



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
www.in.gov/sboa

April 9, 2025

Board of Directors
River Ridge Development Authority
Clark County, Indiana

We have reviewed the audit report of the River Ridge Development Authority, which was opined upon by Cherry Bekaert LLP, Independent Public Accountants, for the period January 1, 2024 to December 31, 2024. Per the *Report of Independent Auditor*, the financial statements included in the report present fairly the financial condition of the River Ridge Development Authority as of December 31, 2024, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Cherry Bekaert LLP prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA
Deputy State Examiner

RIVER RIDGE DEVELOPMENT AUTHORITY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

As of and for the Years Ended December 31, 2024 and 2023

And Report of Independent Auditor

RIVER RIDGE DEVELOPMENT AUTHORITY
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Report of Independent Auditor

To the Board of Directors
River Ridge Development Authority
Jeffersonville, Indiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the River Ridge Development Authority (the "Authority"), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of December 31, 2024 and 2023, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audits of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The tax increment revenue bond amortization schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the tax increment revenue bond amortization schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2025 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Jeffersonville, Indiana
February 20, 2025

RIVER RIDGE DEVELOPMENT AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2024 AND 2023

As management of the River Ridge Development Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities for the fiscal years ended December 31, 2024 and 2023.

Nature of Authority and reporting entity

The Authority was established in 1998 under the laws of the State of Indiana and an interlocal agreement between Clark County, the City of Charlestown, the City of Jeffersonville, the Town of Utica, and the Indiana Port Commission. The Authority was established for the purpose of accepting conveyance of the Indiana Army Ammunition Plant from the United States Army, managing and leasing the real estate and improvements of the Ammunition Plant, removing conditions of blight, and developing the Ammunition Plant into a commerce and industrial park.

Overview of the financial statements

This annual report consists of both the Management Discussion and Analysis and audited financial statements. The financial statements include notes that provide additional information relating to the Authority's financial condition. Readers are encouraged to read the notes to better understand the financial statements.

Required financial statements

The Statements of Net Position – The Statements of Net Position present the Authority's assets, liabilities, and deferred outflows of resources and provides information about the nature and amounts of investment in resources (assets) and the obligations to creditors (liabilities). The Statements of Net Position also provide the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

The Statements of Revenues, Expenses and Changes in Net Position – The Statements of Revenues, Expenses and Changes in Net Position identify the revenues generated and the expenses incurred during the fiscal year.

The Statements of Cash Flows – The Statements of Cash Flows provide information relating to the Authority's cash receipts and cash expenditures during the fiscal year. The statements report cash receipts, cash payments, and net changes in cash resulting from operations and provide answers to such questions as where cash came from, what was cash used for and what was the change in the cash balance during the reporting period.

RIVER RIDGE DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

YEARS ENDED DECEMBER 31, 2024 AND 2023

Financial Results

Table 1
Condensed Statements of Net Position

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>	<u>2022</u>	<u>Increase (Decrease)</u>
ASSETS					
Current assets	\$ 110,419,048	\$ 67,361,081	\$ 43,057,967	\$ 39,713,389	\$ 27,647,692
Noncurrent assets	7,754,824	6,246,017	1,508,807	5,155,056	1,090,961
Capital assets, net	123,575,810	112,791,666	10,784,144	102,185,823	10,605,843
Other assets	5,128,235	5,479,790	(351,555)	7,581,906	(2,102,116)
Total Assets	<u>246,877,917</u>	<u>191,878,554</u>	<u>54,999,363</u>	<u>154,636,174</u>	<u>37,242,380</u>
LIABILITIES					
Current liabilities	31,475,334	29,049,607	2,425,727	19,066,064	9,983,543
Other liabilities	27,538	68,440	(40,902)	562,164	(493,724)
Long-term debt	103,275,000	76,765,000	26,510,000	80,170,000	(3,405,000)
Total Liabilities	<u>134,777,872</u>	<u>105,883,047</u>	<u>28,894,825</u>	<u>99,798,228</u>	<u>6,084,819</u>
DEFERRED INFLOWS OF RESOURCES					
	-	102,255	(102,255)	204,509	(102,254)
Net investment in capital assets	18,320,239	10,088,282	8,231,957	28,834,261	(18,745,979)
Unrestricted	93,779,806	75,804,970	17,974,836	25,799,176	50,005,794
Total Net Position	<u>\$ 112,100,045</u>	<u>\$ 85,893,252</u>	<u>\$ 26,206,793</u>	<u>\$ 54,633,437</u>	<u>\$ 31,259,815</u>

Total assets increased \$54,999,363 in 2024. Restricted cash increased by \$25,522,903 which was caused by a current year bond anticipation note ("BAN") issue. The capital asset increase of \$10,784,144 was attributable to infrastructure projects completed in 2024.

Long-term liabilities increased \$28,894,825 primarily as a result of the BAN issue noted above.

Total net position increased \$26,206,793 in 2024. This increase was primarily the result of land sales that occurred in 2024.

Table 2
Condensed Statements of Revenues, Expenses, and Changes Net Position

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>	<u>2022</u>	<u>Increase (Decrease)</u>
Total revenues, including nonoperating revenues	\$ 56,399,623	\$ 48,707,377	\$ 7,692,246	\$ 27,910,870	\$ 20,796,507
Total expenses, including nonoperating expenses	30,192,830	17,447,562	12,745,268	15,848,865	1,598,697
Changes in Net Position	<u>\$ 26,206,793</u>	<u>\$ 31,259,815</u>	<u>\$ (5,053,022)</u>	<u>\$ 12,062,005</u>	<u>\$ 19,197,810</u>

Once again in 2024 RRDA experienced a carryover of the increased industrial activity from 2023 resulting in land sales of \$30,052,584. RRDA continued to build on its attraction of several new industrial sectors as compared to years preceding 2023.

RIVER RIDGE DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

YEARS ENDED DECEMBER 31, 2024 AND 2023

Required financial statements (continued)

In 2024, the Authority sold approximately 260 acres with proceeds of \$30,656,204, compared to 630 acres and \$44,913,915 in 2023. New Investments for 2024 included: 86.364 acres by Canadian Solar US Cell Manufacturing Corporation, 48 acres to Duke Energy Indiana, LLC, 37.3 acres by Cheesecake Factory Bakery Incorporated, 15.003 acres to Scannell Properties #740, LLC, 14.525 acres to Pizzuti River Ridge LLC, 13.483 acres to CLOP Jeffersonville IN LLC, 12.509 acres to Garden Grove Properties LLC, 8.462 acres to Rak Real Estate Equities-Alliance, LLC, 8.139 acres to 1140 Patrol Road LLC, 8.140 acres to Summit Construction, LLC, 6.4 acres to Block LLC, 6.306 acres to RRDA Tract 22F LLC, 3.037 acres to CGKY Real Estate Holdings, LLC, 2.990 acres to D.A. Inc.

Future Operations

The Authority expects 2025 land sales to be considerably less than the levels experienced in 2024. Project activity will also likely decrease throughout the year. Urban Enterprise Zone (“UEZ”) and Tax Increment Financing (“TIF”) revenues should continue to increase due to assessments of recent private investments in the River Ridge Commerce Center.

The Authority will continue to make additional investments in major site improvements and infrastructure necessary to support potential new private investments. In 2024 the Authority invested an additional \$18.61 million in those improvements. The 2025 projects are expected to total approximately \$41.6 million which will be funded through existing bonds, TIF revenues and a new 2025 bond anticipation note (“BAN”).

Requests for Additional Information – This report is intended to provide readers with a general overview of the Authority's finances and to provide information regarding the receipts and uses of funds. If you need clarification regarding a statement(s) made in the report or need additional information, please contact the office of River Ridge Development Authority at 300 Corporate Drive Suite 300, Jeffersonville, Indiana 47130.

RIVER RIDGE DEVELOPMENT AUTHORITY
STATEMENTS OF NET POSITION

DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets:		
Cash	\$ 82,470,768	\$ 23,790,511
Restricted cash - bond proceeds	25,935,744	412,841
Accounts receivable	1,913,627	42,993,688
Lease receivable - current portion	-	130,727
Prepaid expenses	98,909	33,314
Total Current Assets	<u>110,419,048</u>	<u>67,361,081</u>
Noncurrent Assets:		
Cash held for debt service and deposits	<u>7,754,824</u>	<u>6,246,017</u>
Total Noncurrent Assets	<u>7,754,824</u>	<u>6,246,017</u>
Capital Assets:		
Buildings	4,968,168	4,968,168
Land - common areas	1,388,415	1,388,415
Equipment	1,881,452	1,824,395
Vehicles	869,477	774,561
Infrastructure	129,296,993	117,446,104
Furniture and fixtures	111,461	109,877
Construction in process	24,463,053	16,484,223
Service rights	12,000,000	12,000,000
	<u>174,979,019</u>	<u>154,995,743</u>
Less accumulated depreciation and amortization	<u>(51,403,209)</u>	<u>(42,204,077)</u>
Capital assets, net	<u>123,575,810</u>	<u>112,791,666</u>
Real estate available for sale	<u>5,128,235</u>	<u>5,479,790</u>
Total Assets	<u><u>\$ 246,877,917</u></u>	<u><u>\$ 191,878,554</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

RIVER RIDGE DEVELOPMENT AUTHORITY
STATEMENTS OF NET POSITION (CONTINUED)

DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 1,698,953	\$ 1,376,907
Current portion of bonds payable	3,490,000	3,405,000
Bond anticipation notes	24,426,315	22,946,225
Bond interest payable	1,732,315	1,199,767
Advanced rental payments	1,543	1,498
Accrued compensated absences	126,208	120,210
Total Current Liabilities	<u>31,475,334</u>	<u>29,049,607</u>
Noncurrent Liabilities:		
Security deposits	27,538	23,440
Escrow deposits	-	45,000
Bonds payable	103,275,000	76,765,000
Total Noncurrent Liabilities	<u>103,302,538</u>	<u>76,833,440</u>
Total Liabilities	<u>134,777,872</u>	<u>105,883,047</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to lease receivable	-	102,255
Total Deferred Inflows of Resources	<u>-</u>	<u>102,255</u>
NET POSITION		
Net investment in capital assets	18,320,239	10,088,282
Unrestricted	93,779,806	75,804,970
Total Net Position	<u>\$ 112,100,045</u>	<u>\$ 85,893,252</u>

The accompanying notes to the financial statements are an integral part of these statements.

RIVER RIDGE DEVELOPMENT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Operating Revenues:		
Rental income River Ridge property	\$ 189,409	\$ 233,597
Urban Enterprise Zone income	9,439,143	7,442,396
Tax increment financing income	8,272,644	5,254,661
Recycling and scrap sale income	192,684	95,053
Land sale proceeds	30,656,204	44,913,915
Water sales	1,262,266	1,182,243
River Ridge Property Owners Association dues	650,000	848,478
Total Operating Revenues	<u>50,662,350</u>	<u>59,970,343</u>
Cost of land/infrastructure sold or transferred		
Cost of land sold	(2,094,998)	(12,713,701)
Total Cost of Land/Infrastructure Sold or Transferred	<u>(2,094,998)</u>	<u>(12,713,701)</u>
Total Operating Revenues, Net	<u>48,567,352</u>	<u>47,256,642</u>
Operating Expenses:		
Payroll	2,239,356	1,895,404
Employee benefits	543,237	485,006
Payroll taxes	155,556	130,360
Redevelopment expenses	631,537	540,234
Road and ground maintenance	278,464	310,457
Common area expense	749,151	1,078,811
Depreciation expense	8,024,970	7,503,129
Legal fees	374,377	182,807
Bond issuance fees	200,447	130,766
Insurance	381,776	212,339
Marketing	194,106	238,033
Office equipment and supplies	251,295	252,303
Professional fees	149,200	123,058
Security	76,123	80,137
Training expense	23,876	25,894
Travel and meeting expense	72,953	90,263
Water supplies and contract	646,127	487,565
Environmental monitoring	-	60,637
Employee recruitment	-	26,890
Development obligation expense	10,351,969	1,072,312
Total Operating Expenses	<u>25,344,520</u>	<u>14,926,405</u>
Operating Income	<u>23,222,832</u>	<u>32,330,237</u>

The accompanying notes to the financial statements are an integral part of these statements.

RIVER RIDGE DEVELOPMENT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(CONTINUED)

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Nonoperating Revenues (Expenses):		
Interest income	\$ 4,961,557	\$ 1,448,210
Interest expense	(3,648,310)	(2,521,157)
EDA grant income	1,587,507	-
Other income	83,207	2,525
Total Nonoperating Revenues (Expenses)	<u>2,983,961</u>	<u>(1,070,422)</u>
Changes in net position	26,206,793	31,259,815
Net position, beginning of year	<u>85,893,252</u>	<u>54,633,437</u>
Net position, end of year	<u>\$ 112,100,045</u>	<u>\$ 85,893,252</u>

The accompanying notes to the financial statements are an integral part of these statements.

RIVER RIDGE DEVELOPMENT AUTHORITY
STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Cash received from tenant, land sales, and others	\$ 80,195,885	\$ 8,583,821
Cash paid to suppliers, employees, and others	(15,505,546)	(6,853,375)
Urban Enterprise Zone income received	9,439,143	7,442,396
Net cash flows from operating activities	<u>74,129,482</u>	<u>9,172,842</u>
Cash flows from investing activities:		
Interest received	4,961,557	1,448,210
Other income	83,207	2,525
Net cash flows from investing activities	<u>5,044,764</u>	<u>1,450,735</u>
Cash flows from capital financing activities:		
Principal payments made on bonds	(3,405,000)	(3,620,000)
Purchases of capital assets	(20,009,114)	(40,777,563)
Grants received	1,587,507	-
Cash paid for interest expense	(3,115,762)	(1,965,916)
Proceeds received from borrowings, net of refinancing	31,480,090	21,882,012
Net cash flows from financing activities	<u>6,537,721</u>	<u>(24,481,467)</u>
Net change in cash and restricted cash	85,711,967	(13,857,890)
Cash and restricted cash, beginning of year	<u>30,449,369</u>	<u>44,307,259</u>
Cash and restricted cash, end of year	<u>\$ 116,161,336</u>	<u>\$ 30,449,369</u>
Reconciliation of cash to the statement of net position:		
Cash	\$ 82,470,768	\$ 23,790,511
Restricted cash - bond proceeds	25,935,744	412,841
Cash held for debt service	7,727,286	6,177,577
Cash held for security deposits	27,538	23,440
Cash held for escrow deposits	-	45,000
Total cash	<u>\$ 116,161,336</u>	<u>\$ 30,449,369</u>
Noncash activities:		
Real estate held for sale transferred to land - common areas	<u>\$ -</u>	<u>\$ (1,388,415)</u>

The accompanying notes to the financial statements are an integral part of these statements.

RIVER RIDGE DEVELOPMENT AUTHORITY
STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Reconciliation of net operating income to net cash flows from operating activities:		
Operating income	\$ 23,222,832	\$ 32,330,237
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	8,024,970	7,503,129
Amortization expense	1,200,000	-
Service rights transferred to cost of land sold	-	12,000,000
Changes in assets and liabilities:		
Accounts receivable	41,080,061	(42,761,938)
Prepaid expenses	(65,595)	37,947
Real estate available for sale	351,555	713,701
Lease receivable	130,727	127,448
Deferred inflows of resources	(102,255)	(102,254)
Accounts payable and accruals	322,046	(205,931)
Advanced rental payments	45	43
Accrued compensated absences	5,998	24,184
Security deposits	4,098	(2,500)
Escrow deposits	(45,000)	(491,224)
Net cash flows from operating activities	<u>\$ 74,129,482</u>	<u>\$ 9,172,842</u>

The accompanying notes to the financial statements are an integral part of these statements.

RIVER RIDGE DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 1—Nature of operations

River Ridge Development Authority (the “Authority” or “RRDA”) was established in 1998 under the laws of the State of Indiana and an interlocal agreement between Clark County, the City of Charlestown, the City of Jeffersonville, the Town of Utica and the Indiana Port Commission. The Authority was established for the purpose of accepting conveyance of the Indiana Army Ammunition Plant from the United States Army, managing and leasing the real estate and improvements of the Ammunition Plant, removing conditions of blight, and developing the Ammunition Plant into a commerce and industrial park.

Note 2—Summary of significant accounting policies

This summary of significant accounting policies of the Authority is presented to assist in understanding the Authority's financial statements. The financial statements and notes are representations of the Authority's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (“U.S. GAAP”) and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The significant accounting policies of the Authority are as follows:

Basis of Accounting – The financial statements are presented using the accrual basis of accounting with an economic resources' measurement focus. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. As permitted by U.S. GAAP, the Authority has elected to apply all relevant GASB pronouncements in the preparation of the financial statements.

Basis of Presentation – These financial statements represent the Authority (primary government). There are no other component units which require inclusion. All of the Authority's programs are accounted for as one business-type activity for financial reporting purposes. This financial statement presentation provides an indication of the financial performance of the Authority as a whole. Enterprise designations are used to account for activities if any of the following criteria applies: (a) The activity is financed with debt that is solely secured by pledge of the net revenues from fees and charges of the activity; (b) laws or regulations that require that the activity's costs of providing services be recovered with fees and charges rather than taxes or similar revenues; or (c) the pricing policies of the activity establish fees and charges designated to recover its costs.

Cash Equivalents – The Authority considers all short-term investments with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2024 and 2023.

Accounts Receivable – Accounts receivable consists of amounts due from tenants for monthly lease payments. The Authority uses the allowance for bad debts method of valuing doubtful accounts receivable, which is based on historical experience, coupled with a review of the current status of existing receivables. Management has determined no allowance was required at December 31, 2024 and 2023.

RIVER RIDGE DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 2—Summary of significant accounting policies (continued)

Capital Assets – Capital assets are recorded at cost. Maintenance and repairs are charged to expense as incurred; major renewals or betterments are capitalized. Gain or loss on retirements or dispositions of assets is charged to operations, and respective costs and accumulated depreciation are eliminated from the accounts.

Depreciation is provided on the estimated useful lives of the assets using the straight-line method. The estimated useful lives are 40 years for buildings, 5 to 7 years for office equipment, 7 to 10 years for furniture and fixtures, 5 years for vehicles, and 20 years for infrastructure.

Service rights intangible assets represent commitments made to the city of Charlestown, Indiana which guarantee the Authority's rights to continue using wastewater lines throughout the River Ridge commerce and industrial park. The assets are being amortized over 10 years.

Real Estate Available for Sale – Real estate available for sale is property purchased and developed by the Authority and resold to businesses that locate within the River Ridge commerce and industrial park. Real estate available for sale is carried at acquisition cost.

Land Sale Proceeds – The Authority records proceeds from the sale of land at the gross sales price, net of cost of land sold, which includes the original price/acre the Authority paid for the land, real estate commissions and costs of improvements made to the land. At December 31, 2024 and 2023, gross land sale proceeds were \$30,656,204 and \$44,913,915, respectively, and costs of land sold were \$2,094,998 and \$12,713,701, respectively.

Revenue Recognition – The Authority recognizes revenue when earned and not when received. Advanced and unearned rentals arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. Principal operating revenues consist of land sale proceeds, Urban Enterprise Zone income and Tax Increment Financing income. Operating expenses include payroll, redevelopment expenses, depreciation, and other general operating expenses. All revenues and expenses not meeting these criteria are reported as nonoperating revenues and expenses, including interest income and capital asset transactions.

Use of Restricted and Unrestricted Resources – Restricted resources are primarily for specific infrastructure improvements and development activities. However, when both restricted and unrestricted resources are available for operational use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.

Lease Receivable and Deferred Inflow of Leases – The Authority recognizes a lease receivable and a deferred inflow of resources on leases at commencement of the lease term, with certain exceptions for regulated leases and short-term leases. The lease receivable is measured at the present value of the lease payments expected to be received during the lease period. The deferred inflow on leases is measured as the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods. Revenue from the included leases is recognized by amortizing the deferred inflow on a straight-line basis.

Recent Pronouncements - In June of 2022, GASB Statement No. 101, *Compensated Absences*, was issued. The requirements of this Statement align recognition and measurement guidance for all types of compensated absences under a unified model, resulting in greater consistency and improved comparability. The Authority implemented this standard effective January 1, 2024 with no material impact.

RIVER RIDGE DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 3—Restricted cash and cash held for debt service and deposits

The Authority obtains financing for future infrastructure improvements planned at River Ridge Commerce Center through the issuance of bonds (see Note 6 for additional information on the bonds payable). At December 31, 2024 and 2023, \$25,935,744 and \$412,841 in unspent bond proceeds, respectively, was available to fund anticipated future improvements and is classified as restricted cash and restricted net position on the statements of net position.

The Authority has established debt service for the repayment of bond debt (see Note 6 for additional information on the bonds payable). The funds are made up of proceeds from Tax Increment Financing income and Urban Enterprise Zone income. At December 31, 2024 and 2023, the balance of the debt service was \$7,727,286 and \$6,177,577, respectively. These amounts are classified as cash held for debt service and deposits and unrestricted net position on the statements of net position at December 31, 2024 and 2023, respectively.

Security deposits total \$27,538 and \$23,440 at December 31, 2024 and 2023, respectively, and represent deposits made by tenants for property leased from the Authority. The liability for such deposits at December 31, 2024 and 2023 was \$27,538 and \$23,440, respectively. These funds are classified as cash held for debt service and deposits on the statements of net position.

Escrow deposits consist of earnest money received for potential future real estate transactions. Escrow deposits totaled \$-0- and \$45,000 at December 31, 2024 and 2023, respectively. The liability for such deposits at December 31, 2024 and 2023 was \$-0- and \$45,000, respectively. These funds are classified as cash held for debt service and deposits on the statements of net position.

Note 4—Capital assets

The following is a summary of the capital assets activity during the year ended December 31, 2024:

	Balance at December 31, 2023	Additions	Transfers	Dispositions	Balance at December 31, 2024
Buildings	\$ 4,968,168	\$ -	\$ -	\$ -	\$ 4,968,168
Land - common areas	1,388,415	-	-	-	1,388,415
Equipment	1,824,395	82,895	-	(25,838)	1,881,452
Vehicles	774,561	94,916	-	-	869,477
Infrastructure	117,446,104	515	11,850,374	-	129,296,993
Furniture and fixtures	109,877	-	1,584	-	111,461
Construction in process	16,484,223	19,830,788	(11,851,958)	-	24,463,053
Service rights	12,000,000	-	-	-	12,000,000
	<u>154,995,743</u>	<u>20,009,114</u>	<u>-</u>	<u>(25,838)</u>	<u>174,979,019</u>
Less accumulated depreciation and accumulated amortization	<u>(42,204,077)</u>	<u>(9,224,970)</u>	<u>-</u>	<u>25,838</u>	<u>(51,403,209)</u>
Capital assets, net	<u>\$ 112,791,666</u>	<u>\$ 10,784,144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123,575,810</u>

RIVER RIDGE DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 4—Capital assets (continued)

The following is a summary of the capital assets activity during the year ended December 31, 2023:

	Balance at December 31, 2022	Additions	Transfers	Dispositions	Balance at December 31, 2023
Buildings	\$ 4,699,781	\$ -	\$ 268,387	\$ -	\$ 4,968,168
Land - common areas	-	-	1,388,415	-	1,388,415
Equipment	1,687,508	403,282	-	(266,395)	1,824,395
Vehicles	812,532	-	-	(37,971)	774,561
Infrastructure	99,469,509	-	17,976,595	-	117,446,104
Furniture and fixtures	109,877	-	-	-	109,877
Construction in process	18,354,924	16,374,281	(18,244,982)	-	16,484,223
Service rights	12,000,000	12,000,000	-	(12,000,000)	12,000,000
	137,134,131	28,777,563	1,388,415	(12,304,366)	154,995,743
Less accumulated depreciation	(34,948,308)	(7,503,129)	-	247,360	(42,204,077)
Capital assets, net	<u>\$ 102,185,823</u>	<u>\$ 21,274,434</u>	<u>\$ 1,388,415</u>	<u>\$ (12,057,006)</u>	<u>\$ 112,791,666</u>

Depreciation and amortization expense were \$9,224,970 and \$7,503,129 for the years ended December 31, 2024 and 2023, respectively.

Note 5—Real estate available for sale

At various dates starting in 2005, through quitclaim deeds, the United States of America, acting by and through the Deputy Assistant Secretary of the Army, entered into agreements with the Authority to deed land to the Authority. The agreements state that in accordance with the Federal Act, the Authority shall pay to the Army a monetary consideration for conveyance of the property to the Authority (the "Conveyance Consideration") as agreed upon in the deed agreements.

According to the agreements, the Conveyance Consideration shall be paid to the United States Army no later than 10 years after the date of conveyance of the property. The final conveyance of property occurred during the year ended December 31, 2016. During the year ended December 31, 2018, the Authority paid the Conveyance Consideration in full using reconciliation credits. The Authority is currently making improvements to the land and holding it available for sale to the extent the property is not subject to prior lease by the Authority.

Real estate available for sale totaled \$5,128,235 and \$5,479,790 at December 31, 2024 and 2023, respectively, and consisted of approximately 3,226 and 3,490 acres, respectively.

Note 6—Long-term debt

During May 2014, the Authority obtained financing for future infrastructure improvements planned at River Ridge Commerce Center through a bond issuance of \$20,000,000 (Tax Increment Revenue ("TIR") Bonds). The bonds were issued May 23, 2014 and were set to mature February 1, 2034. The bond bore interest at 4.60%. During 2019, the Authority refinanced the bonds through a bond issuance of \$16,270,000 (Tax Increment Revenue Refunding Bonds 2019 ("TIRR") Series A. The refinanced bonds bear interest at 2.69%. Principal and interest are payable semiannually and payments began on February 1, 2020. The remaining principal balance on the bonds at December 31, 2024 and 2023 was \$10,855,000 and \$11,965,000, respectively.

RIVER RIDGE DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 6—Long-term debt (continued)

During May 2018, the Authority issued tax increment revenue bond anticipation notes (“BANs”) in the amount of \$18,500,000 to temporarily fund capital projects prior to the issuance of serial revenue bonds. The note was issued on May 23, 2018 and was set to mature August 1, 2020. The note bore interest at 3.45%. Principal on the note was due in one installment at maturity. During 2019, the Authority refinanced the BANs through a bond issuance of \$18,750,000 TIRR Series B. The refinanced bonds mature on August 1, 2039 and bear interest at 3.09%. Principal and interest are payable semiannually and payments began on February 1, 2020. The remaining principal balance on the bonds at December 31, 2024 and 2023 was \$16,970,000 and \$17,305,000, respectively.

During August 2021, the Authority issued tax increment revenue bonds in the amount of \$29,670,000 to refinance various obligations as noted above. The bonds were issued August 16, 2021, and bear interest at 1.79%. Principal and interest are payable semiannually and payments began February 1, 2022 and have a maturity date of August 1, 2036. The remaining principal balance on the bonds at December 31, 2024 and 2023 was \$24,805,000 and \$26,295,000, respectively.

During December 2022, the Authority issued tax increment revenue bonds in the amount of \$25,345,000 to refinance various obligations as noted above. The bonds were issued December 20, 2022, and bear interest at 3.05%. Principal and interest are payable semiannually and payments began February 1, 2023 and have a maturity date of August 1, 2042. The remaining principal balance on the bonds at December 31, 2024 and 2023 was \$24,135,000 and \$24,605,000, respectively. The unspent bond proceeds at December 31, 2024 and 2023 were approximately \$425,000 and \$413,000, respectively.

During December 2022, the Authority issued tax increment revenue bond anticipation notes in the amount of \$1,176,369 to temporarily fund capital projects prior to the issuance of serial revenue bonds. The note was issued on December 20, 2022. The note bears interest at 4.00% which is payable in semiannual installments to begin on February 1, 2023. Principal on the note is due in one installment at maturity. During 2024 and 2023, the Authority drew down additional fund of \$1,480,090 and \$21,882,012 on the notes, respectively. The principal balance on the notes at December 31, 2024 and 2023 was \$24,426,315 and \$22,946,225, respectively.

During June 2024, the Authority issued tax increment revenue bond anticipation notes in the amount of \$30,000,000 to temporarily fund capital projects prior to the issuance of serial revenue bonds. The note was issued June 5, 2024. The note bears interest at 3.89% which is payable in semiannual installments to begin on August 1, 2024. Principal on the note is due in one installment at maturity. The remaining principal balance on the notes at December 31, 2024 was \$30,000,000. The unspent bond proceeds at December 2024 was approximately \$25,500,000.

Bond interest payable at December 31, 2024 and 2023 was \$1,732,315 and \$1,199,767, respectively.

RIVER RIDGE DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 6—Long-term debt (continued)

Long-term debt activity for the year ended December 31, 2024 was as follows:

	Balance December 31, 2023				Balance December 31, 2024				Amounts Due Within One Year
		Additions	Payments	Refinanced					
TIR Bond of 2019, Series A	\$ 11,965,000	\$ -	\$ (1,110,000)	\$ -	\$ 10,855,000			\$ 1,140,000	
TIR Bond of 2019, Series B	17,305,000	-	(335,000)	-	16,970,000			345,000	
TIRRR Bonds - Series 2021	26,295,000	-	(1,490,000)	-	24,805,000			1,525,000	
TIR Bond of 2022	24,605,000	-	(470,000)	-	24,135,000			480,000	
2022 Bond Anticipation Note	22,946,225	1,480,090	-	-	24,426,315			24,426,315	
2024 Bond Anticipation Note	-	30,000,000	-	-	30,000,000			-	
	<u>\$103,116,225</u>	<u>\$ 31,480,090</u>	<u>\$ (3,405,000)</u>	<u>\$ -</u>	<u>\$131,191,315</u>			<u>\$ 27,916,315</u>	

Long-term debt activity for the year ended December 31, 2023 was as follows:

	Balance December 31, 2022				Balance December 31, 2023				Amounts Due Within One Year
		Additions	Payments	Refinanced					
TIR Bond of 2019, Series A	\$ 13,045,000	\$ -	\$ (1,080,000)	\$ -	\$ 11,965,000			\$ 1,110,000	
TIR Bond of 2019, Series B	17,635,000	-	(330,000)	-	17,305,000			335,000	
TIRRR Bonds - Series 2021	27,765,000	-	(1,470,000)	-	26,295,000			1,490,000	
TIR Bond of 2022	25,345,000	-	(740,000)	-	24,605,000			470,000	
2022 Bond Anticipation Note	1,064,213	21,882,012	-	-	22,946,225			22,946,225	
	<u>\$ 84,854,213</u>	<u>\$ 21,882,012</u>	<u>\$ (3,620,000)</u>	<u>\$ -</u>	<u>\$103,116,225</u>			<u>\$ 26,351,225</u>	

As of December 31, 2024, bonds mature as follows:

	Principal	Interest	Total
2025	\$ 27,916,315	\$ 3,142,814	\$ 31,059,129
2026	3,570,000	3,060,035	6,630,035
2027	3,655,000	2,973,101	6,628,101
2028	3,745,000	2,885,096	6,630,096
2029	33,830,000	2,600,355	36,430,355
2030 - 2034	20,615,000	6,702,788	27,317,788
2035 - 2039	22,730,000	4,148,140	26,878,140
2040 - 2043	15,130,000	817,930	15,947,930
Total	<u>\$ 131,191,315</u>	<u>\$ 26,330,259</u>	<u>\$ 157,521,574</u>

Note 7—Advanced rental payments

The Authority recognizes rent paid by tenants for future periods as advanced rental payments on the statements of net position. The liability for advanced rental payments at December 31, 2024 and 2023 was \$1,543 and \$1,498, respectively.

RIVER RIDGE DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 8—Defined contribution plan

The Authority has established a 401(a) retirement plan for all eligible employees. All employees are eligible upon the beginning of their employment. Employer contributions to the Plan are based upon 6% of each eligible employee's compensation. Contributions to the Plan totaled \$130,869 and \$108,328 for the years ended December 31, 2024 and 2023, respectively. These amounts are included in employee benefits in the statements of revenues, expenses, and changes in net position.

Note 9—Leases receivable and deferred inflows of resources

On October 1, 2014, the Authority entered into a 60-month lease as Lessor for the use of the Authority's acreage. As of December 31, 2023, the value of the lease receivable was \$-0- and \$73,864, respectively. The value of the related deferred inflows of resources as of December 31, 2024, and 2023, was \$-0- and \$57,777, respectively, and the Authority recognized lease revenue of \$94,369 and \$72,012 during the years ended December 31, 2024, and 2023, respectively. The Authority recognized lease interest income of \$11,717 and \$42,096 during the years ended December 31, 2024, and 2023, respectively. Lease income related to leases is seen to derive from the operating activities of the Authority and is, therefore, included in Rental income River Ridge property on the statements of revenue, expenses, and changes in net position.

On October 1, 2019, the Authority entered into a 20-month lease as Lessor for the use of the Authority's acreage. As of December 31, 2024, and 2023, the value of the lease receivable was \$-0- and \$56,863, respectively. The value of the related deferred inflows of resources as of December 31, 2024, and 2023, was \$-0- and \$44,478, respectively, and the Authority recognized lease revenue of \$56,864 and \$55,436, during the years ended December 31, 2024 and 2023, respectively. The Authority recognized lease interest income of \$9,018 and \$32,407 during the years ended December 31, 2024, and 2023, respectively.

The Authority used its estimated incremental borrowing rate as of December 31, 2020, to determine the present values of the leases.

Both leases expired in 2024.

The deferred inflow on lease activity for fiscal year 2024 is as follows:

Balance December 31, 2023	Defered Revenue Recognized	Balance December 31, 2024
<u>\$ 102,255</u>	<u>\$ 102,255</u>	<u>\$ -</u>

The deferred inflow on lease activity for fiscal year 2023 is as follows:

Balance December 31, 2022	Defered Revenue Recognized	Balance December 31, 2023
<u>\$ 204,509</u>	<u>\$ 102,254</u>	<u>\$ 102,255</u>

RIVER RIDGE DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 10—Cash and cash held for restricted deposits

Cash deposits made in accordance with IC 5-13 with financial institutions in the State of Indiana were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution. Therefore, all cash values are considered secured.

The carrying value of cash including restricted deposits at December 31, 2024 and 2023 was \$116,161,336 and \$30,449,369, respectively. The bank balance at December 31, 2024 and 2023 was \$58,922,655 and \$30,668,020, respectively.

Note 11—Risk management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters. These risks are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage by major category of risk.

Note 12—Environmental remediation

The United States Department of the Army is responsible for any environmental remediation of designated areas as defined in the property deeds of conveyance issued to the Authority by the Army. Management believes no accrual is necessary for environmental issues.

Prior to expiration, the Authority renewed the environmental liability insurance policy in 2024. The environmental liability insurance policy provides coverage for five years beginning on September 16, 2024, with a maximum of \$20 million in payouts, either individually, or in the aggregate. This policy will protect the Authority from claims of pollution incidents and business interruption coverage at insured sites. The Authority has determined the insurance is necessary after a review by environmental attorneys. There have been no payouts through December 31, 2024 under this policy.

Note 13—Commitments and contingencies

The Authority is subject to various legal actions and general asserted and unasserted claims arising in the ordinary course of its business. Litigation is subject to many uncertainties; the outcome of individual litigated matters is not predictable with assurance. Should any legal action occur, the Authority would defend itself vigorously against any claims.

Development obligation expense for the year ended December 31, 2024, and 2023 includes \$10,351,969 and \$1,072,312, respectively, related to RRDA terminating a tenant's leasehold interest early. This amount represents the appraised value of the tenant's remaining leasehold interest.

RIVER RIDGE DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 14—Estimated cost of future land improvements

The Authority must continue efforts in site development and infrastructure improvements to establish marketable land for purposes of land sales. Conservative estimates for site development and infrastructure improvements are at a minimum as follows:

2025	\$ 41,600,000
2026	26,400,000
2027	20,000,000
2028	20,000,000
2029	20,000,000
Thereafter	<u>72,000,000</u>
	<u>\$ 200,000,000</u>

SUPPLEMENTARY INFORMATION

RIVER RIDGE DEVELOPMENT AUTHORITY
TAX INCREMENT REVENUE BONDS OF 2019, SERIES A – AMORTIZATION SCHEDULE

DECEMBER 31, 2024

<u>Date</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Period Total</u>	<u>Fiscal Total</u>
2/1/2025	\$ 565,000	2.69%	\$ 146,000	\$ 711,000	\$ -
8/1/2025	575,000	2.69%	138,401	713,401	1,424,401
2/1/2026	580,000	2.69%	130,667	710,667	-
8/1/2026	590,000	2.69%	122,866	712,866	1,423,533
2/1/2027	600,000	2.69%	114,930	714,930	-
8/1/2027	605,000	2.69%	106,860	711,860	1,426,790
2/1/2028	615,000	2.69%	98,723	713,723	-
8/1/2028	620,000	2.69%	90,451	710,451	1,424,174
2/1/2029	630,000	2.69%	82,112	712,112	-
8/1/2029	640,000	2.69%	73,639	713,639	1,425,751
2/1/2030	645,000	2.69%	65,031	710,031	-
8/1/2030	655,000	2.69%	56,356	711,356	1,421,387
2/1/2031	665,000	2.69%	47,546	712,546	-
8/1/2031	675,000	2.69%	38,602	713,602	1,426,148
2/1/2032	685,000	2.69%	29,523	714,523	-
8/1/2032	690,000	2.69%	20,310	710,310	1,424,833
2/1/2033	325,000	2.69%	11,029	336,029	-
8/1/2033	330,000	2.69%	6,658	336,658	672,687
2/1/2034	165,000	2.69%	2,216	167,216	167,216
	<u>\$ 10,855,000</u>		<u>\$ 1,381,920</u>	<u>\$ 12,236,920</u>	<u>\$ 12,236,920</u>

RIVER RIDGE DEVELOPMENT AUTHORITY
TAX INCREMENT REVENUE BONDS OF 2019, SERIES B – AMORTIZATION SCHEDULE

DECEMBER 31, 2024

<u>Date</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Period Total</u>	<u>Fiscal Total</u>
2/1/2025	\$ 170,000	3.09%	\$ 262,187	\$ 432,187	\$ -
8/1/2025	175,000	3.09%	259,560	434,560	866,747
2/1/2026	180,000	3.09%	256,856	436,856	-
8/1/2026	180,000	3.09%	254,075	434,075	870,931
2/1/2027	180,000	3.09%	251,294	431,294	-
8/1/2027	185,000	3.09%	248,513	433,513	864,807
2/1/2028	185,000	3.09%	245,655	430,655	-
8/1/2028	195,000	3.09%	242,797	437,797	868,452
2/1/2029	195,000	3.09%	239,784	434,784	-
8/1/2029	195,000	3.09%	236,771	431,771	866,555
2/1/2030	200,000	3.09%	233,759	433,759	-
8/1/2030	205,000	3.09%	230,669	435,669	869,428
2/1/2031	205,000	3.09%	227,501	432,501	-
8/1/2031	210,000	3.09%	224,334	434,334	866,835
2/1/2032	210,000	3.09%	221,090	431,090	-
8/1/2032	220,000	3.09%	217,845	437,845	868,935
2/1/2033	595,000	3.09%	214,446	809,446	-
8/1/2033	605,000	3.09%	205,253	810,253	1,619,699
2/1/2034	25,000	3.09%	195,906	220,906	-
8/1/2034	190,000	3.09%	195,520	385,520	606,426
2/1/2035	195,000	3.09%	192,584	387,584	-
8/1/2035	195,000	3.09%	189,572	384,572	772,156
2/1/2036	200,000	3.09%	186,559	386,559	-
8/1/2036	205,000	3.09%	183,469	388,469	775,028
2/1/2037	1,870,000	3.09%	180,302	2,050,302	-
8/1/2037	1,900,000	3.09%	151,410	2,051,410	4,101,712
2/1/2038	1,930,000	3.09%	122,055	2,052,055	-
8/1/2038	1,960,000	3.09%	92,237	2,052,237	4,104,292
2/1/2039	1,990,000	3.09%	61,955	2,051,955	-
8/1/2039	2,020,000	3.09%	31,204	2,051,204	4,103,159
	<u>\$ 16,970,000</u>		<u>\$ 6,055,162</u>	<u>\$ 23,025,162</u>	<u>\$ 23,025,162</u>

RIVER RIDGE DEVELOPMENT AUTHORITY
TAX INCREMENT REVENUE BONDS OF 2021 – AMORTIZATION SCHEDULE

DECEMBER 31, 2024

<u>Date</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Period Total</u>	<u>Fiscal Total</u>
2/1/2025	\$ 760,000	1.79%	\$ 222,005	\$ 982,005	\$ -
8/1/2025	765,000	1.79%	215,203	980,203	1,962,208
2/1/2026	930,000	1.79%	208,356	1,138,356	-
8/1/2026	610,000	1.79%	200,033	810,033	1,948,389
2/1/2027	780,000	1.79%	194,573	974,573	-
8/1/2027	795,000	1.79%	187,592	982,592	1,957,165
2/1/2028	795,000	1.79%	180,477	975,477	-
8/1/2028	810,000	1.79%	173,362	983,362	1,958,839
2/1/2029	815,000	1.79%	166,112	981,112	-
8/1/2029	815,000	1.79%	158,818	973,818	1,954,930
2/1/2030	830,000	1.79%	151,524	981,524	-
8/1/2030	835,000	1.79%	144,095	979,095	1,960,619
2/1/2031	835,000	1.79%	136,622	971,622	-
8/1/2031	850,000	1.79%	129,149	979,149	1,950,771
2/1/2032	860,000	1.79%	121,541	981,541	-
8/1/2032	860,000	1.79%	113,844	973,844	1,955,385
2/1/2033	870,000	1.79%	106,147	976,147	-
8/1/2033	890,000	1.79%	98,361	988,361	1,964,508
2/1/2034	1,630,000	1.79%	90,395	1,720,395	-
8/1/2034	1,680,000	1.79%	75,807	1,755,807	3,476,202
2/1/2035	1,685,000	1.79%	60,771	1,745,771	-
8/1/2035	1,680,000	1.79%	45,690	1,725,690	3,471,461
2/1/2036	1,555,000	1.79%	30,654	1,585,654	-
8/1/2036	1,870,000	1.79%	16,731	1,886,731	3,472,385
	<u>\$ 24,805,000</u>		<u>\$ 3,227,862</u>	<u>\$ 28,032,862</u>	<u>\$ 28,032,862</u>

RIVER RIDGE DEVELOPMENT AUTHORITY
TAX INCREMENT REVENUE BONDS OF 2022 – AMORTIZATION SCHEDULE

DECEMBER 31, 2024

<u>Date</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Period Total</u>	<u>Fiscal Total</u>
2/1/2025	\$ 240,000	3.05%	\$ 368,059	\$ 608,059	\$ -
8/1/2025	240,000	3.05%	364,399	604,399	1,212,458
2/1/2026	85,000	3.05%	360,739	445,739	-
8/1/2026	415,000	3.05%	359,443	774,443	1,220,182
2/1/2027	255,000	3.05%	353,114	608,114	-
8/1/2027	255,000	3.05%	349,225	604,225	1,212,339
2/1/2028	265,000	3.05%	345,336	610,336	-
8/1/2028	260,000	3.05%	341,295	601,295	1,211,631
2/1/2029	265,000	3.05%	337,330	602,330	-
8/1/2029	275,000	3.05%	333,289	608,289	1,210,619
2/1/2030	280,000	3.05%	329,095	609,095	-
8/1/2030	280,000	3.05%	324,825	604,825	1,213,920
2/1/2031	290,000	3.05%	320,555	610,555	-
8/1/2031	290,000	3.05%	316,133	606,133	1,216,688
2/1/2032	295,000	3.05%	311,710	606,710	-
8/1/2032	300,000	3.05%	307,211	607,211	1,213,921
2/1/2033	310,000	3.05%	302,636	612,636	-
8/1/2033	300,000	3.05%	297,909	597,909	1,210,545
2/1/2034	330,000	3.05%	293,334	623,334	-
8/1/2034	300,000	3.05%	288,301	588,301	1,211,635
2/1/2035	315,000	3.05%	283,726	598,726	-
8/1/2035	340,000	3.05%	278,923	618,923	1,217,649
2/1/2036	485,000	3.05%	273,738	758,738	-
8/1/2036	190,000	3.05%	266,341	456,341	1,215,079
2/1/2037	345,000	3.05%	263,444	608,444	-
8/1/2037	350,000	3.05%	258,183	608,183	1,216,627
2/1/2038	355,000	3.05%	252,845	607,845	-
8/1/2038	360,000	3.05%	247,431	607,431	1,215,276
2/1/2039	365,000	3.05%	241,941	606,941	-
8/1/2039	370,000	3.05%	236,375	606,375	1,213,316
2/1/2040	2,425,000	3.05%	230,733	2,655,733	-
8/1/2040	2,465,000	3.05%	193,751	2,658,751	5,314,484
2/1/2041	2,500,000	3.05%	156,160	2,656,160	-
8/1/2041	2,540,000	3.05%	118,035	2,658,035	5,314,195
2/1/2042	2,580,000	3.05%	79,300	2,659,300	-
8/1/2042	2,620,000	3.05%	39,951	2,659,951	5,319,251
	<u>\$ 24,135,000</u>		<u>\$ 10,024,815</u>	<u>\$ 34,159,815</u>	<u>\$ 34,159,815</u>

RIVER RIDGE DEVELOPMENT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2024

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Commerce:				
Direct program				
Economic Development Cluster				
Investments for Public Works and Economic Development Facilities	11.300		\$ -	\$ 1,587,507
Total U.S. Department of Commerce			<u>\$ -</u>	<u>\$ 1,587,507</u>

RIVER RIDGE DEVELOPMENT AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2024

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal grant activity of the River Ridge Development Authority (the "Authority") under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* ("Uniform Guidance"). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2—Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles required by the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

Note 3—Indirect cost rate

The Authority has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Directors
River Ridge Development Authority
Jeffersonville, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of River Ridge Development Authority (the "Authority") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated February 20, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Cherry Bekaert LLP

Jeffersonville, Indiana

February 20, 2025

**Report of Independent Auditor on Compliance for
the Major Federal Program and Report on Internal Control over
Compliance in Accordance with the Uniform Guidance**

Board of Directors
River Ridge Development Authority
Jeffersonville, Indiana

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the River Ridge Development Authority (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2024. The Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended December 31, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given, these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Jeffersonville, Indiana

February 20, 2025

RIVER RIDGE DEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2024

Section I—Summary of auditor’s results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance to U.S. GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses
_____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major federal program:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses
_____ yes X none reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 516(a) of Uniform Guidance _____ yes X no

Identification of major federal program:

Assistance Listing Numbers

11.300

Names of Federal Program or Cluster

Investments for Public Works and Economic Development Facilities

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee? _____ yes x no

Section II—Financial Statement Findings

No matters were reported.

Section III—Major Federal Award Findings and Questioned Costs

No matters were reported.

RIVER RIDGE DEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

YEAR ENDED DECEMBER 31, 2024

None reported.