UNAUDITED)**

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

These financials look at all financial transactions and asks the question, How did we do financially? The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position answer this question. These statements include *all assets, liabilities, revenues, and expenses* using the *accrual basis of accounting*, similar to the accounting used by most private-sector companies. The basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Authority's *net position* and changes in net position. This change in net position is important because it tells the reader that, for the Authority as a whole, the *financial position* of the Authority has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. These statements can be found on pages 32 thru 35 of this report.

The Statement of Cash Flows provides information about how the Authority finances and meets the cash flow needs of its operations. The Statement of Cash Flows can be found on page 34 of this report.

The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis

Table 1 provides a summary of Authority's net position for fiscal years 2020, 2019, and 2018.

Table 1
Net Position

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Assets:			
Current Assets	\$ 5,166,004	\$ 3,299,502	\$ 2,691,659
Non-current Assets	<u>1,925,492</u>	<u>2,828,578</u>	<u>2,210,898</u>
Total Assets	<u>\$ 7,091,496</u>	<u>\$ 6,128,080</u>	<u>\$ 4,902,557</u>
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Liabilities:			
Current Liabilities	\$ 1,141,833	\$ 1,095,269	\$ 892,291
Long Term Liabilities	<u>23,000,000</u>	<u>24,070,000</u>	<u>24,787,473</u>
Total Liabilities	<u>24,141,833</u>	<u>25,165,269</u>	<u>25,679,764</u>
Total Deferred Inflows of Resources	<u>3,219,635</u>	<u>3,014,189</u>	<u>2,743,836</u>
Net Position:			
Unrestricted	<u>(20,269,972)</u>	<u>(22,051,378)</u>	<u>(23,521,043)</u>
Total Net Position	<u>\$ (20,269,972)</u>	<u>\$ (22,051,378)</u>	<u>\$ (23,521,043)</u>

Net Position: Net position represents the difference between assets, liabilities, and deferred inflows of resources.

**LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2020 and 2019
(UNAUDITED)**

Table 2
Change in Net Position

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating Revenue	\$ 2,645,152	\$ 2,619,337	\$ 2,625,736
Operating Expenses	(82,807)	(50,993)	(63,804)
Non-Operating Revenues/(Expenses)			
Earnings on Investments/Other Income	58,607	83,006	36,758
Unrealized Gain/(Loss) on Investments	1,109	49,974	5,752
Interest Expense	(281,809)	(364,173)	(366,377)
City of Powell Interest Expenses on Debt	(575,781)	(593,748)	(618,160)
Debt Issue Costs	-	(286,983)	-
Transfers from Other Authority	<u>16,935</u>	<u>13,245</u>	<u>10,107</u>
Total Change in Net Position	<u>\$ 1,781,406</u>	<u>\$ 1,469,665</u>	<u>\$ 1,630,012</u>

Change in Net Position

Change in net position has experienced increase in net position for the previous one year because of several factors. The main factor is that there was debt issue cost in 2019, which is \$286,983. The debt issue cost was caused by the issuance of the 2019A bond. Operating revenues for 2018, 2019, and 2020 were flat which reflects that the Authority only had small increases in building activity during these 3 years.

While operating cost fluctuated for the last three years, the Authority incurred overall decrease in interest costs in 2020 from 2019 by \$82,364. However, from 2018 to 2019 interest expenses was flat. This change was caused because In late 2019, the Authority refinanced \$8,537,475 of variable interest rate debt with fixed rate notes that serial coupon with interest rates that varied from 4.00% to 2.65%, with an average coupon rate of 3.142% and an overall bond yield over the life of this series of 2.893%. The Bonds received an "A" (Stable outlook) rating from S&P Global Ratings and sold at a \$276,639 premium which is reflected on the statement of net position as a deferred inflows of resources.

Community Development Charge

Revenue from Community Development Charge paid by each owner of a chargeable parcel will be used to pay off the debt incurred to acquire/construct the asset that have subsequently donated to other local governments. The Community Development Charge is calculated on thirty-five percent of the assessed value of chargeable property, which includes buildings, structures, and improvements. The amount of revenue will increase in years when available parcels are sold and improvements are made, thus increasing the total assessed value of chargeable property.

**LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2020 and 2019
(UNAUDITED)**

Budgeting

The Authority is not required to follow the budgetary provisions set forth in Ohio Revised Code Chapter 5705.

Contacting Authority's Financial Management

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the Authority's finances and to reflect the Authority'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 John Parns, Treasurer, Liberty Community Infrastructure Financing Authority, 585 South Front Street, Suite 220, Columbus, Ohio 43215, (614) 224-3078.

Liberty Community Infrastructure Financing Authority

Statements of Net Position As of December 31, 2020 and 2019

ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 2,268,779	\$ 619,649
Other Current Assets		
Community Development Charge Accounts Receivable	2,896,348	2,657,330
Amount due from other Authority	-	13,245
Interest Receivable	877	9,278
Total Other Current Assets	2,897,225	2,679,853
Total Current Assets	5,166,004	3,299,502
Non-Current Assets		
Investments	1,236,980	2,260,873
Restricted Assets: Funds Held by Bond Trustee	688,512	567,705
Total Non-Current Assets	1,925,492	2,828,578
TOTAL ASSETS	\$ 7,091,496	\$ 6,128,080
LIABILITIES		
Current Liabilities		
Series 2019 Accrued Interest	\$ 23,738	\$ 6,037
Accrued Interest City of Powell	48,095	49,232
Series 2019 A Bond Payable - ST	205,000	215,000
Intergovernmental Debt Payable	865,000	825,000
Total Current Liabilities	1,141,833	1,095,269
Non-Current Liabilities		
Series 2019 A Bond Payable	8,440,000	8,645,000
Intergovernmental Debt Payable		
City of Powell 2011 Bonds	5,975,000	6,350,000
City of Powell 2012 Bonds	5,430,000	5,595,000
City of Powell 2015 Bonds	3,155,000	3,480,000
Total Intergovernmental Debt Payable	14,560,000	15,425,000
Total Non-Current Liabilities	23,000,000	24,070,000
Total Liabilities	24,141,833	25,165,269
Deferred Inflows of Resources		
Community Charge Revenues	2,863,242	2,632,550
Gain on refinance of debt	356,393	381,639
Total Deferred Inflows of Resources	3,219,635	3,014,189
Total Liabilities and Deferred Inflows of Resources	27,361,468	28,179,459
NET POSITION		
Unrestricted Net Position - (Deficit)	(20,269,972)	(22,051,378)
Total Net Position	\$ (20,269,972)	\$ (22,051,378)

See accountants' compilation report and accompanying notes.

Liberty Community Infrastructure Financing Authority
Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUE (EXPENSE)		
Operating Revenues		
Community Development Charges	\$ 2,645,152	\$ 2,619,337
Total Operating Revenues	<u>2,645,152</u>	<u>2,619,337</u>
Operating Expense		
Treasurer Office Expense	23,952	16,621
Legal Expense	43,817	27,204
Auditor Expense	6,808	-
Trustee Fees	2,250	-
Communication Expense	309	274
Office Expense	750	814
Bank Fees	406	832
Insurance Expense	2,450	2,583
Board Meeting Expense	300	900
Delaware Collection Fees	1,765	1,765
Total Operating Expense	<u>82,807</u>	<u>50,993</u>
OPERATING INCOME	2,562,345	2,568,344
NON-OPERATING REVENUE (EXPENSE)		
Other revenues		
Dividend & Interest Income	58,607	83,006
Unrealized (Loss)/Gain on Investments	1,109	49,974
Total Other Revenues	<u>59,716</u>	<u>132,980</u>
Other Expense		
Interest Expense	281,809	364,173
City of Powell Interest	575,781	593,748
Debt Issuance Costs	-	286,983
Total Other Expenses	<u>857,590</u>	<u>1,244,904</u>
TOTAL NON-OPERATING REVENUE (EXPENSE)	<u>(797,874)</u>	<u>(1,111,924)</u>
Change in Net Position Before Intergovernmental Transfers	1,764,471	1,456,420
Intergovernmental Transfers		
Transfers from Powell CIFA	16,935	13,245
Total Change in Net Positions	<u>1,781,406</u>	<u>1,469,665</u>
Beginning Net Position (Deficit)	<u>(22,051,378)</u>	<u>(23,521,043)</u>
Ending Net Position (Deficit)	<u>\$ (20,269,972)</u>	<u>\$ (22,051,380)</u>

See accountants' compilation report and accompanying notes.

Liberty Community Infrastructure Financing Authority

Statements of Cash Flows

For the Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from Community Development Charges	\$ 2,635,061	\$ 2,621,348
Cash payments for treasurer expenses	(23,952)	(18,364)
Cash payments for legal fees	(43,817)	(27,204)
Cash payments for auditing fees	(6,808)	-
Cash payments for insurance	(2,450)	(2,583)
Cash payments for office expense	-	(750)
Cash payments for board meeting expenses	(300)	(900)
Cash payments for other expenses	(2,810)	(1,018)
Net Cash Provided by Operating Activities	2,554,924	2,570,529
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments purchases	-	-
Investments redeemed	1,025,000	-
Interest, dividends and other revenues	62,354	82,854
Cash received from other Authority	30,180	10,107
Net Cash Provided by/(Used in) Investing Activities	1,117,534	92,961
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACT.		
Net Proceeds from Series 2019A Bond Issue	-	8,849,656
City of Powell Notes principal payments	(825,000)	(810,000)
2019A principal payments	(215,000)	-
Developer bonds principal payments	-	(8,537,475)
Interest paid on 2019A bonds	(275,495)	-
Interest paid on developer bonds	-	(387,818)
Interest on City of Powell Notes	(590,781)	(610,381)
Establishment of Trustee Funds	-	(567,705)
Net Transfer from Cash Accounts to Trustee Accounts	(117,052)	-
Net Cash Used in Capital and Related Financing Activities	(2,023,328)	(2,063,723)
Net Increase (Decrease) in Cash	1,649,130	599,767
Cash and Cash Equivalents, Beginning of year	619,649	19,882
Cash and Cash Equivalents, End of year	\$ 2,268,779	\$ 619,649

See accountants' compilation report and accompanying notes.

Liberty Community Infrastructure Financing Authority

Statements of Cash Flows

For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 2,562,345	\$ 2,568,344
Adjustments of Operating Income to Net Cash Provided by		
Operating Activities:		
(Increase)/Decrease in receivables	(239,018)	(8,076)
(Decrease)/Increase in Deferred Inflows: Community Charge Revenues	230,692	12,002
(Decrease)/Increase in accounts payable	905	(1,742)
Net Cash Provided by Operating Activities	<u>\$ 2,554,924</u>	<u>\$ 2,570,528</u>

See accountants' compilation report and accompanying notes.

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 – REPORTING ENTITY

The Liberty Community Infrastructure Financing Authority, Delaware County, Ohio (the Authority) is a “community authority” created pursuant to Chapter 349 of the Ohio Revised Code (the Act). On August 1, 2000, Triangle Real Estate (the Developer) filed a petition (the Petition) for creation of the Authority with the Board of County Commissioners of Delaware County, Ohio. The Petition, which may be subject to amendment or change, 2019 allows the Authority to finance the costs of publicly owned and operated community facilities with assessed Community Development Charges. In accordance with the Act, the Petition was accepted by the County Commissioners’ Resolution No. 00-748 and approved September 11, 2000. By its Resolution, the County Commissioners determined that the new community district would be conducive to the public health, safety, convenience and welfare, and that it was intended to result in the development of a new community as described in the Act. The Authority thereby organized as a body corporate and politic in the State. On November 18, 2002, the County Commissioners, by their resolution amended the Petition to add certain territory to the area comprising the Authority.

On December 17, 2003, the Authority, the City of Powell (the City) and the Developer agreed, by a First Amendment to the Pre-Annexation Agreement, to adding land to the District. This application was filed with the Delaware County Commissioners on March 29, 2004. The properties were added on April 29, 2004.

The Authority is governed by a seven member Board of Trustees. At inception, the Board of County Commissioners of Delaware County appointed four of the trustees and the remaining three were appointed by the Developer. All appointed trustees have since been replaced by elected citizen members who have residence within the community authority.

At December 31, 2020, the Authority is comprised of approximately 1,579 acres of land located in Southern Delaware County, Ohio. In accordance with the Act and the Petition, the Authority can levy a community development charge up to 10.25 mills on the assessed value of the land and improvements within the District. The need and amount of the charge is determined annually by the Board of Trustees of the Authority.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. The basic financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principals.

Basis of Presentation

The Authority's basic financial statements consist of Statement of Net Position, Statement of Revenues, Expenses and Change in Net Position, and 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.

The Authority distinguishes operating revenues and expenses from non-operating activities. Operating revenues and expenses generally result from providing services and producing and delivering goods or services in connection with the Authority's primary operations. All revenues and expenses not considered operating are reported as non-operating revenues and expenses.

Measurement Focus and Basis of Accounting

The Authority's financial activity is accounted for using a flow of economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Authority are included on the Statement of Net Position. The Statement of Revenues, Expenses and Change in Net Position present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The Statement of Cash Flows reflect how the Authority finances and meets its cash flow needs.

A. Basis of Accounting

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

B. Cash and Investments

Cash received by the Authority is deposited with a financial institution or invested. Deposits and investments 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. Investments with an initial maturity of more than three months are reported as Investments. Investments were limited to certificates of deposits held by banks that provided FDIC protection and STAR Ohio. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Net Position

Net position represents the difference between assets and liabilities. 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 positions are available. The Authority had no restricted net position for fiscal years end 2020 and 2019.

D. Federal Income Taxes

The Authority is exempt from federal income taxes under IRS regulations.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

NOTE 3 – NET POSITION – DEFICIT

At December 31, 2020 and 2019, the Authority has a net position deficit of \$20,269,972 and \$22,051,378 respectively. This deficit is the result of how the Authority is structured and its basic operations. The Authority was established to finance the costs of publicly owned and operated community facilities. The Authority incurred the costs of acquiring, constructing, or improving community facilities. The titles to these assets have been transferred to other local governments with the related costs recorded as a capital contribution revenue to the receiving entity.

NOTE 4 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The carrying amount of the Authority's deposits at December 31, 2020 and 2019 was \$183,267 and \$12,358, respectively, and the bank balance equaled the reconciled balance.

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 4 – CASH AND CASH EQUIVALENTS- CONTINUED

Interest Rate Risk. Interest rate risk is the risk that an interest rate change could adversely affect an investment’s fair value. The Authority does not have a policy to limit its exposure to interest rate risk, however, the Authority’s investments in money market funds are able to be withdrawn on demand.

Credit Risk. Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligations. The Authority does not have a policy to limit its exposure to credit risk. The Authority’s money market funds were unrated. STAR Ohio carries a rating of AAA by Standard & Poor’s.

Savings

The Authority’s also maintains money market savings accounts held by Invesco, the balance of which varies throughout the year based on changing interest rates. The fair value of the Authority’s money market funds at December 31, 2020 and 2019, were \$39,205 and \$39,097, respectively, and the carrying amounts were the same. These amounts are considered cash equivalents and are reflected as cash on the Statements of Net Position.

In addition, the Authority has funds held by Trustees which is restricted cash to be use in accordance with the bond agreements for the Series 2019 debt.

Trustee Held Fund

Beginning in December 2019, the Authority had funds related to the management and payment of the Series 2019 bonds. As a condition for underwriting the bonds the Authority agreed to have a separate Trustee, (Huntington National Bank) to hold various funds needed to meet certain excess cash and payment requirements. At December 31, 2020, the Trustee maintained the following accounts on behalf of the Authority which are restricted as to use:

Debt Service Reserve Fund	\$494,456
Note Redemption Fund	41,706
Administrative Expense Fund	1,922
Bond Fund	<u>150,428</u>
Total Funds Held by Trustee	<u>\$688,512</u>

At December 31, 2019, the Trustee maintained the following accounts on behalf of the Authority which are restricted as to use:

Debt Service Reserve Fund	\$494,456
Note Redemption Fund	42,024
Administrative Expense Fund	<u>31,225</u>
Total Funds Held by Trustee	<u>\$567,705</u>

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 4 – CASH AND CASH EQUIVALENTS- CONTINUED

Investments in certificates of deposits are carried at fair value at the balance sheet date. As of December 31, 2020 and 2019, investment balances on these certificates of deposit were \$1,236,980 and \$2,260,873, respectively, with an unrealized gain of \$1,109 and \$49,974 as of December 31, 2020 and December 31, 2019, respectively.

GASB 72 defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Authority’s principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

GASB establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Inputs: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 Inputs: Significant other observable inputs other than Level 1 quoted prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 Inputs: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets Measured on a Recurring Basis: Assets and liabilities measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements At December 31,			
	Using Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	<u>Total</u>
--2020-- Cert. of Deposit	\$ -	\$1,236,980	\$ -	\$1,236,980
----2019--- Cert. of Deposit	\$ -	\$2,260,873	\$ -	\$2,260,873

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 4 – CASH AND CASH EQUIVALENTS– CONTINUED

Below is a listing of CD investments and their maturity dates:

Banks	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Interest Rate</u>	<u>Current Value</u>
Ally Bank Midvale Utal	12/10/2018	12/20/2021	250,000	3.15%	257,540
Wells Fargo Bank	12/28/2018	12/28/2021	250,000	3.20%	257,813
Barclays Bank Delaware	12/20/2018	12/20/2021	250,000	3.25%	257,785
Goldman Sachs Bank	12/20/2018	12/20/2021	200,000	3.15%	206,032
Citibank National Association	12/27/2018	12/27/2021	250,000	3.20%	257,813
Total			<u>1,200,000</u>		<u>\$ 1,236,982</u>
			Unrealized Gain		<u>36,982</u>

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

NOTE 5 – COMMUNITY DEVELOPMENT CHARGE

The Authority can levy an annual community development charge up to 10.25 mills on the assessed value of all property within the developed property. The charge is currently levied at 10.25 mills. Charge revenue recognized represents the amount levied on April 1 and October 1 of the current year.

Charge assessments are levied October 1 on the assessed values as of September 30 (the lien date). The assessed value is established by state law at 35% of the current market value.

Market values are determined by the Authority based on the County Auditor’s appraisal, lot values, or a calculated cost for occupied homes that have not yet been appraised by the County Auditor.

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 5 – COMMUNITY DEVELOPMENT CHARGE- CONTINUED

Amounts assessed and due but not collected, are reflected as both a receivable and a deferred revenue on the statement of net position. For the years ended December 31, 2020 and 2019, the amount recorded as deferred inflows as \$2,863,242 and \$2,632,550, respectively.

The Pre-annexation agreement with the City of Powell permits the Authority to retain a sufficient amount of the development charge to cover the interest expense on debt owed or facilitated by the City of Powell.

NOTE 6 – RECEIVABLES

Receivables at December 31, 2020 and 2019 consisted of unpaid and accrued of community development charges, amounts due from another Authority, and accrued interest relating to the certificate of deposits. All receivables are considered collectible.

NOTE 7 – CAPITAL ASSETS

There was no capital asset activity or donations during the years ended December 31, 2020 and 2019.

NOTE 8 – LONG-TERM OBLIGATIONS

The Authority's long-term obligations activity for the years ended December 31, 2020 and 2019 was as follows:

Series 2019 Bonds

On December 23, 2019, the Authority issued \$8,860,000 in Community Facilities Refunding Bonds, Series 2019. The purpose of this issue was to refinance the existing Community Facilities Adjustable Rate Notes, Series Bonds 2004 to 2006. The serial coupon rate varies from 4.00% to 2.65% with and an average coupon rate of 3.142% and an overall bond yield over the life of this series of 2.893%. The Bonds received an "A" (Stable outlook) rating from S&P Global Ratings and sold at a \$276,639 premium which is reflected on the Statement of Net Position as a deferred inflows of resources from the funding of debt for the year ended December 31, 2020. This deferred inflow balance of \$276,639 will be amortized over the bond's initial stated term of 27 years and will be amortize at a rate of \$10,246 a year beginning in 2020. The deferred inflow of resources had an unamortized balance at December 31, 2020 and 2019 of 266,393 and \$276,639, respectively.

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 8 – LONG-TERM OBLIGATIONS– CONTINUED

The Authority incurred Bond issuance costs in 2019 of \$286,983, which was expensed as a period costs. Interest on this Note is paid semi-annually on June 1 and December 1 of each year, and principal payments on December 1 of each year beginning December 1, 2020. Upon bond closing, the Bond Trustee, who is currently the Huntington National Bank received the following amounts from those listed below:

Bond issued proceeds	\$9,136,639
Liberty Community Financing Authority	<u>281,000</u>
Total Proceeds	<u>\$9,417,639</u>

The loan proceeds were used to primarily to pay off outstanding Developer bonds balance and accrued interest through the bond closing date of December 23, 2020, and to establish several bond funds required by the loan agreement and pay loan issuance cost. Accordingly, below is a listing of the uses of bond proceeds and Authority contributions:

For deposit into the Note Refund Fund to pay accrued	
Interest and bond principal balances	\$8,602,475
Deposit into the Debt Service Reserve Fund	494,456
Deposit to the Administrative Expense subaccount	33,725
To pay bond issuance costs	<u>286,983</u>
Total Uses	<u>\$9,417,639</u>

Bond Redemption

Optional Prior Redemption

Bonds maturing on or after December 1, 2030 are subject to optional redemption by the Authority, in whole or in part on any date on or after December 1, 2029 at a redemption price equal to par plus accrued interest to the date of redemption.

Additional Mandatory Redemption

The Term Bonds maturing in the years 2036, 2041, and 2046 are subject to additional mandatory redemption in whole or in part at a redemption price of 100% of the principal amount redeemed plus interest accrued to the redemption date, on December 1 of any year from funds on deposit in the Bond Service Fund, with priority of redemption first apportioned to 2046 Term Bonds, then to the 2041 Term Bonds, and finally to the 2036 Term Bonds

The schedule maturities of principal and interest for the Series 2019A Bonds without consideration for optional and mandatory redemptions is listed below:

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 8 – LONG-TERM OBLIGATIONS – CONTINUED

Year	Principal Payment	Average Interest Rate	Total Annual Interest	Total P&I Payment
2021	\$ 205,000.00	4.00%	\$ 284,826.26	\$ 489,826.26
2022	215,000.00	4.00%	276,626.26	491,626.26
2023	225,000.00	4.00%	268,026.26	493,026.26
2024	235,000.00	4.00%	259,026.26	494,026.26
2025	240,000.00	4.00%	249,626.26	489,626.26
2026-2030	1,360,000.00	4.00%	1,095,931.30	2,455,931.30
2031-2035	1,630,000.00	2.94%	827,778.80	2,457,778.80
2036-2040	1,880,000.00	2.95%	583,893.80	2,463,893.80
2041-2045	2,180,000.00	3.10%	282,456.28	2,462,456.28
2046	475,000.00	3.13%	14,843.76	489,843.76
Total	<u>\$ 8,645,000.00</u>	<u>3.61%</u>	<u>\$ 4,143,035.24</u>	<u>\$ 12,788,035.24</u>

The Authority pledge the community charge receipts from the Expansion Areas to the payment of the Series 2019 Bonds. Below is a schedule of the collection of the Expansion Area Community Charge revenue and receipts for the last five years:

	Amount Billed	Collections First Half	Collections Second Half	Yearly Collections	% Collected	% Change
2016	568,037	294,956	274,537	569,493	100.3%	2.0%
2017	575,219	299,320	278,846	578,166	100.5%	1.5%
2018	632,406	356,294	272,166	628,460	99.4%	8.7%
2019	631,262	329,670	306,202	635,872	100.7%	1.2%
2020	636,713	329,096	307,890	636,986	100.0%	0.2%
Total	<u>\$3,043,637</u>			<u>\$3,048,977</u>	100.2%	

Below is a schedule of the change in balance among the various bond series for the year ended December 31, 2020 and 2019:

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 8 – LONG-TERM OBLIGATIONS – CONTINUED

	Beginning			Ending	
<u>2020</u>	<u>Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u>	<u>Due in</u>
					<u>One Year</u>
Series 2019	\$ 8,860,000	\$ -	\$ 215,000	\$ 8,645,000	205,000
Total	<u>\$ 8,860,000</u>	<u>\$ -</u>	<u>\$ 215,000</u>	<u>\$ 8,645,000</u>	<u>\$ 205,000</u>
<u>2019</u>					
Series 2004A	\$ 517,935	\$ -	\$ 517,935	\$ -	\$ -
Series 2004B	452,361	-	452,361	-	-
Series 2004C	2,388,821	-	2,388,821	-	-
Series 2005A	218,429	-	218,429	-	-
Series 2005 A	4,959,929	-	4,959,929	-	-
Series 2019	-	8,860,000	-	8,860,000	215,000
Total	<u>\$ 8,537,475</u>	<u>\$ 8,860,000</u>	<u>\$ 8,537,475</u>	<u>\$ 8,860,000</u>	<u>\$ 215,000</u>

NOTE 9 – INTERGOVERNMENTAL DEBT

On November 6, 2002, the City of Powell annexed a portion of the territory of the Authority into the City. In exchange, the City of Powell issued general obligation bonds (2002 Series Bond) in the amount of \$10,365,000 and notes, in the amount of \$6,900,000. The total proceeds of \$17,265,000 were transferred to the Authority to refund a portion of the \$22,300,000 in Community Facilities Bonds, Series 2001 which were initially issued by the Authority.

The Authority has pledged the community development charge receipts generated by the portion annexed, as well as tap fee receipts, to repay the City for the bond and note principal and related interest costs.

Since 2004, the City of Powell has assumed additional debt totaling \$900,000 to cover the shortfall in payments necessary to cover interest carry cost on the bonds and notes. Additionally, there have been other associated costs and fees, including premiums and discounts, related to the issuance of debt since 2004.

Series 2008 – 2015 Bonds

Series 2008 general obligation bonds in the amount of \$6,900,000 were issued by the City of Powell on June 1, 2008. The bonds have a maturity date of December 1, 2030. The bonds have an interest rate that varies from approximately 3.85% to 4.2% over the life of the bonds.

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 9 – INTERGOVERNMENTAL DEBT – CONTINUED

On December 22, 2015, the City of Powell issued Series 2015 Bonds in the amount of \$4,175,000 to refinance \$4,340,000 of the Series 2008 Bonds. This left a remaining balance of the Series 2008 Bonds of \$805,000 with remaining principal payments through December 1, 2019. The terms of the refinancing resulted in an initial reduction in the principal balance of \$165,000 which is reflected on the Statement of Net Position as a deferred inflows of resources from the refunding of debt for the year ended December 31, 2017. The deferred balance is amortize over the life of the debt series at an annual amount of \$15,000. The deferred inflow of resources had an unamortized balance at December 31, 2020 and 2019 of \$90,000 and \$105,000, respectively.

The benefit of the refinancing of the Series 2008 Bonds resulted in the reduction of the effective interest rates and debt service savings of \$432,760 on a gross basis and \$327,452 on a net present value basis as of the date of refinancing. The repayment period was also reduced by one year and now the ending payment date is December 1, 2029 versus 2030.

Series 2011 Bonds

In August 2012, the City of Powell refinanced the 2002 Series Bond. The effect is the City was able to obtain a reduction in the effective interest rates. The bonds which are referred to as Bond Series 2011, have coupon rates between 2% and 5% over the 20-year life of the bonds. The refinance resulted in a \$322,373 cost to the Authority, which was expensed as a period cost. Over the life of the new bond, the Authority will save approximately \$2 million in interest over what it previously paid on the City of Powell 2002 Series Bond.

Series 2012 Bonds

Pursuant to a City of Powell ordinance, on April 23, 2012, the City issued \$9,915,000 in tax exempt, general obligation bonds to refinance the Community Facilities Adjustable Rate notes. The Liberty Community Infrastructure Financing Authority utilized \$6,785,000 of this amount to retire its Community Facilities Adjustable Rate Bonds Series 2002, (Developer Bonds). The remaining original balance of \$3,130,000 was assumed by the Powell Community Infrastructure Financing Authority. Of the total \$9,915,000 issue, approximately 26% or \$2,600,000 of the amount consists of a 10-year Serial Bond with an average effective interest rate of approximately 3.2% and payable in full by 2022.

The balance of the issue, totaling \$7,315,000, consists of Term Bonds carrying an average effective interest rate of 3.24% with maturity dates of December 1, in the years between 2023 and 2036. All of the Bonds have interest payment dates of June 1 and December 1 of each year.

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 9 – INTERGOVERNMENTAL DEBT – CONTINUED

The Bonds maturing after December 1, 2021 are subject to redemption at the option of the City, either in whole or in part, in such order of maturity as the City shall determine, on any date on or after June 1, 2022, at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the date fixed for redemption. The Bonds maturing on December 1, 2024, 2027, 2030, 2032, 2034, and 2036 are subject to mandatory sinking fund redemption prior to stated maturity.

The Authority’s intergovernmental payment activity for the years ended December 31, 2020 and 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additional Borrowing</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Due in 1 Year</u>
2020					
Series 2008-2015	\$ 3,795,000	-	315,000	3,480,000	\$ 325,000
Series 2011	6,710,000	-	360,000	6,350,000	375,000
Series 2012	5,745,000	-	150,000	5,595,000	165,000
	<u>\$ 16,250,000</u>	<u>-</u>	<u>825,000</u>	<u>15,425,000</u>	<u>\$ 865,000</u>
2019					
Series 2008-2015	\$ 4,105,000	-	310,000	3,795,000	\$ 315,000
Series 2011	7,050,000	-	340,000	6,710,000	360,000
Series 2012	5,905,000	-	160,000	5,745,000	150,000
	<u>\$ 17,060,000</u>	<u>-</u>	<u>810,000</u>	<u>16,250,000</u>	<u>\$ 825,000</u>

On April 20, 2021, Series 2011 and Series 2012 bonds were refinanced. with a new 2021 debt Series which has an interest coupon rate of 2% for the life of the bond . Liberty CIFA made a \$4,500,000 principal payment as part of the refinancing and reduced the outstanding payment term for the existing 2011 Series Bond by six years and reduced the existing Series 2012 by ten years.

Total interest cost for the existing 2011 Bond Series was reduced from \$2,129,920 to \$319,747. Total interest cost for the existing 2012 Bond Series was reduced from \$2,022,098 to \$141,054. Total interest costs savings resulting from the refining of Bond Series 2011 and 2012 over the new six year term will be \$3,691,217.

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 9 – INTERGOVERNMENTAL DEBT – CONTINUED

The scheduled principal maturity and interest payments for the Series 2008-2015 Bonds are as follows:

<u>Year</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Total Payment</u>
2021	\$ 325,000	\$ 139,200	\$ 464,200
2022	345,000	126,200	471,200
2023	360,000	112,400	472,400
2024	370,000	98,000	468,000
2025	385,000	83,200	468,200
2026-2029	<u>1,695,000</u>	<u>172,800</u>	<u>1,867,800</u>
Total	<u>\$ 3,480,000</u>	<u>\$ 731,800</u>	<u>\$ 4,211,800</u>

The scheduled principal maturity and interest payments for the Series 2011 Bonds are as follows:

<u>Year</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Total Payment</u>
2021	\$ 375,000	\$ 254,444	\$ 629,444
2022	370,000	243,194	613,194
2023	390,000	230,244	620,244
2024	405,000	218,544	623,544
2025	395,000	204,875	599,875
2026-2030	3,105,000	899,619	4,004,619
2031-2032	<u>1,310,000</u>	<u>79,000</u>	<u>1,389,000</u>
Total	<u>\$ 6,350,000</u>	<u>\$ 2,129,920</u>	<u>\$ 8,479,920</u>

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 9 – INTERGOVERNMENTAL DEBT – CONTINUED

The scheduled principal maturity and interest payments for the Series 2012 Bonds are as follows:

<u>Year</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Total Payment</u>
2021	\$ 165,000	\$ 170,888	\$ 335,888
2022	155,000	167,505	322,505
2023	160,000	164,405	324,405
2024	165,000	160,565	325,565
2025	170,000	156,605	326,605
2026-2030	925,000	712,063	1,637,063
2031-2035	3,085,000	463,888	3,548,888
2036	770,000	26,180	796,180
	<u>\$ 5,595,000</u>	<u>\$ 2,022,099</u>	<u>\$ 7,617,099</u>
Total			

The scheduled principal maturity and interest payments for all Intergovernmental Debt is as follows:

NOTE 9 – INTERGOVERNMENTAL DEBT – CONTINUED

<u>Year</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Total Payment</u>
2021	865,000	564,532	1,429,532
2022	870,000	536,899	1,406,899
2023	910,000	507,049	1,417,049
2024	940,000	477,109	1,417,109
2025	950,000	444,680	1,394,680
2026-2030	5,725,000	1,784,482	7,509,482
2031-2035	4,395,000	542,888	4,937,888
2036	770,000	26,180	796,180
	<u>\$ 15,425,000</u>	<u>\$ 4,883,819</u>	<u>\$ 20,308,819</u>
Total			

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 10 – RISK MANAGEMENT

The Authority belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverage to its members sold through sixteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 50% (50% effective November 1, 2012, 41.5% effective November 1, 2011 and 40% effective November 1, 2010) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 800 and 772 members as of December 31, 2020 and 2019, respectively. The annual change in members' equity for the previous three fiscal years was \$705,000, \$250,000, and \$(961,000).

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

The Pool's audited financial statements conform to generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2019 and 2018, which are the latest periods available. You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Assets	18,827,000	15,920,000	15,065,000
Total Liabilities	13,530,000	11,329,000	10,734,000
Accumulated Surplus	5,297,000	4,591,000	4,331,000

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 11 – CONTINGENT LIABILITIES

There are no claims or lawsuits pending against the Authority.

NOTE 12 – SUBSEQUENT EVENT

On November 15, 2021, the Board of Trustees approved Resolution 2021-4 which authorized the issuance of Community Development Charge Revenue Anticipation Notes, Series 2021 in the amount of \$775,000. On March 28, 2022 this note was repaid in full.

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OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
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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

Liberty Community Infrastructure Financing Authority
Delaware County
585 South Front Street, Suite 220
Columbus, Ohio 43215

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Liberty Community Infrastructure Financing Authority, Delaware 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 24, 2023, wherein we noted the financial statements of the Authority as of and for the year ended December 31, 2019 were audited by a predecessor auditor.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

May 24, 2023

OHIO AUDITOR OF STATE KEITH FABER



LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY

DELAWARE 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 6/13/2023

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