

**NEW ALBANY COMMUNITY
IMPROVEMENT CORPORATION**
(A Component Unit of the City of New Albany)
FRANKLIN COUNTY, OHIO

Basic Financial Statements

**For the Year Ended
December 31, 2023**

**NEW ALBANY
COMMUNITY IMPROVEMENT CORPORATION
(A Component Unit of the City of New Albany)
FRANKLIN COUNTY, OHIO**

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Accountant's Compilation Report

New Albany Community Improvement Corporation
Franklin County
99 West Main Street
New Albany, Ohio 43054

To the Board of Trustees:

Management is responsible for the accompanying basic financial statements of the New Albany Community Improvement Corporation, which comprise the statements listed in the table of contents as of December 31, 2023 and for the fiscal year 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 and 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 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 5 through 8 be presented to supplement the basic financial statements. Although this information is not a part of the basic financial statements, the Governmental Accounting Standards Board considers it essential to placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Julian & Grube, Inc.

Westerville, Ohio
March 27, 2024

**NEW ALBANY
COMMUNITY IMPROVEMENT CORPORATION
(A Component Unit of the City of New Albany)
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(SEE ACCOUNTANT'S COMPILATION REPORT)**

The discussion and analysis of the New Albany Community Improvement Corporation's (the "CIC") financial performance provides an overall review of the CIC's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the CIC'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 CIC's financial performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- In total, net position was \$103,338 at December 31, 2023.
- The CIC had operating revenues of \$296,528 and operating expenses of \$266,365 for 2023. Total change in net position for the year was an increase of \$30,164.

Using these Basic 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 CIC's financial activities. The *Statement of Net Position* and *Statement of Revenues, Expenses and Changes in Net Position* provide information about the activities of the CIC, including all short-term and long-term financial resources and obligations.

Reporting the CIC's Financial Activities

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

These documents look at all financial transactions and ask the question, "How did we do financially during 2023?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the CIC's *net position* and changes in net position. This change in net position is important because it tells the reader that, for the CIC as a whole, the *financial position* of the CIC 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 and 10 of this report.

The statement of cash flows provides information about how the CIC 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 notes provide additional information that is essential to a full understanding of the data provided in the financial statements. These notes to the basic financial statements can be found on pages 13-16 of this report.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(SEE ACCOUNTANT'S COMPILATION REPORT)

The table below provides a summary of the CIC's net position at December 31, 2023 and December 31, 2022.

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Current assets	\$ 145,529	\$ 100,954
Total assets	<u>\$ 145,529</u>	<u>\$ 100,954</u>
<u>Liabilities</u>		
Current liabilities	42,191	27,780
Total liabilities	<u>\$ 42,191</u>	<u>\$ 27,780</u>
<u>Net Position</u>		
Unrestricted	103,338	73,174
Total net position	<u>\$ 103,338</u>	<u>\$ 73,174</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2023, the CIC's net position totaled \$103,338.

At year-end, the CIC had capital assets consisted of equipment with cost and accumulated depreciation of \$1,316,860. There is no debt related to these capital assets. Capital assets are used to provide services and are not available for future spending.

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FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(SEE ACCOUNTANT'S COMPILATION REPORT)

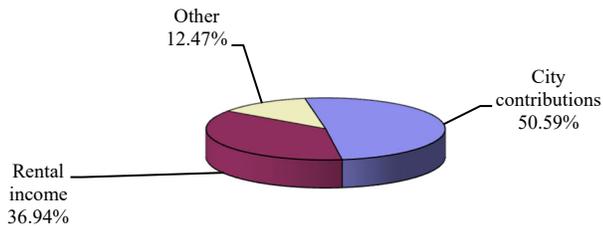
The table below shows the changes in net position for 2023 and 2022.

Change in Net Position

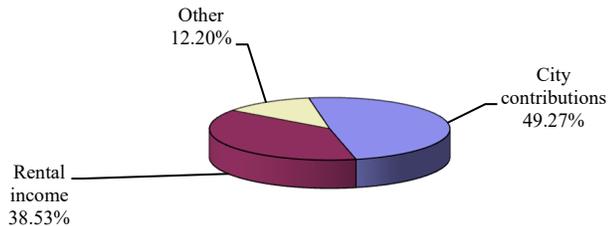
	<u>2023</u>	<u>2022</u>
<u>Operating revenues:</u>		
City contributions	\$ 150,000	\$ 150,000
Rental income	109,548	117,293
Other operating revenues	<u>36,980</u>	<u>37,133</u>
Total operating revenues	<u>\$ 296,528</u>	<u>\$ 304,426</u>
<u>Operating expenses:</u>		
Purchased services	266,365	237,922
Other	<u>-</u>	<u>62</u>
Total operating expenses	<u>\$ 266,365</u>	<u>\$ 237,984</u>
<u>Non-operating revenues:</u>		
Interest income	<u>1</u>	<u>-</u>
Total non-operating revenues	<u>\$ 1</u>	<u>\$ -</u>
Change in net position	<u>\$ 30,164</u>	<u>\$ 66,442</u>
Net position at beginning of year	<u>73,174</u>	<u>6,732</u>
Net position at end of year	<u>\$ 103,338</u>	<u>\$ 73,174</u>

The charts below illustrate the revenues and expenses for the CIC during 2023 and 2022.

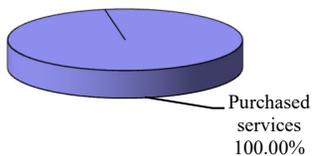
2023 Revenues



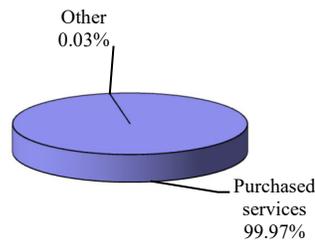
2022 Revenues



2023 Expenses



2022 Expenses



**NEW ALBANY
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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(SEE ACCOUNTANT'S COMPILATION REPORT)

Capital Assets

At both December 31, 2023 and December 31, 2022, the CIC had \$1,316,860 in equipment. These assets are presented as fully depreciated each year. See Note 5 to the basic financial statements for more details on the capital assets.

Current Financial Related Activities

The CIC is sponsored by the City of New Albany. The CIC is reliant upon city contributions for its funding.

The CIC is the City of New Albany's agent for industrial and commercial distributions and research development. The purpose of the CIC is to advance, encourage, and promote industrial, economic, commercial and civic development of the City of New Albany.

Contacting the CIC's Financial Management

This financial report is designed to provide our clients and creditors with a general overview of the CIC's finances and to show the CIC's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Bethany Staats, CPA, Director of Finance, New Albany Community Improvement Corporation, 99 West Main Street, P.O. Box 188, New Albany, Ohio, 43054.

**NEW ALBANY
COMMUNITY IMPROVEMENT CORPORATION
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STATEMENT OF NET POSITION
DECEMBER 31, 2023
(SEE ACCOUNTANT'S COMPILATION REPORT)

ASSETS

Current assets:

Cash	\$ 135,756
Accounts receivable	7,573
Prepayments	<u>2,200</u>
Total assets	<u>145,529</u>

LIABILITIES

Current liabilities:

Accounts payable	29,755
Unearned revenue	<u>12,436</u>
Total liabilities	<u>42,191</u>

NET POSITION

Unrestricted	<u>103,338</u>
Total net position	<u><u>\$ 103,338</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEW ALBANY
COMMUNITY IMPROVEMENT CORPORATION
(A Component Unit of the City of New Albany)
FRANKLIN COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023
(SEE ACCOUNTANT'S COMPILATION REPORT)

<u>OPERATING REVENUES</u>	
City contributions	\$ 150,000
Rental income	109,548
Other operating revenues	36,980
Total operating revenues	296,528
 <u>OPERATING EXPENSES</u>	
Purchased services	266,365
Total operating expenses	266,365
 OPERATING INCOME/CHANGE IN NET POSITION	 30,163
 <u>NON-OPERATING REVENUES</u>	
Interest income	1
Total nonoperating revenues	1
 Income before transfers	 30,164
 Net position at beginning of year	 73,174
 NET POSITION AT END OF YEAR	 \$ 103,338

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEW ALBANY
COMMUNITY IMPROVEMENT CORPORATION
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FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(SEE ACCOUNTANT'S COMPILATION REPORT)

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from city contributions	\$	150,000
Cash received from rental income		112,708
Cash received from other operations		37,190
Cash payments for purchased services		(253,508)
		46,390
Net cash provided by operating activities		46,390

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received		1
		1
Net cash provided by investing activities		1

NET CHANGE IN CASH		46,391
Cash at the beginning of the year		89,365
CASH AT END OF YEAR	\$	135,756

**RECONCILIATION OF OPERATING INCOME
TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$	30,163
Changes in assets and liabilities:		
Accounts receivable		1,274
Prepayments		542
Accounts payable		12,315
Unearned revenue		2,096
		46,390
Net cash provided by operating activities	\$	46,390

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**NEW ALBANY
COMMUNITY IMPROVEMENT CORPORATION
(A Component Unit of the City of New Albany)
FRANKLIN COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 1 - DESCRIPTION OF THE REPORTING ENTITY

The New Albany Community Improvement Corporation (the "CIC") was formed pursuant to Ordinance O-15-2006 passed April 4, 2006 and incorporated as a not-for-profit corporation under Title XVII, Chapters 1702 and 1724 of the Ohio Revised Code for the purpose to advance, encourage, and promote industrial, economic, commercial and civic development of the City of New Albany (the "City"). The CIC has been designated as the City's agent for industrial and commercial distributions and research development.

The Board of Trustees is to be comprised of nine members. The following four elected or appointed officials of the City of New Albany ("City Representatives") constitute four of the members of the Board of Trustees: Mayor (or appointed permanent designee), Council President Pro Tempore (or permanent designee), City Administrator and the City Director of Development. The City Representatives hold office for as long as they hold their position at the City. In addition to the four City Representatives, there are five members appointed by a majority vote of City Council ("Trustees at Large"). Three of the Trustees at Large will serve a term of three years. The two remaining Trustees at Large will serve a term of two years.

The City is a charter municipal corporation incorporated under the laws of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39, *The Financial Reporting Entity*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, the City's primary government and basic financial statements include component units which are defined as legally separate organizations for which the City is financially accountable. Financial accountability is defined as the appointment of a voting majority of the organization's board and either 1) the City's ability to impose its will over the organization, or 2) the possibility that the organization will provide a financial benefit or impose a financial burden to the City. The CIC is a legally separate entity and is reported by the City as a discretely presented component unit in the City's basic financial statements. The CIC is reported as a component unit of the City due to the City's ability to impose its will on the operations of the CIC. The CIC does not have any component units and does not include any other organizations in its presentation. The CIC's management believes these basic financial statements present all activities for which the CIC is financially accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Accounting

The basic financial statements of the CIC are prepared using the accrual basis of accounting in conformity with GAAP.

B. Basis of Presentation

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

The CIC distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the CIC's principal ongoing operation. The principal operating revenues of the CIC are contributions from the City and real estate rental income. Operating expenses for the CIC primarily include depreciation expense on capital assets purchased by the CIC and purchased services. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses. The CIC did not have any nonoperating revenues or expenses in 2023.

**NEW ALBANY
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FRANKLIN COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

C. Federal Income Tax

The New Albany Community Improvement Corporation is exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code.

D. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, all cash in the CIC's checking account and insured cash sweep (ICS) account is considered to be cash and cash equivalents. All monies received by the CIC are deposited in a demand deposit account.

E. Capital Assets and Depreciation

The CIC's capital assets consist of equipment which is recorded at cost. The CIC maintains a capitalization threshold of \$5,000. Improvements are capitalized; however, the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

The CIC's equipment is depreciated using the straight-line method over an estimated useful life of five years.

F. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in the statement of net position. These items are reported as assets on the statement of net position using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expense is reported in the year in which services are consumed.

G. Accrued Liabilities

The CIC has recognized certain expenses due, but unpaid as of December 31, 2023. These expenses are reported as accrued liabilities in the accompanying financial statements.

H. Net Position

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The CIC has no restricted net position.

I. Estimates

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

**NEW ALBANY
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FRANKLIN COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2023, the CIC has implemented GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements", GASB Statement No. 96, "Subscription Based Information Technology Arrangements", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the CIC.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the CIC.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the CIC.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the CIC.

NOTE 4 - DEPOSITS

At December 31, 2023, the carrying amount of the CIC's deposits was \$135,756. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2023, the entire bank balance of \$160,165 was covered by the Federal Deposit Insurance Corporation. There are no significant statutory restrictions regarding the deposits and investments of funds held by the not-for-profit corporation.

**NEW ALBANY
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NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023, was as follows:

	Balance <u>12/31/22</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>12/31/23</u>
<i>Capital assets, being depreciated:</i>				
Equipment	\$ 1,316,860	\$ -	\$ -	\$ 1,316,860
Total capital assets, being depreciated	<u>1,316,860</u>	<u>-</u>	<u>-</u>	<u>1,316,860</u>
<i>Less: accumulated depreciation:</i>				
Equipment	<u>(1,316,860)</u>	<u>-</u>	<u>-</u>	<u>(1,316,860)</u>
Total accumulated depreciation	<u>(1,316,860)</u>	<u>-</u>	<u>-</u>	<u>(1,316,860)</u>
Total capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 6 - LITIGATION

The CIC is involved in no material litigation as either plaintiff or defendant.

NOTE 7 - CONTRIBUTIONS FROM CITY OF NEW ALBANY

The CIC received \$150,000 in contributions from the City during the year.

NOTE 8 - RISK MANAGEMENT

The CIC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to contracted personnel; and natural disasters. For 2023, the CIC had property and casualty insurance through Westfield Insurance.

Settled claims have not exceeded commercial coverage in the past three years. There was no significant reduction in coverage from the prior year.

NOTE 9 - RECEIVABLES

The CIC is the lessee of a building located at 8000 Walton Parkway, New Albany which includes Phase I and Phase II space. As the lessee, the CIC entered into a lease and makes monthly payments of \$8,853. Since this agreement is on a month-to-month basis it does not meet the definition of a lease under GASB Statement No. 87. The CIC subleases office space in the building to start-up businesses in the City. As a lessor, the CIC charges rent and internet subscription fees to tenants. The CIC also receives a monthly revenue sharing amount with Cogeco US Enterprise, LLC dba Breezeline. There was \$7,573 in accounts receivable as of December 31, 2023.

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**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(SEE ACCOUNTANT'S COMPILATION REPORT)**

NOTE 10 - PURCHASED SERVICES

For the fiscal year ended December 31, 2023, purchased services expenses were as follows:

Contract services	\$ 159,905
Facilities and equipment	709
Insurance	4,317
Operations	431
General expense - Rent & CAM	<u>101,003</u>
Total	<u>\$ 266,365</u>

NOTE 11 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The CIC will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

NOTE 12 - SUBSEQUENT EVENTS

On February 27, 2024, the CIC entered into a 10-year lease agreement with Waters Edge at New Albany, LLC for space located at 7775 Walton Parkway where the CIC moved its operations after the lease at 8000 Walton Parkway ended on March 31, 2024. Until the permanent space is improved, the CIC also entered into a temporary licensing agreement for space in the same building.

On February 29, 2024, the CIC entered into a management and licensing agreement with Brick House Blue, LLC to further develop and expand upon its co-working and meeting space located at 7775 Walton Parkway.