



OHIO AUDITOR OF STATE  
**KEITH FABER**





**JEROME VILLAGE COMMUNITY AUTHORITY  
UNION COUNTY  
DECEMBER 31, 2024**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Jerome Village Community Authority  
Union County  
375 North Front Street, Suite 200  
Columbus, Ohio 43215

To the Board of Trustees:

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the financial statements of the Jerome Village Community Authority, Union County, Ohio (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 as listed in the table of contents.

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

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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.

#### ***Emphasis of Matter***

As discussed in Note 12 to the financial statements, the Authority has an accumulated deficit net position as of December 31, 2024. This deficit is a result of how the Authority is structured and its basic operations. Note 12 also describes management's evaluation of the events and conditions and their plans to mitigate these matters. Our opinion is not modified with respect to this matter.

### ***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 statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit 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 GAAS 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 GAAS 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 audit, significant audit findings, and certain internal control-related matters that we identified during the audit.


### ***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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2025 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. The purpose of that report is solely 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 the Authority's 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.

KEITH FABER  
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

September 11, 2025

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**Jerome Village Community Authority**  
**Union County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*(Unaudited)*

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Management's discussion and analysis of the financial performance of the Jerome Village Community Authority, Union County, Ohio, (the Authority), provides an overview of the Authority's financial activities for the year ended December 31, 2024. 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 the related notes to enhance their understanding of the Authority's financial performance.

**Financial Highlights**

- The Authority encourages the orderly development of a well-planned, diversified community of approximately 2,000 acres of land located in Jerome Township, Union County, Ohio.
- Net Position on December 31, 2024 and 2023 totaled a deficit of \$94.5 million and \$83.8 million, respectively.
- The Authority approved the issuance of Community Facilities Bonds for the purpose of providing funds to pay the costs of land acquisition and the further development and construction of public infrastructure improvements along with greenspace and community facilities.

**Overview of the Basic Financial Statements**

This annual report consists of a series of basic financial statements and notes to those statements. These statements are organized so the reader can understand the Authority's financial activities and financial position. The Statement of Net Position and Statement of Revenues, Expenses and Change in Net Position provides information about the activities of the Authority, including all short-term and long-term financial resources and obligations. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities are included in the Statement of Net Position. The Statement of Net Position represents the financial position of the Authority. The Statement of Revenues, Expenses and Change in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in net 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 information provided in the basic financial statements.

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

These basic financial statements look at all transactions and ask the question, how did we do financially? The Statement of Net Position and the Statement of Revenues, Expenses and Change in Net Position answer this question. These statements include all assets, liabilities, revenues, and expenses using the accrual basis of accounting, similar to the accounting used by most private-sector companies. The accrual basis of accounting considers all current year revenues and expenses regardless of when cash is received or paid.

These two financial statements report the Authority's net position and changes in those assets and liabilities. This change in net position is important because it tells the reader whether 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.

**Jerome Village Community Authority**  
**Union County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*(Unaudited)*

The Statement of Cash Flows provides information about how the Authority finances and meets the cash flow needs of its operations.

The basic financial statements also include notes that provide more detailed explanations of the information in the basic financial statements.

**Financial Analysis**

Table 1 provides a summary of the Authority's net position for years 2024 and 2023.

**Table 1**  
**Net Position at Year End**

	2024	2023	Change
Assets:			
Current assets	\$ 938,736	\$ 1,559,396	\$ (620,660)
Capital assets, net	69,769,230	68,409,435	1,359,795
Total Assets	<u>70,707,966</u>	<u>69,968,831</u>	<u>739,135</u>
Liabilities:			
Current liabilities	839,559	1,079,357	(239,798)
Noncurrent liabilities	164,330,336	152,731,004	11,599,332
Total liabilities	<u>165,169,895</u>	<u>153,810,361</u>	<u>11,359,534</u>
Net position:			
Net investment in capital assets	(4,808,839)	(3,926,265)	(882,574)
Unrestricted	(89,653,090)	(79,915,265)	(9,737,825)
Total net position	<u>\$ (94,461,929)</u>	<u>\$ (83,841,530)</u>	<u>\$ (10,620,399)</u>

The net increase in capital assets is the result of bond-financed roadways and community improvements, net of current year dedications and depreciation.

The net increase in total liabilities is primarily the result of the Authority drawing on the Series E bond for the construction of roadways and community improvements, as well as the accrual of interest related to all outstanding bonds.

**Jerome Village Community Authority**  
**Union County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*(Unaudited)*

Table 2 reflects the changes in the Authority's net position for years 2024 and 2023.

**Table 2**  
**Changes in Net Position**

	2024	2023	Change
<b>Operating revenues:</b>			
Assessed valuation charges	\$ 3,492,904	\$ 3,042,022	\$ 450,882
Sewer charges	1,480,358	1,191,272	289,086
Community center	1,409,815	1,235,583	174,232
Community fee	255,346	91,272	164,074
Other	85,650	222,104	(136,454)
Total operating revenues	<u>6,724,073</u>	<u>5,782,253</u>	<u>941,820</u>
<b>Operating expenses:</b>			
Common area repair, maintenance and uti	517,480	529,910	(12,430)
Sewer repair, maintenance and utilities	1,376,322	1,365,046	11,276
Community center expenses	1,497,260	1,284,427	212,833
Township fees	165,783	175,472	(9,689)
Other, including administrative costs	141,725	103,015	38,710
Depreciation	574,524	511,198	63,326
Total operating expenses	<u>4,273,094</u>	<u>3,969,068</u>	<u>304,026</u>
Operating income	2,450,979	1,813,185	637,794
<b>Non-operating revenues (expenses):</b>			
Interest expense	(8,026,092)	(7,113,685)	(912,407)
Capital dedications	(5,042,967)	(9,839,101)	4,796,134
Other	(2,319)	(8,526)	6,207
Total non-operating revenues (expenses)	<u>(13,071,378)</u>	<u>(16,961,312)</u>	<u>3,889,934</u>
Change in net position	(10,620,399)	(15,148,127)	
Net position, beginning of year	<u>(83,841,530)</u>	<u>(68,693,403)</u>	
Net position, end of the year	<u>\$ (94,461,929)</u>	<u>\$ (83,841,530)</u>	

**Jerome Village Community Authority**  
**Union County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*(Unaudited)*

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The increase in assessed valuation charges is primarily a result of an increase in the assessed value and the number of chargeable parcels within the Authority's boundaries. The increased number of occupied homes within the boundaries also results in an increase in the other operating revenue categories and operating expenses.

**Budgeting**

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

**Capital Assets**

As of December 31, 2024, the Authority had \$69.8 million in capital assets, an increase of \$1.4 million in comparison with the prior year end. See note 5 to the basic financial statements for more detailed information regarding capital assets.

**Debt**

The Authority has approved the issuance of bonds for the purpose of providing funds to pay the costs of land acquisition and the further development and construction of public infrastructure improvements along with greenspace and community facilities. As of December 31, 2024, the Authority has issued bonds totaling \$113.7 million, an increase of \$7.3 million in comparison with the prior year end. See note 6 to the basic financial statements for more detailed information regarding debt.

**Contacting Authority's Financial Management**

This financial report is designed to provide readers 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, 375 North Front Street, Suite 200, Columbus, Ohio 43215.

**Jerome Village Community Authority**  
**Union County**  
*Statement of Net Position*  
*As of December 31, 2024*

<b>Assets</b>	
Current assets	
Cash	\$ 117,692
Restricted cash with Trustee	661,586
Accounts receivable	147,914
Other assets	11,544
Total current assets	938,736
Noncurrent assets	
Nondepreciable capital assets	55,606,394
Depreciable capital assets, net	14,162,836
Total noncurrent assets	69,769,230
Total assets	\$ 70,707,966
<b>Liabilities</b>	
Current liabilities	
Accounts payable	\$ 118,130
Community fees payable	38,323
Retainage payable	462,258
Other current liabilities	220,848
Total current liabilities	839,559
Noncurrent liabilities	
Bonds payable	113,748,507
Accrued interest payable	50,581,829
Total noncurrent liabilities	164,330,336
Total liabilities	165,169,895
<b>Net position</b>	
Net investment in capital assets	(4,808,839)
Unrestricted	(89,653,090)
Total net position	(94,461,929)
Total liabilities and net position	\$ 70,707,966

See accompanying notes to the basic financial statements.

**Jerome Village Community Authority**  
**Union County**  
*Statement of Revenues, Expenses and*  
*Change in Net Position*  
*For the Year Ended December 31, 2024*

<b>Operating revenues</b>	
Assessed valuation charges	\$ 3,492,904
Sewer charges	1,480,358
Community center revenue	1,409,815
Community fee	255,346
Other	85,650
Total operating revenues	<u>6,724,073</u>
<b>Operating expenses</b>	
Common area repair, maintenance and utilities	517,480
Sewer repair, maintenance and utilities	1,376,322
Community center expenses	1,497,260
Township fees	165,783
Other, including administrative costs	141,725
Depreciation	574,524
Total operating expenses	<u>4,273,094</u>
Operating income	2,450,979
<b>Non-operating revenue (expenses)</b>	
Interest expense	(8,026,092)
Capital dedications	(5,042,967)
Other	(2,319)
Total non-operating expenses	<u>(13,071,378)</u>
Change in net position	(10,620,399)
Net position beginning of year	(83,841,530)
Net position end of year	<u><u>\$ (94,461,929)</u></u>

See accompanying notes to the basic financial statements.

**Jerome Village Community Authority**  
**Union County**  
*Statement of Cash Flows*  
*For the Year Ended December 31, 2024*

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**Cash flows from operating activities:**

Proceeds from assessed valuation charges	\$ 3,576,488
Proceeds from sewer charges	1,492,665
Proceeds from community center revenue	1,407,961
Proceeds from community fees	212,253
Payments to Township for community fee	(174,391)
Proceeds from other	156,337
Payments for operating expenses	<u>(3,602,321)</u>
Net cash provided by operating activities	<u>3,068,992</u>

**Cash flows for capital and related financing activities:**

Payments for capital acquisitions	(7,147,307)
Proceeds from bond	7,262,870
Payments for bond interest	(3,689,629)
Payments for other	<u>(2,319)</u>
Net cash used in capital and related financing activities	<u>(3,576,385)</u>

**Decrease in cash** (507,393)

Cash at beginning of year	<u>1,286,671</u>
Cash at end of year	<u><u>779,278</u></u>

See accompanying notes to the basic financial statements.

**Jerome Village Community Authority**  
**Union County**  
*Statement of Cash Flows*  
*For the Year Ended December 31, 2024*

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**Reconciliation of operating income to net cash  
provided by operating activities:**

Operating income	\$ 2,450,979
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	574,524
Changes in assets and liabilities:	
Accounts receivable	113,580
Other assets	(313)
Accounts payable	(1,430)
Community fee payable	(9,084)
Other current liabilities	(59,264)
<b>Net cash provided by operating activities</b>	<b>3,068,992</b>

**Schedule of noncash transactions:**

The Authority had capital-related payables totaling \$483,535 and \$653,556 as of December 31, 2024 and December 31, 2023, respectively.

During 2024, the Authority dedicated capital assets totalling \$5,042,967.

See accompanying notes to the basic financial statements.



**Jerome Village Community Authority**  
**Union County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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**NOTE 1 - REPORTING ENTITY**

The Jerome Village Community Authority, Union County, Ohio (the “Authority”) is a community authority created pursuant to Chapter 349 of the Ohio Revised Code (ORC). Jerome Village Company (the Developer) filed a petition (the Petition) for creation of the Authority with the Board of County Commissioners of Union County, Ohio, and the Petition was accepted by Resolution No. 417-08 of the Board of County Commissioners of Union County on August 4, 2008. The Petition, which may be subject to amendment or change, defines the boundaries of the Authority and allows the Authority to finance the costs of publicly owned and operated improvements and community facilities with assessed Community Development Charges.

By its Resolution, the Board of County Commissioners of Union County determined the Authority would be conducive to the public health, safety, convenience and welfare, and that it was intended to result in the development of a new community as described in the Act. The Authority thereby was organized as a body corporate and politic in the State.

By law, the Authority is governed by a seven-member board of trustees (Board). The Board of County Commissioners of Union County appoints four of the trustees and the remaining three trustees are appointed by the Developer. As of December 31, 2024, one of the positions appointed by the County Commissioners was vacant.

The Authority covers approximately 2,000 acres of land located in Jerome Township, Union County, Ohio. Upon completion, the boundaries will contain residential units and commercial office and retail space, along with approximately 800 acres dedicated for trails, parks, nature preserves, schools and community centers.

The Authority’s management believes these basic financial statements present all activities for which the Authority is financially accountable.

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

The significant accounting policies followed in the preparation of these basic 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.

***Basis of Presentation***

The Authority’s basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses and Change in Net Position, and a Statement of Cash Flows. The Authority uses enterprise accounting to maintain its financial records during the fiscal year. Enterprise accounting focuses on the determination of operating income, changes in net position, financial position, and cash flows.

***Measurement Focus and the Basis of Accounting***

The Authority’s financial activity is accounted for using a flow of economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Authority are included on the Statement of Net Position. The Statement of Revenues, Expenses and Change in Net

**Jerome Village Community Authority**  
**Union County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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Position present 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 basic financial statements. Basis of accounting relates to the timing of the measurements made.

***Cash***

The Authority considers all highly liquid investments with an original maturity of three months or less at the time they are purchased to be cash.

***Restricted Cash***

Certain cash is classified as restricted cash on the basic financial statements since these funds are held and used by a fiscal agent as designated in the bond agreements.

***Capital Assets and Depreciation***

Capital assets, including land and improvements, building and improvements, construction in progress and dedications are reported in the Statement of Net Position and recorded at historical cost. The Authority does not maintain a formal capitalization threshold.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend the life of an asset are expensed as incurred. Improvements are capitalized and depreciated using the straight-line method over the useful lives of the related capital assets, as applicable. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciable lives used for property items within each property classification are as follows:

<u>Classification</u>	<u>Useful Life</u>
Land improvements	7-15 years
Building and improvements	40 years

***Noncurrent Liabilities***

Bonds payable are reported net of the bond premium or discount which are deferred and amortized over the life of the bonds, if applicable. Issuance costs are expensed as incurred.

***Net Position***

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, less any outstanding related debt. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Authority first applies restricted resources when an expense is incurred for which both restricted and unrestricted net positions are available. The Authority did not have any restricted net position components as of December 31, 2024.

**Jerome Village Community Authority**  
**Union County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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***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 primarily assessed valuation, sewer and community center 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.

***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. The most significant estimates include useful lives of capital assets and recoverable amounts of receivables. Actual results may differ from those estimates.

***Implementation of New Accounting Principles***

For the year ended December 31, 2024, the Authority has implemented certain provisions of GASB Statement No. 99, *Omnibus 2022*, GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, and GASB Statement No. 101, *Compensated Absences*.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of certain provisions of GASB Statement No. 99 that relate to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 did not have an effect on the financial statements of the Authority.

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide a more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessment accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of the Authority.

GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences to promote consistency and better meet the information needs of financial statement users. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. The implementation of GASB Statement No. 101 did not have an effect on the financial statements of the Authority.

**NOTE 3 - CASH**

The cash balance and carrying amount on December 31, 2024 was \$0.1 million. The Authority's entire balance was covered by the Federal Depository Insurance Corporation (FDIC).

In addition, the Authority had cash on deposit with Bank of New York Mellon (Trustee) in accordance with the Authority's Master Trust Agreement. The amount on deposit with the Trustee on December 31, 2024 was \$0.7 million. These amounts are reported as restricted cash with Trustee on the Statement of Net Position.

**Jerome Village Community Authority**  
**Union County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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**NOTE 4 – OPERATING REVENUES**

The Authority can levy community development charges, as defined, for the benefit and use of the Authority to cover all or part of land acquisitions, development, construction, operation and maintenance of land, land development and community facilities, the debt service thereon and any other cost incurred by the Authority. The current community development charges include assessed valuation, sewer service, community center and facilities charges.

The Authority levies an annual assessed valuation charge of 9.5 mills on the assessed value of all residential chargeable property and 12.5 mills on the assessed value of all commercial chargeable property, as defined, within the boundaries of the Authority. Assessed valuation charge revenue recognized in the year 2024 represents the amounts levied for the year.

These charges are generally levied based on the County Auditor's assessed value as of January 1. The assessed value is established by state law at 35% of the current market value based on the County Auditor's tax duplicate. If the County Auditor's tax duplicate does not reflect the completed value of a chargeable parcel, then assessed value shall mean 35% of (a) the most recent arms-length sales price, after completion of improvements to that parcel, (b) if there has been no such sale, the then current land value of the chargeable parcel plus the value of the improvements as stated on the building permit(s) for that parcel, or (c) if there is no improvement value stated on the building permit(s), or if the land value or building permit(s) are not available, the market value of the chargeable parcel as reasonably determined by the Treasurer based on an appraisal of the chargeable parcel. Amounts assessed and due are reflected as revenue on the Statement of Revenues, Expenses and Change in Net Position.

The Authority entered into a Service Agreement dated July 23, 2010, and as amended from time to time, with the City of Marysville and Union County whereby the parties agreed to provide for the connection of certain property to the sanitary sewer system constructed pursuant to that agreement and the collection of certain charges for the use of the sanitary sewer system ("sewer service charges"). Each user of the sanitary sewer system must pay for the privilege of that use as specified in the Service Agreement. Amounts assessed and due are reflected as revenue on the Statement of Revenues, Expenses and Change in Net Position.

The Authority levies an annual community center charge on all residential chargeable parcels, as defined, within the boundaries of the Authority. The amount of the annual charge is based on the community center's budgeted operating expenses for that year, as approved by the Board, and cannot increase over the prior year's charge by more than the Consumer Price Index. Amounts charged and due are reflected as revenue on the Statement of Revenues, Expenses and Change in Net Position.

The Authority levies a facilities charge of 0.5% of gross receipts of all taxable retail sales by a business within the commercial portions of the New Community District, as defined. Amounts charged and due are reflected as revenue on the Statement of Revenues, Expenses and Change in Net Position.

The Authority has established a one-time community fee against each parcel owner which is paid prior to construction of a dwelling or commercial structure. The amount of the fixed fee is dependent on the type of construction and whether the parcel is within or outside the initial boundaries of the Authority. Upon collection, a portion of the community fee is paid to Jerome Township as a credit toward the Authority's obligation to fund the Jerome Village General Township Contribution or the Jerome Village Fire Safety Contribution (see Note 9). Once the maximum contribution is funded, all additional receipts from the

**Jerome Village Community Authority**  
**Union County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

community fee are available to the Authority. Amounts charged and due are reflected as revenue on the Statement of Revenues, Expenses and Change in Net Position.

The Authority can levy an income-based charge on the taxable income of residents and businesses located within the Authority's boundaries. The maximum rate that can be levied is 2%; however, the charge can only be levied once the Developer has waived its right to appoint members to the Board. The Board can only levy up to 1%, with the second 1% being levied after majority approval by impacted landowners at a public election. As of December 31, 2024, there are still Developer appointed members on the Board.

**NOTE 5 – CAPITAL ASSETS**

A summary of capital asset activity for the year ended December 31, 2024 follows:

Description	Beginning Balance	Additions	Transfers	Disposals / Dedications	Ending Balance
Non-depreciable assets:					
Land	\$ 22,335,094	\$ -	\$ (4,835,509)	\$ -	\$ 17,499,585
Construction in progress	11,627,093	6,532,701	(1,510,675)	-	16,649,119
Dedications pending acceptance	20,933,333	444,585	5,122,739	(5,042,967)	21,457,690
Total nondepreciable assets	54,895,520	6,977,286	(1,223,445)	(5,042,967)	55,606,394
Capital assets, being depreciated:					
Land improvements	2,503,504		1,204,410	-	3,707,914
Building and improvements	15,201,721	-	19,035	-	15,220,756
Total depreciable capital assets	17,705,225	-	1,223,445	-	18,928,670
Less accumulated depreciation for:					
Land improvements	(1,473,125)	(183,836)	-	-	(1,656,961)
Building and improvements	(2,718,185)	(390,688)	-	-	(3,108,873)
Total accumulated depreciation	(4,191,310)	(574,524)	-	-	(4,765,834)
Total depreciable assets, net	13,513,915	(574,524)	1,223,445	-	14,162,836
Total capital assets, net	\$ 68,409,435	\$ 6,402,762	\$ -	\$ (5,042,967)	\$ 69,769,230

**NOTE 6 – BONDS PAYABLE**

The Authority approved the issuance of Community Facilities Bonds (Series A through F). The bonds were issued for the purpose of providing funds to pay the costs of public infrastructure improvements including water, sewer, storm sewer, roadways, sidewalks and streetscape, along with greenspace and community facilities, and the acquisition of real estate and site preparation for such improvements. The bonds were sold to a related party of the Developer at par.

The Authority has pledged all community development charges (excluding the community center charge), net of specific disbursements as defined in the bond agreements, as well as all other revenue of the Authority (net operating revenues) to the payment of interest of each bond series, pro rata, to the extent amounts are sufficient. Once accrued interest has been made current, these receipts are pledged to the principal payment

**Jerome Village Community Authority**  
**Union County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

of the Series A bonds followed by the remaining Series in order. So long as the Community Facilities Bonds are outstanding, the Authority must implement, maintain and collect the assessed valuation charge, facilities charge and 1% income-based charge, from and after the first date that it may be collected, and shall not waive, reduce, provide credits or terminate those charges below the stated amounts.

The bonds are payable solely from the pledged net operating revenues. During 2024, the Authority received pledged net operating revenues of \$3.4 million and paid interest of \$3.7 million. Interest on each of the outstanding bonds is accrued monthly. Principal and interest payments are made in accordance with the bond agreements. There are no stated amounts due on any of the outstanding bonds within one year.

Current cash flow projections for the Authority estimate the bonds will be fully paid prior to maturity.

Bonds payable activity for the year ended December 31, 2024 was as follows:

	Maturity Date	Interest Rate	Beginning Balance	Advances	Payments	Ending Balance
Series A, 2010	8/27/2050	8.87%	\$ 22,000,000	\$ -	\$ -	\$ 22,000,000
Series B, 2013	12/15/2053	6.96%	25,000,000	-	-	25,000,000
Series C, 2015	7/15/2055	6.43%	18,375,707	-	-	18,375,707
Series D, 2019	1/18/2059	6.14%	17,182,530	-	-	17,182,530
Series E, 2022	4/20/2062	See below	23,927,401	7,262,870	-	31,190,270
Total			<u>\$ 106,485,637</u>	<u>\$ 7,262,870</u>	<u>\$ -</u>	<u>\$ 113,748,507</u>

During 2022, the Authority approved the issuance of up to \$32.0 million in Community Facilities Bonds, Series E. The interest rate for the first advance of Series E bonds was 7.1% per year. For each subsequent advance, the fixed annual rate is determined on the date of each advance and is equal to the then most recent Bond Buyer 25 Revenue Bond Muni Index rate for 30-year bonds plus 3.81%.

During 2024, the Authority approved the issuance of up to \$21.0 million in Community Facilities Bonds, Series F. As of December 31, 2024, there have been no draws on this bond.

**NOTE 7 – RISK MANAGEMENT**

The Authority has property, casualty, crime, and public official's liability protection for potential loss or damage resulting from their operations or to their property. Protection is provided through coverage on a risk transfer basis by A-rated companies and extends to all owned, leased, rented or newly acquired property, as well as their business operations. In the event of a covered claim payment, limits are automatically reinstated up to the Annual Aggregate, if applicable. Coverage for property and crime are written on a deductible basis. Casualty is written with a \$250 property damage deductible and public officials' coverage is written with a \$5,000 deductible.

There has been no material change in coverage from the prior year and there have been three sewer back-up claims in the past three years that were adequately covered by insurance.

**Jerome Village Community Authority**  
**Union County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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**NOTE 8 - CONTINGENT LIABILITIES**

There are no claims or lawsuits pending against the Authority.

**NOTE 9 – CONTRACTUAL COMMITMENTS**

The Authority entered into a land acquisition agreement with the Developer during 2014, which agreement was amended and restated in April 2022. The acquisition agreement, as amended and restated, is to purchase land within the Eversole Run Master Sewer District and any and all improvements located thereon. The purchase price is \$55,469 per acre and is payable from proceeds of the Authority's bonds. The outside date for closing on the purchase of any parcel(s) is April 2027.

The Authority entered into an agreement with the Developer and Jerome Township to fund the Jerome Village General Township Contribution and the Jerome Village Fire Safety Contribution, as defined, in recognition of the increased need for fire and safety services and other additional costs incurred due to the development within the Authority's boundaries. To date, the Authority has funded \$7.7 million of the total \$9.9 million obligation.

**NOTE 10 – ASSET RETIREMENT OBLIGATIONS**

Ohio Revised Code (ORC) Section 6111.44 requires the Authority to submit any changes to their sewerage system to the Ohio EPA for approval, including the retirement or abandonment of certain sewer-related assets. Through this permitting process, the Authority would be responsible to address any public safety issues associated with retiring or abandoning these sewer-related assets. In accordance with ORC Section 6111.44, and applicable accounting standards, the Authority believes an asset retirement obligation (ARO) to be present, however, there is significant uncertainty as to what public safety issues would need to be addressed. Based on this uncertainty, the ARO amount is not reasonably estimable at this time and therefore an ARO is not recognized in the Authority's financial statements.

**NOTE 11 - RELATED PARTIES**

The Developer is responsible for overseeing the construction and development of the Authority's public infrastructure projects and received \$0.3 million during 2024.

The Developer has guaranteed the full payment of the Authority's obligation to fund the Jerome Village General Township Contribution and the Jerome Village Fire Safety Contribution, as defined. The Authority and the Developer do not believe that it is probable that they will be required to make any payments in satisfaction of this guarantee.

The Authority entered into an agreement with an affiliate of the Developer to manage the operation and maintenance of certain community facilities and paid \$0.1 million to the affiliate during 2024.

As disclosed in Note 1, the Authority is governed by a seven-member board of trustees. The three trustees appointed by the Developer are employees of a related party to the Developer.

As disclosed in Note 6, the bonds were sold to a related party of the Developer.

**Jerome Village Community Authority**  
**Union County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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**NOTE 12 - ACCUMULATED DEFICIT OF NET POSITION**

As of December 31, 2024, the Authority has an accumulated deficit net position of \$94.5 million. This deficit is a result of how the Authority is structured and its basic operations. The Authority was established to finance the costs of publicly owned and operated community land and facilities and has incurred such costs. The related deficit will be reduced and eliminated as outstanding debt is paid with future cashflows in accordance with the bond agreements.

**NOTE 13 – SUBSEQUENT EVENTS**

During 2025, the Authority has drawn a total of \$3.8 million on Community Facilities Bonds, Series F. The interest rate for the first advance of Series F bonds was 7.3% per year. For each subsequent advance, the fixed annual rate is determined on the date of each advance and is equal to the then most recent Bond Buyer 25 Revenue Bond Muni Index rate for 30-year bonds plus 2.88%.

During April 2025, the Authority exchanged 2.93 acres of land with the Developer and received additional cash consideration of \$0.1 million.

Through April 2025, Union County has accepted roadway improvements resulting in a \$11.3 million reduction of nondepreciable capital assets.





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

Jerome Village Community Authority  
Union County  
375 North Front Street, Suite 200  
Columbus, Ohio 43215

To the Board of Trustees:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the Jerome Village Community Authority, Union County, Ohio (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 September 11, 2025, wherein we noted that Note 12 to the basic financial statements described the Authority had an accumulated deficit net position as of December 31, 2024.

***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) as a basis for designing 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 a combination of deficiencies, in internal control, such that there is a 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 that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not 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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEITH FABER  
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

September 11, 2025

# OHIO AUDITOR OF STATE KEITH FABER



**JEROME VILLAGE COMMUNITY AUTHORITY**

**UNION COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 9/30/2025**

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)