

***JEFFREY PLACE NEW COMMUNITY AUTHORITY  
FRANKLIN COUNTY***

***INITIAL AUDIT***

***FOR THE YEARS ENDED DECEMBER 31, 2015 & 2014***





# Dave Yost • Auditor of State

Board of Trustees  
Jeffrey Place New Community Authority  
842 North Fourth Street, Suite 400  
Columbus, Ohio 43215

We have reviewed the *Independent Auditor's Report* of the Jeffrey Place New Community Authority, Franklin County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2014 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Jeffrey Place New Community Authority is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost  
Auditor of State

December 5, 2016

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**JEFFREY PLACE NEW COMMUNITY AUTHORITY  
FRANKLIN COUNTY**

**AUDIT REPORT**

For the years ended December 31, 2015 and 2014

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**JEFFREY PLACE NEW COMMUNITY AUTHORITY  
FRANKLIN COUNTY  
AUDIT REPORT**  
For the Years Ended December 31, 2015 and 2014

Board of Trustees

Erin Prosser, Chairman

Mark A. Wagenbrunner, Vice Chairman

Brian R. Barrett, Treasurer

Matthew Hansen

Tamara Maynard

Eric Wagenbrunner

William P. Webster

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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## **INDEPENDENT AUDITOR'S REPORT**

Jeffrey Place New Community Authority  
Franklin County  
842 North Fourth Street, Suite 400  
Columbus, Ohio 43215

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the Jeffrey Place New Community Authority, Franklin County, Ohio (the Authority), as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Jeffrey Place New Community Authority, Franklin County, Ohio, as of the years ended December 31, 2015 and 2014, and the changes in financial position and cash flows thereof for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include Management's discussion and analysis, listed in the table of contents to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2016, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.



**Charles E. Harris & Associates, Inc.**

September 27, 2016



JEFFREY PLACE NEW COMMUNITY AUTHORITY  
FRANKLIN COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2015 AND 2014  
(UNAUDITED)

The Management's Discussion and Analysis of the financial performance of the Jeffrey Place New Community Authority, Franklin County, Ohio, (the "Authority") provides an overall review of the Authority's financial activities for the years ended December 31, 2015 and 2014. The intent of this discussion and analysis is to look at the Authority's financial performance as a whole. Readers should also review the basic financial statements and notes to the financial statements to enhance their understanding of the Authority's financial performance.

**Financial Highlights**

1. The Authority oversees the development of public infrastructure on the Jeffrey site. The site consists of approximately 42 acres on the east side of Italian Village (directly north of Downtown Columbus, west of interstate 670).
2. Net Position at December 31, 2015 and 2014, totaled \$1,300,629 and \$609,036, respectively.
3. The Authority previously incurred \$19,410,000 in redevelopment bonds. The Authority's debt will be paid through the collection of Community Development Charges and TIF receipts imposed on the chargeable properties benefiting from the capital asset.
4. In fiscal year 2015 and 2014, the Authority received Community Development Charges totaling \$201,737 and \$33,936, respectively.
5. In fiscal year 2015 and 2014, the Authority received Tax Incremental Financing (TIF) totaling \$1,687,538 and \$1,002,646, respectively.

**Overview of the Financial Statements**

This annual report consists of two parts – (i) Management's Discussion and Analysis and (ii) the basic financial statements consisting of a *Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; Statement of Cash Flows*; and related footnotes. The Statement of Net Position represents the financial position of the Authority and provides information about the activities of the Authority, following Generally Accepted Accounting Principles. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in net total financial position. The Statement of Cash Flows reflects how the Authority finances and meets its cash flow needs. Finally, the notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided on the basic financial statements.

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position include certain assets, liabilities, revenues and expenses following the accrual basis of accounting. The accrual basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Authority's net financial resources and changes in those resources. This change in resources is important because it tells the reader that, for the Authority as a whole, the financial position of the Authority has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. These statements can be found on pages 6 and 7 of this report.

The Statement of Cash Flows provides information about how the Authority finances and meets the cash flow needs of its operations. The Statement of Cash Flows can be found on page 8 of this report.

JEFFREY PLACE NEW COMMUNITY AUTHORITY  
FRANKLIN COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2015 AND 2014  
(UNAUDITED)

**Summary Statement of Net Position**

The table below provides a summary of the Authority's net financial position as of December 31, 2015 and 2014 on the accrual basis. (See Note 2 to the financial statements for more information.)

	<u>2015</u>	<u>2014</u>
Assets:		
Current and Other Assets	\$ 3,462,296	\$ 7,232,293
Other Assets	<u>16,163,658</u>	<u>11,870,044</u>
Total Assets	<u>19,269,537</u>	<u>18,900,600</u>
Liabilities:		
Current Liabilities	475,000	335,000
Long Term Liabilities	<u>17,400,000</u>	<u>17,875,000</u>
Total Liabilities	17,875,000	18,210,000
Deferred Inflows	356,417	201,736
Net Position:		
Net invested in capital assets	637,126	17,118
Unrestricted	<u>663,503</u>	<u>591,918</u>
Total Net Position	<u>\$ 1,300,629</u>	<u>\$ 609,036</u>

Net Position has increased from 2014 to 2015 due mainly to increases in TIF revenues.

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

The table below reflects the changes in net position for the fiscal years ended December 31, 2015 and 2014 on the accrual basis.

	<u>2015</u>	<u>2014</u>
Operating Revenue	\$ 1,889,283	\$ 1,036,582
Operating Expenses	<u>(38,627)</u>	<u>(523,238)</u>
Operating Income	<u>1,850,656</u>	<u>513,344</u>
Non-Operating (Expenses)		
Interest Expense	(1,159,063)	(1,060,339)
Bond Issuance Costs	<u>-</u>	<u>(413,186)</u>
Total Non-Operating Expenses	<u>(1,159,063)</u>	<u>(1,473,525)</u>
Change in Net Position	<u>\$ 691,593</u>	<u>\$ (960,181)</u>

Net position increased in 2015 due to the increased collection of Community Development Charges and TIF receipts.

JEFFREY PLACE NEW COMMUNITY AUTHORITY  
FRANKLIN COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2015 AND 2014  
(UNAUDITED)

**Budgeting**

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

**Capital Assets**

The Authority's capital assets are still under construction and are expected to be completed in 2017.

**Debt**

The Authority issued Redevelopment Bonds totaling \$19,410,000 to construct and acquire community facilities, which include a community center, community recreation improvements, landscaping and signage, water and sewer facilities, storm water management features, roadways and traffic control improvements. The debt service will be paid annually by the revenue received from the Community Development Charges.

**Current Issues**

The Authority is overseeing the development of public infrastructure on a site that consists of 42 acres of a prior industrial manufacturing site. The master planned community will include a mix of apartments, fee simple homes, condominiums, offices, parks and community facilities. The Columbus City Council has approved zoning for up to 1,500 dwelling units on this site.

**Contacting Authority's Financial Management**

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the Authority's finances and to reflect the Authority's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to the Authority's Treasurer, 842 N. 4<sup>th</sup> Street, Suite 200, Columbus, Ohio 43215.

**Jeffrey Place New Community Authority**  
**Statements of Net Position**  
As of December 31, 2015 and 2014

	2015	2014
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 3,105,879	\$ 7,030,556
Accounts Receivable	356,417	201,737
Total Current Assets	3,462,296	7,232,293
Non-Depreciable Capital Assets		
Land	5,801,980	5,801,980
Construction in progress	10,361,678	6,068,064
Total Non-Current Assets	16,163,658	11,870,044
<b>TOTAL ASSETS</b>	\$ 19,625,954	\$ 19,102,337
<b>LIABILITIES</b>		
Current Liabilities		
Accrued Interest	93,908	81,564
Debt due in less than one year	475,000	335,000
Total Current Liabilities	568,908	416,564
Long Term Liabilities		
Debt due in more than one year	17,400,000	17,875,000
Total Long Term Liabilities	17,400,000	17,875,000
<b>TOTAL LIABILITIES</b>	17,968,908	18,291,564
Deferred Inflows of Resources		
Community Development Charges	356,417	201,737
<b>NET POSITION</b>		
Net investment in capital assets	637,126	17,118
Unrestricted net position	663,503	591,918
<b>TOTAL NET POSITION</b>	\$ 1,300,629	\$ 609,036

See accompanying notes to the basic financial statements.

## Jeffrey Place New Community Authority

### Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended December 31, 2015 and 2014

	2015	2014
Operating Revenue/Expense		
Operating Revenue		
Community Development Charges	\$ 201,737	\$ 33,936
Tax Incremental Financing	1,687,538	1,002,646
Miscellaneous revenue	8	-
Total Operating Revenue	1,889,283	1,036,582
Operating Expense		
Accounting Fees	3,000	-
Appraisals	-	2,700
Trustee Fees	7,700	87,176
Legal fees	27,927	398,708
Consulting Fees	-	34,000
Insurance expense	-	654
Total Operating Expense	38,627	523,238
Operating Income	1,850,656	513,344
Non operating (Expense)		
Interest Expense	(1,159,063)	(1,060,339)
Bond Issuance Costs	-	(413,186)
Total non operating (Expense)	(1,159,063)	(1,473,525)
Total Change in Net Position	691,593	(960,181)
Net Position, Beginning of Period	609,036	1,569,217
Net Position, End of Period	\$ 1,300,629	\$ 609,036

See accompanying notes to the basic financial statements.

## Jeffrey Place New Community Authority

### Statements of Cash Flows

For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash Flows From Operating Activities		
Cash received from Property Owners	\$ 1,889,275	\$ 1,036,582
Other revenue	8	-
Cash Payments for legal fees	(27,927)	(398,708)
Cash payments for Trustees fees	(7,700)	(87,176)
Cash payments Consulting Fees	-	(34,000)
Cash Payments for Accounting	(3,000)	-
Cash Payments for Appraisals	-	(2,700)
Cash Payments for Insurance	-	(654)
Net Cash Provided by Operating Activities	<u>1,850,656</u>	<u>513,344</u>
Cash Flows From Capital and Related Financing Activities		
Principal retirement on debt service	(335,000)	(225,000)
Interest paid on bonds	(1,146,719)	(978,775)
Proceeds of Bond Sales	-	12,455,000
Bond Issuance Costs	-	(413,186)
Payments to others for construction items	(4,293,614)	(6,113,563)
Net Cash Provided by Capital and Related Financing Activities	<u>(5,775,333)</u>	<u>4,724,476</u>
Net Change in Cash	(3,924,677)	5,237,820
Cash, Beginning of year	7,030,556	1,792,736
Cash, End of year	<u>\$ 3,105,879</u>	<u>\$ 7,030,556</u>
Reconciliation fo Operating Income to Net Cash		
Provided by Operating activities	<u>\$ 1,850,656</u>	<u>\$ 513,344</u>
Net Cash Provided by Operating Activities	<u>\$ 1,850,656</u>	<u>\$ 513,344</u>

See accompanying notes to the basic financial statements.

JEFFREY PLACE NEW COMMUNITY AUTHORITY  
FRANKLIN COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

**NOTE 1 – REPORTING ENTITY**

The Jeffrey Place New Community Authority is a joint public-private partnership Authority established to revitalize the eastern edge of Italian Village, City of Columbus, Ohio. The Authority was established pursuant to Chapter 349 of the Ohio Revised Code. In late 2002, Jeffrey Place Development LLC petitioned the Columbus City Council to create the New Community Authority which City Council then passed via resolution 1607-02 officially creating the New Community Authority. The petition allows the Authority to finance publicly owned and operated infrastructure and facilities by collecting tax increment finance (TIF) revenues and a community development charge.

In 2006, the City passed legislation (1236-2006) appointing three citizen members and one local government representative to serve as New Community Authority trustees. Additionally, this legislation also authorized the City's Development Director to execute a TIF agreement in support of the redevelopment and revitalization of the Jeffrey Manufacturing site. By its Resolution, the City Council determined the new community district would be conducive to the public health, safety, convenience and welfare, and it was intended to result in the development of a new community as described in the Act. The Authority thereby organized as a body corporate and politic in the State.

Later, in 2007, a group of developers including Green Arbors Housing Limited Partnership; Waterford Limited Partnership; 750 North Fourth Street LLC; and Courtyard Townhomes LLC recorded the Authority's covenants and restrictions. This document, along with an amendment filed in September 2014 (instrument 201409230125772), details the controls in place over the entire acreage including the Community Development Charge which is applicable to a majority of the parcels within overall site. Funds collected via the charge can be used to cover all or part of the cost of the acquisition, development, construction, operation and maintenance of land, "Community Land Development", and "Community Facilities", and all other costs incurred by the Authority in the exercise of its powers pursuant to the Act, including without limitation the reimbursement of loans, advances or expenditures made to or by the Developer for such purposes.

The New Community Authority oversees the development of public infrastructure on the Jeffrey site. The site consists of approximately 42 acres on the east side of Italian Village (directly north of Downtown Columbus, west of interstate 670). It was previously used for the manufacturing of industrial mining equipment. Due to this use, the land needed environmental remediation before redevelopment. The Jeffrey Manufacturing site was the first major project, to respond to Mayor Michael Coleman's ambitious goal (announced in 2000), to incorporate a portion of the development of 10,000 new residential units in Downtown Columbus over the next 10 years.

Now known as Jeffrey Park, the site is currently being developed as a master planned community with a mix of apartments, fee simple homes, condominiums, office, parks, and community facilities. The project is designed to leverage and enhance the revitalization success seen by Italian Village. In July 2013, Columbus City Council granted numerous variances to the existing zoning classification of M, Manufacturing which included the increase in total number of dwelling units to 1,500 on the site.

To raise money for public infrastructure in support of development, the Authority has issued several bond offerings. The bonds, depending on the issuance, are secured by one or many sources. Sources include the .40 Italian Village Offsite TIF, the .41 Jeffrey Park Onsite TIF, and the Community Development Charge. The first series of bonds were issued in 2006 for \$6,955,000. Proceeds for these 2006 Series A Bonds were used to pay for project costs (e.g.: utility improvements, road, sidewalks, site preparation, etc.), costs of issuance of & capitalized interest on these bonds, and fund the bond service reserve account. In 2013, the Authority issued an additional \$8,755,000 in A-Bonds to acquire roads and parkland; to build roads, sidewalks, street lights, etc., and to pay the costs of bond issuance and capitalized interest, and fund the bond reserve account for the 2013 Series A Bonds. In addition to the 2013 Series A-Bonds, the Authority also issued \$3,700,000 in subordinate 2013 B-Bonds to pay for the cost of land acquisition and development.

JEFFREY PLACE NEW COMMUNITY AUTHORITY  
FRANKLIN COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

**NOTE 1 – REPORTING ENTITY (Continued)**

This 2013 Series B Bond issuance also paid for the construction of community facilities and the cost of the bond issuance along with any capitalized interest.

Overall, the Authority is governed by a 7-member Board of Trustees. As previously mentioned, 3 of those are citizen members appointed by Columbus City Council to represent present and future residents of the New Community Authority area. The Council also appoints 1 additional member to represent local government. The remaining 3 members are appointed by the developer. All Trustees are empowered to vote on all matters within the authority of the Board of Trustees, and no vote by a member appointed by the Developer shall be construed to give rise to civil or criminal liability for conflict of interest on the part of public officials. A schedule established by the Columbus City Council provides for the appointed members to be replaced by elected members as the district population grows.

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

**A. Basis of Presentation**

The Authority'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 Authority uses enterprise fund accounting to maintain its financial records during the fiscal year. Enterprise fund accounting focuses on the determination of operating income, financial position, changes in net position, and cash flows.

**B. Measurement Focus and Basis of Accounting**

The Authority's financial activity is accounted for using a flow of economic resources measurement focus. All assets and liabilities associated with the operation of Authority are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows reflects how the Authority finances and meets its cash flow needs.

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

**C. Cash and Investments**

Cash received by the Authority is deposited with a financial institution or invested. Deposits and investments having an original maturity of three months or less at the time they are purchased are presented in the financial statements as Cash and Cash Equivalents. Investments with an initial maturity of more than three months are reported as Investments. Investments were limited to money market funds.



JEFFREY PLACE NEW COMMUNITY AUTHORITY  
FRANKLIN COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Capital Assets**

All capital assets are capitalized at cost and updated for additions and reductions during the year. The Authority does not maintain a capitalization threshold as all infrastructure assets are capitalized. The Authority has not begun to depreciate any capital assets yet.

**E. Long Term Debt**

Bonds are recognized as a liability on the financial statements.

**F. Net Position**

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on the use of resources either through enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority first applies restricted resources when an expense is incurred for which both restricted and unrestricted net position are available.

**G. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the Authority. For the Authority, these revenues are TIF's and Community Development Charges. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the Authority. All revenues and expenses not meeting this definition are reported as non-operating.

**NOTE 3—DEPOSITS AND INVESTMENTS**

Cash received by the Authority is deposited with a financial institution or invested. Deposits and investments having an original maturity of three months or less at the time they are purchased are presented in the financial statements as Cash and Cash Equivalents. Investments with an initial maturity of more than three months are reported as Investments. All cash and cash equivalents were invested in money markets at December 31, 2015 and 2014 and are carried at cost, which approximates fair market value.

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

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

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

JEFFREY PLACE NEW COMMUNITY AUTHORITY  
FRANKLIN COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

**NOTE 3—DEPOSITS AND INVESTMENTS (Continued)**

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

State statute permits interim monies to be deposited or invested in the following securities:

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

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

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

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

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

JEFFREY PLACE NEW COMMUNITY AUTHORITY  
FRANKLIN COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

**NOTE 3—DEPOSITS AND INVESTMENTS (Continued)**

**Deposits**

**Custodial Credit Risk – Deposits** is the risk that, in the event of a bank failure, the Authority’s deposits may not be returned. The Authority had no deposits which were exposed to custodial credit risk at December 31, 2015 and 2014.

**Investments**

As of December 31, 2015 and 2015, all of the Authority funds were invested in money market accounts.

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

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

**Concentration of credit risk** can also arise by failing to adequately diversify investments. The Authority places no limits on the amount that may be invested in any one issuer.

**NOTE 4—COMMUNITY DEVELOPMENT CHARGES**

Under the Act, the Authority has the power to require property owners within the District to pay a community development charge for the benefit and use of the Authority to cover all or a part of the cost of the acquisition, construction, operation and maintenance of land, land development and community facilities, and any other costs incurred by the Authority in exercise of its powers. A community development charge may be calculated on the basis of (i) assessed valuation of the real property in the District, (ii) the income of the residents of the District, (iii) a uniform fee on each parcel of real property in the District, or (iv) any combination of the foregoing bases. Pursuant to this statutory authority, the owners of the real property in the District have filed a Declaration of Covenants with the Franklin County Recorder on the real property within the District establishing the obligation of current and future landowners to pay the community development charge levied on parcels within the District on the basis of those parcels’ assed valuation (the “Charge”). As provided in the Act, the Charge is a covenant running with the land and is fully binding on behalf of and enforceable by the Authority against each person or entity owning property within the District and all successors and assigns of such person or entity. Once collected and received by the Authority, the Charge shall be deposited in the Community Development Charge Account and pledged for payment of the Bond Service Charge.

The Charge is calculated on the basis of the assessed valuation of each parcel of real property in the District. The Charge for each parcel within the District is generally equal to 50% of the assessed value for the parcel multiplied by the effective tax rate applicable to that parcel. The Charge for developed parcels is capped at 50% of the amount of the tax abatement granted for new development pursuant to Ordinance No. 1531-02 passed by Columbus City Council on October 21, 2002, as amended by Ordinance No. 2953-2013 passed by Columbus City Council on December 16, 2013 (together, the “CRA Ordinance”).

The Charge was \$33,936 for calendar 2014 and \$201,737 for calendar 2015. The Charge will be \$356,417 for 2016 and \$358,173 thereafter.

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**NOTE 5—TAX INCREMENTAL FINANCING (TIF)**

The Assigned Service Payments are to be received from the City of Columbus pursuant to the Cooperative Agreement among the City, the Authority and the Developer and used, together with the Charge, to pay Bond Services. Charges on the 2006 Series A Bonds. The payments received by the Authority from the City are Pledged Receipts. The City will make payments required by the Cooperative Agreement only from moneys available and appropriated by the City annually for that purpose. The City has covenanted in the Cooperative Agreement to appropriate annually from each TIF Fund the Assigned Service Payments payable from that TIF Fund to the Trustee to the extent of the moneys available in each TIF Fund. The Authority received \$1,687,938 and \$1,002,646, respectively in 2015 and 2014.

**NOTE 6—CAPITAL ASSETS**

Description	Balance January 1, 2014	Additions	Disposals	Balance December 31, 2014
Land	\$ -	\$5,801,980	\$ -	\$ 5,801,980
Construction in Progress	5,756,481	311,583	-	6,068,064
Total	\$ 5,756,481	\$6,113,563	\$ -	\$ 11,870,044

Description	Balance January 1, 2015	Additions	Disposals	Balance December 31, 2015
Land	\$ 5,801,980	\$ -	\$ -	\$ 5,801,980
Construction in Progress	6,068,064	4,293,614	-	10,361,678
Total	\$ 11,870,044	\$4,293,614	\$ -	\$ 16,163,658

**NOTE 7—LONG-TERM OBLIGATIONS**

The Authority's long-term obligations activity for the years ended December 31, 2014 and 2015 was as follows:

Bond Issue	Balance January 1, 2014	Additions	Reductions	Balance December 31, 2014	Due In one year
Redevelopment Bonds Series 2006A	\$ 5,980,000	\$ -	\$(225,000)	\$ 5,755,000	\$235,000
Series A1 2013	-	2,425,000	-	2,425,000	100,000
Series A2 2013	-	6,330,000	-	6,330,000	-
Series B 2013	-	3,700,000	-	3,700,000	-
Total	\$ 5,980,000	\$12,455,000	\$(225,000)	\$18,210,000	\$ 335,000

JEFFREY PLACE NEW COMMUNITY AUTHORITY  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

**NOTE 7—LONG-TERM OBLIGATIONS (Continued)**

Bond Issue	Balance January 1, 2015	Additions	Reductions	Balance December 31, 2015	Due In one year
Redevelopment Bonds Series 2006A	\$ 5,755,000	\$ -	\$(235,000)	\$ 5,520,000	\$250,000
Series A1 2013	2,425,000	-	(100,000)	2,325,000	200,000
Series A2 2013	6,330,000	-	-	6,330,000	-
Series B 2013	3,700,000	-	-	3,700,000	25,000
Total	\$ 18,210,000	\$ -	\$(335,000)	\$17,875,000	\$ 475,000

**A. Redevelopment Bonds, Series 2006A, Series 2013 A1 and A2 and Series 2013 B**

On August 14, 2006, the Authority issued \$6,955,000 in Community Facilities Bonds Series 2006A, for the purpose of providing funds to construct infrastructure. These Bonds constitute two term bonds, Term 2022 Bonds and Term 2036 Bonds. The interest rates on the Term 2022 and Term 2036 Bonds are 6.00% and 6.25%, respectively.

Interest on the Bonds is paid on June 1 and December 1 of each year. Principal payments on the Bonds are due each December 1 from mandatory sinking fund redemption. Interest is calculated based on a year of 360 days.

On February 1, 2014, the Authority issued \$8,755,000 in Redevelopment Bonds Series 2013A1 and A2, for the purpose of providing funds to construct infrastructure. These Bonds constitute two term bonds, Term 2023 Bonds and Term 2033 Bonds. The interest rates on the Term 2022 and Term 2036 Bonds are 6.00% and 6.25%, respectively.

On February 1, 2014, the Authority issued \$3,700,000 in Subordinate Redevelopment Bonds Series 2013B, for the purpose of providing funds to construct infrastructure. These Bonds Term in 2044. The interest rate is 9.00%.

Interest on the Bonds is paid on June 1 and December 1 of each year. Principal payments on the Bonds are due each December 1 from mandatory sinking fund redemption. Interest is calculated based on a year of 360 days.

**B. Mandatory Sinking Fund Redemption**

All Bonds are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the Series. That mandatory redemption is to occur on December 1 in each of the years 2009 through 2032 at a redemption price of 100% of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule (including the amount of Series 2006A Bonds redeemed at maturity):

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**NOTE 7—LONG-TERM OBLIGATIONS (Continued)**

Year ending December 31:	<b>Term 2022 Bonds 5.00% \$3,180,000</b>		<b>Term 2032 Bonds 5.00% \$3,775,000</b>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 250,000	\$ 276,000	\$ -	\$ -
2017	260,000	263,500	-	-
2018	275,000	250,500	-	-
2019	275,000	236,750	-	-
2020	215,000	223,000	-	-
2021-2025	470,000	413,000	790,000	528,000
2026-2030	-	-	1,605,000	592,500
2031-2035	-	-	1,375,000	119,000
<b>Total</b>	<b>\$ 1,745,000</b>	<b>\$ 1,662,750</b>	<b>\$ 3,775,000</b>	<b>\$ 1,239,500</b>

Year ending December 31:	<b>Series A1 2013 Term 2033 Bonds 5.375% \$2,425,000</b>		<b>Series A2 2013 Term 2033 Bonds 6.25% \$6,330,000</b>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 200,000	\$ 122,281	\$ -	\$ 395,625
2017	200,000	111,531	-	395,625
2018	225,000	100,781	-	395,625
2019	250,000	88,150	-	395,625
2020	335,000	73,503	-	395,625
2021-2025	1,115,000	107,366	855,000	1,938,751
2026-2030	-	-	2,665,000	1,356,719
2031-2035	-	-	2,810,000	360,625
<b>Total</b>	<b>\$ 2,325,000</b>	<b>\$ 603,612</b>	<b>\$ 6,330,000</b>	<b>\$ 5,634,220</b>

Year ending December 31:	<b>Series B 2013 Term 2044 Term Bonds 9.0% \$3,700,000</b>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 25,000	\$ 333,000
2017	25,000	330,750
2018	25,000	328,500
2019	25,000	326,250
2020	25,000	324,000
2021-2025	470,000	1,539,000
2026-2030	750,000	1,273,950
2031-2035	810,000	900,000
2036-2040	735,000	568,350
2041-2044	810,000	190,350
<b>Total</b>	<b>\$ 3,700,000</b>	<b>\$ 6,114,150</b>

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**NOTE 8—RISK MANAGEMENT**

The Authority has property, casualty and crime coverages to protect against damage to their property.

There has been no change in coverage from the prior year. Settled claims have not exceeded this commercial coverage in any of the past three years.

**NOTE 9—RELATED PARTY TRANSACTIONS**

The Developer is responsible for overseeing the construction and development of the Authority's public infrastructure. The Authority is governed by a seven-member Board of Trustees. Three Board members appointed by the Developer are employees of related parties to the Developer.

**NOTE 10—EVALUATION OF SUBSEQUENT EVENTS**

The Authority has evaluated subsequent events through September 27, 2016, the date which the financial statements were available to be issued.

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS

Jeffrey Place New Community Authority  
Franklin County  
842 North Fourth Street, Suite 400  
Columbus, Ohio 43215

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Jeffrey Place New Community Authority, Franklin County (the Authority), as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated September 27, 2016.

*Internal Control Over Financial Reporting*

As part of our financial statement audit, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Authority's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.



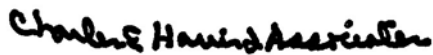
*Compliance and Other Matters*

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Authority's management in a separate letter dated September 27, 2016.

*Purpose of this Report*

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



*Charles E. Harris & Associates, Inc.*  
September 27, 2016

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# Dave Yost • Auditor of State

**JEFFREY PLACE NEW COMMUNITY AUTHORITY**

**FRANKLIN COUNTY**

## **CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 15, 2016**