



Dave Yost • Auditor of State



**POWELL COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY  
DELAWARE COUNTY  
DECEMBER 31, 2016 AND 2015**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Powell Community Infrastructure Financing Authority  
Delaware County  
585 South Front Street, Suite 220  
Columbus, Ohio 43215

To the Board of Trustees:

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

We have audited the accompanying financial statements of Powell Community Infrastructure Financing Authority, Delaware County, Ohio (the Authority), as of and for the years ended December 31, 2016 and 2015, 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 overall financial statement presentation.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Powell Community Infrastructure Financing Authority, Delaware County, Ohio as of December 31, 2016 and 2015, and the 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.

**Emphasis of Matter**

As discussed in Note 3 to the financial statements, the Authority has a deficit net position. Note 3 describes management's plans regarding this matter. This matter does not affect our opinion on these financial statements.

**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 August 18, 2017 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

August 18, 2017

**POWELL COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY  
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2016 AND 2015  
(UNAUDITED)**

The management's discussion and analysis of the Powell Community Infrastructure Financing Authority, Delaware, Ohio, (the Authority), financial performance provides an overall review of the Authority's financial activities for the fiscal years ended December 31, 2016 and 2015. 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 a well-planned, diversified community of approximately 125 acres in Delaware County, including the City of Powell.
2. Net position at December 31, 2016 and 2015 totaled a negative \$4,684,256 and a negative \$4,715,255 respectively. The negative net position balance was caused by the costs incurred for capital assets acquired and improved, which were donated upon completion.
3. The Authority's intergovernmental debt (Infrastructure Acquisition Bonds, Series 2012) decreased in fiscal year 2016 and 2015 by \$105,000, which represents the scheduled principal payment.

In 2014, the Authority issued a Communities Facilities Development Revenue Bond, Series 2014B for \$2,000,000 to construct community facilities in The Reserve at Scioto Glenn. The amount of drawings on the Series 2014B bond as of December 31, 2016 and 2015 totaled \$619,949 and \$994,253, respectively. Also, in fiscal year 2016, there was \$130,321 in unpaid accrued interest expense that was added to the principal balance and in 2015 there was \$107,075 in unpaid accrued interest which was added to the cost of construction and the Series 2014B note.

In 2015, the Authority issued a Communities Facilities Development Revenue Bond, Series 2015A for \$33,000 to construct community facilities in The Grandshire. The Authority made principal payment of \$10 on the Series 2015A bond as of December 31, 2016 and 2015.

Future payments of the Authority's debt will be paid through the collection of community development charges imposed on the residences benefiting from the capital assets.

**POWELL COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY  
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2016 AND 2015  
(UNAUDITED)**

**Overview of the 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* provide 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, all liabilities and all deferred inflows of resources 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 Changes 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 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 revenues and expenses regardless of when cash is received or paid.

The Authority's 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. These statements can be found on page 9 and 10 of this report.

The Statement of Cash Flows provides information about how the Authority finances and meets the cash flow needs of its operations. The Statement of Cash Flows can be found on page 11 of this report.

The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

**POWELL COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY  
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2016 AND 2015  
(UNAUDITED)**

**Financial Analysis**

Table 1 provides a summary of Authority's net position for fiscal years 2016, 2015 and 2014.

Table 1  
Net Position

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Assets:</b>			
Current Assets	\$ 402,457	\$ 301,555	\$ 486,207
Capital Assets	-	-	1,386,309
Investments	<u>256,339</u>	<u>254,566</u>	<u>-</u>
<b>Total Assets</b>	658,796	556,119	1,872,516
<b>Liabilities:</b>			
Current Liabilities	135,736	733,670	1,115,687
Long Term Liabilities	<u>4,885,376</u>	<u>4,245,116</u>	<u>3,215,798</u>
<b>Total Liabilities</b>	5,021,112	4,978,786	4,331,485
 Total Deferred Inflows of Resources	 321,940	 292,588	 246,036
<b>Net Position:</b>			
Unrestricted – (Deficit)	<u>(4,684,256)</u>	<u>(4,715,255)</u>	<u>(2,705,005)</u>
<b>Total Net Position – (Deficit)</b>	<b><u>\$(4,684,256)</u></b>	<b><u>\$(4,715,255)</u></b>	<b><u>\$(2,705,005)</u></b>

**Net Position:** Net position represents the difference between assets and liabilities and deferred inflows of resources. The Authority had net positions of negative \$4,684,256 in 2016, and a negative \$4,715,255 in 2015. The significant decrease in Capital Assets and Net Position from 2014 is the result of the donation of constructed fixed assets to the local government upon completion of the assets' construction as provided in the construction agreement with the Developer.

**POWELL COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY  
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2016 AND 2015  
(UNAUDITED)**

Table 2 reflects the changes in net positions for fiscal years 2016, 2015, and 2014.

Table 2  
Change in Net Positions

	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>
<b>Operating Revenues</b>	\$296,271	\$246,463	\$240,061
<b>Non-Operating Revenues</b>			
Earnings on Investments	5,427	327	92
Net unrealized gain on investments	<u>1,774</u>	<u>-</u>	<u>-</u>
<b>Total Non-Operating Revenues</b>	<u>7,201</u>	<u>327</u>	<u>92</u>
<b>Total Revenues</b>	303,472	246,790	240,153
<b>Operating Expenses</b>			
Financial Management Services	18,683	16,548	7,601
Legal Fees	12,118	12,116	12,689
Auditor Expense	246	5,664	-
Bank Fees	358	340	328
Insurance	2,458	2,439	2,327
Other Expense	81	144	170
Board Meeting Expense	<u>150</u>	<u>200</u>	<u>200</u>
<b>Total Operating Expenses</b>	34,094	37,451	23,315
<b>Non-Operating Expenses</b>			
Interest Expense	235,646	79,079	79,967
Net unrealized loss on investments	<u>-</u>	<u>435</u>	<u>-</u>
<b>Total Non-Operating Expenses</b>	<u>235,646</u>	<u>79,514</u>	<u>79,967</u>
<b>Total Expenses</b>	<u>269,740</u>	<u>116,965</u>	<u>103,282</u>
<b>Change in Net Position</b>	33,732	129,825	136,871
<b>Intergovernmental Transfers</b>	<u>(2,733)</u>	<u>(2,140,075)</u>	<u>-</u>
<b>Change in Net Position after Transfers</b>	30,999	(2,010,250)	136,871
<b>Beginning Net Position</b>	<u>(4,715,255)</u>	<u>(2,705,005)</u>	<u>(2,841,876)</u>
<b>Ending Net Position</b>	<u><u>\$(4,684,256)</u></u>	<u><u>\$(4,715,255)</u></u>	<u><u>\$(2,705,005)</u></u>

**POWELL COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY  
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2016 AND 2015  
(UNAUDITED)**

**Change in Net Position (Continued)**

Change in net position has varied in the last three (3) years. Revenues increased by \$49,808 in 2016 and by \$6,404 in 2015. The increase in community development charge revenues is attributed to the recovery of the real estate market and the addition of new home construction.

The Authority's operating expenses decreased by \$3,357 in 2016 and increased by \$14,136 in 2015. Finally, interest expense increased by \$156,567 in 2016 as a result of additional debt incurred to increase infrastructure to accommodate more home construction

**Community Development Charge**

The Authority can levy a community development charge up to 10.25 mills on the assessed value of land and improvements within the Authority. The Community Development Charge is calculated on thirty-five percent of the total market value of chargeable property, which includes buildings, structures, and improvements. Revenue from Community Development Charges paid by each owner of a chargeable parcel will be used to pay for administrative expenses and retire the debt incurred to acquire and construct infrastructure assets.

**Budgeting**

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

**Capital Assets**

On May 12, 2014 a development agreement was signed between the Powell Community Infrastructure Financing Authority, Triangle Properties, Inc and Epcon Property LLC to construct a roadway entrance, install water lines and make sanitary sewer improvements for The Grandshire project. The construction is financed by Community Facilities Development Revenue Bond, Series 2015A. Construction was completed in 2015 and the assets were transferred to the City of Powell upon completion as provided in the development agreement.

**POWELL COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY  
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2016 AND 2015  
(UNAUDITED)**

**Capital Assets (Continued)**

On August 25, 2014 a development agreement was signed between the Powell Community Infrastructure Financing Authority, Triangle Properties, Inc and Metro Development LLC to construct a water line and sanitary sewers, to replace pumps, control systems and electrical panels in an existing pump station, to construct a storm sewer, to create sub-base for public streets and a storm basin for the public storm system, to install pavement for curb and gutter for public streets and to create sidewalks in The Reserve at Scioto Glenn. The construction is financed by Community Facilities Development Revenue Bond, Series 2014B. Construction was completed in 2015 and the assets were transferred to the City of Powell upon completion as provided in the development agreement.

**Debt**

On April 23, 2012, the City of Powell issued the Infrastructure Acquisition Bonds to refinance the existing debt issues called the Community Facilities Adjustable Rate Notes, which were initially issued in 2002 and 2005. The Authority retired the Community Facilities Adjustable Rate Notes with the Infrastructure Acquisition Bonds which have an average interest rate of 3.24% and a maximum term of over 24 years. The debt service will continue to be paid annually by the revenue received from the Community Development Charges.

On August 25, 2014, the Authority issued a \$2,000,000 Community Facility Bond, Series 2014B. The bond proceeds are to finance the construction of community facilities in The Reserve at Scioto Glenn. The bond rate is 7.59% and a maximum term of over 14 years. As of December 31, 2016 and 2015, the amount of drawings on the Series 2014B bond totaled \$2,000,000 and \$1,380,051, respectively plus accrued interest of \$237,396 and \$107,075, respectively. The debt service will be paid by pledged receipts, which includes Community Development Charges.

On May 12, 2015, the Authority issued a \$33,000 Community Facility Bond, Series 2015A. The bond proceeds are to finance the construction of community facilities at The Grandshire. The bond rate is 7.59% and a maximum term of over 29 years. As of December 31, 2016, the amount of drawings on the Series 2014B bond totaled \$33,000. The debt service will be paid by pledged receipts, which includes Community Development Charges.

**POWELL COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY  
DELAWARE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2016 AND 2015  
(UNAUDITED)**

**Current Issues**

On February 21, 2014, Triangle filed an Application to Amend the Petition to Establish the Authority (the "Application") to add certain parcels of real estate owned by Epcon Sawmill, LLC (Epcon) and Metro Development, LLC, The Reserve at Scioto Glenn, LLC (The Reserve). On April 7, 2014, The County Commissioners approved the Application pursuant to its Resolution No. 14-388. This amendment increased the Community Authority acreage from 52 acres to 125 acres.

The Epcon property is approximately 3 acres. The land is generally bound by Gray Oaks Drive to the north, Sawmill Road to the west and Winter Hill Place to the east. The plan is to develop a residential development consisting of 23 units of single family housing. The project was financed by a \$33,000 Community Facility Development Bond Series 2015B.

The Reserve at Scioto Glenn property is approximately 70 acres. The land is generally bound by farmland to the south, Home Road to the north, Scioto Reserve Subdivision to the west and Steitz Road to the east.

The Reserve at Scioto Glenn project includes the development of a residential development consisting of approximately 119 units of single family housing. The project was financed by a \$2,000,000 Community Facility Development Bond, Series 2014B. Construction was completed in 2015.

**Contacting Authority's Financial Management**

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the Authority's finances and to reflect the Authority's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to John Parns, Treasurer, Powell Community Infrastructure Financing Authority, 585 South Front Street, Suite 220, Columbus, Ohio 43215.

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**Powell Community Infrastructure Financing Authority**  
**Delaware County**  
**Statements of Net Position**  
**As of December 31, 2016 and 2015**

	2016	2015
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalent	\$ 77,635	\$ 7,337
Other assets	1,334	-
Community charge receivable	323,488	294,217
Total Current Assets	402,457	301,554
Investments	256,339	254,565
Total Assets	\$ 658,796	\$ 556,118
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	\$ 1,987	\$ 1,255
Contracts payable	-	619,949
Other payables	2,733	-
Accrued interest	21,006	7,456
Notes and intergovernmental debt - current portion	110,010	105,010
Total Current Liabilities	135,736	733,670
Non-Current Liabilities		
Notes payables	2,270,376	1,520,116
Intergovernmental debt	2,615,000	2,725,000
Total Non-Current Liabilities	4,885,376	4,245,116
Total Liabilities	5,021,112	4,978,786
Deferred Inflows of Resources		
Community development charges	321,940	292,588
Total Deferred Inflows of Resources	321,940	292,588
<b>NET POSITION</b>		
Unrestricted net position - (Deficit)	(4,684,256)	(4,715,255)
Total Net Position	\$ (4,684,256)	\$ (4,715,255)

See accompanying notes to the basic financial statements

**Powell Community Infrastructure Financing Authority**  
**Delaware County**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**For The Years Ended December 31, 2016 and 2015**

	2016	2015
OPERATING REVENUES		
Operating Revenues		
Community development income	\$ 296,271	\$ 246,463
Total Operating Revenues	296,271	246,463
OPERATING EXPENSE		
Operating Expense		
Financial management services	18,683	16,548
Legal fees	12,118	12,116
Auditor expenses	246	5,664
Bank fees	358	340
Insurance	2,458	2,439
Other expenses	81	144
Board meeting expense	150	200
Total Operating Expense	34,094	37,451
Operating Income	262,177	209,012
Non-Operating Revenue (Expense)		
Non-Operating Revenue		
Dividend income	2,131	327
Interest income	3,296	-
Gain on Investments	1,774	264
Non-Operating Expense		
Interest expense	(235,646)	(79,079)
Net unrealized loss on investments	-	(699)
Total Non-operating Revenues/(Expenses)	(228,445)	(79,187)
Change in Net Position Before Transfers	33,732	129,825
Intergovernmental Transfers		
Transfers to the Liberty CIFA	(2,733)	-
Transfers to City of Powell	-	(2,140,075)
Change in Net Position	30,999	(2,010,250)
Beginning Net Position	(4,715,255)	(2,705,005)
Ending Net Position	\$ (4,684,256)	\$ (4,715,255)

See accompanying notes to the basic financial statements

**Powell Community Infrastructure Financing Authority**  
**Delaware County**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Cash Flows From Operating Activities		
Cash received from community development charges	\$ 296,271	\$ 247,712
Cash payments for financial management services	(17,141)	(17,120)
Cash payments for legal fees	(12,887)	(13,794)
Cash payments for audit fees	(287)	(5,623)
Cash payments for insurance	(2,458)	(2,439)
Cash payments for board meeting expense	(150)	(400)
Cash payments for other expenses	(358)	(484)
Net Cash Provided by Operating Activities	<u>262,990</u>	<u>207,852</u>
Cash Flows From Investing Activities		
Cash payments for certificate of deposits	-	(255,000)
Cash received from interest and dividends	4,084	325
Net Cash Provided by (Used in) Investing Activities	<u>4,084</u>	<u>(254,675)</u>
Cash Flows From Capital and Related Financing Activities		
Payment of bond principal	(105,010)	(105,000)
Payment of interest costs on notes	(15,732)	-
Payment of interest on intergovernment debt	(76,034)	(78,133)
Net Cash Used in Capital and Related Financing Activities	<u>(196,776)</u>	<u>(183,133)</u>
Net Change in Cash	70,298	(229,956)
Cash, Beginning of year	7,337	237,293
Cash, End of year	<u>\$ 77,635</u>	<u>\$ 7,337</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ 262,177	\$ 209,012
Adjustments to Reconcile Operating Income to Net Cash Provided by Operations:		
Change in accrued interest receivable	1,334	-
Change in community development charges receivable	(29,140)	(45,303)
Change in accounts payable	(733)	(2,409)
Change in deferred inflows of resources	29,352	46,552
Net Cash Provided by Operating Activities	<u>\$ 262,990</u>	<u>\$ 207,852</u>
Schedule of Non-Cash Transactions		
Capital assets constructed on account	\$ -	\$ 619,949
Note Proceeds paid to Developer on-behalf of the Authority	\$ 619,949	\$ 1,027,253

See accompanying notes to the basic financial statements

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**Powell Community Infrastructure  
Financing Authority  
Delaware County  
Notes to the Financial Statements  
For the Years Ended December 31, 2016 and 2015**

**NOTE 1 - REPORTING ENTITY**

The Powell Community Infrastructure Financing Authority, Delaware County, Ohio (the Authority) is a “community authority” created pursuant to Chapter 349 of the Ohio Revised Code (the Act). On May 11, 2001, Triangle Real Estate (the Developer) filed a petition (the Petition) for creation of the Authority with the Board of County Commissioners of Delaware County, Ohio. The Petition was accepted by a resolution of the Board on May 31, 2001. 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 Petition was adopted by Resolution No. 01-681 on June 25, 2001.

By its Resolution, the County Commissioners determined that the new community 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 (7) member board of trustees. During the years ended December 31, 2014 and 2013 only four (4) board positions were filled. At inception, the Board of County Commissioners of Delaware County appointed four (4) of the trustees and the remaining three (3) trustees were appointed by the Developer. All appointed trustees have since been replaced by elected citizen members who are residents of the community authority.

The community authority was initially comprised of approximately 52 acres of land located in the City of Powell (the City), Delaware County, Ohio. The 52 acres of land is generally bounded by the Grandshire Subdivision to the south, Powell Road to the north, Old Sawmill road to the west, and CSX Transportation to the east. It also includes the addition of approximately 7 acres, known as Traditions of Powell, by resolution in 2005. It consists of a 40-unit condominium community and two (2) commercial lots located in Powell, Ohio within the boundaries of West Olentangy Street, Case Avenue and Lincoln Street. The entire project includes the construction of waterline, sanitary sewer, main line sanitary sewer, storm sewer, bike path, roads and street improvements.

On February 21, 2014, the Developer filed an Application to Amend the Petition to Establish the Authority (the "Application") to add certain parcels of real estate owned by Epcon Sawmill, LLC (Epcon) and The Reserve at Scioto Glenn, LLC (The Reserve). On April 7, 2014, The County Commissioners approved the Application pursuant to its Resolution No. 14-388. This amendment increased the Community Authority acreage from 52 acres to 125 acres.

The Epcon property is approximately 3 acres. The land is generally bound by Gray Oaks Drive to the north, Sawmill Road to the west and Winter Hill Place to the east. The plan is to develop a residential development consisting of 23 units of single family housing. Construction was completed in 2015.

**Powell Community Infrastructure  
Financing Authority  
Delaware County  
Notes to the Financial Statements  
For the Years Ended December 31, 2016 and 2015**

**NOTE 1 - REPORTING ENTITY - CONTINUED**

The Reserve at Scioto Glenn property is approximately 70 acres. The land is generally bound by farmland to the south, Home Road to the north, Scioto Reserve Subdivision to the west and Steitz Road to the east. The plan is to develop a residential development consisting of approximately 119 units of single family housing. Construction was completed in 2015. The project includes the construction of a sanitary sewer, water and storm sewer, earthwork, pavement, sidewalks and curbing.

In accordance with the Act and the Petition, the Authority can levy a community development charge up to 10.25 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 the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

**A. Basis of Presentation**

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

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

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

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

**Powell Community Infrastructure  
Financing Authority  
Delaware County  
Notes to the Financial Statements  
For the Years Ended December 31, 2016 and 2015**

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

**C. Cash and Investments**

Amounts on deposit in a checking account with Huntington National Bank and investments with an original maturity of three (3) months or less at the time they are purchased are presented on the financial statements as cash and cash equivalents. Investments with an initial maturity of more than three (3) months are reported as investments.

**D. Capital Assets**

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The Authority does not maintain a capitalization threshold. Infrastructure assets acquired or constructed by the Authority are capitalized; however, the Authority does not depreciate capital assets as all assets are donated to other governments upon acquisition/completion.

**E. 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 their use either through the 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 positions are available. The Authority did not have any restricted net position at fiscal years end 2016 and 2015.

**F. 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 development charges. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the Authority. All revenues and expenses not meeting this definition are reported as non-operating.

**G. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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.

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**NOTE 3 - ACCUMULATED DEFICIT OF NET POSITION**

At December 31, 2016 and 2015, the Authority has an accumulated deficit of net position of \$4,684,256 and \$4,715,255, respectively. 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 facilities. The Authority incurred the costs of constructing community facilities. The titles to these assets have been transferred to the community with the related costs recorded as a capital contribution expense to the receiving entity. This deficit will be reduced and eliminated as outstanding debt is paid with, primarily, future community development charge revenues.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the Authority into three (3) categories.

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

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

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

State statutes permits interim monies to be deposited or invested in a variety of securities and investments including US treasury notes, bills, bonds or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States.

Statement No. 3 as amended by Statement No. 40 of the Governmental Accounting Standards Board requires the Authority to disclose essential risk information about deposits and investments. The disclosure requirements cover four main areas: credit risk, interest rate and investment maturity, interest rate sensitivity and foreign exchange exposure.

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**NOTE 4 - DEPOSITS AND INVESTMENTS - CONTINUED**

**Deposits**

*Custodial Credit Risk – Deposits.* The carrying amount of the Authority's deposits at December 31, 2016 and 2015 were \$1,634 and \$283, respectively. The bank balances were the same as the carrying values for both years. The Authority's deposits are protected only up to amounts covered by the Federal Depository Insurance Corporation (FDIC). The Authority had no deposits at fiscal years 2016 and 2015 in excess of the FDIC insurance levels.

**Investments**

The Authority's investments consisted of money market funds and marketable certificates of deposits with financial institutions that are covered by FDIC insurance in amounts that are fully insured. The fair value of the Authorities money market funds at December 31, 2016 and 2015, were \$76,001 and \$7,054 respectively. The carrying amounts were the same. These amounts are considered cash equivalents and are reflected as cash on the statements of net position.

Investments in marketable certificates of deposits are carried at fair value at the balance sheet date. As of December 31, 2016 and 2015, investment balances on these securities were \$256,339 and \$254,565, respectively, with a net unrealized gain of \$1,774 and \$264 in 2016 and 2015, respectively.

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Level 1 Inputs: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 Inputs: Significant other observable inputs other than Level 1 quoted prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 Inputs: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets Measured on a Recurring Basis: Assets and liabilities measured at fair value on a recurring basis are summarized below:

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**NOTE 4 - DEPOSITS AND INVESTMENTS - CONTINUED**

Fair Value Measurements At December 31,	Certificate of Deposit	
	2016	2015
	Quoted Prices in Active Markets for Identical Assets (Level 1)	\$ -
Significant Other Observable Inputs (Level 2)	256,339	254,565
Significant Unobservable Inputs (Level 3)	-	-
Total Value	\$256,339	\$ 254,565

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

*Interest Rate Risk.* Interest rate risk is the risk that an interest rate change could adversely affect an investment's fair value. The Authority does not have a policy to limit its exposure to interest rate risk. The Authority's investments in money market funds are withdrawable on demand.

*Credit Risk.* Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligations. The Authority does not have a policy to limit its exposure to credit risk. The Authority's money market funds were not rated.

*Concentration of Credit Risk.* Concentration credit risk arise by failing to adequately diversify investments. The Authority's policy is to not invest in amounts that exceed the FDIC \$250,000 insurance coverage limit.

**NOTE 5 - RECEIVABLES**

Receivables at December 31, 2016 and 2015 consisted of community development charges. All receivables are considered collectible in full within one year.

**NOTE 6 – COMMUNITY DEVELOPMENT CHARGE**

Charge assessments are levied in December. 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 based on the County Auditor's appraisal, lot values, or a calculated costs for occupied homes that have not yet been appraised by the Delaware County Auditor. Amounts assessed and due but not collected, are reflected as both a receivable and a deferred inflow of resources on the statement of net position. For the years ended December 31, 2016 and 2015, the amount recorded was \$321,940 and \$292,588, respectively.

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**NOTE 6 – COMMUNITY DEVELOPMENT CHARGE (CONTINUED)**

Community development charge revenue represents the amount levied and paid during the current year. The Authority can levy an annual community development charge of up to 10.25 mills on the assessed value of all property initially developed within the Authority which were initially referred to as the Murphy Park and Traditions developments. Community Development charge collected is to be use for Powell Authority Proportionate Share of administrative expenses associated with the City of Powell general obligation bonds and City of Powell bond debt service.

The community development charge for the Epcon Property Development is currently levied at 5.9 mills or \$689 per parcel on the 23 separate parcels developed. Of this amount, \$117 per parcel is to be used for 1) Proportionate Share of Authority administrative expenses associated with Epcon Bonds and 2) Epcon Bond debt services. The remaining \$572 per parcel of community development charge from the Epcon Property is to be used for Authority administrative costs and debt service. Total Proportionate Share of administrative expenses for the Epcon Bonds for the year ended December 31, 2016 was \$220.

The community development charge for the Metro Property Development is levied at a rate of 10.25 mills. Of this amount, 8.25 mills or 80.49% of the community development charge is to be used for 1) Proportionate Share of Authority administrative expenses associated with the Metro Bonds, and 2) Metro Bonds debt service. Total Proportionate Share of administrative expenses for the Metro Bonds for the year ended December 31, 2016 was \$14,906. Of the remaining 2 mills of community development charge 1 mill or 9.755 % will go to service Powell CIFA City of Powell general obligation bond debt and 1 mill will go to the Liberty CIFA to be used to service its general obligation bond debt. For the year ended December 31, 2016 the amount collected for this purpose was \$2,733 for each entity.

**NOTE 7 – CAPITAL ASSETS**

On May 2, 2014 a development agreement was signed between the Powell Community Infrastructure Financing Authority, Triangle Properties, Inc and Epcon Property LLC to construct a roadway entrance, install water lines and make sanitary sewer improvements for The Grandshire project. The construction is financed by Community Facilities Development Revenue Bond, Series 2015A. Construction was completed in 2015 and assets costing \$33,000 were transferred to the City of Powell upon completion as provided in the development agreement.

On August 25, 2014 a development agreement was signed between the Powell Community Infrastructure Financing Authority, Triangle Properties, Inc and Metro Development LLC to construct a water line and sanitary sewers, to replace pumps, control systems and electrical panels in an existing pump station, to construct a storm sewer, to create sub-base for public streets and a storm basin for the public storm system, to install pavement for curb and gutter for public streets and to create sidewalks in The Reserve at Scioto Glenn. The construction is financed by Community Facilities Development Revenue Bond, Series 2014B.

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**NOTE 7 – CAPITAL ASSETS (CONTINUED)**

Construction was completed in 2015 and assets costing \$2,000,000 including \$107,076 in accrued construction interest costs were transferred to the City of Powell upon completion as provided in the development agreement.

**NOTE 8 – RISK POOL MEMBERSHIP**

The Authority belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverage to its members sold through sixteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2012 (and through October 2014) the Plan increased its retention to 50% of the first \$250,000 casualty treaty. Effective November 1, 2014, the Plan retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. The Plan had 772 and 783 members as of December 31, 2015 and 2014, respectively (latest information available).

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2015 and 2014, which are the latest periods available. You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

	<u>2015</u>	<u>2014</u>
Assets	\$14,643,667	\$14,830,185
Liabilities	<u>(9,112,030)</u>	<u>(8,942,504)</u>
Members' Equity	<u>\$ 5,531,637</u>	<u>\$ 5,887,681</u>

**Powell Community Infrastructure  
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**NOTE 9 - LONG-TERM OBLIGATIONS**

The Authority's long-term obligation activity for the years ended December 31, 2016 and 2015 was as follows:

Community Facilities Development Revenue Bonds	Balance January 1	Additions	Reductions	Balance December 31
<b>2016</b>				
Series 2014B	\$1,487,126	\$750,270	\$-	\$2,237,396
Series 2015A	\$33,000	-	10	\$32,990

Community Facilities Development Revenue Bonds	Balance January 1	Additions	Reductions	Balance December 31
<b>2015</b>				
Series 2014B	\$385,798	\$1,101,328	\$-	\$1,487,126
Series 2015A	\$-	33,000	-	\$33,000

**Community Facilities Development Revenue Bond, Series 2014B**

On August 25, 2014, the Authority issued a \$2,000,000 community facilities development revenue bond. The purpose is to provide funds to acquire and construct community facilities and to acquire and develop land in connection with The Reserve at Scioto Glenn (Metro Property). The bond has an interest rate of 7.59%. Metro Development, LLC and Infrastructure Administrative Services, LLC are the registered owners of the bond.

The proceeds of the bond was used to construct a water line and sanitary sewers, to replace pumps, control systems and electrical panels in an existing pump station, to construct a storm sewer, to create sub-base for public streets in The Reserve at Scioto Glenn and a storm basin for the public storm system, to install pavement for curb and gutter for public streets and to create sidewalks. The community development charges, not to exceed 8.25 mills, are pledged for repayment. The financing Authority expects that all of the debt service on the notes will be paid from these revenues. Principal and interest on this bond shall be paid semi-annually on June 1 and December 1, beginning June 1, 2016 until principal sum is paid, in the following order: first, any interest which has accrued on the outstanding principal amount of this Bond; second, the unpaid principal of this Bond. Interest accrued, but not paid by June 1 or December 1 of each year (with respect to interest which has accrued during the prior calendar year), shall be added to the principal balance. Interest shall be calculated based on a year of 365 or 366 days, as appropriate, and on the actual number of days elapsed from January 1 to December 31 of each year.

For the year ended December 31, 2016, \$156,855 of interest was accrued on the bonds. Of this amount \$12,051 was paid in interest and \$130,321 was added to the principal balance of the bond as a non-cash transaction.

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**NOTE 9 - LONG-TERM OBLIGATIONS – CONTINUED**

The fixed rate bond is subject to optional redemption in whole on any date occurring on or after December 1, 2028, at a redemption price equal to 103% of the principal amount being redeemed plus interest accrued to the redemption date. There are no schedule principal payments on this bond.

For the year ended December 31, 2016, the \$750,270 increase in debt was incurred on a non-cash basis as it was paid directly by the developer. Of this amount, \$619,949 reflect the reduction of unpaid construction cost and \$130,321 reflect increase in unpaid accrued interest expense.

For the year ended December 31, 2015, \$1,101,328 increase in debt was incurred on a non-cash basis and as it was paid directly by the developer.

**Community Facilities Development Revenue Bond, Series 2015A**

On June 12, 2015, the Authority issued a \$33,000 community facilities development revenue bond. The purpose is to provide funds to construct community facilities in connection with The Grandshire (Epcor Property). The bond is transferable and exchangeable for a bond in the same principal amount. The bond has an interest rate of 7.59%. The final maturity of the bond is December 1, 2044. Triangle Properties, Inc. and Infrastructure Administrative Services LLC are the registered owners of the bond.

The proceeds of the bond will be used to construct a roadway entrance, install water lines and make sanitary sewer improvements. The community development charges, not to exceed 11.25 mills, are pledged for repayment. The financing Authority expects that all of the debt service on the notes will be paid from these revenues.

Principal and interest on this bond shall be paid on June 1 and December 1, beginning December 1, 2015 until principal sum is paid, in the following order: first, any interest which has accrued on the outstanding principal amount of this Bond; second, the unpaid principal of this Bond. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months. The bond is subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount redeemed, plus interest accrued to the redemption date.

The fixed rate bond is subject to optional redemption at a redemption price equal to 103% of the principal amount being redeemed plus interest accrued to the redemption date in whole on any date occurring on or after December 1, 2029 or in part on any interest payment date occurring on or after December 1, 2029.

**Powell Community Infrastructure  
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**NOTE 9 - LONG-TERM OBLIGATIONS – CONTINUED**

The annual principal and interest payments for the Authority's portion of the 2015A Bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 10	\$ 2,504	\$ 2,514
2018	10	2,503	2,513
2019	10	2,502	2,512
2020	10	2,502	2,512
2021	10	2,501	2,511
2022-2026	320	12,485	12,805
2027-2031	2,540	12,085	14,625
2032-2036	6,350	10,596	16,946
2037-2041	12,270	7,363	19,633
2042-2044	<u>11,460</u>	<u>1,801</u>	<u>13,261</u>
Total	<u>\$ 32,990</u>	<u>\$ 56,842</u>	<u>\$ 89,832</u>

**NOTE 10 - INTERGOVERNMENTAL DEBT**

Infrastructure Acquisition Bonds, Series 2012	Balance January 1	Additions	Reductions	Balance December 31
<b>Year:</b>				
2016	\$2,830,000	-	\$105,000	\$2,725,000
2015	\$2,935,000	-	\$105,000	\$2,830,000

Pursuant to a City of Powell ordinance, on April 23, 2012, the City issued \$9,915,000 in tax exempt, general obligation bonds to refinance the Community Facilities Adjustable Rate notes of which the Powell Community Infrastructure Financing Authority utilized \$3,130,000 to retire its two outstanding notes (Series 2002 and 2005), as mentioned above. The balance of the issue was assumed by the Liberty Community Infrastructure Financing Authority.

Of the total \$9,915,000 issue, approximately 26% or \$2,600,000 of the issue consists of a 10-year Serial Bond with an average effective interest rate of approximately 3.2% and payable by 2022. The balance of the issue totaling \$7,315,000 consists of Term Bonds carrying an average effective interest rate of 3.24% with maturity dates of December 1, in the years between 2023 and 2036. All of the Bonds have interest payment dates of June 1 and December 1 of each year.

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**NOTE 10 - INTERGOVERNMENTAL DEBT - CONTINUED**

The Bonds maturing after December 1, 2021 are subject to redemptions at the option of the City, either in whole, or in part in such order of maturity as the City shall determine, on any date on or after June 1, 2022, at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the date fixed for redemption. The Bonds maturing on December 1, 2024, 2027, 2030, 2032, 2034, and 2036 are subject to mandatory sinking fund redemption prior to stated maturity.

The annual principal and interest payments for the Authority's portion of the Bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$110,000	\$73,934	\$183,934
2018	110,000	71,734	181,734
2019	115,000	69,534	184,534
2020	115,000	67,234	182,234
2021	115,000	65,049	180,049
2022-2026	625,000	285,804	910,804
2027-2031	710,000	199,463	909,463
2032-2036	<u>825,000</u>	<u>84,201</u>	<u>909,201</u>
Total	<u>\$2,725,000</u>	<u>\$ 916,953</u>	<u>\$3,641,953</u>



# 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*

Powell Community Infrastructure Financing Authority  
Delaware County  
585 South Front Street, Suite 220  
Columbus, Ohio 43215

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Powell Community Infrastructure Financing Authority, Delaware County, Ohio (the Authority) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated August 18, 2017, wherein we noted the Authority has a deficit net position as discussed in Note 3.

### ***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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

### ***Compliance and Other Matters***

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

***Purpose of this Report***

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

August 18, 2017



# Dave Yost • Auditor of State

**POWELL COMMUNITY INFRASTRUCTURE FINANCING AUTHORITY**

**DELAWARE 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  
OCTOBER 5, 2017**