

**NEW ALBANY EAST
COMMUNITY AUTHORITY**
LICKING COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2023**

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street

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Columbus, Ohio 43215
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Board of Trustees
New Albany East Community Authority
8000 Walton Parkway, Suite 120
New Albany, Ohio 43054

We have reviewed the *Independent Auditor's Report* of the New Albany East Community Authority, Licking County, prepared by Julian & Grube, Inc., for the audit period January 1, 2023 through December 31, 2023. 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 New Albany East Community Authority is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 15, 2024

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**NEW ALBANY EAST COMMUNITY AUTHORITY
LICKING COUNTY, OHIO**

TABLE OF CONTENTS

Independent Auditor’s Report	1 - 3
Management’s Discussion and Analysis	5 - 6
Basic Financial Statements:	
Statement of Net Position	7
Statement of Revenues, Expenses and Changes in Net Position	7
Statement of Cash Flows	8
Notes to the Basic Financial Statements.....	9 - 13
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Reporting Performed in Accordance With <i>Government Auditing Standards</i>	14 - 15

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Independent Auditor's Report

New Albany East Community Authority
Licking County
8000 Walton Parkway, Suite 120
New Albany, Ohio 43054

To the Members of the Board of Trustees:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the New Albany East Community Authority, Licking County, Ohio, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the New Albany East Community Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the New Albany East Community Authority, as of December 31, 2023, and the changes in financial position and its cash flows thereof for the year then ended in accordance with 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 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 New Albany East Community 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.

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 New Albany East Community 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 generally accepted auditing standards 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 generally accepted auditing standards 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 New Albany East Community 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 New Albany East Community 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, listed in the table of contents 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 June 14, 2024, on our consideration of the New Albany East Community Authority's internal control over financial reporting and on 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 New Albany East Community 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 New Albany East Community Authority's internal control over financial reporting and compliance.



Julian & Grube, Inc.
June 14, 2024

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**NEW ALBANY EAST COMMUNITY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Period Ending December 31, 2023 (unaudited)**

The discussion and analysis of the New Albany East Community Authority's financial performance provides an overview of the Authority's financial performance for the period ended December 31, 2023. The intention 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 notes to the basic financial statements to enhance their understanding of the Authority's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999. Certain comparative information between the current years and prior year is required to be presented, and is presented in the MD&A.

Financial Highlights

Key financial highlights for 2023 and 2022 follow:

- Total assets increased \$11,881,550, or 111.32%, between December 31, 2023 and December 31, 2022. Total liabilities did not change between December 31, 2023 and December 31, 2022. Total net position increased \$11,881,550, or 111.37%, between December 31, 2023 and December 31, 2022.
- Total operating revenues increased \$9,007,191, or 188.70%, between December 31, 2023 and December 31, 2022. Total operating expenditures increased \$50,430 or 39.38%, between December 31, 2023 and December 31, 2022. Total nonoperating revenue (expenditures) increased \$198,834 or 10.36% between December 31, 2023 and December 31, 2022.

Using this Financial Report

This financial report contains the basic financial statements of the Authority, as well as the Management's Discussion and Analysis and notes to the basic financial statements. The basic financial statements include a statement of net assets, statement of revenues, expenses and change in net assets, and a statement of cash flows for the Period Ending December 31, 2023. As the Authority reports its operations using enterprise fund accounting, all financial transactions and accounts are reported as one activity, therefore the entity wide and the fund presentations information is the same.

Statement of Net Position

The statement of net position answers the question, "How did we do financially during the period?" This statement include all assets and liabilities, both financial and capital, and short-term and long-term, using the accrual basis of accounting and the economic resources focus, which is similar to the accounting used by private sector companies. This basis of accounting takes into account all revenues and expenses during the year regardless of when the cash is received or paid.

This statement reports the Authority's net position, however, in evaluating the overall position and financial viability of the Authority, non-financial information, such as the condition of Authority's capital assets, will also need to be evaluated.

**NEW ALBANY EAST COMMUNITY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Period Ending December 31, 2023 (unaudited)**

Summary Statement of Net Position

Assets:	<u>2023</u>	<u>2022</u>
Other Assets	\$22,555,113	\$10,673,563
Total Assets	22,555,113	10,673,563
Liabilities:		
Current Liabilities	5,000	5,000
Total Liabilities	5,000	5,000
Net Position: Unrestricted	22,550,113	10,668,563
Total Net Position	<u>\$22,550,113</u>	<u>\$10,668,563</u>

The increase in total assets between December 31, 2023 and December 31, 2022 was due to an increase in cash and equivalents of \$2,893,352 and an increase in accounts receivable of \$8,988,197.

Summary Statement of Revenues, Expenses and Changes in Net Position

	<u>2023</u>	<u>2022</u>
Operating Revenues	\$13,780,474	\$4,773,283
Operating Expenses	<u>178,484</u>	<u>128,054</u>
Operating Income	13,601,990	4,645,229
Non-Operating Revenue (Expenses)	<u>(1,720,440)</u>	<u>(1,919,275)</u>
Change in Net Position	\$ 11,881,550	\$2,725,954

The increase in operating revenues between December 31, 2023 and December 31, 2022 was due an increase of \$8,966,826 in the Community Development Charge and an increase in Community development Collection Fee income of \$40,365. The increase in operating expenses between December 31, 2023 and December 31, 2022 was due to a increase in the county collection fee of \$40,365, legal fees of \$10,318, bank charges of \$29 and insurance of \$805 offset by a decrease in accounting fees of \$1,062. Nonoperating revenue (expenses) increased \$198,834 due to a increase of \$151,702 in donations to the City of New Albany for Economic Development projects offset by an increase in interest earnings of \$350,537.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances and to show the Authority's accountability for the money it receives, spends and invests. Questions concerning any of the information provided in this report or requests for additional information should be directed to Brent Bradbury, Chief Financial Officer, 8000 Walton Parkway, Suite 120, New Albany, Ohio 43054.

**NEW ALBANY EAST COMMUNITY AUTHORITY
STATEMENT OF NET POSITION
December 31, 2023**

Assets:	
Equity in pooled cash and cash equivalents	\$ 8,872,958
Receivables:	
Community development charge	<u>13,682,155</u>
Total assets	<u>22,555,113</u>
Liabilities:	
Accounts payable	<u>5,000</u>
Total liabilities	<u>5,000</u>
Net position:	
Unrestricted (deficit)	<u>22,550,113</u>
Total net position	<u><u>\$ 22,550,113</u></u>

**NEW ALBANY EAST COMMUNITY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
December 31, 2023**

Operating revenues:	
Community development charge	\$ 13,644,150
Community development charge collection fees	<u>136,324</u>
Total operating revenues	13,780,474
Operating expenses:	
Bank charges	119
Insurance	4,104
Accounting fees	9,172
Legal fees	28,765
County Collection fees	<u>136,324</u>
Total operating expenses	178,484
Operating income (loss)	13,601,990
Nonoperating revenues (expenses):	
Interest income	428,938
Economic Development Project Funding	<u>(2,149,378)</u>
Total nonoperating revenues (expenses)	(1,720,440)
Change in net position	11,881,550
Net position at beginning of period	<u>10,668,563</u>
Net position at end of period	<u><u>\$ 22,550,113</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEW ALBANY EAST COMMUNITY AUTHORITY
STATEMENT OF CASH FLOWS
December 31, 2023

Cash flows from operating activities:	
Cash received from community development charge	\$ 4,792,277
Cash payments for administrative expenses	<u>(178,485)</u>
Net cash provided by (used in) operating activities	<u>4,613,792</u>
Cash flows from capital and related financing activities:	
Economic development contributions	<u>(2,149,378)</u>
Net cash used in capital and related financing activities	<u>(2,149,378)</u>
Cash flows from investing activities:	
Interest received	<u>\$ 428,938</u>
Net cash provided by investing activities	<u>428,938</u>
Net increase (decrease) in cash and cash equivalents	2,893,352
Cash and cash equivalents at the beginning of the period	<u>5,979,606</u>
Cash and cash equivalents at the end of the period	<u><u>\$ 8,872,958</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ 13,601,990
Changes in assets and liabilities:	
Decrease (increase) in community development charge receivable	<u>(8,988,198)</u>
Net cash provided by (used in) operating activities.	<u><u>\$ 4,613,792</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEW ALBANY EAST COMMUNITY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - DESCRIPTION OF THE ENTITY

The New Albany East Community Authority is a “community authority” created pursuant to Chapter 349 of the Ohio Revised Code (the Act). On November 18, 2014, the MBJ Holdings, LLC (the Developer) filed a petition (the Petition) for the creation of the Authority with the City of New Albany, Ohio. The Petition, which may be subject to amendment or other change, allows the Authority to oversee the construction of and finance a portion of, the Community Facilities in the District in support of the Developers land acquisitions and land development activities. In accordance with the Act, the Petition was accepted by City Resolution No. R-85-2014, adopted November 18, 2014. By its Ordinance O-06-2015 adopted on February 24, 2015 the City determined that the new community district 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 was thereby organized as a body corporate and politic in the State.

The Authority is governed by a seven member Board of Trustees. Four of the trustees are appointed by the City of New Albany, three citizen members and one local government representative, and the remaining three trustees are appointed by the Developer.

At December 31, 2023 the Authority is comprised of 4,875 acres of land located in Franklin and Licking County, Ohio. In accordance with the Act and the Petition, the Authority can levy a community development charge up to 9.75 mils on the assessed value of the land and improvements within the District. 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 financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the Authority’s accounting policies are described below.

A. Basis of Presentation

Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise accounting uses the flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources are included on the statement of net position. The difference between total assets and deferred outflows of resources and liabilities and deferred inflows of resources are defined as net position. The statement of revenues, expenses and changes in net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

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.

The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

**NEW ALBANY EAST COMMUNITY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

C. Community Development Charge Receivable

The Community Development Charge is recognized as a receivable in the financial statements. The receivable represents charges that have been assessed for 2023 and any unpaid from prior years.

D. Operating Revenues and Expenses

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

E. Use of Estimates

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

F. Net Position

Net position represents the difference between assets, deferred outflows or resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority first applies restricted resources when an expense is incurred for which both restricted and unrestricted net position are available. The Authority has no restricted net position at December 31, 2023.

NOTE 3 - COMMUNITY DEVELOPMENT CHARGE

The Authority can levy an annual development charge up to 9.75 mills on the assessed value of all property within the District. The charge was levied at 9.75 mills for 2023. Charge revenue recognized represents the amount levied as of October 1 of the preceding year.

Charge assessments are levied October 1 on the assessed values as of July 1, the lien date. Assessed values are established by State law at 35% of appraised market value. Market values are determined by the Authority based on the County Auditor's appraisal, construction permit values, or a calculated cost for building or structures that have not yet been appraised by the County Auditor.

The 2023 assessed values of all property within the District was \$1,398,907,391. The 2023 receivables recognized based on these figures were \$13,639,647, however, the total receivable recorded is plus or less any credited or delinquent amounts on account.

NEW ALBANY EAST COMMUNITY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2023

NOTE 4 - CASH, CASH EQUIVALENTS 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 withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of 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, passbook accounts.

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

Protection of the Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Authority by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, 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;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAR Ohio).

The Authority may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State as to which there is no default of principal, interest, or coupons; and,
3. Obligations of the Authority.

NEW ALBANY EAST COMMUNITY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2023

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS - (continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Authority, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian, including passbook accounts.

Deposits

Custodial Credit Risk - Custodial credit risk for deposits is the risk that in the event of bank failure, the Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Authority has no deposit policy for custodial credit risk.

At December 31, 2023, the carrying amount, as well as the bank balance of the Authority's deposits were \$33,014. The total bank balances were federally insured up to \$250,000.

Investments

	Measurement Value
Star Ohio	<u>\$8,839,945</u>
Total	<u>\$8,839,945</u>

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Authority measures its Investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2023, there were no limitations or restrictions on any participant withdrawals due to advance of notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Interest Rate Risk - Interest rate risk is that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the Authority manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority limits its investments to STAR Ohio (the State Treasury Asset Reserve of Ohio). STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard ratings service.

NEW ALBANY EAST COMMUNITY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2023

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS - (continued)

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Authority's investment policy allows investments in money market accounts, certificates of deposit, STAR Ohio or within financial institutions within the State of Ohio as designated by the Federal Reserve Board. For the year ended December 31, 2023, the Authority has invested 100% of its investments in STAR Ohio.

NOTE 5 - RISK MANAGEMENT

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

NOTE 6 - RELATED PARTY TRANSACTIONS

The New Albany East Community Authority was created by the MBJ Holdings, LLC (the developer), a wholly owned subsidiary of The New Albany Company LLC. The Authority is contracting with the New Albany Company to provide accounting services. Additionally, the Fiscal Officer for the Authority is also the Fiscal Officer for the New Albany Company.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

New Albany East Community Authority
Licking County
8000 Walton Parkway, Suite 120
New Albany, Ohio 43054

To the Members of 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, the financial statements of the New Albany East Community Authority, Licking County, Ohio, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the New Albany East Community Authority's basic financial statements, and have issued our report thereon dated June 14, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the New Albany East Community 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 New Albany East Community Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the New Albany East Community 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 New Albany East Community Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

New Albany East Community Authority
Licking County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the New Albany East Community 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 New Albany East Community Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
June 14, 2024

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OHIO AUDITOR OF STATE KEITH FABER



NEW ALBANY EAST COMMUNITY AUTHORITY

LICKING 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 8/27/2024

65 East State Street, Columbus, Ohio 43215
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