



**VILLAGE OF NEW ALBANY
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF NEW ALBANY
FRANKLIN COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 1999	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Proprietary and Fiduciary Fund Types For the Year Ended December 31, 1999	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 1998	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Proprietary and Fiduciary Fund Types For the Year Ended December 31, 1998	6
Notes to the Financial Statements	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	15

This Page Intentionally Left Blank



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Village of New Albany
Franklin County
99 West Main Street
New Albany, Ohio 43054

To the Village Council:

We have audited the accompanying financial statements of the Village of New Albany, Franklin County, Ohio, (the Village) as of and for the years ended December 31, 1999 and December 31, 1998. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 1999 and December 31, 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2000 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of the management and Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

June 26, 2000

**VILLAGE OF NEW ALBANY
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$2,705,816	\$0	\$0	\$0	\$2,705,816
Intergovernmental Receipts	499,901	159,965	0	1,477,542	2,137,408
Charges for Services	76,340	440,527	0	0	516,867
Fines, Licenses, and Permits	360,231	5,335	0	268,762	634,328
Miscellaneous	128,437	17,643	14,263	137,722	298,065
Total Cash Receipts	<u>3,770,725</u>	<u>623,470</u>	<u>14,263</u>	<u>1,884,026</u>	<u>6,292,484</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	912,848	3,053	0	0	915,901
Public Health Services	35,831	0	0	0	35,831
Leisure Time Activities	2,919	0	0	0	2,919
Community Environment	491,022	316,047	0	0	807,069
Transportation	156,643	99,276	0	0	255,919
General Government	910,402	308,813	0	0	1,219,215
Debt Service:					
Principal Payments	0	0	368,927	0	368,927
Capital Outlay	0	0	0	3,761,745	3,761,745
Total Disbursements	<u>2,509,665</u>	<u>727,189</u>	<u>368,927</u>	<u>3,761,745</u>	<u>7,367,526</u>
Total Receipts Over/(Under) Disbursements	<u>1,261,060</u>	<u>(103,719)</u>	<u>(354,664)</u>	<u>(1,877,719)</u>	<u>(1,075,042)</u>
Other Financing Receipts/(Disbursements):					
Sale of Bonds or Notes	0	0	0	6,160,000	6,160,000
Sale of Fixed Assets	13,507	0	0	0	13,507
Transfers-In	628,611	486,055	318,106	311,778	1,744,550
Transfers-Out	(970,315)	(217,750)	0	(637,154)	(1,825,219)
Other Uses	(254,882)	0	0	0	(254,882)
Total Other Financing Receipts/(Disbursements)	<u>(583,079)</u>	<u>268,305</u>	<u>318,106</u>	<u>5,834,624</u>	<u>5,837,956</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>677,981</u>	<u>164,586</u>	<u>(36,558)</u>	<u>3,956,905</u>	<u>4,762,914</u>
Fund Cash Balances, January 1, 1999	<u>453,932</u>	<u>151,791</u>	<u>574</u>	<u>1,308,006</u>	<u>1,914,303</u>
Fund Cash Balances, December 31, 1999	<u><u>\$1,131,913</u></u>	<u><u>\$316,377</u></u>	<u><u>(\$35,984)</u></u>	<u><u>\$5,264,911</u></u>	<u><u>\$6,677,217</u></u>
Reserves for Encumbrances, December 31, 1999	<u><u>\$47,652</u></u>	<u><u>\$109,987</u></u>	<u><u>\$0</u></u>	<u><u>\$2,399,154</u></u>	<u><u>\$2,556,793</u></u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF NEW ALBANY
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Internal Service</u>	<u>Agency</u>	
Operating Cash Receipts:			
Miscellaneous	\$360	\$0	\$360
Total Operating Cash Receipts	360	0	360
Operating Cash Disbursements:			
Capital Outlay	160,754	0	160,754
Total Operating Cash Disbursements	160,754	0	160,754
Operating Income/(Loss)	(160,394)	0	(160,394)
Non-Operating Cash Receipts:			
Fines, Licenses and Permits	0	143,801	143,801
Sale of Fixed Assets	25,904	0	25,904
Other Non-Operating Receipts	0	269,250	269,250
Total Non-Operating Cash Receipts	25,904	413,051	438,955
Non-Operating Cash Disbursements:			
Other Non-Operating Cash Disbursements	0	564,423	564,423
Total Non-Operating Cash Disbursements	0	564,423	564,423
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(134,490)	(151,372)	(285,862)
Transfers-In	80,669	0	80,669
Net Receipts Over/(Under) Disbursements	(53,821)	(151,372)	(205,193)
Fund Cash Balances, January 1, 1999	53,856	224,169	278,025
Fund Cash Balances, December 31, 1999	\$35	\$72,797	\$72,832
Reserve for Encumbrances, December 31, 1999	\$0	\$0	\$0

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF NEW ALBANY
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$1,726,268	\$0	\$0	\$0	\$1,726,268
Intergovernmental Receipts	204,253	129,841	0	1,430,557	1,764,651
Charges for Services	61,392	238,614	0	24,000	324,006
Fines, Licenses, and Permits	429,437	6,265	0	70,355	506,057
Miscellaneous	179,558	308	0	88,340	268,206
Total Cash Receipts	<u>2,600,908</u>	<u>375,028</u>	<u>0</u>	<u>1,613,252</u>	<u>4,589,188</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	777,273	0	0	0	777,273
Public Health Services	33,371	0	0	0	33,371
Leisure Time Activities	7,373	0	0	0	7,373
Community Environment	487,144	240,937	0	0	728,081
Transportation	137,633	172,152	0	0	309,785
General Government	764,302	15,646	0	0	779,948
Debt Service:					
Debt Service	0	0	52,664	0	52,664
Capital Outlay	16,000	0	0	1,059,728	1,075,728
Total Disbursements	<u>2,223,096</u>	<u>428,735</u>	<u>52,664</u>	<u>1,059,728</u>	<u>3,764,223</u>
Total Receipts Over/(Under) Disbursements	<u>377,812</u>	<u>(53,707)</u>	<u>(52,664)</u>	<u>553,524</u>	<u>824,965</u>
Other Financing Receipts/(Disbursements):					
Other Financing Sources	167,587	0	0	0	167,587
Transfers-In	10,949	137,836	52,664	173,524	374,973
Transfers-Out	(452,792)	(59,079)	0	0	(511,871)
Total Other Financing Receipts/(Disbursements)	<u>(274,256)</u>	<u>78,757</u>	<u>52,664</u>	<u>173,524</u>	<u>30,689</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>103,556</u>	<u>25,050</u>	<u>0</u>	<u>727,048</u>	<u>855,654</u>
Fund Cash Balances, January 1, 1998	<u>350,378</u>	<u>126,742</u>	<u>574</u>	<u>580,958</u>	<u>1,058,652</u>
Fund Cash Balances, December 31, 1998	<u>\$453,934</u>	<u>\$151,792</u>	<u>\$574</u>	<u>\$1,308,006</u>	<u>\$1,914,306</u>
Reserves for Encumbrances, December 31, 1998	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF NEW ALBANY
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Internal Service</u>	<u>Agency</u>	
Operating Cash Receipts:			
Miscellaneous	\$817	\$0	\$817
Total Operating Cash Receipts	817	0	817
Operating Cash Disbursements:			
Capital Outlay	169,648	0	169,648
Total Operating Cash Disbursements	169,648	0	169,648
Operating Income/(Loss)	(168,831)	0	(168,831)
Non-Operating Cash Receipts:			
Fines, Licenses and Permits	0	184,762	184,762
Proceeds from Notes and Bonds	70,680	0	70,680
Other Non-Operating Receipts	0	400,572	400,572
Total Non-Operating Cash Receipts	70,680	585,334	656,014
Non-Operating Cash Disbursements:			
Other Non-Operating Cash Disbursements	0	402,865	402,865
Total Non-Operating Cash Disbursements	0	402,865	402,865
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(98,151)	182,469	84,318
Transfers-In	136,897	0	136,897
Net Receipts Over/(Under) Disbursements	38,746	182,469	221,215
Fund Cash Balances, January 1, 1998	15,110	41,700	56,810
Fund Cash Balances, December 31, 1998	\$53,856	\$224,169	\$278,025
Reserve for Encumbrances, December 31, 1998	\$0	\$0	\$0

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF NEW ALBANY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of New Albany, Franklin County, Ohio, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected seven-member Council. The Village provides general governmental services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

U.S. Treasury Notes are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

Street & Highway Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

**VILLAGE OF NEW ALBANY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Fund (Continued)

Subdivision Development Fund - This fund receives fees from developers for the payment of planning services and construction inspection services.

3. Debt Service Fund

These funds are used to accumulate resources for the payment of bonds and note indebtedness.

4. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project funds:

Capital Improvement Fund - This fund receives intergovernmental, miscellaneous and water and sewer tap receipts for acquiring, purchasing and/or constructing, reconstructing, and maintaining infrastructure. The fund is also for paying the cost of property improvements purchased for any public purpose.

Park Improvement Fund - This fund receives 2% of the income tax collections for the purchases and/or improvement of land for park facilities, recreational equipment and maintenance equipment

Capital Projects Issue II Fund - This fund accounts for the Issue II grant receipts and expenditures.

Bond Improvement Fund - This fund receives proceeds of general obligation bonds. The proceeds are being used to construct a new municipal building.

5. Internal Service Funds

This fund is used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the government generally on a cost-reimbursement basis.

Equipment Replacement Fund - This fund is used for the purchasing, leasing, maintaining or replacing capital equipment. An equipment use charge is determined for each department based on the amount of equipment used by the department.

**VILLAGE OF NEW ALBANY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

6. Fiduciary Funds (Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary fund:

Columbus Agency Fund - This fund is used only for holding and remitting the Columbus sewer capacity fees.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**VILLAGE OF NEW ALBANY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Village maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 528,669	\$ 193,948
Total deposits	<u>528,669</u>	<u>193,948</u>
U.S. Treasury Obligations	6,122,635	1,708,557
STAR Ohio	98,745	289,826
Total investments	<u>6,221,380</u>	<u>1,998,383</u>
Total deposits and investments	<u>\$ 6,750,049</u>	<u>\$ 2,192,331</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by the financial institution's public entity deposit pool.

Investments: U.S. Treasury Notes are held in book-entry form by the Federal Reserve, in the name of the Village's financial institution. The financial institution maintains records identifying the Village as owner of these securities. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**VILLAGE OF NEW ALBANY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and December 31, 1998 follows:

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,516,228	\$ 4,412,843	\$ 896,615
Special Revenue	1,225,032	1,109,525	(115,507)
Debt Service	379,106	332,369	(46,737)
Capital Projects	5,012,040	8,355,804	3,343,764
Internal Service	147,396	106,933	(40,463)
Agency	230,337	413,051	182,714
Total	<u>\$ 10,510,139</u>	<u>\$ 14,730,525</u>	<u>\$ 4,220,386</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,520,368	\$ 3,782,514	\$ (262,146)
Special Revenue	1,043,474	1,054,926	(11,452)
Debt Service	318,106	368,927	(50,821)
Capital Projects	5,461,950	6,798,053	(1,336,103)
Internal Service	137,400	160,754	(23,354)
Agency	421,000	564,423	(143,423)
Total	<u>\$ 10,902,298</u>	<u>\$ 12,729,597</u>	<u>\$ (1,827,299)</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,676,303	\$ 2,779,444	\$ 103,141
Special Revenue	689,300	512,864	(176,436)
Debt Service	61,000	52,664	(8,336)
Capital Projects	2,090,993	1,786,776	(304,217)
Internal Service	194,927	208,394	13,467
Agency	185,000	585,334	400,334
Total	<u>\$ 5,897,523</u>	<u>\$ 5,925,476</u>	<u>\$ 27,953</u>

**VILLAGE OF NEW ALBANY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,174,980	\$ 2,675,888	\$ 499,092
Special Revenue	641,047	487,814	153,233
Debt Service	61,574	52,664	8,910
Capital Projects	2,585,958	1,059,728	1,526,230
Internal Service	181,510	169,648	11,862
Agency	306,700	402,865	(96,165)
Total	\$ 6,951,769	\$ 4,848,607	\$ 2,103,162

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$ 536,529	6.72%
Lease/Purchase - Backhoe	27,546	7.1378%
Lease/Purchase - Police Cruisers	2,675	6.9188%
Fifth Third Credit Line	76,091	6.5308%
Lease/Purchase - Dump Truck	58,133	5.8098%
Capital Improvement Bonds	3,945,000	variable
Bond Anticipation Notes	2,080,000	4.49%
Total	\$ 6,725,974	

**VILLAGE OF NEW ALBANY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

5. DEBT (Continued)

The Village issued a \$614,936 loan through the Ohio Water Development Authority in 1995 at an interest rate of 6.72% for the construction of water lines. The loan is being repaid in semi-annual installments of \$28,394.34 and will mature in 2015.

The Village entered into a lease/purchase agreement with Fifth Third Bank in 1997 at an interest rate of 7.1378% for a backhoe. The capital lease is being repaid in monthly installments of \$638.53 and will mature in 2004.

The Village entered into a lease/purchase agreement with Fifth Third Bank in 1997 at an interest rate of 6.9188% for police cruisers. The capital lease is being repaid in monthly installments of \$1,349.12 and will mature in 2000.

The Village entered into a \$106,294 credit line agreement with Fifth Third Bank in 1997 at an interest rate of 6.5308% for the purchase of equipment. The Village had only used \$88,180 of the allowable credit line as of December 31, 1997. The Village began making payments on the credit line during 1997. The credit line is being repaid through monthly installments of \$1580.00 and will mature in 2004.

The Village entered into a lease/purchase agreement with Fifth Third Bank in 1998 at an interest rate of 5.8098% for a dump truck. The capital lease is being repaid in monthly installments of \$1,360.20 and will mature in 2003.

\$4,080,000 in capital improvement bonds were issued in 1999 for the construction of a village hall. The bonds are being repaid in semiannual installments and will mature in 2018.

\$2,080,000 in bond anticipation notes were issued in 1999 at an interest rate of 4.49% for the construction of a new sanitary sewer sub-trunk line. The notes will mature in 2000.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	OWDA Loan	Capital Leases	Fifth Third Credit Line	Capital Improvement Bonds	Bond Anticipation Notes
2000	\$ 28,394	\$ 26,682	\$ 18,960	\$ 314,308	\$ 2,080,000
2001	56,789	23,985	18,960	319,688	0
2002	56,789	23,985	18,960	312,112	0
2003	56,789	23,985	18,960	304,538	0
2004	56,789	1,277	12,640	311,962	0
Subsequent	624,679	0	0	4,383,919	0
Total	<u>\$ 880,229</u>	<u>\$ 99,914</u>	<u>\$ 88,480</u>	<u>\$ 5,946,527</u>	<u>\$ 2,080,000</u>

**VILLAGE OF NEW ALBANY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

6. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The Village is a member of the Ohio Municipal League Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Public official's liability
- Vehicle

The Village also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

8. CONTINGENT LIABILITIES

The Village is defendant in a lawsuits. Although the outcome of this suit is not presently determinable, management believes that the resolution of this matter will not materially adversely affect the Village's financial condition.

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of New Albany
Franklin County
99 West Main Street
New Albany, Ohio 43054

To the Village Council:

We have audited the accompanying financial statements of the Village of New Albany, Franklin County, Ohio (the Village), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated June 26, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated June 26, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated June 26, 2000.

This report is intended for the information and use of management and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

JIM PETRO
Auditor of State

June 26, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

VILLAGE OF NEW ALBANY

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 24, 2000**