

NEW ALBANY COMMUNITY AUTHORITY

BASIC FINANCIAL STATEMENTS

FOR THE TWELVE MONTH PERIOD ENDED DECEMBER 31, 2019 (unaudited)

The **year-to-date internal financial statements** are prepared in accordance with the Authority's significant accounting policies but are unaudited and do not include certain procedures performed when preparing the annual audited financial statements. The internal financial statements may contain terminology and classifications that differ in format from the annual audited financial statements including the Statement of Cash Flows and Notes to the Financial Statements.

BRENT BRADBURY, TREASURER

NEW ALBANY COMMUNITY AUTHORITY

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**NEW ALBANY COMMUNITY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Period Ending December 31, 2019 (unaudited)**

The discussion and analysis of the New Albany Community Authority's financial performance provides an overview of the Authority's financial performance as a whole for the period ended December 31, 2019. The intention of this discussion and analysis is to look at the Authority's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Authority's financial performance. This is an interim statement and certain comparisons to prior years may be understated or overstated due to the monthly periods included.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999. Certain comparative information between the current years and prior year is required to be presented, and is presented in the MD&A.

Financial Highlights

Key financial highlights for 2019 and 2018 follow:

- Total assets increased \$3,869,941 or 20.28%, between December 31, 2019 and December 31, 2018. Total liabilities decreased \$3,506,668 or 11.05% between December 31, 2019 and December 31, 2018. Total net position increased \$7,285,750 or 60.28% between December 31, 2019 and December 31, 2018.
- Total revenues increased \$1,720,342, or 18.34%, between December 31, 2019 and December 31, 2018. Total expenditures decreased \$1,659,737 or 30.22%, between December 31, 2019 and December 31, 2018.

Using this Annual Financial Report

This financial report contains the basic financial statements of the Authority, as well as the Management's Discussion and Analysis and notes to the basic financial statements. The basic financial statements include a statement of net assets, statement of revenues, expenses and change in net assets, and a statement of cash flows for the period ending December 31, 2019. As the Authority reports its operations using enterprise fund accounting, all financial transactions and accounts are reported as one activity, therefore the entity wide and the fund presentations information is the same.

Statement of Net Position

The statement of net position answers the question, "How did we do financially during the year?" This statement includes all assets and liabilities, both financial and capital, and short-term and long-term, using the accrual basis of accounting and the economic resources focus, which is similar to the accounting used by private sector companies. This basis of accounting takes into account all revenues and expenses during the year regardless of when the cash is received or paid.

This statement reports the Authority's net position, however, in evaluating the overall position and financial viability of the Authority, non-financial information, such as the condition of Authority's capital assets, will also need to be evaluated.

**NEW ALBANY COMMUNITY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Period Ending December 31, 2019 (unaudited)**

Summary Statement of Net Position

Assets:	<u>2019</u>	<u>2018</u>
Other Assets	\$ 22,949,690	\$ 19,079,749
Total Assets	<u>22,949,690</u>	<u>19,079,749</u>
Deferred outflows of resources:	<u>469,292</u>	<u>563,151</u>
Liabilities:		
Current Liabilities	272,455	303,601
Long-Term Debt	27,944,681	31,420,203
Total Liabilities	<u>28,217,136</u>	<u>31,723,804</u>
Net Position: Unrestricted	\$ (4,798,154)	\$ (12,080,905)
Total Net Position	<u>\$ (4,798,154)</u>	<u>\$ (12,080,905)</u>

The increase in total assets between December 31, 2019 and December 31, 2018 was due to a increase in cash and equivalents of \$3,516,488 and a decrease in accounts receivable of \$37,293. The decrease in liabilities between December 31, 2019 and December 31, 2018 was due to due to payments of \$3,245,000 on existing bonds and amortization of bond premium for a net decrease of \$3,475,522 and a decrease in interest payable and accounts payable of \$31,146.

Summary Statement of Revenues, Expenses, and Changes in Net Position

	<u>2019</u>	<u>2018</u>
Operating Revenues	\$ 11,114,972	\$ 9,394,630
Operating Expenses	<u>70,929</u>	<u>66,184</u>
Operating Income	11,044,043	9,328,446
Non-Operating Revenue (Expenses)	<u>(3,761,292)</u>	<u>(5,425,775)</u>
Change in Net Position	\$ 7,282,750	\$ 3,902,672

The increase in operating revenues between December 31, 2019 and December 31, 2018 was due an increase of \$88,172 in the Community Development Charge and a increase in City of New Albany Income Tax Revenues of \$1,239,729 and an increase in grant revenue of \$392,441. The decrease in operating expenses and Non-Operating Revenue and Expenses and between December 31, 2019 and December 31, 2018 was due to an decrease in development project funding of \$1,459,383, a decrease in interest expense of \$109,851, a increase in general and administrative expenses of \$4,456 offset by an increase in interest & other income of \$95,249.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances and to show the Authority's accountability for the money it receives, spends and invests. Questions concerning any of the information provided in this report or requests for additional information should be directed to Brent Bradbury, Chief Financial Officer, 8000 Walton Parkway, Suite 120, New Albany, Ohio 43054.

NEW ALBANY COMMUNITY AUTHORITY
STATEMENT OF NET POSITION
For the Period Ending December 31, 2019 (unaudited)

Assets:	
Equity in pooled cash and cash equivalents	\$ 34,350
Cash with fiscal and escrow agents:	
Community bonds - refunding reserve fund	1,953,159
Community bonds - service fund	1,706,178
Community bonds - General account	2,755
Infrastructure bond project fund	1,436
Infrastructure bond Series E Bond Fund	322
Infrastructure bond service fund	10,850,940
Infrastructure improvement bond reserve E	839,812
Economic development fund	842,607
Receivables:	
Community development charge	3,584,948
Income tax receivable	619,854
Infrastructure fund - City of New Albany	2,087,393
Infrastructure payments	5,315
Other Assets:	
Capital Assets - Projects in Process	420,621
Total assets	<u>22,949,690</u>
Deferred outflows of resources.	
Unamortized deferred charges on debt refunding	469,292
Total deferred outflows of resources	<u>469,292</u>
Liabilities:	
Accounts payable	37,794
Interest payable-Community bonds (\$36M)	210,050
Interest payable-Infrastructure fund	24,611
Long-Term Liabilities:	
Due with one year.	3,600,450
Due in more than one year.	24,344,231
Total liabilities	<u>28,217,136</u>
Net position:	
Unrestricted (deficit)	<u>\$ (4,798,154)</u>
Total net position	<u><u>\$ (4,798,154)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEW ALBANY COMMUNITY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Period Ending December 31, 2019 (unaudited)

Operating revenues:	
Community development charge	\$ 3,588,942
City of New Albany Income Tax	7,119,499
New Albany Community Foundation Grant	<u>406,531</u>
Total operating revenues	11,114,972
Operating expenses:	
Insurance	2,817
Professional Fees	6,725
Bond Trustee Fees	5,100
Accounting fees	15,025
Legal fees	31,051
County Collection fees	<u>10,212</u>
Total operating expenses	<u>70,929</u>
Operating income (loss)	<u>11,044,043</u>
Nonoperating revenues (expenses):	
Interest income -trust accounts	274,294
Interest expense- community facilities bonds	(709,546)
Interest & fiscal charge expense- infrastructure bonds	(252,030)
Economic development project funding	<u>(3,074,010)</u>
Total nonoperating revenues (expenses)	<u>(3,761,292)</u>
Change in net position	7,282,750
Net position at beginning of period	<u>\$ (12,080,905)</u>
Net position at end of period	<u><u>\$ (4,798,154)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEW ALBANY COMMUNITY AUTHORITY
STATEMENT OF CASH FLOWS
For the Period Ending December 31, 2019 (unaudited)

Cash flows from operating activities:	
Cash received from community development charge	\$ 3,559,498
Cash received from city income tax	7,190,566
Cash received from New Albany Community Foundation Grant	390,746
Cash payments for administrative expenses	(27,278)
Cash payments for legal fees	(31,251)
Cash payments for trustee fees	(5,100)
Net cash provided by (used in) operating activities	<u>11,077,181</u>
 Cash flows from capital and related financing activities:	
Bonds Proceeds	-
Principal retirement on debt service	(3,120,000)
Interest and fiscal charges	(1,250,231)
Amphitheater Project Design	(390,746)
Economic development contributions	(3,074,010)
Net cash Provided by (Used in) capital and related financing activities	<u>(7,834,987)</u>
 Cash flows from investing activities:	
Interest received	\$ 274,294
Net cash provided by investing activities	<u>274,294</u>
Net increase (decrease) in cash and cash equivalents	3,516,487
Cash and cash equivalents at the beginning of the period	<u>12,715,072</u>
Cash and cash equivalents at the end of the period	<u>\$ 16,231,559</u>
 Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ 11,044,043
 (Increase) Decrease in Assets:	
Decrease (increase) in community development charge receivable	(29,444)
Income tax receivable	71,067
Infrastructure payments	(4,330)
 Increase(Decrease) in Liabilities:	
Increase (decrease) in accounts payable	(4,155)
Net cash Provided by (Used in) operating activities	<u>\$ 11,077,181</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Period Ending December 31, 2019 (unaudited)

NOTE 1 - DESCRIPTION OF THE ENTITY

The New Albany Community Authority is a “community authority” created pursuant to Chapter 349 of the Ohio Revised Code (the Act). On July 7, 1992, the New Albany Company Limited Partnership (the Developer) filed a petition (the Petition) for the creation of the Authority with the Board of County Commissioners of the County of Franklin, Ohio. The Petition, which may be subject to amendment or other change, allows the Authority to finance up to \$41,450,000 of “costs” of publicly owned and operated community facilities including, but not limited to, the acquisition or construction of a new school, roads, a fire station, and a fire truck. In accordance with the Act, the Petition was accepted by the County Commissioners’ Resolution No. 699-92, adopted July 7, 1992. By its Resolution on August 24, 1992, 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 July 7, 1996, the County Commissioners, by their Resolution amended the Petition to increase the “costs” from \$41,450,000 to \$43,450,000.

The Authority is governed by a seven member Board of Trustees. The Franklin County Board of County Commissioners, a related organization, appoints four of the Trustees. The remaining three Trustees are appointed by the Developer. The New Albany New Community District is currently comprised of approximately 5,000 acres of land located in Northeast Franklin County, Ohio. In accordance with the Act and the Petition, the Authority can levy a community development charge of up to 9.75 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 financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the Authority’s accounting policies are described below.

A. Basis of Presentation

Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise accounting uses the flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources are included on the statement of net position. The difference between total assets and deferred outflows of resources and liabilities and deferred inflows of resources are defined as net position. The statement of revenues, expenses and changes in net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C. Community Development Charge Receivable

The Community Development Charge is recognized as a receivable in the financial statements. The receivable represents charges that have been assessed as of December 31.

D. Deferred Inflows of Resources and Deferred Outflows of Resources

A deferred inflow of resources is an acquisition of net position by the Authority that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the Authority that is applicable to a future reporting period.

NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Period Ending December 31, 2019 (unaudited)

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

E. Unamortized Deferred Loss/Bond Issuance Costs

Bond losses are deferred and amortized over the term of the bonds using the bond outstanding method, which approximates the effective interest method. Unamortized deferred losses on refunding's are reported as a deferred outflow of resources on the statement of net position. Bond issuance costs are expensed when they occur.

F. Operating Revenues and Expenses

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

G. Use of Estimates

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

H. Net Position

Net position represents the difference between assets, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority first applies restricted resources when an expense is incurred for which both restricted and unrestricted net position are available. The Authority has no restricted net position at fiscal year-end 2019.

NOTE 3 - ACCUMULATED DEFICIT

At December 31, 2019, the Authority had accumulated deficit of \$4,798,154. This deficit is a 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 incurs the costs of constructing community facilities. The titles to these assets are then transferred to the community and the related costs are recorded as an expense. This deficit will be reduced and eliminated as outstanding debt is paid. See Note 12 for further discussion of debt repayment.

NOTE 4 - CASH AND CASH EQUIVALENTS

State statutes classify monies held by the Authority into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Authority treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Trustees has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including passbook accounts.

Protection of the Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Authority by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Period Ending December 31, 2019 (unaudited)

NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAR Ohio).

The Authority may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State as to which there is no default of principal, interest, or coupons; and,
3. Obligations of the Authority.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Authority, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian. including passbook accounts.

Deposits

Custodial Credit Risk - Custodial credit risk for deposits is the risk that in the event of bank failure, the Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Authority has no deposit policy for custodial credit risk.

At year end December 31, 2018, the carrying amounts, as well as the bank balance of the Authority's deposits were \$34,350. The total bank balances were federally insured up to \$250,000.

Investments

The Authority's investments are categorized to give an indication of the level of risk assumed by the Authority at year end. Category 1 includes investments that are insured or registered for which the securities are held by the Authority or the Authority's agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the Authority's name.

	<u>Category 2</u>	<u>Carrying Value</u>	<u>Fair Value</u>
U.S. Government Securities	<u>16,197,209</u>	<u>16,197,209</u>	<u>16,197,209</u>
Total	<u><u>16,197,209</u></u>	<u><u>16,197,209</u></u>	<u><u>16,197,209</u></u>

NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Period Ending December 31, 2019 (unaudited)

Interest Rate Risk - Interest rate risk is that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the Authority manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority limits its investments to U.S. Government Securities. Investments in U.S. Government Securities was rated AAA by Standard and Poor's.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Authority's investment policy allows investments in money market accounts, certificates of deposit or within financial institutions within the State of Ohio as designated by the Federal Reserve Board. For the period ended August 31, 2019, the Authority has invested 100% of its investments in U.S. Government Securities.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority does not have a policy for custodial credit risk. All of the Authority's investments are either insured and registered in the name of the Authority or at least registered in the name of the Authority.

NOTE 5 - CASH WITH FISCAL AND ESCROW AGENTS

At December 31, 2019, the carrying amount of the Authority's cash with fiscal and escrow agents was \$16,197,209. This amount is held in escrow for projects funded by bond issuances. These funds are held in Money Market Accounts invested in U.S. Government Securities.

NOTE 6 - COMMUNITY FACILITIES BOND RESERVE

The refunding of the Community Facilities Bonds (CFB) in March of 2012 required the Authority to create a \$1,877,375 reserve fund for any short fall on the bond payment. The Cash balance of this account at December 31, 2019 totaled \$1,953,159, including the \$1,877,375 for the reserve requirement. The balance of the account is interest earnings to be used for debt service. The reserve requirements amounts to 50% of the largest annual (2022) debt service payment for the bonds. In addition to the required reserve the Authority has additional cash of \$1,743,284 for a total available of \$3,696,443 as of December 31, 2019. Debt service of \$3,570,200 is due in 2020. See Note 13 for additional information on the CFB.

NOTE 7 - INFRASTRUCTURE FUND

In 1997, the Village of New Albany created the first of several Economic Opportunity Zones (EOZ) in the Business Campus/Park with other EOZ areas added as development has expanded in New Albany. In addition to the EOZ's the Village and the Authority created a Multi-Purpose Infrastructure Improvement fund to provide funding for certain infrastructure improvements in the Business Campus/Park. In 1997, the Authority issued \$10,000,000 in Multi-Purpose Infrastructure Improvements Bonds for the first phase of projects. In 2000, a second phase of projects created the need for the Authority to refund the bonds and issue an additional \$6,700,000 to bring the total to \$16,700,000 of Infrastructure Bonds outstanding. In 2004, the Authority again refunded the bonds reducing the total to \$16,100,000. In May 2011, the Authority refunded the remaining \$8,800,000 in outstanding bonds by retiring \$800,000 of the bonds with cash, issuing \$5,900,000 in fixed rate bonds payable over ten years and \$2,000,000 in a note that expired on June 1, 2012. In June 2012, the Authority reissued the \$2,000,000 note for an additional 12 months and in June 2013 the Authority issued \$1,750,000 in notes reducing the outstanding balance by \$250,000. On May 30, 2014 the Authority retired the entire \$1,750,000 note. In December 2017, the Authority retired the remaining \$3,190,000 balance of the \$5,900,000 bonds and issued \$9,210,000 in new 15-year bonds for widening Beech Road. The Authority's sole source of repayment for these notes and bonds is from income taxes collected by New Albany from employees and businesses in the EOZ. The Authority receives 30% and 50%, respectively, from Phase I and Phase II of the gross income tax revenues collected by New Albany within the EOZ. In addition to the refunding in 2004, the Village of New Albany and the Authority, through an Economic Development Agreement, created the Economic Development Fund (EDF) to promote development within the Economic Opportunity Zone. The EDF's sole funding is from the surplus funds in the Infrastructure Bond Service Fund. Each year, New Albany directs the Authority (after meeting certain debt service requirements) to transfer funds to the EDF from the Infrastructure Surplus based on terms defined in the Economic Development Agreement.

**NEW ALBANY COMMUNITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Period Ending December 31, 2019 (unaudited)**

NOTE 7 - INFRASTRUCTURE FUND (Continued)

New Albany also directs the Authority to disburse funds from the EDF for certain New Albany council approved projects.

As of December 31, 2019, the following is a summary of the Projects that have been approved for disbursement from the fund.

The following is a summary of the Projects have been approved for disbursement from the Fund:

<u>Project Description</u>	<u>Authorized Amount</u>	<u>Amounts Disbursed as of 12/31/2019</u>	<u>Authorized disbursements remaining</u>	<u>2019 disbursements</u>
Extension of Forest Drive "Canini Trust Project"	2,000,000	(2,000,000)	-	
Fiber optic network (2007, 2009, 2011)	3,150,363	(3,150,363)	-	
"Incubator Project" Tech Columbus	1,500,000	(1,500,000)	-	
US 62 Project	1,700,000	(1,700,000)	-	
Waters Edge Project	300,000	(300,000)	-	
Souder Road	1,800,000	(1,800,000)	-	
Business Park East Debt Service	6,714,100	(5,544,721)	1,169,379	559,010
Business Park Incentives (2010, 2011)	400,900	(400,900)	-	
Business Park East - Greywater System	100,000	(100,000)	-	
Bob Evans Loan	1,000,000	(1,000,000)	-	
2012 Incentive payment, Zarley ROW, INC@8000	600,000	(600,000)	-	
Beech Rd Widening	2,000,000	(2,000,000)	-	
Business Campus East Water Tower	1,650,000	(1,650,000)	-	
Forrest Dr. Connector	930,000	(930,000)	-	
Fiber optic network 2014	250,000	(250,000)	-	
Smith Mill Road Loop Lighting & Street Trees	700,000	(700,000)	-	
Smith Mill Road Sanitary Sewer extension	400,000	(400,000)	-	
Smith Mill Loop Grey Water System extension	200,000	(200,000)	-	
COTA Park & Ride construction	250,000	(250,000)	-	
Blacklick Sanitary Trunk Lind	900,000	(900,000)	-	
Smiths Mill Rd Loop Fiber optic extension	50,000	(50,000)	-	
Business Park East Infrastructure Advance *	7,000,000	(6,000,000)	1,000,000	
Truck Clu-de-sac, EDF 2014, Fiber Expansion 2015	1,945,000	-	1,945,000	
CIC-Innovate New Albany 2016	50,000	(50,000)	-	
Beech Road Landscaping	225,000	(225,000)	-	
Blacklick Water Design	500,000	(500,000)	-	
A & F Drop Lane on Smith's Mill Road	750,000	(750,000)	-	
Innovation Campus West	950,000	(950,000)	-	
Innovation Road Sanitary Extension to Harrison Rd.	200,000	(200,000)	-	
Economic Incentives 2016	550,000	(550,000)	-	
Harrison to Mink Road Connector	5,500,000	(5,500,000)	-	
2017 Incentives, Blacklick Water & Sewer, Jug Water Line	5,550,000	(5,550,000)	-	
2018 Incentives, Blacklick Water & Sewer, Beech Rd	4,000,000	(3,970,000)	30,000	
2019 Incentives, Shuttle services, Economic Development	2,515,000	(2,515,000)	-	2,515,000
	\$ 56,330,363	\$ (52,185,984)	\$ 4,144,379	\$ 3,074,010

* To date \$3,912,607 of the \$6,000,000 advance has been repaid.

NOTE 8 - COMMUNITY DEVELOPMENT CHARGE

The Authority can levy an annual community development charge up to 9.75 mills on the assessed value of all property within the District. The charge was levied at 3.40 mills for 2019. Charge revenue recognized represents the amount levied as of October 1 of the preceding year. Charge assessments are levied October 1 on the assessed values as of July 1, the lien date. Assessed values are established by State law at 35% of appraised 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. The 2019 assessed values of all property within the District were \$1,054,395,702. The 2019 receivable recognized based on these figures was \$3,584,948.

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NOTE 9 - CITY OF NEW ALBANY INCOME TAX

The Authority receives 30% and 50%, respectively, from Phase I and Phase II of the gross income tax revenues collected by the City of New Albany for the Economic Opportunity Zone. The Economic Opportunity Zone is approximately 950 acres of land that the New Albany Company is developing into a business campus. The City of New Albany Income Tax is used to make payments on the Multi-Purpose Infrastructure Bonds described in Note 12.

NOTE 10 - CITY OF NEW ALBANY RECEIVABLE

The City of New Albany requested a \$6,000,000 advance from the Economic Development Fund in 2014 for certain projects in the Business Park. The advance was requested for projects that anticipated reimbursement from third parties after completion of the projects. \$3,912,607 has been repaid to the Economic Development Fund as of December 31, 2019.

NOTE 11 - UNAMORTIZED DEFERRED CHARGES

The unamortized deferred charges represent the deferred cost for the Series C Community Bonds that were issued in 2012. These costs are to be amortized over the remaining term of the bond issue or through the year 2024.

NOTE 12 - DEBT

A schedule of changes in bonds and other long-term obligations of the Authority for 2019 follows:

	<u>Outstanding 12/31/2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding 12/31/2019</u>	<u>Amounts Due Within One Year</u>
Community Facilities Refunding Bonds, Series C, 2012, \$35,610,000, 2-5%	19,965,000	-	(2,615,000)	17,350,000	2,730,000
Premium on Refunding Bond Issued Series C	2,019,747	-	(302,962)	1,716,785	302,962
Premium on Refunding Bond Issued Series E	730,456	-	(52,560)	677,896	52,560
Multi-Purpose Infrastructure Improvement and Refunding Bonds, Series E, 2017, \$9,210,000, 2-	8,705,000	-	(505,000)	8,200,000	515,000
Total	<u>31,420,203</u>	<u>-</u>	<u>(3,475,522)</u>	<u>27,944,681</u>	<u>3,600,522</u>

Community Facilities Refunding Bonds, Series C: In December 2001, the Community Facilities Bonds Series "B" (CFB) were issued to refund the \$38,115,000 of Series "A" bonds. In March 2012, the 2001 bonds were called and refunded with Community Facilities Bonds Series "C", \$35,610,000 in new bonds and a premium of \$4,089,988. The final due date for the bonds are December 1, 2024 and the average coupon interest rate on the bonds is 4.51%. The premium is recognized on a straight line basis. In conjunction with the 2012 refunding a reserve account was initially funded at \$1,877,375 from bond proceeds placed in a reserve account (Note 6). The Authority has covenanted that Pledged Receipts received will be deposited as follows: (a) first - to the Rebate Fund until it contains the amount, if any, necessary to discharge any rebate liability to the United States for bonds or notes issued pursuant to the General Bond Resolution, (b) second - up to \$100,000 annually to the General Purpose Fund to the extent necessary to restore the balance of the General Purpose Fund to \$100,000, (c) third - to the Bond Service Account in the Bond Service Fund, until the Bond Service Account contains an amount which will be equal to the Bond Service Charges due in the remainder of the current Fiscal Year on all Bonds outstanding, (d) fourth - to the Series C Reserve Account until it contains the Required Reserve and (e) fifth - any remainder to the Authority for deposit in the General Purpose Fund for the purpose of paying any administrative expenses or for any other lawful purpose.

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NOTE 12 - DEBT (CONTINUED)

Multi-Purpose Infrastructure Improvement and Refunding Bonds, Series D: In 2000, the Authority issued the Multi-Purpose Infrastructure Improvement Bonds, Series B in the amount of \$16,700,000. The \$16,700,000 series B Infrastructure Bonds were refunded in January, 2004, including a principal payment of \$600,000, leaving a total of \$16,100,000 due. Principal payments totaling \$7,300,000 were made since the bonds were issued in 2004 leaving a balance due to \$8,800,000 as of December 31, 2010. In May 2011, the bonds were again refunded with a combination of \$5,900,000 in ten year fixed rate bonds and a \$2,000,000 13 month note plus \$800,000 in cash. The fixed rate bonds have a net interest cost of 3.45%, are callable after five years and are scheduled to be retired in December 2021. The \$2,000,000 note was issued with a 1.2% interest rate and matured on June 1, 2012. On June 1, 2012, \$2,000,000 in notes were issued at a 1% interest rate to retire the maturing 2011 notes. On June 1, 2013 the \$2,000,000 note was retired and a \$1,750,000 12 month note was issued. On May 30, 2014 the \$1,750,000 note was fully retired. The bonds were issued with a premium of \$192,113. The premium is recognized on a straight line basis. The Authority's sole source of repayment for these bonds is from income taxes on businesses in Phase I and Phase II of the gross income tax revenues collected by the City of New Albany for the Economic Opportunity Zone. The Authority initially had credit and liquidity support for the bonds in an irrevocable standby letter of credit in the amount of \$16,219,979 with Key Bank. On May 20, 2011, the letter of credit was canceled by the Authority. Multi-Purpose Infrastructure Improvement Bonds, Series E: In December 2017, the Multi-Purpose Infrastructure Improvement Bonds, Series E, were issued at \$9,210,000 with a premium of \$787,318, with the proceeds fully retiring the remaining \$3,190,000 of the 2011, Series D Bonds. The final due date for the bonds are December 1, 2032 and the average coupon interest rate on the bonds is 3.73%. The premium is recognized on a straight line basis. Long-term debt requirements for the Community Facilities Refunding Bonds, Multi-Purpose Infrastructure Improvement and Refunding Bond, and Multi-Purpose Infrastructure Improvement and Refunding Bonds, Series E as of December 31, 2019 are as follows:

<u>Year</u>	<u>Community Facilities Refunding Bonds, Series C</u>		<u>Multi-Purpose Infrastructure Improvement and Refunding Bonds, Series E</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2020	2,730,000	840,200	515,000	295,331	4,380,531
2021	2,825,000	731,000	525,000	285,031	4,366,031
2022	3,165,000	589,750	540,000	269,281	4,564,031
2023	3,305,000	431,500	560,000	253,081	4,549,581
2024	5,325,000	266,250	580,000	230,681	6,401,931
2025-2029	-	-	3,230,000	822,963	4,052,963
2029-2033	-	-	2,250,000	182,400	2,432,400
Total	17,350,000	2,858,700	8,200,000	2,338,769	30,747,469

NOTE 13 - AMPHITHEATER DESIGN PROJECT

In 2018, The New Albany Community Foundation ("Foundation") and the Authority entered into a Grant and Agency Agreement for the design of the Rose Run Amphitheater. The agreement provides that the Foundation will provide a grant to the Authority in the amount of \$570,000 to be used for the sole and express purpose of paying the costs of the Design Professionals under their engagement agreements for the design of the Amphitheater. In addition to the grant, the agreement provides that the Foundation will act as agent on behalf of the Authority in connection with all design work on the project and any contracts made by the Foundation related to the Amphitheater will not exceed the amount of the Grant Funds provided for in the agreement. The agreement also provided that the Foundation will have the following authority without limitation related to the Amphitheater project:

- A. all design and supervisory functions relating to the Project;
- B. negotiation, execution and performance of its obligations under all contracts and arrangements to procure all labor, materials and equipment necessary to or desirable for any of the foregoing;
- C. obtaining all necessary permits, licenses, consents, approvals, entitlements and other authorizations, required under applicable laws (including without limitation Environmental Laws), from all Governmental Authorities in connection with the Provision of the Project Facilities and all other components of the Project in accordance with the Plans and Specifications, and all of the foregoing required for the use and occupancy of the Project by the Construction Agent, all of which may be obtained in the name of the Construction Agent;
- D. maintaining all books and records with respect to the foregoing; and
- E. payment of all costs and expenses and performance of all other acts necessary in connection with the foregoing.

The Agent shall have sole management and control over the Project.
Costs provided under the agreement totaled 420,621 for as of December 31, 2019.

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NOTE 14 - ECONOMIC DEVELOPMENT PROJECTS

Project Assets are accumulated as constructed and then recorded as contributions when dedicated to the municipality or other public entity. Economic Development contributions are typically disbursed to the City of New Albany for approved projects. Contributions in 2019 include \$559,010 for debt service related the Business Park East infrastructure, and \$2,515,000 related to several other projects including \$2,000,000 for incentives, \$260,000 for New Albany Strategic plan update costs, \$130,000 for shuttle services in the business park, \$50,000 for miscellaneous projects and \$75,000 for Innovate New Albany support.

NOTE 15 - RELATED PARTY TRANSACTIONS

The New Albany Community Authority was created by the New Albany Company Limited Partnership (the developer). The Authority is contracting with the New Albany Company to provide accounting services. The Authority has not paid the New Albany Company for 2019 infrastructure accounting services as of December 31, 2019. Additionally, the Fiscal Officer for the Authority is also the Fiscal Officer for the New Albany Company.