



**ONE NEIGHBORHOOD NEW COMMUNITY AUTHORITY
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016



Dave Yost • Auditor of State

**ONE NEIGHBORHOOD NEW COMMUNITY AUTHORITY
FRANKLIN COUNTY
DECEMBER 31, 2017 AND 2016**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

One Neighborhood New Community Authority
Franklin County
495 S. High Street, Suite 150
Columbus, OH 43215

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of One Neighborhood New Community Authority, Franklin County, Ohio (the Authority), as of and for the years ended December 31, 2017 and 2016, 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 such 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 One Neighborhood New Community Authority, Franklin County, Ohio, as of December 31, 2017 and 2016, and the respective changes in its financial position and its cash flows 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 November 1, 2018, 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.



Dave Yost
Auditor of State
Columbus, Ohio

November 1, 2018

**ONE NEIGHBORHOOD NEW COMMUNITY AUTHORITY
FRANKLIN COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)**

The management's discussion and analysis of the One Neighborhood New Community Authority, Franklin County, Ohio, (the Authority), financial performance provides an overall summary of the Authority's financial activities for the fiscal year ended December 31, 2017. The intent of this discussion and analysis is to look at the Authority's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Authority's financial performance.

Financial Highlights

1. The Authority encourages the orderly development of the One Neighborhood, a residential community of approximately nine city blocks. The area begins at the corner of Fourth and Gay and extends east to the corner of Milton Alley and Long Street, in Franklin County.
2. Net position at December 31, 2017 totaled a negative \$7,254,290. The negative net position is due to the costs incurred in current and prior years for development costs, operating expenses and bond interest.
3. The Authority's debt is paid through the collection of community development charges imposed on the residences benefiting from the improvements.

Overview of Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Authority's financial activities and financial position. The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position provides information about the activities of the Authority. The Statement of Net Position represents the financial position of the Authority. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in a net total 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.

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

These financials look at all financial transactions and asks the question, how did we do financially? The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net position answer this question. These statements include all assets, liabilities, deferred inflows of resources, revenues, and expenses using the accrual basis of accounting, similar to the accounting used by most private-sector companies. The basis of accounting takes into account all of the current year's revenue and expenses regardless of when cash is received or paid.

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

**ONE NEIGHBORHOOD NEW COMMUNITY AUTHORITY
FRANKLIN COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2017
(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 explain some of the information in the financial statements and provides more detailed data.

Financial Analysis

Table 1 provides a summary of the Authority's net position for fiscal years 2017 and 2016.

Table 1

	2016	2017
Assets		
Capital Assets	\$ 441,710	\$ 435,109
Other Assets	2,633,188	2,028,176
Total Assets	3,074,898	2,463,285
Liabilities		
Current Liabilities	2,215,517	1,082,607
Non Current Liabilities	4,543,524	7,595,000
Total Liabilities	6,759,041	8,677,607
Deferred Inflows of Resources	2,135,694	1,039,968
Unrestricted Net Position	\$(5,819,837)	\$(7,254,290)

The decrease in other assets and current liabilities is due to the Board approved refinancing of the long term debt and subsequent payments to developer, slightly offset by development costs on one new project in 2017, resulting in a decrease to the Community Development Charge Receivable and Deferred Inflows of Resources. The decrease in other assets is partially off-set by an increase in non-current assets resulting from new financing which increased the bond size and thus increased the amount of the required reserve with the trustee. The increase in non-current liabilities is due to the new bond issuance in 2017.

**ONE NEIGHBORHOOD NEW COMMUNITY AUTHORITY
FRANKLIN COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)**

Table 2 reflects the changes in net position for fiscal years 2016 and 2017.

	2016	2017
Operating Revenue		
Community Development Income	\$369,316	\$375,535
Real Estate Tax Refund	28	896
Total Operating Revenue	369,344	376,431
Non-Operating Revenue		
Interest Revenue	216	2,932
Total Non-Operating Revenue	216	2,932
Total Revenues	369,560	379,363
Operating Expenses		
Community Development Expense	1,809,595	855,923
Legal	14,351	50,204
Trustee Fees/Insurance and Other	9,907	7,890
Depreciation	6,601	6,601
Total Operating Expenses	1,840,454	920,618
Non-Operating Expenses		
Developer Interest Expense	31,962	158,173
Interest Expense	292,474	360,312
Financing Fees	0	374,713
Total Non-Operating Expenses	324,436	893,198
Total Expenses	2,164,890	1,813,816
<i>Change in Net Position</i>	(1,795,330)	(1,434,453)
Net Position, Beginning	(4,024,507)	(5,819,837)
Net Position, Ending	\$(5,819,837)	\$(7,254,290)

Change in Net Position: The Authority had decreases in net position for both years presented. The decreases are due to continued development and maintenance expenses of authority property.

Revenues from Community Development Charges paid by each owner of chargeable parcel will be used to pay the cost to construct needed infrastructure located within the Authority. The Community Development Charge is calculated on thirty-five percent of the assessed value of chargeable property, which includes buildings, structures, and improvements. The Community Development Charge is currently levied at 25 mills. The amount of revenue will increase in years when available parcels are sold and improvements are made, thus increasing the total assessed value of chargeable property.

**ONE NEIGHBORHOOD NEW COMMUNITY AUTHORITY
FRANKLIN COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)**

Debt Obligations

The Authority has \$963,312 of note obligations at December 31, 2017. The Authority has Bond Obligation of \$7,595,000 at December 31, 2017. Note 6 summarizes the debt obligations.

Capital Assets

At fiscal year-end 2017, the Authority had \$435,109 (net of accumulated depreciation) invested in land and land improvements. There were no additions or deletions to capital asset balances during fiscal year 2017, other than depreciation. See note 10 to the basic financial statements for additional information on capital assets.

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 request for additional information should be directed to Kimberly A. Ulle, Treasurer, One Neighborhood New Community Authority, 495 South High Street, Suite 150, Columbus, Ohio 43215, 614-463-1999.

One Neighborhood New Community Authority
Franklin County

Statement of Net Position
For the Year Ended December 31, 2017

	<u>2017</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents with Trustee	\$ 217,524
Community Development Charges Receivable	1,050,293
Prepaid Insurance	859
<i>Total Current Assets</i>	<u>1,268,676</u>
Non-Current Assets:	
Cash with Fiscal Agent	759,500
Capital Assets:	
Land	369,100
Land Improvements, Net	66,009
<i>Total Non-Current Assets</i>	<u>1,194,609</u>
Total Assets	<u>2,463,285</u>
LIABILITIES	
Current Liabilities	
Accrued Interest Payable	119,295
Note Payable	963,312
<i>Total Current Liabilities</i>	<u>1,082,607</u>
Long-Term Liabilities	<u>7,595,000</u>
Total Liabilities	<u>8,677,607</u>
DEFERRED INFLOWS OF RESOURCES	1,039,968
NET POSITION	
Unrestricted	<u>\$ (7,254,290)</u>

See accompanying notes to the basic financial statements.

One Neighborhood New Community Authority
Franklin County
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2017

	2017
Operating Revenue	
Community Development Income	\$ 375,535
Real Estate Refund - prior year	896
Total Operating Revenue	376,431
Operating Expenses	
Community Development Expense	855,923
Legal	50,204
Trustee Fees/Insurance and Other	7,890
Depreciation	6,601
Total Operating Expenses	920,618
Operating Loss	(544,187)
Non Operating Expenses (Revenue)	
Interest Income	2,932
Financing fees	(374,713)
Developer Interest Expense	(158,173)
Interest Expense	(360,312)
Total Non Operating Expenses	(890,266)
<i>Change in Net Position</i>	(1,434,453)
Net Position, Beginning	(5,819,837)
Net Position Ending	\$ (7,254,290)

See accompanying notes to the basic financial statements.

One Neighborhood New Community Authority

Franklin County

Statement of Cash Flows

For the Year Ended December 31, 2017

	2017
Cash Flows from Operating Activities	
Cash Received from Property Owners	\$ 373,234
Other Cash Receipts	896
Cash Payments for Goods and Services	(142,807)
<i>Net Cash Provided by Operating Activities</i>	231,323
 Cash Flows from Capital and Related Financing Activities	
Principal Paid on Revenue Bonds	(10,000)
Interest Paid on Revenue Bonds	(292,475)
Bond refinancing - Net proceeds 2017C series	2,296,297
Loan Repayment to Developer	(1,909,075)
Interest Payment to Developer	(142,722)
<i>Net Cash Used in Capital and Related Financing Activities</i>	(57,975)
 Cash Flows from Investing Activities	
Interest on Investments	660
<i>Net Cash Provided by Investing Activities</i>	660
<i>Net Increase in Cash and Cash Equivalents</i>	174,008
<i>Cash and Cash Equivalents Beginning of Year</i>	43,516
<i>Cash and Cash Equivalents End of Year</i>	\$ 217,524
 Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating Loss	\$ (544,187)
Adjustments:	
Depreciation	6,601
Payment to developer	1,909,075
(Increase) Decrease in Assets:	
Accounts Receivable	1,093,425
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:	
Accounts Payable	(19,469)
Accrued Payable	(5,250)
Note Payable Developer	(1,113,146)
Deferred Inflows of Resources	(1,095,726)
<i>Net Cash Provided by Operating Activities</i>	\$ 231,323

Non-Cash Transactions

During 2017 the Developer paid \$795,928, to complete projects on behalf of the Authority. This is reflected in the Note Payable balance.

See accompanying notes to the basic financial statements

One Neighborhood New Community Authority
Franklin County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2017

NOTE 1 – REPORTING ENTITY

The One Neighborhood New Community Authority (the Authority) is a “community authority” created pursuant to Chapter 349 of the Ohio Revised Code (the Act). On March 17, 2008, the City Council for the City of Columbus, Ohio approved the petition (the Petition) filed by Gay Street Condominiums, LLC (the Developer) for creation of the Authority. The Petition, which may be subject to amendment or change, allows the Authority to finance the costs of publicly owned and operated community facilities with assessed community development charges.

The Authority is governed by a seven member Board of Trustees. At inception, the City of Columbus appointed four of the trustees and the remaining three were appointed by the Developer.

At December 31, 2017 the Authority is comprised of 6.85 acres of land located in Franklin County, Ohio. In accordance with the Act and the Petition, the Authority can levy a community development charge up to 25 mills on the assessed value of the land and improvements within the Authority. The need and amount of the charge is determined annually by the Board of Trustees of the Authority.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in 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 financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. 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, changes in net position, financial position, and cash flows.

B. Measurement Focus and Basis of Accounting

The Authority’s financial activity is accounted for using a flow of estimated resources measurement focus. All assets, liabilities and deferred inflows of resources associated with the operation of the 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.

One Neighborhood New Community Authority
Franklin County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2017
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Cash

Cash received by the Authority is deposited with a financial institution.

Custodial Credit risk is the risk that, in the event of bank failure, the Authority's deposits may not be returned. The Authority does not have a deposit policy for custodial credit risk. At December 31, 2017, the carrying and bank balance amount of the Authority's deposits were \$ 217,524. Federal Deposit Insurance Corporation (FDIC) covered the entire bank balance, and thus none of the Authority's cash is subject to custodial risk.

D. 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 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 the definition are reported as non-operating.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

F. Net Position

Net position represents the difference between assets, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority first applies restricted resources when an expense is incurred for which both restricted and unrestricted net position are available. The Authority has no restricted net position at fiscal year-end 2017.

G. Capital Assets

Acquisitions of property and equipment are capitalized. Expenditures for maintenance and repairs are charged against operations. Property and equipment are carried at cost or, if donated, at the approximate fair value on the date of donation.

Depreciation is computed using the straight-line method. All reported capital assets, except land, are depreciated. Depreciation on the land improvements is calculated over a useful life of 15 years. See Note 10 for further information on capital assets.

One Neighborhood New Community Authority
 Franklin County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2017
 (continued)

NOTE 3 – NET POSITION DEFICIT

At December 31, 2017, the Authority has a net position deficit of \$7,254,290. This deficit is the result of how the Authority is structured and its basic operations. The Authority was established to finance the costs of publically owned and operated community facilities. The Authority incurred the costs of acquiring, constructing, or improving community facilities. The titles to these assets have been transferred to other local governments.

NOTE 4 – COMMUNITY DEVELOPMENT CHARGE

The Authority can levy an annual community development charge up to 25 mills on the assessed value of all property within the developed property. The charge is currently levied at 25 mills. Charge revenue recognized represents the amount levied on the current year.

Charge assessments are levied October 1 on the assessed values as of September 30 (the lien date). The assessed value is established by state law at 35% of the current market value, the sales price, or the permit value, whichever is the highest. Market values are determined by the Authority based on the County Auditor’s appraisal, lot values, or a calculated cost for occupied homes that have not yet been appraised by the County Auditor. The permit values are supplied by the City of Columbus.

NOTE 5 – CONTINGENT LIABILITIES

There are no claims or lawsuits pending against the Authority.

NOTE 6 – DEBT OBLIGATIONS

A. Short Term - Current

The changes in the Authority’s Note Payable during fiscal year 2017 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Fiscal Year 2017	\$2,076,640	\$795,927	\$1,909,075	\$936,312

The ending balance represents costs paid by the Developer from 2010 through 2017, less payments made to the developer as a result of the 2017 Bond Refinancing. The Developer completed one additional project, Gay Street Mews I, which was approved by the Board, July, 2017 for \$795,928. Interest is calculated per the Development Agreement. The interest rate is equal to the 11 bond GO Rate in effect on the interest determination date, divided by the result of one minus the highest marginal federal income tax rate in effect during the period for which interest is calculated. Interest is calculated on the basis of a 360-day year consisting of twelve 30-day months.

One Neighborhood New Community Authority
 Franklin County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2017
 (continued)

Note 6 – DEBT OBLIGATIONS (Continued)

B. Long Term

The changes in the Authority’s long-term obligations during fiscal year 2017 were as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
2010A Development Revenue Bonds	\$2,450,000	\$-	\$2,450,000	\$-
Unamortized Premium	13,524	-	13,524	-
2012A Development Revenue Bonds	2,080,000	-	2,080,000	-
2017C Revenue Bond	-	7,595,000	-	7,595,000
Total	\$4,543,524	\$7,595,000	\$4,543,524	\$7,595,000

On November 22, 2017, the Authority issued \$7,595,000 in 2017C Revenue Bonds to refund the 2010A and 2012A Development Revenue Bonds, as well as to pay off a portion of the Note Payable. The reacquisition price exceeded the net carrying amount of the old debt by \$6,539. The Authority also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$814,761.

The 2017 Series bond has a maturity date of November 15, 2040 at an interest rate as follows:

Period	Interest Rate
November 2017 - May 2022	3.60%
May 2022 - May 2023	3.10%
May 2023 - May 2024	3.23%
May 2024 - May 2028	3.60%
May 2028 - May 2029	4.60%
May 2029 - November 2029	4.59%
November 2029 - May 2033	4.57%
May 2033 - November 2034	4.32%
November 2034 - May 2035	4.30%
May 2035 - May 2040	4.25%
November 2040	4.89%

One Neighborhood New Community Authority
 Franklin County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2017
 (continued)

Note 6 – DEBT OBLIGATIONS (Continued)

The Annual Obligations of the revenue bonds as of December 31, 2017 and related interest payments are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 110,000	\$ 312,088
2019	105,000	314,335
2020	160,000	310,015
2021	165,000	304,255
2022	175,000	298,360
2023-2027	1,105,000	1,395,589
2028-2032	1,605,000	1,117,255
2033-2037	1,990,000	723,348
2038-2040	2,180,000	208,563
Totals	<u>\$ 7,595,000</u>	<u>\$ 4,983,807</u>

NOTE 7 – RELATED PARTY TRANSACTION

Gay Street Condominiums, LLC paid for services for development for the Authority. The Authority entered into a development agreement with Gay Street Condominiums, LLC. The total outstanding owed, including interest to Gay Street Condominiums, LLC at December 31, 2017 was \$1,039,968.

See Short Term – Current, in Note 6, for additional information.

Gay Street Condominiums, LLC is a subsidiary of Edwards Companies, Inc. Three Board of Trustee members are employed by Edwards Companies, Inc.

NOTE 8 –RESTRICTED ASSETS

Restricted assets consist of cash with fiscal agent and cash with trustee. The cash with fiscal agent has been restricted for repayment of long-term liabilities. Cash with fiscal agent at December 31, 2017 was \$795,500. All remaining Authority funds are classified as cash with trustee. These funds are received and disbursed by the trustee, Huntington Bank, in accordance with the Trust Agreement. Cash with trustee at December 31, 2017 was \$217,524.

NOTE 9 – RISK MANAGEMENT

The Authority is subject to certain types of risk in the performance of its normal functions. The Authority manages these types of risk through commercial insurance. The amount of settlements has not exceeded coverage for any of the past three years. There has not been a significant reduction in coverage since the prior year in any of the major categories of risk.

One Neighborhood New Community Authority
 Franklin County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2017
 (continued)

NOTE 10 – CAPITAL ASSETS

The changes in the Authority’s capital assets during fiscal year 2017 were as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Non-Depreciable Capital Assets:				
Land	\$369,100	\$-	\$-	\$369,100
Depreciable Capital Assets				
Land Improvements	99,014	-	-	99,014
Accumulated Depreciation	(26,404)	(6,601)	-	(33,005)
Depreciable Capital Assets, Net	72,610	(6,601)	-	66,009
Total Capital Assets, Net	\$441,710	\$(6,601)	\$-	435,109

NOTE 11 – SUBSEQUENT EVENT

On August 6, 2018, the developer completed one additional project which was approved by the Board and added to the Note Payable balance. This consisted of \$674,796 for the Neilston Project.

**ONE NEIGHBORHOOD NEW COMMUNITY AUTHORITY
FRANKLIN COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

The management's discussion and analysis of the One Neighborhood New Community Authority, Franklin County, Ohio, (the Authority), financial performance provides an overall summary of the Authority's financial activities for the fiscal year ended December 31, 2016. The intent of this discussion and analysis is to look at the Authority's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Authority's financial performance.

Financial Highlights

1. The Authority encourages the orderly development of the One Neighborhood, a residential community of approximately nine city blocks. The area begins at the corner of Fourth and Gay and extends east to the corner of Milton Alley and Long Street, in Franklin County.
2. Net position at December 31, 2016 totaled a negative \$5,819,837. The negative net position is due to the costs incurred in current and prior years for development costs, operating expenses and bond interest.
3. The Authority's debt is paid through the collection of community development charges imposed on the residences benefiting from the improvements.

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

**ONE NEIGHBORHOOD NEW COMMUNITY AUTHORITY
FRANKLIN COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2016
(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 explain some of the information in the financial statements and provides more detailed data.

Financial Analysis

Table 1 provides a summary of the Authority’s net position for fiscal years 2016 and 2015.

Table 1

	2015	2016
Assets		
Capital Assets	\$ 448,311	\$ 441,710
Other Assets	885,842	2,633,188
Total Assets	1,334,153	3,074,898
Liabilities		
Current Liabilities	427,206	2,215,517
Non Current Liabilities	4,554,112	4,543,524
Total Liabilities	4,981,318	6,759,041
Deferred Inflows of Resources	377,342	2,135,694
Unrestricted Net Position	\$(4,024,507)	\$(5,819,837)

The increase in other assets and current liabilities is due to the Board approving development costs on 2 new projects in 2016, resulting in an increase to the Community Development Charge Receivable and Deferred Inflows of Resources. The decrease in non-current liabilities is due to a \$10,000 principle payment in 2016.

**ONE NEIGHBORHOOD NEW COMMUNITY AUTHORITY
FRANKLIN COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

Table 2 reflects the changes in net position for fiscal years 2016 and 2015.

Table 2

	2015	2016
Operating Revenue		
Community Development Income	\$323,412	\$369,316
Real Estate Tax Refund	-	28
Total Operating Revenue	323,412	369,344
Non-Operating Revenue		
Interest Revenue	51	216
Total Non-Operating Revenue	51	216
Total Revenues	323,463	369,560
Operating Expenses		
Community Development Expense	100,611	1,809,595
Legal	28,791	14,351
Trustee Fees/Insurance and Other	5,478	9,907
Depreciation	6,601	6,601
Total Operating Expenses	141,481	1,840,454
Non-Operating Expenses		
Developer Interest Expense	33,534	31,962
Interest Expense	292,474	292,474
Total Non-Operating Expenses	326,008	324,436
Total Expenses	467,489	2,164,890
Change in Net Position	(144,026)	(1,795,330)
Net Position, Beginning	(3,880,481)	(4,024,507)
Net Position, Ending	\$(4,024,507)	\$(5,819,837)

Change in Net Position: The Authority had decreases in net position for both years presented. The decreases are due to continued development and maintenance expenses of authority property.

Revenues from Community Development Charges paid by each owner of chargeable parcel will be used to pay the cost to construct needed infrastructure located within the Authority. The Community Development Charge is calculated on thirty-five percent of the assessed value of chargeable property, which includes buildings, structures, and improvements. The Community Development Charge is currently levied at 25 mills. The amount of revenue will increase in years when available parcels are sold and improvements are made, thus increasing the total assessed value of chargeable property.

**ONE NEIGHBORHOOD NEW COMMUNITY AUTHORITY
FRANKLIN COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

Debt Obligations

The Authority has \$2,076,460 of note obligations at December 31, 2016. The Authority has Bond Obligation of \$4,543,524 at December 31, 2016. Note 6 summarizes the debt obligations.

Capital Assets

At fiscal year-end 2016, the Authority had \$441,710 (net of accumulated depreciation) invested in land and land improvements. There were no additions or deletions to capital asset balances during fiscal year 2016, other than depreciation. See note 10 to the basic financial statements for additional information on capital assets.

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 request for additional information should be directed to Kimberly A. Ulle, Treasurer, One Neighborhood New Community Authority, 495 South High Street, Suite 150, Columbus, Ohio 43215, 614-463-1999.

One Neighborhood New Community Authority
Franklin County
Statement of Net Position
For the Year Ended December 31, 2016

	2016
ASSETS	
Current Assets:	
Cash and Cash Equivalents with Trustee	\$ 43,516
Community Development Charges Receivable	2,143,718
Prepaid Insurance	859
<i>Total Current Assets</i>	2,188,093
Non-Current Assets:	
Cash with Fiscal Agent	445,095
Capital Assets:	
Land	369,100
Land Improvements, Net	72,610
<i>Total Non-Current Assets</i>	886,805
Total Assets	3,074,898
LIABILITIES	
Current Liabilities	
Accounts Payable	19,469
Accrued Payable	5,250
Accrued Interest Payable	114,338
Note Payable	2,076,460
<i>Total Current Liabilities</i>	2,215,517
Long-Term Liabilities	4,543,524
Total Liabilities	6,759,041
DEFERRED INFLOWS OF RESOURCES	2,135,694
NET POSITION	
Unrestricted	\$ (5,819,837)

See accompanying notes to the basic financial statements.

One Neighborhood New Community Authority
Franklin County
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2016

	2016
Operating Revenue	
Community Development Income	\$ 369,316
Real Estate Refund - prior year	28
Total Operating Revenue	369,344
Operating Expenses	
Community Development Expense	1,809,595
Legal	14,351
Trustee Fees/Insurance and Other	9,907
Depreciation	6,601
Total Operating Expenses	1,840,454
Operating Loss	(1,471,110)
Non Operating Revenue (Expenses)	
Interest Income	216
Developer Interest Expense	(31,962)
Interest Expense	(292,474)
Total Non Operating Expenses	(324,220)
<i>Change in Net Position</i>	(1,795,330)
Net Position, Beginning	(4,024,507)
Net Position Ending	\$ (5,819,837)

See accompanying notes to the basic financial statements.

One Neighborhood New Community Authority

Franklin County

Statement of Cash Flows

For the Year Ended December 31, 2016

	2016
Cash Flows from Operating Activities	
Cash Received from Property Owners	\$ 362,820
Other Cash Receipts	28
Cash Payments for Goods and Services	(78,107)
<i>Net Cash Provided by Operating Activities</i>	284,741
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Revenue Bonds	(10,000)
Interest Paid on Revenue Bonds	(293,062)
<i>Net Cash Used in Capital and Related Financing Activities</i>	(303,062)
Cash Flows from Investing Activities	
Interest on Investments	216
<i>Net Cash Provided by Investing Activities</i>	216
<i>Net Decrease in Cash and Cash Equivalents</i>	(18,105)
<i>Cash and Cash Equivalents Beginning of Year</i>	61,621
<i>Cash and Cash Equivalents End of Year</i>	\$ 43,516
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating Loss	\$ (1,471,110)
Adjustments:	
Depreciation	6,601
(Increase) in Assets:	
Accounts Receivable	(1,764,592)
Prepaid Insurance	(859)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:	
Accounts Payable	19,419
Accrued Payable	5,250
Note Payable Developer	1,731,680
Deferred Inflows of Resources	1,758,352
<i>Net Cash Provided by Operating Activities</i>	\$ 284,741

Non-Cash Transactions

During 2016, the Developer paid \$1,699,118 to complete projects on behalf of the Authority. This is reflected in the Note Payable balance.

See accompanying notes to the basic financial statements

One Neighborhood New Community Authority
Franklin County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2016

NOTE 1 – REPORTING ENTITY

The One Neighborhood New Community Authority (the Authority) is a “community authority” created pursuant to Chapter 349 of the Ohio Revised Code (the Act). On March 17, 2008, the City Council for the City of Columbus, Ohio approved the petition (the Petition) filed by Gay Street Condominiums, LLC (the Developer) for creation of the Authority. The Petition, which may be subject to amendment or change, allows the Authority to finance the costs of publicly owned and operated community facilities with assessed community development charges.

The Authority is governed by a seven member Board of Trustees. At inception, the City of Columbus appointed four of the trustees and the remaining three were appointed by the Developer.

At December 31, 2016 the Authority is comprised of 6.85 acres of land located in Franklin County, Ohio. In accordance with the Act and the Petition, the Authority can levy a community development charge up to 25 mills on the assessed value of the land and improvements within the Authority. The need and amount of the charge is determined annually by the Board of Trustees of the Authority.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in 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 financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. 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, changes in net position, financial position, and cash flows.

B. Measurement Focus and Basis of Accounting

The Authority’s financial activity is accounted for using a flow of estimated resources measurement focus. All assets, liabilities and deferred inflows of resources associated with the operation of the 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.

One Neighborhood New Community Authority
Franklin County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2016
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Cash

Cash received by the Authority is deposited with a financial institution.

Custodial Credit risk is the risk that, in the event of bank failure, the Authority's deposits may not be returned. The Authority does not have a deposit policy for custodial credit risk. At December 31, 2016, the carrying and bank balance amount of the Authority's deposits were \$ 43,516. Federal Deposit Insurance Corporation (FDIC) covered the entire bank balance, and thus none of the Authority's cash is subject to custodial risk.

D. 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 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 the definition are reported as non-operating.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

F. Net Position

Net position represents the difference between assets, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority first applies restricted resources when an expense is incurred for which both restricted and unrestricted net position are available. The Authority has no restricted net position at fiscal year-end 2016.

G. Capital Assets

Acquisitions of property and equipment are capitalized. Expenditures for maintenance and repairs are charged against operations. Property and equipment are carried at cost or, if donated, at the approximate fair value on the date of donation.

Depreciation is computed using the straight-line method. All reported capital assets, except land, are depreciated. Depreciation on the land improvements is calculated over a useful life of 15 years. See Note 10 for further information on capital assets.

One Neighborhood New Community Authority
 Franklin County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2016
 (continued)

NOTE 3 – NET POSITION DEFICIT

At December 31, 2016, the Authority has a net position deficit of \$5,819,837. This deficit is the result of how the Authority is structured and its basic operations. The Authority was established to finance the costs of publically owned and operated community facilities. The Authority incurred the costs of acquiring, constructing, or improving community facilities. The titles to these assets have been transferred to other local governments.

NOTE 4 – COMMUNITY DEVELOPMENT CHARGE

The Authority can levy an annual community development charge up to 25 mills on the assessed value of all property within the developed property. The charge is currently levied at 25 mills. Charge revenue recognized represents the amount levied on the current year.

Charge assessments are levied October 1 on the assessed values as of September 30 (the lien date). The assessed value is established by state law at 35% of the current market value, the sales price, or the permit value, whichever is the highest. Market values are determined by the Authority based on the County Auditor’s appraisal, lot values, or a calculated cost for occupied homes that have not yet been appraised by the County Auditor. The permit values are supplied by the City of Columbus.

NOTE 5 – CONTINGENT LIABILITIES

There are no claims or lawsuits pending against the Authority.

NOTE 6 – DEBT OBLIGATIONS

A. Short Term - Current

The changes in the Authority’s Note Payable during fiscal year 2016 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Fiscal Year 2016	\$377,342	\$1,699,118	\$-	\$2,076,460

The amount represents costs paid by the Developer from 2010 through 2016. The Developer completed two additional projects which were approved by the Board, July 18, 2016. Interest is calculated per the Development Agreement. The interest rate is equal to the 11 bond GO Rate in effect on the interest determination date, divided by the result of one minus the highest marginal federal income tax rate in effect during the period for which interest is calculated. Interest is calculated on the basis of a 360-day year consisting of twelve 30-day months.

One Neighborhood New Community Authority
 Franklin County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2016
 (continued)

NOTE 6 – DEBT OBLIGATIONS (Continued)

B. Long Term

The changes in the Authority’s long-term obligations during fiscal year 2016 were as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
2010A Development Revenue Bonds	\$2,450,000	\$-	\$-	\$2,450,000
Unamortized Premium	14,112	-	588	13,524
2012A Development Revenue Bonds	2,090,000	-	10,000	2,080,000
Total	\$4,554,112	\$-	\$10,588	\$4,543,524

The 2012 Series bond has a maturity date of November 15, 2039 at an interest rate of 5.375%. The 2010 Series bond has a maturity date of November 15, 2039 at an interest rate of 6.5%.

The Annual Obligations of the revenue bonds as of December 31, 2016 and related interest payments are as follows:

Year Ending December 31,	Principal	Interest
2017	\$ 10,000	\$ 292,475
2018	20,000	291,888
2019	25,000	290,713
2020	30,000	289,244
2021	35,000	287,481
2022-2026	585,000	1,369,541
2027-2031	1,035,000	1,110,978
2032-2036	1,415,000	734,581
2037-2039	1,375,000	201,805
Totals	\$ 4,530,000	\$ 4,868,706

NOTE 7 – RELATED PARTY TRANSACTION

Gay Street Condominiums, LLC paid for services for development for the Authority. The Authority entered into a development agreement with Gay Street Condominiums, LLC. The total outstanding owed, including interest to Gay Street Condominiums, LLC at December 31, 2016 was \$2,135,694. See Short Term – Current, in Note 6, for additional information.

Gay Street Condominiums, LLC is a subsidiary of Edwards Companies, Inc. Three Board of Trustee members are employed by Edwards Companies, Inc.

One Neighborhood New Community Authority
 Franklin County, Ohio
 Notes to the Basic Financial Statements
 For The Year Ended December 31, 2016
 (continued)

NOTE 8 – RESTRICTED ASSETS

Restricted assets consist of cash with fiscal agent and cash with trustee. The cash with fiscal agent has been restricted for repayment of long-term liabilities. Cash with fiscal agent at December 31, 2016 was \$445,095. All remaining Authority funds are classified as cash with trustee. These funds are received and disbursed by the trustee, Huntington Bank, in accordance with the Trust Agreement. Cash with trustee at December 31, 2016 was \$43,516.

NOTE 9 – RISK MANAGEMENT

The Authority is subject to certain types of risk in the performance of its normal functions. The Authority manages these types of risk through commercial insurance. The amount of settlements has not exceeded coverage for any of the past three years. There has not been a significant reduction in coverage since the prior year in any of the major categories of risk.

NOTE 10 – CAPITAL ASSETS

The changes in the Authority’s capital assets during fiscal year 2016 were as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Non-Depreciable Capital Assets:				
Land	\$369,100	\$-	\$-	\$369,100
Depreciable Capital Assets				
Land Improvements	99,014	-	-	99,014
Accumulated Depreciation	(19,803)	(6,601)	-	(26,404)
Depreciable Capital Assets, Net	79,211	(6,601)	-	72,610
Total Capital Assets, Net	\$448,311	\$(6,601)	\$-	\$441,710

NOTE 11 – SUBSEQUENT EVENTS

On November 22, 2017 the Authority issued a \$7,595,000 2017C Refunding bond with an interest rate ranging from 3.1% to 4.89% with a final maturity date of November 15, 2040. The bonds were issued to refund the 2010 and 2012 Series bond issues and also pay off a portion of the Note Payable to the Developer.

The Developer completed the Gay Street Mews I project which was approved by the board, in July 2017 for \$795,928. This was added to the Note Payable.

On August 6, 2018 the Developer completed one additional project which was approved by the Board and added to the Note Payable balance. This consisted of \$674,796 for the Neilston Project.

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Dave Yost • Auditor of State

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

One Neighborhood New Community Authority
Franklin County
495 S. High Street, Suite 150
Columbus, OH 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 One Neighborhood New Community Authority, Franklin County, Ohio (the Authority) as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated November 1, 2018.

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 opinion 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 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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2017-001 to be a material weakness.

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*.

Authority's Response to Findings

The Authority's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not subject the Authority's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 report is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

November 1, 2018

**ONE NEIGHBORHOOD NEW COMMUNITY AUTHORITY
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2017 AND 2016**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2017-001

Material Weakness – Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

Due to the lack of internal controls in place to ensure assets, liabilities, receipts, and expenditures are properly classified on the financial statements, the following adjustments were posted to the financial statements, the Authority's accounting system and applicable footnote disclosures:

- Reclassification from Note Payable to Accrued Interest Payable of \$17,422 and \$26,670 in 2017 and 2016, respectively, to properly record interest owed on the Note Payable to the Developer.
- Reclassification of Bond Issuance Net Proceeds of \$2,296,297 from Noncapital Financing Activities to Capital and Related Financing Activities to properly record the proceeds on the Statement of Cash Flows for 2017.
- Reclassification of Interest Payment to Developer of \$142,722 from Loan Repayment to Developer to properly record principal and interest payments to the Developer on the Statement of Cash Flows for 2017.
- Adjustment to increase Interest Expenses and Long-Term Liabilities for \$58,999 in 2017.
- Adjustment to the Statement of Cash Flows to disclose Non-Cash Transactions of \$795,927 and \$1,699,118 for 2017 and 2016, respectively, for completed projects that were paid for by the Developer.

In addition, immaterial items ranging from \$6,539 to \$110,000 were also communicated to management.

Lack or failure of controls over the posting of financial transactions and financial reporting can result in errors and irregularities that may go undetected and decreases the reliability of financial data throughout the year.

We recommend the Authority continue to develop and enhance policies and procedures over recording of financial transactions and financial reporting to help ensure the information accurately reflects the activity of the Authority and thereby increases the reliability of the financial data throughout the year.

Officials' Response: The Authority has made the requested reclassifications and adjustments to the 2016 and 2017 statements.

**ONE NEIGHBORHOOD NEW COMMUNITY AUTHORITY
FRANKLIN COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2017 AND 2016**

Finding Number	Finding Summary	Status	Additional Information
2015-001	Ohio Rev. Code §117.38 – Filing of annual financial report	Fully Corrected	
2015-002	Financial Reporting – financial statement adjustments and reclassifications	Not Corrected	Repeated as Finding 2017-001



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ONE NEIGHBORHOOD 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
NOVEMBER 27, 2018