



OHIO AUDITOR OF STATE
KEITH FABER



**NORTHSTAR NEW COMMUNITY AUTHORITY
DELAWARE COUNTY
DECEMBER 31, 2024**

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INDEPENDENT AUDITOR'S REPORT

NorthStar New Community Authority
Delaware County
375 North Front Street, Suite 200
Columbus, Ohio 43215

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the NorthStar New Community Authority, Delaware County, Ohio (the Authority), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 11 to the financial statements, the Authority has an accumulated deficit net position as of December 31, 2024. This deficit is a result of how the Authority is structured and its basic operations. Note 11 also describes management's evaluation of the events and conditions and their plans to mitigate these matters. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



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

September 30, 2025

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NorthStar New Community Authority
Delaware County, Ohio
Management's Discussion & Analysis
For The Year Ended December 31, 2024
(Unaudited)

Management's discussion and analysis of the financial performance of the NorthStar New Community Authority, Delaware County, Ohio (the Authority), provides an overview of the Authority's financial activities for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the Authority's financial performance as a whole; readers should also review the basic financial statements and the related notes to enhance their understanding of the Authority's financial performance.

Financial Highlights

- The Authority encourages the orderly development of a well-planned, diversified community of approximately 1,800 acres within Berkshire and Kingston Townships in Delaware County.
- Net position on December 31, 2024 and 2023 totaled a deficit of \$29.7 million and \$16.6 million, respectively.
- The Authority approved the issuance of Community Facilities Bonds for the purpose of providing funds to pay the costs of public infrastructure improvements including roadways, multi-use paths, community facilities, streetscape, and land acquisition for the construction of such improvements and greenspace.

Overview of the Basic Financial Statements

This annual report consists of basic financial statements and notes to those statements. The statements are organized so the reader can understand the Authority's financial activities and financial position. The Statement of Net Position and Statement of Revenues, Expenses and Change in Net Position 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 and liabilities are included in the Statement of Net Position. The Statement of Net Position represents the financial position of the Authority. The Statement of Revenues, Expenses and Change in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in net position. The Statement of Cash Flows reflect how the Authority finances and meets its cash flow needs. Finally, the notes to the basic financial statements provide additional information that is essential to a full understanding of the information provided in the basic financial statements.

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

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

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

NorthStar New Community Authority
Delaware County, Ohio
Management's Discussion & Analysis
For The Year Ended December 31, 2024
(Unaudited)

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

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

Financial Analysis

Table 1 provides a summary of the Authority's net position on December 31, 2024 and 2023.

Table 1
Net Position at Year End

	2024	2023	Change
Assets:			
Current assets	\$ 447,481	\$ 180,817	\$ 266,664
Capital assets, net	5,782,002	16,331,438	(10,549,436)
Total Assets	<u>6,229,483</u>	<u>16,512,255</u>	<u>(10,282,772)</u>
Liabilities:			
Current liabilities	510,506	5,294,056	(4,783,550)
Noncurrent liabilities	35,436,602	27,842,128	7,594,474
Total liabilities	<u>35,947,108</u>	<u>33,136,184</u>	<u>2,810,924</u>
Net position:			
Net investment in capital assets	(2,119,407)	(1,950,375)	(169,032)
Unrestricted	(27,598,218)	(14,673,554)	(12,924,664)
Total net position	<u>\$ (29,717,625)</u>	<u>\$ (16,623,929)</u>	<u>\$ (13,093,696)</u>

The net decrease in capital assets is primarily related to the dedication of land and completed improvements to Delaware County and Kingston Township offset by construction in progress for certain public infrastructure improvements and current year depreciation on the Authority's depreciable capital assets.

The decrease in current liabilities and increase in noncurrent liabilities is primarily the result of the issuance of a new bond to pay for construction in progress for certain public infrastructure improvements as well as an increase in the accrued interest payable.

NorthStar New Community Authority
Delaware County, Ohio
Management's Discussion & Analysis
For The Year Ended December 31, 2024
(Unaudited)

Table 2 reflects the changes in net position for the fiscal years ended December 31, 2024 and 2023.

Table 2
Changes in Net Position

	2024	2023	Change
Operating revenues:			
Total operating revenues	\$ 595,216	\$ 390,552	\$ 204,664
Operating expenses:			
Total operating expenses	405,928	339,262	66,666
Operating income	189,288	51,290	137,998
Non-operating expenses			
Interest expense	(1,724,672)	(1,338,253)	(386,419)
Capital dedications	(11,527,481)	(1,516,193)	(10,011,288)
Other expenses	(30,831)	-	(30,831)
Total non-operating expenses	(13,282,984)	(2,854,446)	(10,428,538)
Change in net position	(13,093,696)	(2,803,156)	
Net position, beginning of year	(16,623,929)	(13,820,773)	
Net position, end of the year	\$ (29,717,625)	\$ (16,623,929)	

The growth in operating revenues is the result of an increase in the assessed value and the number of chargeable parcels within the Authority's boundaries as well as the commencement of a cooperative agreement between the Authority, the Developer and Berkshire Township relating to tax increment financing on defined areas within the Authority's boundaries through which the Authority receives annual service payments to reimburse costs of public infrastructure improvements paid by the Authority.

The capital dedications are comprised of land and certain public roadway improvements.

Budget Information

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

NorthStar New Community Authority
Delaware County, Ohio
Management's Discussion & Analysis
For The Year Ended December 31, 2024
(Unaudited)

Capital Assets

At year-end, the Authority has \$5.8 million (net of accumulated depreciation) in capital assets, including land, land improvements and construction in progress, a decrease of \$10.6 million in comparison with the prior year-end. The annual net decrease is primarily related to capital dedications of land and community facilities as well as current year depreciation on the Authority's depreciable capital assets. Detailed information regarding capital asset activity is included in the Note 5 to the basic financial statements.

Debt

At year-end, the Authority had \$23.0 million of bonds payable, an increase of \$6.4 million in comparison with the prior year-end. The annual increase is due to the issuance of a new bond. Detailed information regarding bonds payable is included in Note 6 to the basic financial statements.

Contacting the Authority's Financial Management

This financial report is designed to provide readers with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to the Authority's Treasurer, 375 North Front Street, Suite 200, Columbus, Ohio 43215.

NorthStar New Community Authority
Delaware County, Ohio
Statement of Net Position
As of December 31, 2024

Assets

Current assets

Cash	\$ 166
Restricted cash with Trustee	42,775
Accounts receivable	404,540
Total current assets	<u>447,481</u>

Noncurrent assets

Nondepreciable capital assets	5,242,789
Depreciable capital assets, net	539,213
Total noncurrent assets	<u>5,782,002</u>

Total assets	<u><u>\$ 6,229,483</u></u>
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Liabilities

Current liabilities

Accounts payable	\$ 401,350
Other current liabilities	52,300
Retainage payable	56,856
Total current liabilities	<u>510,506</u>

Noncurrent liabilities

Accrued interest payable	12,388,675
Bonds payable	23,047,927
Total noncurrent liabilities	<u>35,436,602</u>

Total liabilities	<u>35,947,108</u>
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Net position

Net investment in capital assets	(2,119,407)
Unrestricted	(27,598,218)
Total net position	<u>(29,717,625)</u>

Total liabilities and net position	<u><u>\$ 6,229,483</u></u>
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See accompanying notes to the basic financial statements.

NorthStar New Community Authority
Delaware County, Ohio
Statement of Revenues, Expenses, and
Change in Net Position
For the Year Ended December 31, 2024

Operating revenues

Community development charges	\$ 595,216
Total operating revenues	<u>595,216</u>

Operating expenses

Common area repair, maintenance and utilities	149,609
Other operating expenses, including administrative costs	87,287
Depreciation	<u>169,032</u>
Total operating expenses	<u>405,928</u>

Operating income	189,288
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Non-operating expenses

Interest expense	(1,724,672)
Capital dedications	(11,527,481)
Other	<u>(30,831)</u>
Total non-operating expenses	<u>(13,282,984)</u>

Change in net position	(13,093,696)
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Net position beginning of year	<u>(16,623,929)</u>
Net position end of year	<u>\$ (29,717,625)</u>

See accompanying notes to the basic financial statements.

NorthStar New Community Authority
Delaware County, Ohio
Statement of Cash Flows
For the Year Ended December 31, 2024

Cash flows for operating activities

Cash received from community development charges	\$ 599,113
Cash payments to developer	(301,426)
Cash payments for operating expenses	(227,697)
Net cash provided by operating activities	<u>69,990</u>

Cash flows for capital related financing activities

Cash payments for capital acquisitions	(6,340,286)
Cash received from bond proceeds	6,359,316
Cash payment for bond interest	(579,733)
Cash received from other	372,615
Net cash used in capital and related financing activities	<u>(188,088)</u>

Net change in cash (118,098)

Cash, beginning of year	<u>161,039</u>
Cash, end of year	<u><u>\$ 42,941</u></u>

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

Operating income	\$ 189,288
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	169,032
Changes in assets and liabilities	
Accounts receivable	6,883
Accounts payable	(564)
Other current liabilities	6,777
Developer payable	(301,426)
Net cash provided by operating activities	<u><u>\$ 69,990</u></u>

Schedule of noncash transactions:

The Authority had capital-related payables totaling \$80,112 and \$5,273,321 as of December 31, 2024 and December 31, 2023, respectively. During 2024, the Authority dedicated capital assets totalling \$11,527,481.

See accompanying notes to the basic financial statements.

NorthStar New Community Authority
Delaware County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2024

NOTE 1 – REPORTING ENTITY

The NorthStar New Community Authority, Delaware County, Ohio (the “Authority”) is a community authority created pursuant to Chapter 349 of the Ohio Revised Code (ORC). During July 2007, North Star Land, LLC filed a petition (the Petition) for creation of the Authority with the Board of County Commissioners of Delaware County, Ohio. All rights of the Developer have since been assigned to and assumed by Northstar Residential, LLC (the Developer). The Petition, which may be subject to amendment or change, defines the boundaries of the Authority and allows the Authority to finance the costs of publicly owned and operated community improvements with assessed community development charges of up to 9 mills on the assessed value of the land and improvements within the Authority. The Petition was adopted by the Board of County Commissioners with Resolution No. 07-985 on August 16, 2007.

By its Resolution, the Board of County Commissioners of Delaware County determined 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 ORC. The Authority thereby was organized as a body corporate and politic in the State.

By law, the Authority is governed by a seven-member board of trustees. The Board of County Commissioners of Delaware County appoints four of the trustees and the remaining three trustees are appointed by the Developer. As of December 31, 2024, all board positions were filled.

The Northstar community is comprised of approximately 1,800 acres of land located in the townships of Berkshire and Kingston, Delaware County, Ohio. The land is located in the northeast quadrant of Interstate 71 and U.S. Route 36/State Route 37, approximately 10 miles north of Interstate 270. Upon completion, the boundaries will contain an 18-hole golf course, residential units, commercial office and retail space, a school site, and 800 acres of open space.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

The Authority’s basic financial statements consist of Statement of Net Position, Statement of Revenues, Expenses and Change in Net Position, and 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.

NorthStar New Community Authority
Delaware County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2024

Measurement Focus and Basis of Accounting

The Authority's financial activity is accounted for using a flow of economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Authority are included on the Statement of Net Position. The Statement of Revenues, Expenses and Change in Net Position present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The Statement of Cash Flows reflect how the Authority finances and meets its cash flow needs.

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

Cash

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

Restricted Cash

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

Capital Assets and Depreciation

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

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

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

<u>Classification</u>	<u>Estimated Useful Life</u>
Land improvements	7-15 yrs

Noncurrent Liabilities

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

NorthStar New Community Authority
Delaware County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2024

Net Position

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

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 and tax increment financing service payments. 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.

Estimates

The preparation of these financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. The most significant estimates include useful lives of capital assets and recoverable amounts of receivables. Actual results may differ from those estimates.

Implementation of New Accounting Principles

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

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

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

NorthStar New Community Authority
Delaware County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2024

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

NOTE 3 - CASH

The Authority's cash balance and carrying amount on December 31, 2024 was \$2,730 and \$166, respectively. The Authority's entire balance was covered by the Federal Depository Insurance Corporation (FDIC).

In addition, the Authority had cash on deposit with US Bank (Trustee) in accordance with the Authority's Master Trust Agreement with the Trustee. The amount on deposit with the Trustee on December 31, 2024 was \$42,775. This amount is reported as restricted cash with Trustee on the Statement of Net Position.

NOTE 4 – OPERATING REVENUE

The Authority can levy an annual community development charge up to 9 mills on the assessed value of all chargeable property, as defined, within the boundaries of the Authority. Community development charge revenue recognized in the year 2024 represents the amounts levied for the year.

These charges are generally levied based on the County Auditor's assessed value as of January 1. The assessed value is established by state law at 35% of the current market value based on the County Auditor's tax duplicate. If the County Auditor's tax duplicate does not reflect the completed value of a chargeable parcel, then, solely at the Board's discretion, the assessed valuation shall be 35% of (1) the County Auditor's current market value of land plus (2) the value of improvements as stated on the building permit for that parcel. Amounts assessed and due are reflected as revenue on the Statement of Revenues, Expenses and Change in Net Position.

During 2024, the Authority entered into a cooperative agreement with the Developer and Berkshire Township relating to tax increment financing (TIF) on defined areas within the Authority's boundaries through which the Authority receives annual service payments to reimburse costs of public infrastructure improvements. For each applicable parcel, the service payments commence the earlier of (i) the first tax year for which improvements of at least \$50,000 in assessed value resulting from the completion of construction of a new structure appear on the tax duplicate of real and public utility property for the parcel or (ii) tax year 2040 and end the earlier of nine years after commencement or the date on which the service payments are no longer required. As of December 31, 2024, the Township had not yet filed the required documentation to activate the status of the TIF for certain parcels with improvements. The Authority is working with the Township to facilitate the completion and approval of the necessary filings to ensure proper recognition of TIF parcels.

In addition, the Berkshire Landing New Community Authority has committed, upon request of the Authority, to levy and collect a facilities charge on all commercial parcels in an amount equal to (i) up to 1% of gross receipts of all taxable retail sales by a businesses, (ii) up to 10% of gross receipts from transactions in connection with providing hotel lodging to a guest, and (iii) up to 10% of all gross receipts on charges for performances, events or entertainment. Upon receipt, all such amounts shall be forwarded to the Authority. These facility charges will be requested by the Authority once the related activity commences within the Authority's boundaries. As of December 31, 2024, no such activity had commenced.

NorthStar New Community Authority
Delaware County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2024

NOTE 5 – CAPITAL ASSETS

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

Description	Beginning Balance	Additions	Disposals / Dedications	Ending Balance
Non-depreciated capital assets:				
Land	\$ 11,436,260	\$ -	\$ (7,499,703)	\$ 3,936,557
Construction in progress	4,326,651	1,007,359	(4,027,778)	1,306,232
Total nondepreciable capital assets	15,762,911	1,007,359	(11,527,481)	5,242,789
Capital assets, depreciable:				
Land improvements	2,292,588	139,718	-	2,432,306
Total depreciable capital assets	2,292,588	139,718	-	2,432,306
Less accumulated depreciation for:				
Land improvements	(1,724,061)	(169,032)	-	(1,893,093)
Total accumulated depreciation	(1,724,061)	(169,032)	-	(1,893,093)
Total depreciable assets, net	568,527	(29,314)	-	539,213
Total capital assets, net	\$ 16,331,438	\$ 978,045	\$ (11,527,481)	\$ 5,782,002

NOTE 6 – BONDS PAYABLE

The Authority approved the issuance of Community Facilities Bonds (Series A through D). The bonds were issued for the purpose of providing funds to pay the costs of public infrastructure improvements including roadways, multi-use paths, community facilities, streetscape and land acquisition for the construction of such improvements and greenspace. The bonds were sold to related parties of the Developer at par.

The Series D bond was approved on January 10, 2024 for an issuance of up to \$24.5 million with a stated maturity date of January 31, 2064. The interest rate for the first advance was 7.5% annually. For each subsequent advance, the fixed annual rate is determined on the date of each advance and equal to the then most recent Bond Buyer 25 Revenue Bond Muni Index rate for 30-year bonds plus 3.79%.

NorthStar New Community Authority
Delaware County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2024

The Authority has pledged operating revenue, net of specific disbursements as outlined in the bond agreements (net operating revenues), to the payment of interest of Series A, B, C, and D bonds, pro rata, to the extent amounts are sufficient. Once accrued interest has been made current, these receipts are pledged to the principal payment of the Series A bonds, followed by the Series B bonds, then the Series C bonds, and then Series D bonds. So long as the Community Facilities Bonds are outstanding, the Authority must (a) implement, maintain and collect the community development charge and shall not waive, reduce or terminate the charge below the rate of 9 mills and (b) enforce the obligations of the Berkshire Landing New Community Authority and shall not amend the agreement as outlined in note 4.

The bonds are payable solely from the pledged net operating revenues. During 2024, the Authority received pledged net operating revenues of \$0.1 million and paid interest of \$0.6 million. Interest on each of the outstanding bonds is accrued monthly. Principal and interest payments are made in accordance with the bond agreements. There are no stated amounts due on any of the outstanding bonds within one year.

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

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

	Maturity Date	Interest Rate	Beginning Balance	Draws	Repayments	Ending Balance
Series A, 2014	9/24/2054	9.00%	\$ 7,515,000	\$ -	\$ -	\$ 7,515,000
Series B, 2014	9/24/2054	7.14%	6,312,298	-	-	6,312,298
Series C, 2019	4/24/2059	7.39%	2,861,313	-	-	2,861,313
Series D, 2024	1/31/2064	See above	-	6,359,316	-	6,359,316
Total			<u>\$ 16,688,611</u>	<u>\$ 6,359,316</u>	<u>\$ -</u>	<u>\$ 23,047,927</u>

NOTE 7 – RISK MANAGEMENT

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

There has been no material change in coverage from the prior year and there have been no claims in the past three years.

NorthStar New Community Authority
Delaware County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2024

NOTE 8 – CONTRACTUAL COMMITMENTS

The Authority entered into a land acquisition agreement with the Developer during 2014, which agreement was amended and restated in January 2024. The acquisition agreement, as amended and restated, is to purchase up to approximately 582 acres within the District, as defined in the Petition, and any and all improvements located thereon. The purchase price is \$36,527 per acre and payable from proceeds of the Authority's bonds. To date, the Authority has purchased approximately 313 acres for \$11.4 million. The remaining balance of 269 acres, totaling \$9.8 million, will be purchased in future years. The outside date for closing on the purchase of any parcel(s) is January 2029.

NOTE 9 – RELATED PARTIES

The Developer is responsible for overseeing the construction and development of the Authority's public infrastructure projects and received \$0.2 million during 2024. In addition, the Developer guaranteed to fulfill any administrative and maintenance operating deficit incurred by the Authority until the Authority stabilized in accordance with the development agreement. The Authority was obligated to reimburse the Developer for these funds through future cash flows in accordance with the bond agreements and fully repaid this obligation during 2024.

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

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

NOTE 10 – CONTINGENT LIABILITIES

There are no claims and lawsuits pending against the Authority.

NOTE 11 – ACCUMULATED DEFICIT OF NET POSITION

As of December 31, 2024, the Authority has an accumulated deficit net position of \$29.3 million. This deficit is a result of how the Authority is structured and its basic operations. The Authority was established to finance the costs of publicly owned and operated community land and facilities and has incurred such costs. The related deficit will be reduced and eliminated as outstanding debt is paid with future cashflows in accordance with the bond agreements.

NOTE 12 – SUBSEQUENT EVENTS

In January 2025, the Authority dedicated 29.086 acres of land to Berkshire Township for use as a public park and green space. The transaction resulted in a reduction to nondepreciable capital assets of \$1.06 million.

During 2025, additional draws on the Authority's Series D bond total \$1.3 million.



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Columbus, Ohio 43215
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

NorthStar New Community Authority
Delaware County
375 North Front Street, Suite 200
Columbus, Ohio 43215

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the NorthStar New Community Authority, Delaware County, Ohio (the Authority) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated September 30, 2025, wherein we noted Note 11 to the basic financial statements described the Authority had an accumulated deficit net position as of December 31, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

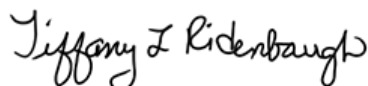
Authority's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying schedule of findings. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

KEITH FABER
Ohio Auditor of State



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

September 30, 2025

**NORTHSTAR NEW COMMUNITY AUTHORITY
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2024-001

Material Weakness – Financial Reporting Tax Increment Financing Agreement

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.

Sound accounting practices require public officials to design and operate a system of internal control that is adequate to provide reasonable assurance over the reliability of financial reporting, effectiveness and efficiency of operations, compliance with applicable laws and regulations, and safeguarding of assets against unauthorized acquisition, use or disposition. Maintaining documentation and support for financial transactions is essential in assuring the Authority's financial statements are not materially misstated.

During Fiscal Year 2024, the Authority did not have proper internal controls in place to help ensure they were receiving the proper amounts recorded as Other Operating Revenue (TIF) totaling \$408,281. Berkshire Township sent monies not due to the Authority and these amounts were erroneously directly deposited into the Authority's Trustee account. This error resulted in the following material adjustments to the Authority's financial statements:

- Other operating revenue was overstated by \$391,645 and accounts payable was understated by \$391,645.
- Other operating revenue was overstated by \$16,636 and accounts receivable was overstated by \$16,636.
- Accounts receivable was understated by \$391,645 and accrued interest payable was understated by \$391,645.
- Ending net position was overstated by \$408,281.
- Reclassification of operating activities to capital related financing activities on the Statement of Cash Flows in the amount of \$391,645.

The financials statements have been adjusted accordingly. Additional errors and omissions were identified and corrected in the Management's Discussion and Analysis and the Notes to the Basic Financial Statements.

Failing to ensure adequate controls are in place and operating effectively could result in errors occurring without detection, such as fraud, and the Authority not receiving the proper amounts entitled to by agreements.

The Authority should establish formal internal control policies and procedures to help ensure supporting documentation is maintained for all financial transactions. TIF revenue received from Berkshire Township should be calculated according to the TIF agreement to determine proper amounts were received and recorded by the Authority for the proper reporting period.

Officials' Response: Management acknowledges the misstatement in recording TIF revenue. The Authority is coordinating with the Township to complete the necessary TIF filings and has strengthened internal controls to ensure future TIF revenues are properly validated prior to recognition.

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OHIO AUDITOR OF STATE KEITH FABER



NORTHSTAR NEW COMMUNITY AUTHORITY

DELAWARE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 10/16/2025

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

This report is a matter of public record and is available online at
www.ohioauditor.gov