

Compilation Report

Liberty Community Infrastructure Financing Authority

Financial Statements

For the Years Ended December 31, 2023 and 2022

**LIBERTY COMMUNITY INFRASTRUCTURE
FINANCING AUTHORITY
DELAWARE COUNTY**

**FINANCIAL STATEMENTS
For The Years Ended December 31, 2023 and 2022**

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ACCOUNTANTS' REPORT

To the Board of Trustees
Liberty Community Infrastructure Financing Authority
Delaware, Ohio

Management is responsible for the accompanying financial statements of the Liberty Community Infrastructure Financing Authority, which comprise the statement of net position as of December 31, 2023 and 2022 and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 to 6 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required 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 and for placing the basic financial statement in an appropriate operational, economic, or historical context. Such information is the representation of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any form of assurance on such information.

We are not independent with respect to the Authority.

Parms & Company, LLC

April 16, 2024
Columbus, Ohio

**LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2023 and 2022
(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, 2023 and 2022. 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

- The Authority encourages the orderly development of a well-planned, diversified community of approximately 1,579 acres in Delaware County, including the City of Powell.
- Net position at December 31, 2023 totaled a negative 13,385,728, at December 31, 2022 totaled a negative 15,871,751. The negative net position is caused by the accrued interest of bonds, principal payable, deferred revenues, and gain on refinance of debt.
- The Authority's short-term debt decreased in 2023 by \$104,720 and decreased in 2022 by \$535,000. The Authority's long-term debt decreased by \$1,935,000 in 2023 and decreased \$1,525,000 in 2022. In addition, the Authority has intergovernmental bonds with the City of Powell in the amount of \$4,943,530. 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. For periods 2023 and 2022 the Authority had the following activity as it relates to investments in certificate deposits and Star Ohio:

<u>Certificate of Deposits</u>	<u>Beginning Balance</u>	<u>Change/ Purchased</u>	<u>Sold/ Matured</u>	<u>Ending Balance</u>
2023				
Star Ohio	357,121	(312,246)	-	44,875
2022				
Star Ohio	3,851	353,270	-	357,121

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 Assets* 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.

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

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(e.g., expenses) in net total assets. 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 6 thru 8 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 pages 9 to 10 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 2023, 2022, and 2021.

Table 1 - Net Position

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Assets:			
Current Assets	\$ 4,055,794	\$ 3,332,088	\$ 2,935,672
Non-current Assets	<u>1,420,205</u>	<u>777,978</u>	<u>893,501</u>
Total Assets	<u>\$ 5,475,999</u>	<u>\$ 4,110,066</u>	<u>\$ 3,829,173</u>
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Liabilities:			
Current Liabilities	\$ 2,394,946	\$ 2,499,666	\$ 2,700,647
Long Term Liabilities	<u>12,335,000</u>	<u>14,270,000</u>	<u>16,158,530</u>
Total Liabilities	<u>14,729,946</u>	<u>16,769,666</u>	<u>18,859,177</u>
Total Deferred Inflows of Resources	<u>4,096,808</u>	<u>3,208,621</u>	<u>3,200,052</u>
Total Liability & Deferred Inflow of Resources	18,826,754	19,978,287	22,059,229
Net Position:			
Unrestricted	<u>(13,385,728)</u>	<u>(15,868,221)</u>	<u>(18,230,057)</u>
Total Net Position	<u>\$ (13,385,728)</u>	<u>\$ (15,868,221)</u>	<u>\$ (18,230,057)</u>

**LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2023 and 2022
(UNAUDITED)**

Table 2
Change in Net Position

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating Revenue	\$2,873,373	\$2,902,059	\$2,861,806
Operating Expenses	(50,938)	(84,909)	(109,493)
Non-Operating Revenues/(Expenses)			
Earnings on Investments/Other Income	108,791	28,285	4,812
Realized Gain/(Loss) on Investments	-	-	(9,435)
Loss on Bonds Refinance	-	-	(176,787)
Interest Expense--Series 2019 Bonds	(242,030)	(250,664)	(273,897)
City of Powell Interest Expenses on Debt	(119,367)	(114,392)	(191,205)
Interest Expense--2021 Bonds	(100,233)	(132,903)	-
Interest Expense--2021 ST Loan	(7,593)	(5,976)	(1,279)
Debt Issue Costs	-	-	(83,213)
Transfers from Other Authority	20,425	20,270	18,540
Total Change in Net Position	<u>\$2,482,428</u>	<u>\$2,361,771</u>	<u>\$2,039,850</u>

Change in Net Position

Change in net position has experienced increase from 2021 to 2023 because of several factors. The main factors are the decrease of Interest Expense—Series 2019 Bonds and increase of Earnings on Investments/Other Income. Operating expenses have decreased, significantly from 2022 to 2023 (about 40%) and much more modestly from 2021 to 2022 (22.5%).

The Authority incurred overall decreases in interest or debt service costs in 2023 from 2022 by \$34,712. These reduction in debt service cost was due to decreasing principal balances and on-going restructuring of debt to lower costs options.

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

**LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
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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, 2023 and 2022

	2023	2022
ASSETS		
Current Assets		
Cash and Cash Equivalents		
Huntington National Bank	\$ 88,274	\$ 219
AIM Fund 1320H-Comm.Dev.	1,561	1,561
Star Ohio Cash	44,875	357,121
Total Cash and Cash Equivalents	134,709	358,900
Other Current Assets		
Community Deve. Charge AR	3,886,111	2,973,188
Total Current Assets	4,020,820	3,332,088
Funds Held by Bond Trustee	1,420,205	777,978
Total Non-Current Assets	1,420,205	777,978
TOTAL ASSETS	\$ 5,441,026	\$ 4,110,066
LIABILITIES		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 14,236	\$ 21,347
Other Current Liabilities		
Series 2019 A Accrued Interest	21,586	22,336
Accrued Interest Series 2015 Bonds	16,333	9,367
Accrued Interest Series 2021 Bonds	6,367	8,533
Accrued Interest ST Loan series 2021	1,424	3,084
ST Loan series 2021	400,000	550,000
Series 2019A Bond Payable - ST	235,000	225,000
City of Powell Bonds Short-Term Obligations	1,700,000	1,660,000
Total Other Current Liabilities	2,380,710	2,478,320
Total Current Liabilities	2,394,946	2,499,666

See accountant's compilation report and accompanying notes.

Liberty Community Infrastructure Financing Authority

Statements of Net Position As of December 31, 2023 and 2022

	2023	2022
Non-Current Liabilities		
Series 2019 A Bond Payable LT	7,765,000	8,000,000
Intergovernmental Debt		
City of Powell 2021 Bonds	2,490,000	3,820,000
City of Powell 2015 Bonds	2,080,000	2,450,000
Total Intergovernmental Debt	4,570,000	6,270,000
Total Non-Current Liabilities	12,335,000	14,270,000
Total Liabilities	14,729,946	16,769,666
Deferred Inflows of Resources		
Community Charge Revenues	3,816,153	2,902,719
Gain on refinance of debt	280,655	305,901
Total Deferred Inflows of Resources	4,096,808	3,208,621
Total Liabilities and Deferred Inflows of Resources	18,826,754	19,978,287
NET POSITION		
Unrestricted Net Position - (Deficit)	(13,385,728)	(15,868,221)
Total Net Position	\$ (13,385,728)	\$ (15,868,221)

See accountant's compilation report and accompanying notes.

Liberty Community Infrastructure Financing Authority
Statements of Revenues, Expenses Changes in Net Position
As of December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
OPERATING REVENUE (EXPENSE)		
Operating Revenues		
Community Development Income	\$ 2,873,373	\$ 2,902,059
Total Operating Revenues	<u>2,873,373</u>	<u>2,902,059</u>
Operating Expense		
Treasurer Office Expense	24,791	37,385
Legal Expense	14,706	33,378
Auditor Expense	3,280	5,658
Trustee Fees	2,250	2,250
Communication Expense	77	-
Office Expense	750	-
Bank Fees	496	718
Insurance Expense	2,764	3,001
Board Meeting Expense	300	250
Delaware Collection Fees	1,242	1,987
Other Fee Expense	282	282
Total Operating Expense	<u>50,938</u>	<u>84,909</u>
OPERATING INCOME	<u>2,822,435</u>	<u>2,817,150</u>
NON-OPERATING REVENUE (EXPENSE)		
Other revenues		
Dividend & Interest Income	108,791	28,285
Total Other Revenues	<u>108,791</u>	<u>28,285</u>
Other Expense		
Interest Expense--Series 2019 Bonds	242,030	250,664
City of Powell Interest	119,367	114,392
Interest Expense--2021 ST Loan	7,593	5,976
Interest Expense--2021 Bonds	100,233	132,903
Total Other Expenses	<u>469,223</u>	<u>503,935</u>
TOTAL NON-OPERATING REVENUE (EXPENSE)	<u>(360,432)</u>	<u>(475,650)</u>
Change in Net Position Before Intergovernmental Transfers	2,462,002	2,341,501
Intergovernmental Transfers		
Transfers from Powell CIFA	20,425	20,270
Total Change in Net Positions	<u>2,482,428</u>	<u>2,361,771</u>
Beginning Net Position (Deficit)	<u>(15,868,221)</u>	<u>(18,230,057)</u>
Ending Net Position (Deficit)	<u><u>\$ (13,385,728)</u></u>	<u><u>\$ (15,868,221)</u></u>

See accountant's compilation report and accompanying notes.

Liberty Community Infrastructure Financing Authority

Statements of Cash Flow As of December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from Community Development Charges	\$ 2,872,641	\$ 2,869,739
Cash payments for treasurer expenses	(35,798)	(35,374)
Cash payments for legal fees	(10,268)	(59,453)
Cash payments for auditing fees	(3,465)	(5,474)
Cash payments for bank fees	(496)	(674)
Cash payments for insurance	(2,848)	(2,917)
Cash payments for board meeting expenses	(300)	(250)
Cash payments for other expenses	(3,359)	(2,791)
Net Cash Provided by Operating Activities	2,816,108	2,762,807
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest payment on ST Loan	-	(4,171)
Interest, dividends and other revenues	62,636	16,959
Cash received from other Authority	20,425	20,270
Net Cash Provided by/(Used in) Investing Activities	83,061	33,058
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACT.		
Principal Payment for 2021 ST Loan	-	(225,000)
Cash Redemption from 2021 ST Loan	400,000	-
City of Powell Notes principal payments	(2,317,400)	(1,747,050)
Interest on City of Powell Notes	(116,653)	(127,050)
Net Transfer from Cash Accounts to Trustee Accounts	(1,089,307)	(364,497)
Net Cash Used in Capital and Related Financing Activities	(3,123,361)	(2,463,597)
Net Increase (Decrease) in Cash	(224,191)	332,268
Cash, Beginning of year	358,900	26,631
Cash, End of year	\$ 134,709	\$ 358,900

See accountant's compilation report and accompanying notes.

Liberty Community Infrastructure Financing Authority

Statements of Cash Flow As of December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 2,822,435	\$ 2,817,150
Adjustments of Operating Income to Net Cash Provided by Operating Activities:		
(Increase)/Decrease in receivables	(912,923)	(64,148)
(Decrease)/Increase in unearned revenue	913,707	33,599
(Decrease)/Increase in accounts payable	(7,111)	(23,795)
Net Cash Provided by Operating Activities	<u>\$ 2,816,108</u>	<u>\$ 2,762,807</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, 2023 AND 2022

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.

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, 2023 AND 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(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. Basis of Presentation

The Authority's basic financial statements consist of a statement of net position, statement of revenues, expenses and changes in net position and a statement of 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.

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. 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 Pooled assets.

D. Capital Assets

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The Authority does not maintain a capitalization threshold as all infrastructure assets are capitalized. The Authority does not depreciate capital assets as all assets are donated upon completion or acquisition.

E. 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 2023 and 2022.

F. Federal Income Taxes

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

G. 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.

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 3 – NET POSITION – DEFICIT

At December 31, 2023 and 2022, the Authority has a net position deficit of \$13,385,728 and \$15,871,751 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, 2023 and 2022 was \$88,274 and \$219, respectively, and the bank balance equaled the reconciled balance. All deposits were within FDIC insurance limits.

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.

Savings

The Authority 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, 2023 and 2022, were \$1,561 and \$1,561, respectively, and the carrying amounts were the same. These amount are considered cash equivalents and are reflected as cash on the statements of net assets.

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.

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 4 – CASH AND CASH EQUIVALENTS– CONTINUED

At December 31, 2023, the Trustee maintained the follow accounts on behalf of the Authority:

Debt Service Reserve Fund	\$ 496,526
Note Redemption Fund	379,117
Administrative Expense Fund	2,032
Bond Fund	<u>542,530</u>
Total Funds Held by Trustee	<u>\$1,420,205</u>

At December 31, 2022, the Trustee maintained the follow accounts on behalf of the Authority:

Debt Service Reserve Fund	\$ 494,456
Note Redemption Fund	6
Administrative Expense Fund	1,943
Bond Fund	<u>281,573</u>
Total Funds Held by Trustee	<u>\$ 777,958</u>

In addition to amounts held by Trustee, in 2023 there was a \$44,875 balance held in Star Ohio savings that had not been transferred to the Trustee by year end. In addition to amounts held by Trustee, in 2022 there was a \$357,120.87 balance held in Star Ohio savings that had not been transferred to the Trustee by year end.

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.

LIBERTY COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 4 – CASH AND CASH EQUIVALENTS– CONTINUED

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:

	Using Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
--2023--				
Star Ohio	\$ -	44,875	\$ -	44,875
--2022--				
Star Ohio	\$ -	357,121	\$ -	357,121

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, 2023 and 2022, the amount recorded as a receivable as \$3,886,111 and \$2,973,188, respectively.

For the years ended December 31, 2023 and 2022, the amount recorded as a deferred inflows as \$3,816,153 and \$2,902,719, respectively.

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DELAWARE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 5 – COMMUNITY DEVELOPMENT CHARGE-CONTINUED

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, 2023 and 2022 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, 2023 and 2022.

NOTE 8 – LONG-TERM OBLIGATIONS

The Authority's long-term obligations activity for the years ended December 31, 2023 and 2022 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 financial position as

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 on December 31, 2023 and 2022 of \$245,901 and \$256,147, respectively.

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FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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 2048 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>
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	\$ 260,000	4.00%	\$ 230,026	\$ 490,026
2028	\$ 270,000	3.13%	\$ 219,626	\$ 489,626
2029-2033	\$ 1,530,000	13.79%	\$ 930,251	\$ 2,460,251
2034-2038	\$ 1,775,000	13.18%	\$ 687,221	\$ 2,462,221
2039-2043	\$ 2,050,000	11.92%	\$ 410,106	\$ 2,460,106
2044-2046	\$ 1,390,000	6.31%	\$ 87,656	\$ 1,477,656
Total	\$ 8,000,000	7.15%	\$ 3,313,566	\$ 11,313,566

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:

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NOTE 8 – LONG-TERM OBLIGATIONS – CONTINUED

	Amount Billed	Collections First Half	Collections Second Half	Yearly Collections	% Collected	% Change
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%
2022	711,855	364,497	351,322	715,819	100.56%	-6.26%
2023	716,331	364,497	348,999	713,497	99.60%	0.95%
Total	\$ 3,430,188			\$ 2,683,290	78.23%	

Below is a schedule of the change in balance among the various bond series for the year ended December 31, 2023 and 2022:

	Beginning Balance	Additions	Payments	Ending Balance	Due in One Year
<u>2023</u>					
Series 2019	\$ 8,225,000	\$ -	\$ 225,000	\$ 8,000,000	\$ 235,000
Total	\$ 8,225,000	\$ -	\$ 225,000	\$ 8,000,000	\$ 235,000
<u>2022</u>					
Series 2019	\$ 8,440,000	\$ -	\$ 215,000	\$ 8,225,000	\$ 225,000
Total	\$ 8,440,000	\$ -	\$ 215,000	\$ 8,225,000	\$ 225,000

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,

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NOTE 9 – INTERGOVERNMENTAL DEBT – CONTINUED

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 financial position as a deferred inflows of resources from the refunding of debt for the year ended December 31, 2017.

The scheduled principal maturity and interest payments for the City of Powell 2015 Bonds are as follows:

City of Powell 2015 Bonds:

<u>Year</u>	<u>Principal Payment</u>	<u>Total Annual Interest</u>	<u>Total P&I Payment</u>
2024	370,000	98,000	468,000
2025	385,000	83,200	468,200
2026	400,000	67,800	467,800
2027	415,000	51,800	466,800
2028	430,000	35,200	465,200
2029	450,000	18,000	468,000

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NOTE 9 – INTERGOVERNMENTAL DEBT – CONTINUED

Series 2021 Bonds

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.

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

City of Powell 2021 Bonds:

<u>Year</u>	<u>Principal Payment</u>	<u>Coupon Rate</u>	<u>Total Annual Interest</u>	<u>Total P&I Payment</u>
2024	\$ 1,330,000	2.00%	\$ 76,400	\$ 1,406,400
2025	\$ 1,355,000	2.00%	\$ 49,800	\$ 1,404,800
2026	\$ 1,135,000	2.00%	\$ 22,700	\$ 1,157,700
Total	\$ 3,820,000	2.00%	\$ 148,900	\$ 3,968,900

The Authority's intergovernmental payment activity for the years ended December 31, 2023 and 2022 was as follows:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 9 – INTERGOVERNMENTAL DEBT – CONTINUED

City of Powell:

	<u>Beginning Balance</u>	<u>Additional Borrowing</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Due in 1 Year</u>
2023					
Series 2008-2015	2,810,000	-	360,000	2,450,000	\$ 370,000
Series 2021	5,120,000	-	1,300,000	3,820,000	1,330,000
	<u>\$ 7,930,000</u>	<u>\$ -</u>	<u>\$ 1,660,000</u>	<u>\$ 6,270,000</u>	<u>\$ 1,700,000</u>
2022					
Series 2008-2015	3,155,000	-	345,000	2,810,000	\$ 360,000
Series 2021	6,395,000	-	1,275,000	5,120,000	1,300,000
	<u>\$ 9,550,000</u>	<u>\$ -</u>	<u>\$ 1,620,000</u>	<u>\$ 7,930,000</u>	<u>\$ 1,660,000</u>

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 Government belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 10 – RISK MANAGEMENT – CONTINUED

self-insurance risk management program and other administrative services to Ohio governments (“Members”). The Plan is legally separate from its member governments.

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.

Assets	\$ 18,826,974
Liabilities	(13,530,267)
Members’ Equity	<u>\$ 5,296,707</u>

You can read the complete audited financial statements for OPRM in 2020 Annual Report at the Plan’s website, www.ohioplan.org.

NOTE 11 – CONTINGENT LIABILITIES

There are no claims or lawsuits pending against the Authority.