August 9, 2019

TO: Members of the Board of Trustees
of the Northern New Community Authority

Todd Hamula	Mike Hite
Gary Hough	David Miller
Diane Nutter	Mark Reed
Tim Todaro	

FROM: Greg Daniels, Secretary

SUBJECT: Organizational and Fiscal Meeting of the Board of Trustees on Monday, August 12, 2019, commencing at 2:30 p.m., at One South Sandusky Street, Delaware, Ohio 43015

The 2019 organizational and fiscal meeting of the Board of Trustees of the Northern New Community Authority will be held on Monday, August 12, 2019, commencing at 2:30 p.m., at One South Sandusky Street, Delaware, Ohio 43015.

In addition to the election of officers, the Board of Trustees will consider for adoption (i) a resolution budgeting and appropriating an amount from the Authority's community development charge to pay administrative expenses of the Authority and amounts due under the Cooperative Agreement, and (ii) a resolution levying the Authority's community development charge.

Enclosed are a meeting agenda, minutes of the July 26, 2018, meeting, a financial report and copies of the resolutions referred to in that agenda.

THE NORTHERN NEW COMMUNITY AUTHORITY

BOARD OF TRUSTEES

ORGANIZATIONAL AND FISCAL MEETING AGENDA

August 12, 2019

1. Meeting called to order; roll call.

2. Certificate of public notice submitted.

3. Submission of the minutes of the July 26, 2018, meeting.

    a. Motion to approve minutes.
    b. Second to motion.
    c. Vote on motion.

4. Reports and communications from officers of the Board.

    a. Treasurer's Report.

5. Other reports and communications.

    a. Update on Development of NCA Areas.

6. Election of Chairperson.

    a. Motion to Nominate.
    b. Second to Motion.
    c. Vote on Motion.

7. Election of Vice Chairperson.

    a. Motion to Nominate.
    b. Second to Motion.
    c. Vote on Motion.

8. Election of Secretary.

    a. Motion to Nominate.
    b. Second to Motion.
    c. Vote on Motion.

9. Election of Treasurer.

   a. Motion to Nominate.
   b. Second to Motion.
   c. Vote on Motion.

10. Introduction of new resolutions or motions.

   a. Resolution No. 2019-1: “BUDGETING AND APPROPRIATING AN AMOUNT FROM THE COMMUNITY DEVELOPMENT CHARGE TO PAY ADMINISTRATIVE EXPENSES OF THE AUTHORITY AND AMOUNTS DUE UNDER THE COOPERATIVE AGREEMENT.”

      i. Motion to Approve.
      ii. Second to Motion.
      iii. Vote on Motion.

   b. Resolution No. 2019-2: “LEVYING THE COMMUNITY DEVELOPMENT CHARGE FOR FISCAL YEAR 2020.”

      i. Motion to Approve.
      ii. Second to Motion.
      iii. Vote on Motion.

11. Other business.

12. Next meeting.

13. Adjournment.

   a. Motion to Adjourn.
   b. Second to Motion.
   c. Vote on Motion.

THE NORTHERN NEW COMMUNITY AUTHORITY

Minutes of the July 26, 2018
Organizational and Fiscal Meeting of the Board of Trustees

The Board of Trustees of the Northern New Community Authority (the "Board") held an organizational and fiscal meeting commencing at 3:35 p.m. on Thursday, July 26, 2018, at Delaware City Hall, One South Sandusky Street, Delaware, Ohio 43015, pursuant to notice of the meeting having been given by public posting and delivery to various newspapers published in the City of Delaware.

(Copies of the items marked * are attached hereto and made a part of these minutes.)

Ms. Nutter called the meeting to order and conducted a roll call. The following Trustees were present for the roll call and the remainder of the meeting:

Mike Hite (Local Government Representative)
Gary Hough (Developer Member)
David Miller (Citizen Member)
Diane Nutter (Citizen Member)
Tim Todaro (Developer Member)

Also present were Tom Homan (City Manager), Dean Stelzer (City Director of Finance), Dave Efland (Planning and Community Development Director), Rob Alger (Treasurer of the Board), Elaine McCloskey (Clerk of Delaware City Council) and Greg Daniels (Secretary of the Board).

Mr. Daniels reported that notice of the meeting was provided to the Delaware Gazette and the Delaware News, and was posted at Delaware City Hall and the Delaware Area Chamber of Commerce. Mr. Daniels filed the certificate of posting* in compliance with the Ohio open meeting laws.

Ms. Nutter then advised the Board that the next order of business was the submission of the minutes of the August 10, 2017, Organizational and Fiscal Meeting to the Board for its approval. Mr. Hough moved to approve the minutes of the meeting as submitted and Mr. Todaro seconded the motion. The motion was approved as follows: Ayes –Hite, Hough, Miller, Nutter and Todaro; Nays – None. Ms. Nutter declared the minutes of the August 10, 2017, Organizational and Fiscal Meeting approved as submitted.

Ms. Nutter then inquired whether there were any reports or communications from the officers of the Board. Mr. Stelzer provided a report on the financial statements. Mr. Alger presented a financial report detailing the Community Development Charge receipts and current expenses of the City on behalf of the Authority*. The Board and Mr. Stelzer discussed the report. Mr. Homan discussed current and future improvement plans for Glenn Parkway.

Ms. Nutter then advised the Board that the next order of business was to elect officers of the Board, commencing with the Chair of the Board. Ms. Nutter made a motion to nominate Mr.

Hough as Chair of the Board, and Mr. Miller seconded the nomination. There being no further nominations, upon roll call vote, the motion was approved as follows: Ayes –Hite, Hough, Miller, Nutter and Todaro; Nays – None. Ms. Nutter declared the motion passed and Mr. Hough elected Chair of the Board.

As the duly elected Chair, Mr. Hough presided over the balance of the meeting.

Mr. Hough then requested nominations for Vice-Chair of the Board. Ms. Nutter made a motion to nominate Mr. Miller and Mr. Hough seconded the motion. There being no further nominations, upon roll call vote, the motion was approved as follows: Ayes –Hite, Hough, Miller, Nutter and Todaro; Nays – None. Mr. Hough declared the motion passed and Mr. Miller elected Vice-Chair of the Board.

Mr. Hough then requested nominations for Secretary of the Board of Trustees. Mr. Hough made a motion to nominate Mr. Daniels to act as Secretary, and Mr. Hite seconded the motion. There being no further nominations, upon roll call vote, the motion was approved as follows: Ayes –Hite, Hough, Miller, Nutter and Todaro; Nays – None. Mr. Hough declared the motion passed and Mr. Daniels elected Secretary of the Board.

Mr. Hough then requested nominations for Treasurer of the Board. Mr. Hough made a motion to nominate Mr. Alger to act as Treasurer, and Mr. Miller seconded the motion. There being no further nominations, upon roll call vote, the motion was approved as follows: Ayes – Hite, Hough, Miller, Nutter and Todaro; Nays – None. Mr. Hough declared the motion passed and Mr. Alger elected Treasurer of the Board.

There was next presented to the Board Resolution No. 2018-1*, entitled "BUDGETING AND APPROPRIATING AN AMOUNT FROM THE COMMUNITY DEVELOPMENT CHARGE TO PAY ADMINISTRATIVE EXPENSES OF THE AUTHORITY AND AMOUNTS DUE UNDER THE COOPERATIVE AGREEMENT." After brief discussion of the budget, Mr. Miller moved to approve the adoption of Resolution No. 2018-1. Ms. Nutter seconded the motion. The motion was approved as follows: Ayes –Hite, Hough, Miller, Nutter and Todaro; Nays – None. Mr. Hough declared the motion passed and Resolution 2018-1 adopted.

There was next presented to the Board Resolution No. 2018-2*, entitled "LEVYING THE COMMUNITY DEVELOPMENT CHARGE FOR FISCAL YEAR 2019." After a brief discussion, Mr. Hough moved for the adoption of Resolution No. 2018-2 and Mr. Hite seconded the motion. The motion was approved as follows: Ayes –Hite, Hough, Miller, Nutter and Todaro; Nays – None. Mr. Hough declared the motion passed and Resolution 2018-2 adopted.

There was next presented to the Board for its consideration Resolution No. 2018-3*, entitled "RESOLUTION ESTIMATING THE AMOUNT OF ACTIVE MONEYS OF THE AUTHORITY TO BE AWARDED FOR THE PERIOD FROM JULY 26, 2018, TO AND INCLUDING JULY 26, 2023, AND DESIGNATING ONE OR MORE DEPOSITORIES." After a brief discussion, Mr. Hough moved for the adoption of Resolution No. 2018-3 and Mr. Hite seconded the motion. The motion was approved as follows: Ayes –Hite, Hough, Miller, Nutter and Todaro; Nays – None. Mr. Hough declared the motion passed and Resolution 2018-3 adopted.

Mr. Miller moved that the Board designate Elaine McCloskey as Public Records Officer, and Mr. Hough seconded the motion. The motion was approved as follows upon roll call vote: Ayes –Hite, Hough, Miller, Nutter and Todaro; Nays – None. Mr. Hough declared the motion passed.

Mr. Todaro then provided an update on Zaremba's development efforts within the Authority's new community district. Mr. Efland provided the Board with a general update regarding development within the district as well as the City generally. The Board discussed a next meeting time and date. No decision on date or time was made.

Mr. Hough then inquired as to whether there was any other business to come before the Board at this time and there was none. There being no further business, a motion was made by Mr. Miller to adjourn the meeting and seconded by Mr. Hite. The motion was unanimously approved and the meeting adjourned.

_____

Secretary
Northern New Community Authority

It was moved by _____ and seconded by _____ that the following resolution be adopted:

RESOLUTION NO. 2019-1

BUDGETING AND APPROPRIATING AN AMOUNT FROM THE COMMUNITY DEVELOPMENT CHARGE TO PAY ADMINISTRATIVE EXPENSES OF THE AUTHORITY AND AMOUNTS DUE UNDER THE COOPERATIVE AGREEMENT.

WHEREAS, the Northern New Community Authority (the "Authority") has heretofore been duly created pursuant to the authority contained in Chapter 349 of the Ohio Revised Code (the "NCA Act"), following the filing of a petition in the office of the Clerk of the Delaware City Council (the "Petition") and the passage by the Delaware City Council of an ordinance approving the Petition and establishing the Authority; and

WHEREAS, that certain Declaration of Covenants, Restrictions and Agreements for the Northern New Community Authority in the City of Delaware, Ohio relating to the creation of the Authority was executed by the Developer and recorded on October 22, 2007, as Instrument Number 200700033807, and on December 12, 2013 as Instrument Number 201300043928 in the office of the Delaware County Recorder (collectively, as heretofore or hereafter supplemented or amended in accordance with its terms, the "Declaration"); and

WHEREAS, the Authority and the City have entered into a Cooperative Agreement (the "Cooperative Agreement"), pursuant to which the City agreed to construct the Community Facilities for the Authority in exchange for the Authority's levying and collecting annually the Community Development Charge and reimbursing the City from that Community Development Charge for costs incurred by the City for the design, construction and financing of the Community Facilities; and

WHEREAS, the Authority expects to levy, in accordance with the Declaration, a Community Development Charge for fiscal year 2020 at a rate of 7.5 mills on each Chargeable Parcel (as defined in the Declaration); and

WHEREAS, the Community Development Charge for each Chargeable Parcel is expected to be certified by and on behalf of the Authority to the Delaware County Auditor for collection as provided in Section 349.07 of the Ohio Revised Code; and

WHEREAS, this Board needs to budget and appropriate money at this time in order to pay administrative and other expenses of the Authority for fiscal year 2020; and

WHEREAS, this Board has determined that it is necessary and in the best interest of the Authority and the Board to procure insurance and bond coverage for the Board of Trustees of the Authority;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Northern New Community Authority that:

Section 1. There is hereby budgeted and appropriated for fiscal year 2020, from revenues of the Community Development Charge, $10,000.00 for the purpose of paying administrative expenses of

the Authority for fiscal year 2020 (including legal, accounting, audit, notices/postage, insurance/surety bonds and other administrative items).

Section 2. There is hereby budgeted and appropriated for fiscal year 2020, from revenues of the Community Development Charge, any amounts in excess of the amount stated in Section 1 for the purpose of making payments due under the Cooperative Agreement.

Section 3. It is found and determined that all formal actions of this Board concerning and relating to the adoption of this resolution were adopted in an open meeting of this Board, and that all deliberations of this Board that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code, and the rules for notification of meetings to the public and news media for this Authority.

Section 4. This resolution shall be in full force and effect immediately upon its adoption.

The foregoing motion having been put to vote, the result of the roll call was as follows:

Todd Hamula	_____	Mike Hite	_____
Gary Hough	_____	David Miller	_____
Diane Nutter	_____	Mark Reed	_____
Tim Todaro	_____		

The undersigned, Secretary of the Board of Trustees of the Northern New Community Authority, does hereby certify that the foregoing is a true and correct copy of a resolution of that Authority, duly adopted August 12, 2019, and appearing upon the official records of that Board.

Adopted: August 12, 2019

Dated: August 12, 2019

Attest: _____
Secretary, Board of Trustees
Northern New Community Authority

It was moved by _____ and seconded by _____ that the following resolution be adopted:

RESOLUTION NO. 2019-2

LEVYING THE COMMUNITY DEVELOPMENT CHARGE FOR FISCAL YEAR 2020.

WHEREAS, the Northern New Community Authority (the "Authority") has heretofore been duly created pursuant to the authority contained in Chapter 349 of the Ohio Revised Code (the "NCA Act"), following the filing of a petition in the office of the Clerk of the Delaware City Council (the "Petition") and the passage by the Delaware City Council of an ordinance approving the Petition and establishing the Authority; and

WHEREAS, that certain Declaration of Covenants, Restrictions and Agreements for the Northern New Community Authority in the City of Delaware, Ohio relating to the creation of the Authority was executed by the Developer and recorded on October 22, 2007, as Instrument Number 200700033807, and on December 12, 2013 as Instrument Number 201300043928 in the office of the Delaware County Recorder (collectively, as heretofore or hereafter supplemented or amended in accordance with its terms, the "Declaration"); and

WHEREAS, consistent with the Petition, the Declaration establishes for the benefit and use of the Authority, as a charge on each then Chargeable Parcel (as defined in the Declaration), a maximum annual Community Development Charge of 7.5 mills to cover all or part of the cost of acquisition, development, construction, operation and maintenance of land, land development and Community Facilities (as that term is defined in the Declaration), the debt service thereof and all other costs incurred by the Authority in the exercise of its powers under the NCA Act; and

WHEREAS, in connection with the preparation of the Community Development Charge for certification for collection, this Board must make certain determinations as to the Assessed Valuation of certain Chargeable Parcels, all pursuant to and as permitted by the Declaration; and

WHEREAS, notice of this Fiscal Meeting has been given in compliance with the Declaration and the law;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Northern New Community Authority that:

Section 1. The 2020 Community Development Charge (for collection in 2020) is hereby levied at a rate of 7.5 mills for each $1.00 of Assessed Valuation on the Chargeable Parcels as of August 1, 2019, (with the Community Development Charge for the Chargeable Parcel generally known as "Glennwood Commons" allocated among the various owners on the basis of square feet) and will not be waived, reduced or terminated.

Section 2. This Board hereby determines as follows for purposes of that 2020 Community Development Charge. As permitted by and pursuant to Section 2.03(a) of the Declaration, for Chargeable Parcels identified to this Board for which a certificate of occupancy was issued by August 1, 2019, but for which the Assessed Valuation listed on the tax duplicate of the Auditor of Delaware County, Ohio, does not reflect the completed value of a structure on that Chargeable Parcel, "Assessed Valuation" shall include thirty-five percent (35%) of the cost of the residential or commercial structure stated on the building permit(s) on file with the City of Delaware.

Section 3. The Community Development Charge for each Chargeable Parcel is payable directly to the Authority on or before September 1, 2019, or such other date determined by the Treasurer of this Board (the "Treasurer"), to the Treasurer at the Authority's principal office. Any Community Development Charge for any Chargeable Parcel, or any portion thereof, that is unpaid after that date will be certified by the Treasurer by and on behalf of the Authority to the Delaware County Auditor for collection as provided in Section 349.07 of the Revised Code and will bear penalty and interest as set forth in Section 5.04 of the Declaration if it is not paid, as provided by that Section 349.07, within the period provided for the collection of those Community Development Charges with real property taxes.

Section 4. If required by the Declaration or the Revised Code, the Treasurer or Secretary of this Board will cause notice of the adoption of this Resolution and the Community Development Charge to be published once in a newspaper of general circulation within the boundaries of the Authority's new community district.

Section 5. This Board hereby determines that the collection of the Community Development Charge in the amounts and as otherwise provided in this Resolution is necessary to pay all or part of the cost of the acquisition, development, construction, operation and maintenance of land, land development and Community Facilities and other costs incurred and to be incurred by the Authority in the exercise of its powers under the NCA Act. This Board hereby further determines that its actions in this Resolution are taken with reference to the fiscal requirements of the Authority for the period for which the Community Development Charge is to be collected pursuant to this Resolution as reflected in the budget of the Authority for that period.

Section 6. It is found and determined that all formal actions of this Board concerning and relating to the adoption of this resolution were adopted in an open meeting of this Board, and that all deliberations of this Board that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code, and the rules for notification of meetings to the public and news media for this Authority.

Section 7. This resolution shall be in full force and effect immediately upon its adoption.

The foregoing motion having been put to vote, the result of the roll call was as follows:

Todd Hamula	_____	Mike Hite	_____
Gary Hough	_____	David Miller	_____
Diane Nutter	_____	Mark Reed	_____
Tim Todaro	_____		

The undersigned, Secretary of the Board of Trustees of the Northern New Community Authority, does hereby certify that the foregoing is a true and correct copy of a resolution of that Authority, duly adopted August 12, 2019, and appearing upon the official records of that Board.

Adopted: August 12, 2019

Dated: August 12, 2019

Attest: _____
Secretary, Board of Trustees
Northern New Community Authority

NORTHERN NEW COMMUNITY AUTHORITY

DELAWARE COUNTY

REGULAR AUDIT

JANUARY 1, 2017 – DECEMBER 31, 2018

WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

OHIO AUDITOR OF STATE
KEITH FABER

Governing Board
Northern New Community Authority
1 South Sandusky Street
Delaware, Ohio 43015

We have reviewed the *Independent Auditor's Report* of the Northern New Community Authority, Delaware County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2017 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

April 19, 2019

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370
www.ohioauditor.gov

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NORTHERN NEW COMMUNITY AUTHORITY
DELAWARE COUNTY

TABLE OF CONTENTS

TITLE	PAGE
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS – YEAR ENDED DECEMBER 31, 2018	3
BASIC FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION – DECEMBER 31, 2018	7
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - – FOR THE YEAR ENDED DECEMBER 31, 2018	8
STATEMENT OF CASH FLOWS – FOR THE YEAR ENDED DECEMBER 31, 2018	9
NOTES TO THE BASIC FINANCIAL STATEMENTS – FOR THE YEAR ENDED DECEMBER 31, 2018	10
MANAGEMENT'S DISCUSSION AND ANALYSIS – YEAR ENDED DECEMBER 31, 2017	15
BASIC FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION – DECEMBER 31, 2017	19
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - – FOR THE YEAR ENDED DECEMBER 31, 2017	20
STATEMENT OF CASH FLOWS – FOR THE YEAR ENDED DECEMBER 31, 2017	21
NOTES TO THE BASIC FINANCIAL STATEMENTS – FOR THE YEAR ENDED DECEMBER 31, 2017	22
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*	27

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WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

Northern New Community Authority
Delaware County
1 South Sandusky Street
Delaware, Ohio 43015

INDEPENDENT AUDITOR'S REPORT

To the Governing Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the Northern New Community Authority, Delaware County, Ohio (the Authority), as of and for the years ended December 31, 2018 and 2017, 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.

10 West Locust Street | Newark, Ohio 43055 | Phone: 740-345-6611 | Fax: 740-345-5635 | wssinc.net

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Northern New Community Authority, Delaware County as of December 31, 2018 and 2017, 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.

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 April 10, 2019, 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.

Wilson, Shannon & Snow, Inc.

April 10, 2019
Newark, Ohio

NORTHERN NEW COMMUNITY AUTHORITY
DELAWARE COUNTY
Management's Discussion and Analysis for the
Year Ended December 31, 2018
(Unaudited)

The management's discussion and analysis of the Northern New Community Authority, Delaware County, Ohio, (the Authority), financial performance provides an overall review of the Authority's financial activities for the year ended December 31, 2018. 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 and the City of Delaware [the City] entered into a cooperative agreement in 2013 for the Glenn Parkway Improvement [improve/construct Glenn Parkway from US Route 36/St Route 37 to Curve Road] and the Nutter Farm Lane Improvement [extend the existing Nutter Farms Lane to Glenn Parkway] to provide necessary infrastructure for the further residential development of the City. The planning of this project began in 2006 and to date approximately $3.1 million has been spent.
2. Between 2005 and 2015, the City issued up to $640 thousand in bond anticipation notes [BANs] to cover the current costs of the project. These one-year BANs have been re-issued over the years as interest rates for BANs have been significantly less than general obligation bonds. Total interest expense paid, net of any BAN premiums, since 2006 amounts to $169 thousand. The most recent BANs were paid off in 2015 and general obligation bonds in the amount of $2,545 million were issued. In 2018, the City paid $35,000 on the principal of the bonds.
3. Authority charges of 7.5 mils have been assessed and collected upon for all new structures built within the Authority's boundaries. Total collections to date are $737.7 thousand. All community authority charges in excess of $10,000 are reimbursed to the City.
4. Other revenues received by the City, including Transportation Impact Fees, Developer Payments, and Interest Income may be used to decrease the amount owed to City for the project. Future revenues by the City are not guaranteed to be collected nor used to offset the project costs. To date, the City has received $58 thousand from interest income earned on the BANs.
5. Completed public acquisitions on Glenn Parkway totaling $241 thousand and were capitalized by the Authority and donated to the City in prior years.
6. The Authority's net deficit at December 31 was $2,306,484 for 2018. What remains of the debt associated with the project is to be paid from future Authority charges assessed on homes and other dwellings constructed within the Authority boundaries, mentioned in #3 above.

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 and all liabilities and 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 total 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.

These two statements report the Authority's net position and changes to total net position. This change in net position is important because it tells the reader that, for the Authority as a whole, the financial position of the Authority has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. These statements can be found on pages 7 and 8 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 9 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.

Financial Analysis

Table 1 provides a comparative analysis summary of Authority's net position for 2018 and 2017.

Table 1; Net Position

	2018	2017
Assets:		
Current Assets	$ 105,338	$ 105,348
Total Assets	105,338	105,348
Liabilities:		
Due to Other Governments	2,316,402	2,294,601
Total Liabilities	2,316,402	2,294,601
Deferred Inflows of Resources	95,420	95,418
Net Position:		
Unrestricted	(2,306,484)	(2,284,671)
Total Net Position	$ (2,306,484)	$ (2,284,671)

Net Position: Net position represents the difference between assets and liabilities and deferred inflows of resources.

Table 2; Change in Net Position

	2018	2017
Operating Revenues	$ 95,418	$ 95,061
Operating Expenses	117,231	110,431
Change in Net Position	(21,813)	(15,370)
Beginning Net Position	(2,284,671)	(2,269,301)
Ending Net Position	$ (2,306,484)	$ (2,284,671)

Operating revenues were consistent between 2018 and 2017. The Authority's only source of income is community authority charges assessed on landowners. Operating expenses increased in 2018 as more debt service [incurred by the City of Delaware] was paid. In 2015 Nutter Road was improved and construction was completed early in 2016. Design and constructions costs totaled over $1.8 million. Most of the expenses currently are associated with debt service on the bonds issued by the City of Delaware.

Change in Net Position

Going forward, the Authority is expected to show continued increases in community development charge revenues as the growth in housing, albeit slow, continues.

Community Development Charge

Revenue from Community Development Charge paid by each owner of a chargeable parcel will be used to pay off the debt incurred to construct the project. The Community Development Charge is calculated on 7.5 mils times thirty-five percent of the assessed value of chargeable property, which includes buildings, structures, and improvements. The amount of revenue will increase in years when available parcels are sold and improvements are made, thus increasing the total assessed value of chargeable property.

Capital Assets

The Authority does not report capital assets.

Debt

The Authority has no debt issued in its name. The debt secured to fund the Glenn Parkway Project was issued by the City of Delaware by way of short-term bond anticipation notes [BANs] until 2015. These BANs were issued at a very low interest rate and subsequently renewed every year until the Authority

generates enough revenue through the community development charges to secure bonding the BANs in its own name. In 2015, the City of Delaware issued general obligation bonds to pay off the BANs and use for current and future development, which were not in the name of the Authority, but the City. The amount owed to the City is reported as Due to Other Governments within the basic financial statements.

Budgeting

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

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 Rob Alger, Treasurer, Northern New Community Authority at:

Rob Alger, City of Delaware, 1 South Sandusky St, Delaware OH 43015, 740.203.1203.

NORTHERN NEW COMMUNITY AUTHORITY
DELAWARE COUNTY
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2018

	2018
ASSETS	
Cash and Cash Equivalents	$ 9,918
Community Charges Receivable	95,420
Total Assets	105,338
LIABILITIES	
Current Liabilities	
Due to Other Governments	2,316,402
Total Liabilities	2,316,402
DEFERRED INFLOWS OF RESOURCES	
Assessments to be Levied in the Next Year	95,420
Total Deferred Inflows of Resources	95,420
NET POSITION	
Unrestricted	(2,306,484)
Total Net Position	$ (2,306,484)

See notes to the basic financial statements

NORTHERN NEW COMMUNITY AUTHORITY
DELAWARE COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018
OPERATING REVENUES	
Community Authority Charges	$ 95,418
Total Operating Revenues	95,418
OPERATING EXPENSES	
Services and Charges	117,231
Total Operating Expenses	117,231
Operating Loss/Change in Net Position	(21,813)
Beginning Net Position	(2,284,671)
Ending Net Position	$ (2,306,484)

See notes to the basic financial statements

NORTHERN NEW COMMUNITY AUTHORITY
DELAWARE COUNTY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018
Cash Flows From Operating Activities	
Cash Received From Community Authority Charges	$ 95,418
Cash Paid to City	(95,173)
Cash Paid to Others	(257)
Net Cash Used for Operating Activities	(12)
Net Change In Cash and Cash Equivalents	(12)
Cash and Cash Equivalents at Beginning of Year	9,930
Cash and Cash Equivalents at End of Year	$ 9,918
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	$ (21,813)
Adjustment:	
Increase in Due to Other Governments	21,801
Net Cash Used for Operating Activities	$ (12)

See notes to the basic financial statements

NOTE 1 – REPORTING ENTITY

The Northern New Community Authority, Delaware County, Ohio (the "Authority") is a "community authority" created pursuant to Chapter 349 of the Ohio Revised Code (the Act). On October 30, 2007, Zaremba Group, LLC (the Developer) filed a petition (the Petition) for creation of the Authority with the Board of County Commissioners of Delaware County, Ohio, and the Petition was accepted by a resolution of the Board on December 10, 2007. The Petition was also accepted by resolution of the City Council of the City of Delaware, December 10, 2007. By their Resolutions, the County Commissioners and City Council 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 member board of trustees. At inception, the City Council appointed four of the trustees, including one representing the local government [City] and the remaining three trustees were appointed by the Developer. The new community authority is comprised of approximately 173.3 acres of land located in the City of Delaware, Ohio and Delaware County, Ohio. The entire project includes the acquisition of property and the improvement of Glenn and Nutter Roads. In accordance with the Act and the Petition, the Authority can levy a community development charge up to 7.5 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 accounting principles generally accepted in the United States of America for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

For financial reporting purposes, the Authority's basic financial statements would include all funds, agencies, boards, commissions, and departments for which the Authority is financially accountable. Financial accountability, as defined by the GASB, exists if the Authority appoints a voting majority of an organization's Governing Board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the Authority. The Authority may also be financially accountable for governmental organizations with a separately elected Governing Board, a Governing Board appointed by another government, or a jointly appointed Board that is fiscally dependent on the Authority. The Authority also took into consideration other organizations for which the nature and significance of their relationship with the Authority are such that exclusion would cause the Authority's basic financial statements to be misleading or incomplete.

The City of Delaware is considered a jointly governed organization to the Authority as disclosed in Note 8.

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 Basis of Accounting

The Authority's financial activity is accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities and deferred inflows of resources associated with the operation of the Authority are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The Statement of Cash Flows reflects how the Authority finances and meets its cash flow needs.

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

C. Cash and Cash Equivalents

Cash received by the Authority is deposited with a financial institution. Deposits having an original maturity of three months or less at the time they are purchased are presented in the financial statements as Cash and Cash Equivalents.

D. Net Position

Net position represents the difference between assets and liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority first applies restricted resources when an expense is incurred for which both restricted and unrestricted net position are available. The Authority had no restricted net position at December 31, 2018.

E. Operating Revenues and Expenses

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

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and

assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

G. Subsequent Events

The Authority has evaluated subsequent events through April 10, 2019, the date which the financial statements were available to be issued.

NOTE 3 – COMMUNITY DEVELOPMENT CHARGE

The Authority can levy an annual community authority development charge up to 7.5 mills on the assessed value of all subject property within the Authority. The charge is currently levied at 7.5 mills. Charge revenue recognized represents the amount levied and payable on August 31 of each year. Charge assessments are levied on the assessed values certified by the Delaware County the second Monday in September. The assessed value is established by state law at 35% of the current market value. Property is levied the tax year after the Authority receives a Certificate of Occupancy from the City of Delaware. Market values are determined by the Authority based on the current County Auditor's appraisal values or building permit values on occupied homes that have not yet been appraised by the County Auditor.

The assessed value of real property, upon which the tax year August 2017 community development charges were levied, was sufficient enough to generate community charge revenues of $95,418 at December 31, 2018.

NOTE 4 – RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables at December 31, 2018 consisted of community development charges and are considered collectible in full within one year. Amounts assessed and due but not collected, are reflected as both receivable and deferred inflow of resources on the statement of net position. The amount recorded as a receivable and deferred inflow of resources at year-end was $95,420.

NOTE 5 – COOPERATION AGREEMENT WITH THE CITY OF DELAWARE

As stated in Note 3, the Authority levies an annual community development charge of 7.5 mills on the assessed value of all property within the developed authority. The Authority has an agreement with the City of Delaware to remit these payments to the City to reduce the construction costs incurred by the City until the Authority is able to issue bonds and finance the debt on its own. In 2015, general obligation bonds in the amount of $2.545 million were issued in the name of the City to finance current and future expansion. In 2018, $35,000 of the principal was paid.

NOTE 6 – CONTINGENT LIABILITIES

There are no claims or lawsuits pending against the Authority at December 31, 2018.

NOTE 7 – RISK MANAGEMENT

For the year ended December 31, 2018, the Authority has obtained risk coverage for general liability, including theft or loss. The Authority has no assets, other than cash held in a banking institution. Settled claims have not exceeded commercial coverage in the past three years. There was no significant reduction from prior year.

NOTE 8 – JOINTLY GOVERNED ORGANIZATION

The Authority was established pursuant to Chapter 349 of the Ohio Revised Code to encourage the orderly development of a well-planned, diversified, and economically sound community; to encourage initiative and participation of private enterprise in this undertaking; and to encourage cooperation between the developer and the Authority to carry out the new community development program.

The Authority is governed by a seven member Board of Trustees. Delaware City Council appoints three citizen members to the Authority Board to represent the interests of present and future residents and one member to serve as a representative of the City. The Developer shall appoint three members to serve on the Board as representatives of the Developer.

As disclosed in Note 5, a cooperative agreement has been established with the City of Delaware specific to repayment of notes issued by the City to construct the related infrastructure within the Authority. Although this agreement is in place, City of Delaware Council cannot impose its will on the Authority and cannot approve current or future Authority operating budgets.

NOTE 9 – ACCUMULATED DEFICIT

At December 31, 2018 the Authority has an accumulated deficit of net position of $2,306,484. 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 titles to these assets have been transferred to the City of Delaware. This deficit will be reduced and eliminated as outstanding debt is paid with, primarily, future community development charges.

NOTE 10 – DEPOSITS AND INVESTMENTS

State statutes classify monies held by the Authority into three categories. Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Authority Treasury, in commercial accounts payable or withdraw able on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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 pass book 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.

Deposits

Custodial Credit Risk – Deposits. The carrying amount of the Authority's deposits at December 31, 2018 was $9,918. The bank balance was the same as the carrying value. The Authority's deposits are protected only up to amounts covered by the Federal Depository Insurance Corporation (FDIC). The Authority had no deposits at December 31, 2018 in excess of the FDIC insurance levels.

Investments

The Authority had no investments for the year ended December 31, 2018.

Based on the Authority having only demand deposits at December 31, 2018, the Authority is not subject to interest rate, credit, concentration, or custodial credit risks.

NORTHERN NEW COMMUNITY AUTHORITY
DELAWARE COUNTY
Management's Discussion and Analysis for the
Year Ended December 31, 2017
(Unaudited)

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

Financial Highlights

1. The Authority and the City of Delaware [the City] entered into a cooperative agreement in 2013 for the Glenn Parkway Improvement [improve/construct Glenn Parkway from US Route 36/St Route 37 to Curve Road] and the Nutter Farm Lane Improvement [extend the existing Nutter Farms Lane to Glenn Parkway] to provide necessary infrastructure for the further residential development of the City. The planning of this project began in 2006 and to date approximately $2.87 million has been spent.
2. Between 2005 and 2015, the City issued up to $640 thousand in bond anticipation notes [BANs] to cover the current costs of the project. These one-year BANs have been re-issued over the years as interest rates for BANs have been significantly less than general obligation bonds. Total interest expense paid, net of any BAN premiums, since 2006 amounts to $169 thousand. The most recent BANs were paid off in 2015 and general obligation bonds in the amount of $2,545 million were issued. In 2017, the City paid $25,000 on the principal of the bonds.
3. Authority charges of 7.5 mils have been assessed and collected upon for all new structures built within the Authority's boundaries. Total collections to date are $642.6 thousand. All community authority charges in excess of $10,000 are reimbursed to the City.
4. Other revenues received by the City, including Transportation Impact Fees, Developer Payments, and Interest Income may be used to decrease the amount owed to City for the project. Future revenues by the City are not guaranteed to be collected nor used to offset the project costs. To date, the City has received $58 thousand from interest income earned on the BANs.
5. Completed public acquisitions on Glenn Parkway totaling $241 thousand and were capitalized by the Authority and donated to the City in prior years.
6. The Authority's net deficit at December 31, 2017 totaled $2,284,671. What remains of the debt associated with the project is to be paid from future Authority charges assessed on homes and other dwellings constructed within the Authority boundaries, mentioned in #3 above.

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 and all liabilities and 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 total 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.

These two statements report the Authority's net position and changes to total net position. This change in net position is important because it tells the reader that, for the Authority as a whole, the financial position of the Authority has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. These 2017 statements can be found on pages 19 and 20 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 21 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.

Financial Analysis

Table 1 provides a comparative analysis summary of Authority's net position for 2017 and 2016.

Table 1; Net Position

	2017	2016
Assets:		
Current Assets	$ 105,348	$ 104,964
Total Assets	105,348	104,964
Liabilities:		
Due to Other Governments	2,294,601	2,279,203
Total Liabilities	2,294,601	2,279,203
Deferred Inflows of Resources	95,418	95,062
Net Position:		
Unrestricted	(2,284,671)	(2,269,301)
Total Net Position	$ (2,284,671)	$ (2,269,301)

Net Position: Net position represents the difference between assets and liabilities and deferred inflows.

Table 2; Change in Net Position

	2017	2016
Operating Revenues	$ 95,061	$ 95,914
Operating Expenses	110,431	356,863
Change in Net Position	(15,370)	(260,949)
Beginning Net Position	(2,269,301)	(2,008,352)
Ending Net Position	$ (2,284,671)	$ (2,269,301)

Operating revenues decreased in 2017 as some dwellings were revalued lower than previous years. The Authority's only source of income is community authority charges assessed on landowners. Operating expenses decreased significantly in 2017. In 2015 Nutter Road was improved and construction was completed early in 2016. Design and constructions costs totaled over $1.8 million. Most of the expenses currently are associated with debt service of the bonds issued.

Change in Net Position

Going forward, the Authority is expected to show continued increases in community development charge revenues as the growth in housing, albeit slow, continues.

Community Development Charge

Revenue from Community Development Charge paid by each owner of a chargeable parcel will be used to pay off the debt incurred to construct the project. The Community Development Charge is calculated on 7.5 mils times thirty-five percent of the assessed value of chargeable property, which includes buildings, structures, and improvements. The amount of revenue will increase in years when available parcels are sold and improvements are made, thus increasing the total assessed value of chargeable property.

Capital Assets

The Authority does not report capital assets.

Debt

The Authority has no debt issued in its name. The debt secured to fund the Glenn Parkway Project was issued by the City of Delaware by way of short-term bond anticipation notes [BANs] until 2015. These BANs were issued at a very low interest rate and subsequently renewed every year until the Authority generates enough revenue through the community development charges to secure bonding the BANs in its own name. In 2015, the City of Delaware issued general obligation bonds to pay off the BANs and use for current and future development, which were not in the name of the Authority, but the City. The amount owed to the City is reported as Due to Other Governments within the basic financial statements.

Budgeting

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

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 Rob Alger, Treasurer, Northern New Community Authority at:

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NORTHERN NEW COMMUNITY AUTHORITY
DELAWARE COUNTY
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2017

	2017
ASSETS	
Cash and Cash Equivalents	$ 9,930
Community Charges Receivable	95,418
Total Assets	105,348
LIABILITIES	
Current Liabilities	
Due to Other Governments	2,294,601
Total Liabilities	2,294,601
DEFERRED INFLOWS OF RESOURCES	
Assessments to be Levied in the Next Year	95,418
Total Deferred Inflows of Resources	95,418
NET POSITION	
Unrestricted	(2,284,671)
Total Net Position	$ (2,284,671)

See notes to the basic financial statements

NORTHERN NEW COMMUNITY AUTHORITY
DELAWARE COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017
OPERATING REVENUES	
Community Authority Charges	$ 95,061
Total Operating Revenues	95,061
OPERATING EXPENSES	
Services and Charges	110,431
Total Operating Expenses	110,431
Operating Loss/Change in Net Position	(15,370)
Beginning Net Position	(2,269,301)
Ending Net Position	$ (2,284,671)

See notes to the basic financial statements

NORTHERN NEW COMMUNITY AUTHORITY
DELAWARE COUNTY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017
Cash Flows From Operating Activities	
Cash Received From Community Authority Charges	$ 95,061
Cash Paid to City	(93,025)
Cash Paid to Others	(2,008)
Net Cash Provided By Operating Activities	28
Net Change In Cash and Cash Equivalents	28
Cash and Cash Equivalents at Beginning of Year	9,902
Cash and Cash Equivalents at End of Year	$ 9,930
Reconciliation of Operating Loss to Net Cash Provided By Operating Activities	
Operating Loss	$ (15,370)
Adjustment:	
Increase in Due to Other Governments	15,398
Net Cash Provided By Operating Activities	$ 28

See notes to the basic financial statements

NOTE 1 – REPORTING ENTITY

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The City of Delaware is considered a jointly governed organization to the Authority as disclosed in Note 8.

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

C. Cash and Cash Equivalents

Cash received by the Authority is deposited with a financial institution. Deposits having an original maturity of three months or less at the time they are purchased are presented in the financial statements as Cash and Cash Equivalents.

D. Net Position

Net position represents the difference between assets and liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority first applies restricted resources when an expense is incurred for which both restricted and unrestricted net position are available. The Authority had no restricted net position at December 31, 2017.

E. Operating Revenues and Expenses

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

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and

assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

G. Subsequent Events

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The assessed value of real property, upon which the tax year August 2016 community development charges were levied, was sufficient enough to generate community charge revenues of $95,061 at December 31, 2017.

NOTE 4 – RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

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As stated in Note 3, the Authority levies an annual community development charge of 7.5 mills on the assessed value of all property within the developed authority. The Authority has an agreement with the City of Delaware to remit these payments to the City to reduce the construction costs incurred by the City until the Authority is able to issue bonds and finance the debt on its own. In 2015, general obligation bonds in the amount of $2.545 million were issued in the name of the City to finance current and future expansion. In 2017, $25,000 of the principal was paid.

NOTE 6 – CONTINGENT LIABILITIES

There are no claims or lawsuits pending against the Authority at December 31, 2017.

NOTE 7 – RISK MANAGEMENT

For the year ended December 31, 2017, the Authority has obtained risk coverage for general liability, including theft or loss. The Authority has no assets, other than cash held in a banking institution. Settled claims have not exceeded commercial coverage in the past three years. There was no significant reduction from prior year.

NOTE 8 – JOINTLY GOVERNED ORGANIZATION

The Authority was established pursuant to Chapter 349 of the Ohio Revised Code to encourage the orderly development of a well-planned, diversified, and economically sound community; to encourage initiative and participation of private enterprise in this undertaking; and to encourage cooperation between the developer and the Authority to carry out the new community development program.

The Authority is governed by a seven member Board of Trustees. Delaware City Council appoints three citizen members to the Authority Board to represent the interests of present and future residents and one member to serve as a representative of the City. The Developer shall appoint three members to serve on the Board as representatives of the Developer.

As disclosed in Note 5, a cooperative agreement has been established with the City of Delaware specific to repayment of notes issued by the City to construct the related infrastructure within the Authority. Although this agreement is in place, City of Delaware Council cannot impose its will on the Authority and cannot approve current or future Authority operating budgets.

NOTE 9 – ACCUMULATED DEFICIT

At December 31, 2017 the Authority has an accumulated deficit of net position of $2,284,671. 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 titles to these assets have been transferred to the City of Delaware. This deficit will be reduced and eliminated as outstanding debt is paid with, primarily, future community development charges.

NOTE 10 – DEPOSITS AND INVESTMENTS

State statutes classify monies held by the Authority into three categories. Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Authority Treasury, in commercial accounts payable or withdraw able on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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 pass book 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.

Deposits

Custodial Credit Risk – Deposits. The carrying amount of the Authority's deposits at December 31, 2017 was $9,930. The bank balance was the same as the carrying value. The Authority's deposits are protected only up to amounts covered by the Federal Depository Insurance Corporation (FDIC). The Authority had no deposits at December 31, 2017 in excess of the FDIC insurance levels.

Investments

The Authority had no investments for the year ended December 31, 2017.

Based on the Authority having only demand deposits at December 31, 2017, the Authority is not subject to interest rate, credit, concentration, or custodial credit risks.

WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

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

Northern New Community Authority
Delaware County
1 South Sandusky Street
Delaware, Ohio 43015

To the Governing Board:

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 Northern New Community Authority, Delaware County, (the Authority) as of and for the years then ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated April 10, 2019.

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.

10 West Locust Street | Newark, Ohio 43055 | Phone: 740-345-6611 | Fax: 740-345-5635 | wssinc.net

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.

Wilson, Shannon & Snow, Inc.

April 10, 2019
Newark, Ohio

OHIO AUDITOR OF STATE
KEITH FABER

DELAWARE NORTHERN NEW COMMUNITY 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
MAY 9, 2019

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