

VILLAGE OF NEW ALBANY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2005

SUBMITTED BY:

FINANCE DEPARTMENT
VICKI MCKINNEY, ACTING DIRECTOR OF FINANCE

99 W. MAIN STREET
NEW ALBANY, OH 43054



**Auditor of State
Betty Montgomery**

The Honorable Mayor and Village Council
Village of New Albany
99 West Main Street
New Albany, Ohio 43054

We have reviewed the *Independent Auditor's Report* of the Village of New Albany, Franklin County, prepared by Kennedy, Cottrell & Associates, LLC, for the audit period January 1, 2005 through December 31, 2005. 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 Village of New Albany is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

August 24, 2006

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INTRODUCTORY SECTION

VILLAGE OF NEW ALBANY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2005

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June 30, 2006

The Honorable Mayor, Members of Village Council, and
The Residents of New Albany, Ohio

The Comprehensive Annual Financial Report (CAFR) of the Village of New Albany (the "Village"), Ohio, for the fiscal year ended December 31, 2005, is submitted herewith. The report has been prepared for the citizens of New Albany, the elected officials, bondholders, the investment community, rating agencies, and all persons interested in the financial affairs of the Village. This report includes the Village's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB). State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements.

Responsibility for both the accuracy of the presented data and the thoroughness of the presentation rests with the Village. We believe that data to be accurate in all material respects and to be presented in a manner designed to disclose the financial position of the Village and the operating results of its various funds.

The Village's accounting system provides reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits require estimates and judgments by management.

The Comprehensive Annual Financial Report is divided into three sections: the Introductory Section, the Financial Section, and the Statistical Section. The Introductory Section contains this letter of transmittal, the Village's organizational chart, and a listing of our elected and appointed officials. The Financial Section includes the independent auditor's report on the financial statements, the management discussion and analysis, the basic financial statements and notes, and the combining and individual fund financial statements. The Statistical Section provides pertinent and select financial, economic, and demographic information that can be referenced on a multi-year basis. We have also included in this section the data that meets the disclosure requirements of the Securities and Exchange Commission Rule 15c2-12.

This transmittal letter is designed to provide historical information about the Village, as well as compliment the required Management's Discussion and Analysis (MD&A). Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements. The Village's MD&A, which focuses on the government-wide statements, can be found immediately following the report of the independent auditors.

VILLAGE ORGANIZATION

The Village is located in the central part of the State of Ohio, and is primarily located in the county seat of Franklin County and partially in the county seat of Licking County. New Albany is located approximately 15 miles northeast of the city of Columbus, Ohio, the state capital. New Albany is a statutory village that operates under the statutes as set forth by the Ohio Revised Code, which requires our elected officials to be a Mayor and Members of Council. The form of government provided by the Charter shall be known as "Mayor-Council-Administrator". All officials are elected at large to four-year terms beginning on January 1 after their election. There is a President-Pro-Tempore of Council who serves in the absence of the Mayor and five regular Council members.

The Village Administrator serves as the chief administrative and law enforcement officer of the Village and is appointed by Council. The Village has a Department of Law, a Department of Finance, and such other departments as Council may create. The Administrator appoints the Directors of the Department of Law and Finance. The Director of Finance, as the head of the Department of Finance, serves as the chief financial officer of the Village.

The Village provides police protection, planning and zoning, public service, a Mayor's Court, and general government services.

FUND ACCOUNTING

The annual budget serves as the foundation for the Village of New Albany's financial planning and control. The council is required to adopt a final budget by no later than the close of the fiscal year. The budget is prepared by fund, function and department. Department heads may make transfers within a department.

The Village's accounts are organized as funds. Each fund is a separate accounting entity with its own self-balancing set of accounts, assets, liabilities, and fund equity. Following are the titles of these funds with a brief description.

Governmental funds:

- *General Fund* – The General Fund is the general operating fund of the Village. It is used to account for all financial resources traditionally associated with government that are not required to be accounted for in another fund.
- *Special Revenue Funds* – The special revenue funds are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. Village ordinances or Federal or State statutes specify the uses and limitations of each special revenue fund. During 2005, the Village had 11 (eleven) special revenue funds.
- *Debt Service Funds* – The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. During 2005, the Village did not have any debt service funds.
- *Capital Projects Funds* – The capital projects funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. During 2005, the Village had 8 (eight) capital projects funds.
- *Permanent Funds* – Permanent funds are for the purpose of accounting for resources that are legally restricted to the extent that earnings, and not principal, may be used for purposes that support the reporting governments. During 2005, the Village had no permanent funds.

Proprietary funds:

- *Enterprise Funds* – The enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises; where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis to be financed or recovered primarily through user charges. During 2005, the Village had no enterprise funds.
- *Internal Service Funds* – The internal service funds are used to account for the financing of goods or services provided by one division or agency to other divisions or agencies of the government, generally on a cost reimbursement basis. During 2005, the Village had no internal service funds.
- *Private-Purpose Trust Funds* – The Private-purpose trust fund is used to account for any trust agreement under which principal and income benefit individuals, private organization, or other governments. During 2005, the Village had no private-purpose trust funds.

- *Agency Funds* – Agency funds are used to account for assets held by the government as an agent for individuals, private organization, other governments, and/or funds. The Village had 5 (five) agency funds during 2005.

ECONOMIC CONDITION AND OUTLOOK

In the last ten years, the Village of New Albany has experienced tremendous growth in population and commercial activity. The Village has managed this growth through the creation and implementation of the Strategic Plan. This plan serves as a unique guide for integrating the benefits of urban environments such as pedestrian interconnectivity, neighborhood commercial uses, reduced infrastructure costs, and a sense of community with positive aspects including preservation of the rural aesthetic and large open spaces. A new component of the strategic plan is the economic development plan. This plan provides for a balanced approach to growth that calculates the break even point between the cost to provide services and the revenue generated by development. This is especially important due to the Village's transition to a reliance on income tax revenues provided by the business park, allowing for an increase in services without an additional burden to the residents.

The Village of New Albany is poised for continued growth. The Village is strategically located along State Route 161 within 3 minutes of the I-270 outer belt in the northeast quadrant of the greater Columbus metropolitan area. All of the major transportation amenities are a short distance away: 15 minutes from Port Columbus International Airport and 20 minutes from downtown Columbus. The intersection of US Route 62 enhances the internal transportation system and provides for easy accessibility for residents and businesses. The Ohio Department of Transportation plans to begin construction on the east extension of the State Route 161 Expressway literally paving the way for future development opportunities.

Residential Activity

In the past ten years the Village gained nearly 66% of its residential population. According to the United States Census Bureau update for 2005, the Village population increased from 3,711 in 2000 to 5,827. As of June 2005, 1,581 residential units were zoned with approximately 45% of those in the active planning or construction phase. Several new subdivisions including Ealy Crossing, Richmond Square, Walcott Manor and The Enclave at New Albany, feature traditional early American architecture and preservation of natural areas and open space. The maximum density of residential development in the Village is maintained at 1.17 units per acre. The average family size in New Albany is 3.30 and the median age is 37. The average price for a single family residential home is \$450,000 and the average household income is \$103,000. This correlates directly to the educational attainment level in the Village – over half of the population over the age of 25 has earned a Bachelor's Degree or higher.

Commercial Activity

As the population grows and demands for services increase, the Village has had to turn its focus to increased commercial activity. The Village currently has 2.2 million square feet of commercial development in the business park with a day time employment of approximately 8,000. The village vacancy rate is less than 3%.¹ This is significantly lower than the 18-22% average for central Ohio and adjacent communities. One of the main reasons why the vacancy rate is drastically different from that of the region is the presence of corporate campuses with the business park. The Village has taken careful and deliberate steps to attract companies that want to "grow roots" in the community and construct a campus – not just an eight hour operations facility. The Village also offers a competitive real property tax abatement package that provides for up to fifteen (15) years of property tax abatement for up to 100%. The New Albany Plain Local School District has been instrumental in partnering with the Village to adopt a compensation agreement for all properties within eligible tax abated areas. In 2005, the Village paid the school district over \$3.1 million in revenue thereby making them whole for the taxes they would have otherwise received in the business park. Many of the corporate community members include Abercrombie & Fitch, Novus (Discovercard), Aetna, The New Albany Company, the New Albany Surgical Hospital and Too Brands.

¹ Camoin Associates — Office Market Report

The pace of commercial construction does not show signs of slowing. As of June 2006, the Village had 1.9 million square feet of commercial development in the engineering review phase or under construction. Village council recently approved legislation that would allow for the construction of a fiber optic backbone to attract high technology companies that require a connection to the Third Frontier Network – the research network that links major universities and research centers across the state of Ohio.

Economic development activities in the Village also include the development of the Village Center. This area is considered the heart and soul of the Village. The guidelines for the development of this area, as outlined by the adopted Village Center plan, create a vibrant urban streetscape that is anchored by traditional “town center” amenities such as the library, the village hall and the post office. The plan for future development will result in a pedestrian friendly mixed use environment with a high concentration of residential units, office and retail uses.

Quality of Life

New Albany has many amenities for the residential and business population. The unique urban village design creates an opportunity for connectivity to the library, restaurants, retail and specialty shops through leisure trails and paths. The topography is arguably the most scenic in central Ohio with breathtaking wooded settings and esteemed golf courses. Our residential neighborhoods, from the country club communities to the traditionally designed communities, offer employees a range of housing styles and price points while maintaining the highest level of quality and attention to detail. The new Wexner Park and Pavilion features a playground complex, a pavilion and a commons area for community gatherings. The Rose Run Streamside Park is a passive park in the heart of the Village that will serve as a focal point for residents and employees to walk and enjoy nature.

The New Albany-Plain Local School District was ranked in the top 3% of the state according to proficiency scores. The New Albany Community Foundation is leading the collaboration of the New Albany Schools, the New Albany Company and the Village of New Albany to build an Arts Center that would host a range of cultural and educational programs featuring many Central Ohio organizations such as the Columbus Symphony, the Columbus Museum of Art, COSI, Thurber House, Columbus College of Art and Design, The Ohio State University and more.

The Village is not a typical municipality; we work to create a personal relationship with each of our companies. We provide opportunities for a company to go beyond establishing an address within the Village: in New Albany, it's the perfect fit!

MAJOR CAPITAL IMPROVEMENT INITIATIVES

The construction of the Village's Public Service Facility is nearly 90% complete, with an anticipated move in date of September 2006.

Construction of the new Police Facility began on November 10, 2005. It is expected that the facility will be completed by March 2007.

The New Albany Performing Arts Center is scheduled to open its doors in the spring of 2007. The funding for the Performing arts center was provided through a joint agreement between the Village, Plain Township, and the New Albany Plain Local Schools.

The Village improved three intersections in 2005 at a total cost of \$3,354,834.83. Two of the intersection improvements were funded with the assistance from the Ohio Public Works Commission and local income tax revenue collections.

The Village of New Albany extends its appreciation to its elected officials, the Village Administrator, department heads and employees responsible for contributing to the sound financial position of the Village.

Respectfully submitted,

A handwritten signature in black ink, reading "Vicki McKinney". The signature is written in a cursive style with a large, stylized initial "V".

Vicki McKinney
Acting Finance Director

VILLAGE OF NEW ALBANY, OHIO
LIST OF ELECTED AND APPOINTED OFFICIALS

ELECTED OFFICIALS:

Mayor

Nancy Ferguson

Village Council

Michael Mott, President Pro-Tempore

Glyde Marsh

Chip Fellows

Colleen Briscoe

Steve Pleasnick

David Olmstead

APPOINTED OFFICIALS:

Administrator

Joseph Stefanov

Deputy Administrator

Debra Mecozzi

Chief of Police

Mark Chaney

Acting Finance Director

Vicki McKinney

Clerk of Council

Betty Bosko

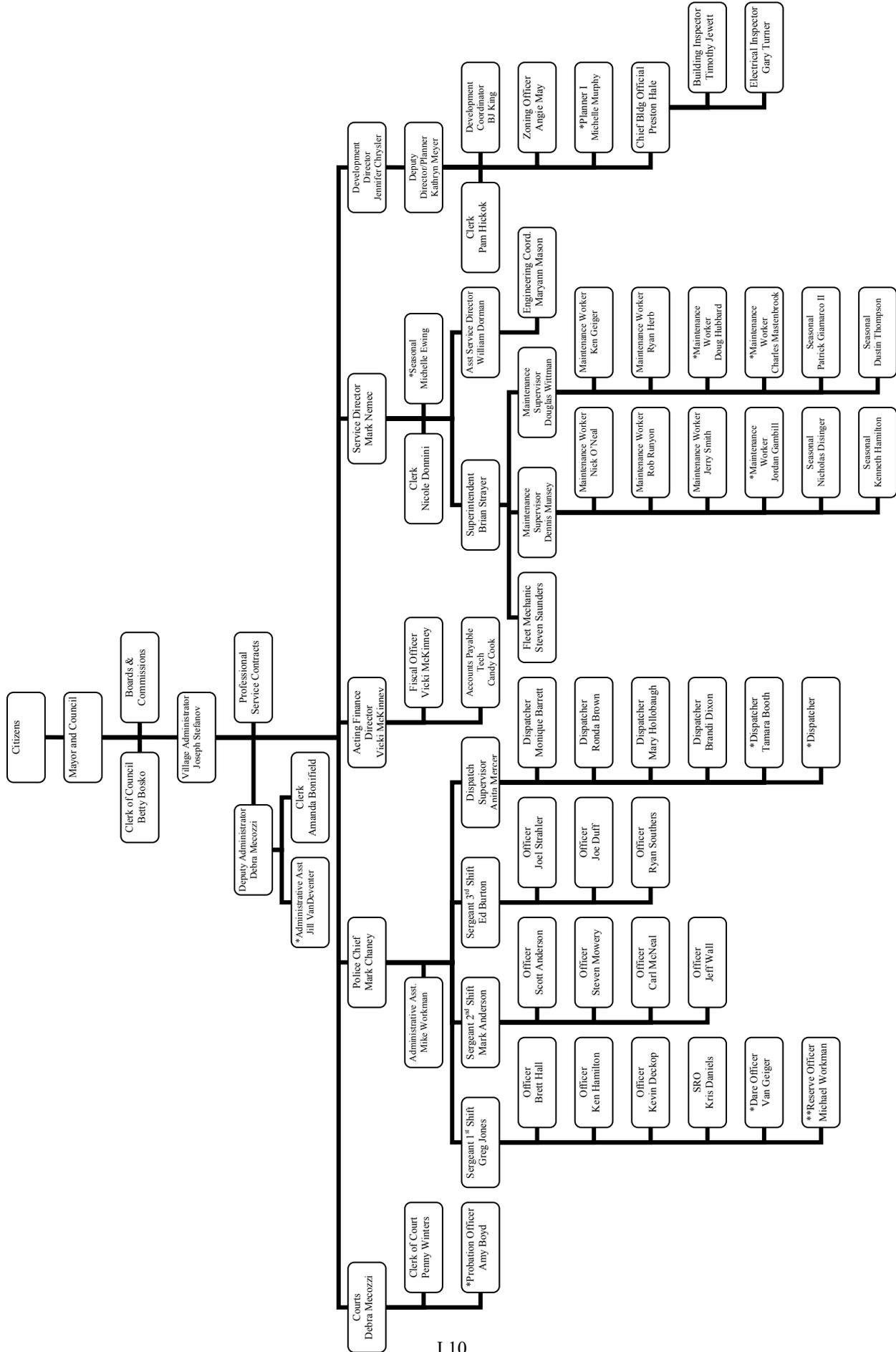
Director of Public Service

Mark Nemeč

Community Development Director

Jennifer Chrysler

VILLAGE OF NEW ALBANY ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of New Albany,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Carla E. Perry

President

Jeffrey R. Emer

Executive Director

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Village
Council of the Village of New Albany

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of New Albany, Franklin County, Ohio (the Village) as of and for the year ended December 31, 2005, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

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. 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village as of December 31, 2005, and the respective changes in financial position, thereof, and the respective budgetary comparison for the General Fund and Economic Opportunity Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2006 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, combining and individual non-major fund financial statements and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Kennedy, Cottrell + Associates LLC

Kennedy, Cottrell + Associates
June 16, 2006

VILLAGE OF NEW ALBANY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

The management's discussion and analysis of the Village of New Albany (the "Village") financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2005. The intent of this discussion and analysis is to look at the Village's financial performance as a whole; readers should also review the transmittal letter, basic financial statements and the notes to the basic financial statements to enhance their understanding of the Village's financial performance.

Financial Highlights

Key financial highlights for 2005 are as follows:

- The total net assets of the Village increased \$9,073,640.
- General revenues accounted for \$17,750,859 of total governmental activities revenue. Program specific revenues including charges for services, grants and contributions accounted for \$16,986,554 or 48.90% of total governmental activities revenue.
- The Village had \$25,663,773 in expenses related to governmental activities.
- The Village had three major funds consisting of the General fund, Economic Opportunity Fund and Bond Improvement fund.
- The general fund had revenues and other financing sources of \$9,434,683 in 2005. The expenditures and other financing uses of the general fund totaled \$9,455,883 in 2005. The net decrease in fund balance for the general fund was \$21,200 or 0.38%.
- The economic opportunity fund had revenues of \$8,088,188 in 2005. Expenditures in the economic opportunity fund totaled \$8,088,188 in 2005.
- The bond improvement fund had revenues and other financing sources of \$406,184 in 2005. Expenditures in the bond improvement fund totaled \$11,105,294 in 2005. The net decrease in fund balance was \$10,699,110, resulting in an ending fund deficit of \$211,207.
- General fund actual revenue at year-end was \$1,086,540 less than the final budgeted amount. Budgeted revenues increased by \$1,971,979 from the original estimate to the final budget.
- Final expenditures and other financing uses were \$172,799 more than the final appropriations. The Village's original and final appropriations were the same. No amendments were made during 2005.

VILLAGE OF NEW ALBANY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED

Using this Comprehensive Annual Financial Report

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the Village as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net assets and statement of activities provide information about the activities of the Village as a whole, presenting both an aggregate view of the Village's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Village's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the Village as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the Village to provide programs and activities, the view of the Village as a whole looks at all financial transactions and asks the question, "How did we do financially during 2005?" The statement of net assets and the statement of activities answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Village's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the Village as a whole, the financial position of the Village has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Village's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

Governmental activities - Most of the Village's programs and services are reported here including police, fire and rescue, street maintenance, capital improvements and general administration. These services are funded primarily by property and income taxes, special assessments, and intergovernmental revenues including federal and state grants and other shared revenues.

The Village's statement of net assets and statement of activities can be found on pages F17-F18 of this report.

Reporting the Village's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds, and fiduciary funds.

Fund financial reports provide detailed information about the Village's major funds. The Village uses many funds to account for a multitude of financial transactions. However, these fund financial statements focuses on the Village's most significant funds. The analysis of the Village's major governmental funds begins on page 9.

VILLAGE OF NEW ALBANY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains a multitude of individual governmental funds. The Village has segregated these funds into major funds and nonmajor funds. The Village's major governmental funds are the general fund, economic opportunity fund and bond improvement fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages F19-F24 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village's only fiduciary is an agency fund. The basic fiduciary fund financial statement can be found on page F25 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages F26-F53 of this report.

VILLAGE OF NEW ALBANY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED

The table below provides a summary of the Village's net assets for 2005 and 2004. The December 31, 2004 net assets have been restated as described in Note 3 to the basic financial statements:

	Net Assets	
	Governmental	Restated
	Activities	Governmental
	<u>2005</u>	<u>2004</u>
<u>Assets</u>		
Current and other assets	\$ 22,858,825	\$ 31,926,820
Capital assets, net	<u>30,572,271</u>	<u>12,518,438</u>
Total assets	<u>53,431,096</u>	<u>44,445,258</u>
<u>Liabilities</u>		
Other liabilities	11,878,633	11,576,174
Long-term liabilities outstanding	<u>19,713,404</u>	<u>20,103,665</u>
Total liabilities	<u>31,592,037</u>	<u>31,679,839</u>
<u>Net Assets</u>		
Invested in capital assets, net of related debt	13,913,512	4,902,025
Restricted	5,593,375	13,226,524
Unrestricted	<u>2,332,172</u>	<u>(5,363,130)</u>
Total net assets	<u>\$ 21,839,059</u>	<u>\$ 12,765,419</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2005, the Village's assets exceeded liabilities by \$21,839,059.

Capital assets reported on the government-wide statements represent the largest portion of the Village's net assets. At year-end, capital assets represented 57.22% of total assets. Capital assets include land, construction in progress, buildings and improvements, equipment, vehicles and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2005, were \$13,913,512. These capital assets are used to provide services to citizens and are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the Village's net assets, \$5,593,375, represents resources that are subject to external restriction on how they may be used.

VILLAGE OF NEW ALBANY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED

The table below shows the changes in net assets for fiscal years 2005 and 2004:

	Change in Net Assets	
	Governmental	Restated
	Activities <u>2005</u>	Governmental Activities <u>2004</u>
Revenues		
Program revenues:		
Charges for services	\$ 1,753,601	\$ 1,695,729
Operating grants and contributions	330,985	303,393
Capital grants and contributions	<u>14,901,968</u>	<u>6,395,947</u>
Total program revenues	<u>16,986,554</u>	<u>8,395,069</u>
General revenues:		
Property taxes	779,007	746,233
Income taxes	15,227,623	13,341,411
Unrestricted grants and entitlements	435,904	218,124
Investment earnings	556,217	276,738
Payment in lieu of taxes	15,876	67,113
Miscellaneous	<u>736,232</u>	<u>85,891</u>
Total general revenues	<u>17,750,859</u>	<u>14,735,510</u>
Total revenues	<u>34,737,413</u>	<u>23,130,579</u>
Expenses:		
General government	3,307,782	2,268,897
Security of persons and property	2,521,196	2,049,174
Public health and welfare	78,053	71,340
Transportation	2,107,148	1,362,349
Community environment	8,705,116	421,899
Leisure time activity	14,127	9,914
Economic development	7,961,170	5,786,667
Interest and fiscal charges	<u>969,181</u>	<u>956,680</u>
Total expenses	<u>25,663,773</u>	<u>12,926,920</u>
Change in net assets	9,073,640	10,203,659
Net assets at beginning of year (restated)	<u>12,765,419</u>	<u>2,561,760</u>
Net assets at end of year	<u>\$ 21,839,059</u>	<u>\$ 12,765,419</u>

VILLAGE OF NEW ALBANY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED

Governmental Activities

Governmental activities net assets increased \$9,073,640 in 2005. This increase is primarily a result of capital contributions of donated infrastructure in the amount of \$13,784,968.

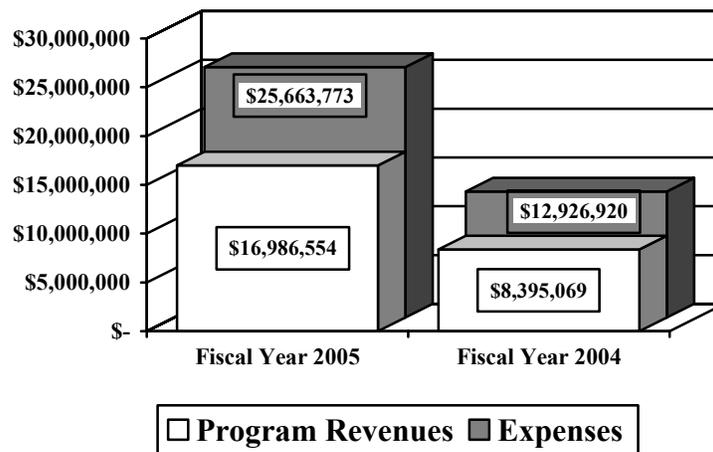
Security of persons and property, which primarily supports the operations of the police department, had expenses of \$2,521,196 which accounted for 9.82% of the total expenses of the Village. These expenses were partially funded by \$111,469 in direct charges to users of the services. General government expenses totaled \$3,307,782 which was partially funded by \$1,141,102 in direct charges to users of the services. Economic development expenses totaled \$7,961,170 which accounted for 31.02% of the total expenses of the Village. Community environment expenses totaled \$8,705,116 which accounted for 33.92% of the total expenses of the Village.

The state and federal government contributed to the Village a total of \$330,985 in operating grants and contributions. The Village had \$14,901,968 in capital grants and contributions, primarily from capital assets built by developers. These revenues are restricted to a particular program or purpose.

General revenues totaled \$17,750,859, and amounted to 51.10% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$16,006,630. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$435,904.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. The Village is dependent upon property and income taxes as well as unrestricted grants and entitlements to support governmental activities, including security of persons and property and general government expenditures.

Governmental Activities – Program Revenues vs. Total Expenses



VILLAGE OF NEW ALBANY, OHIO

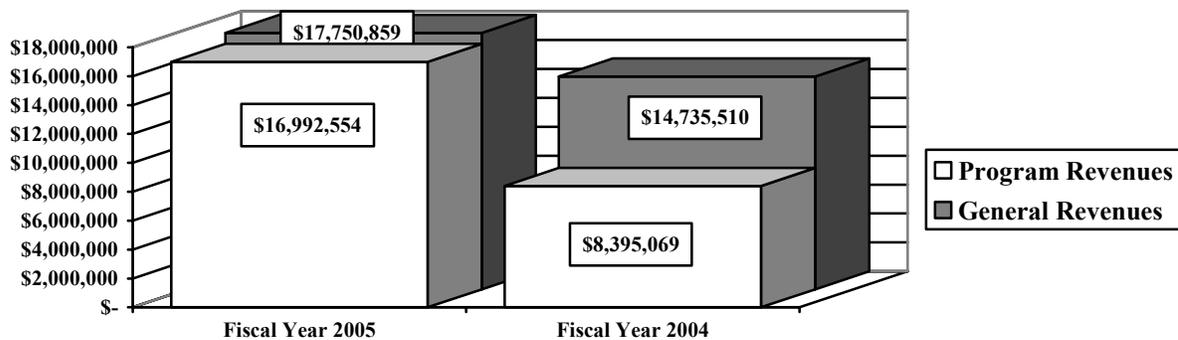
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

Governmental Activities

	Total Cost of Services <u>2005</u>	Net Cost of Services <u>2005</u>	Total Cost of Services <u>2004</u>	Net Cost of Services <u>2004</u>
Program Expenses:				
General government	\$ 3,307,782	\$ 2,166,680	\$ 2,268,897	\$ 1,072,749
Security of persons and property	2,521,196	2,403,300	2,049,174	1,942,906
Public health and welfare	78,053	78,053	71,340	71,340
Transportation	2,107,148	(13,144,786)	1,362,349	(5,333,584)
Community environment	8,705,116	8,242,230	421,899	33,586
Leisure time activity	14,127	1,391	9,914	9,914
Economic development	7,961,170	7,961,170	5,786,667	5,786,667
Interest and fiscal charges	969,181	969,181	956,680	948,273
Total Expenses	\$ 25,663,773	\$ 8,677,219	\$ 12,926,920	\$ 4,531,851

The Village is dependant on general revenues, including taxes, to support most of the Village's expenses including general government expenses, security of persons and property, public health and welfare, community environment, leisure time activities, economic development and interest and fiscal charges. The net cost of services for transportation expenditures includes \$13,784,968 in infrastructure contributed to the Village by developers. In accordance with GASB Statement No. 34 capital contributions of infrastructure is a program revenue offsetting transportation program expenses which ultimately support the maintenance of the infrastructure.

Governmental Activities – General and Program Revenues



VILLAGE OF NEW ALBANY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

Financial Analysis of the Government's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Village's net resources available for spending at year-end.

The Village's governmental funds (as presented on the balance sheet on page F19) reported a combined fund balance of \$9,575,858 which is \$8,956,441 lower than last year's total of \$18,532,299. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2005 and December 31, 2004 for all major and nonmajor governmental funds.

	<u>Fund Balances</u> 12/31/05	<u>Fund Balances</u> 12/31/04	<u>Increase</u> <u>(Decrease)</u>
Major funds:			
General	\$ 5,544,511	\$ 5,565,711	(0.38) %
Bond improvement	(211,207)	10,487,903	(102.01) %
Other nonmajor governmental funds	<u>4,242,554</u>	<u>2,478,685</u>	71.16 %
Total	<u>\$ 9,575,858</u>	<u>\$ 18,532,299</u>	(48.33) %

General Fund

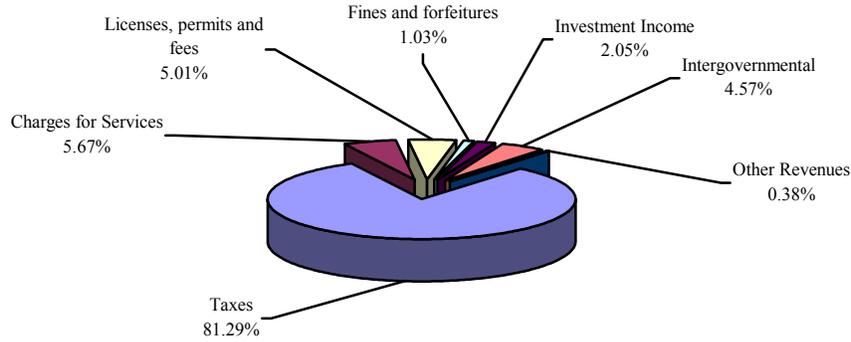
The Village's general fund balance decreased \$21,200, primarily due to increased expenditures. Revenue in the general fund increased 14.37% during 2005.

	<u>2005</u> <u>Amount</u>	<u>2004</u> <u>Amount</u>	<u>Percent</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 7,629,678	\$ 6,701,519	13.85 %
Charges for services	532,513	496,108	7.34 %
Licenses, permits and fees	470,216	476,088	(1.23) %
Fines and forfeitures	96,287	94,330	2.07 %
Intergovernmental	429,003	250,908	70.98 %
Investment income	192,737	137,424	40.25 %
Other	<u>35,232</u>	<u>50,010</u>	(29.55) %
Total	<u>\$ 9,385,666</u>	<u>\$ 8,206,387</u>	14.37 %

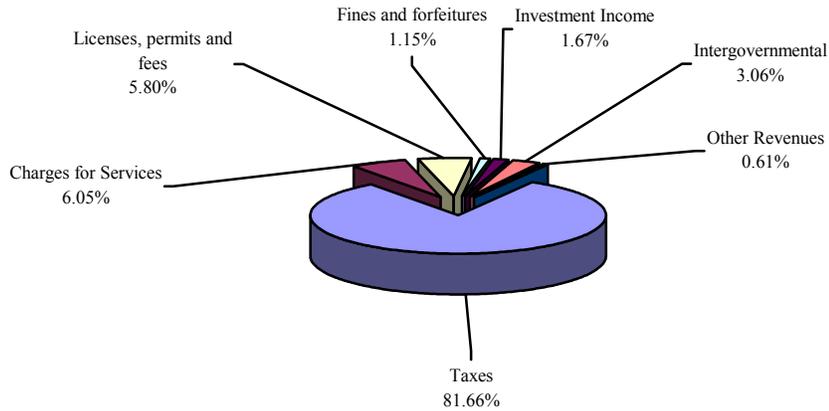
Tax revenue represents 81.29% of all general fund revenue. Tax revenue increased primarily due to an increase in jobs within the Village, which increased the number of individuals contributing to the income tax. Investment income increased due to higher interest rates. Intergovernmental revenue increased due to more funding received from other governments.

VILLAGE OF NEW ALBANY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED

Revenues – Fiscal Year 2005



Revenues – Fiscal Year 2004

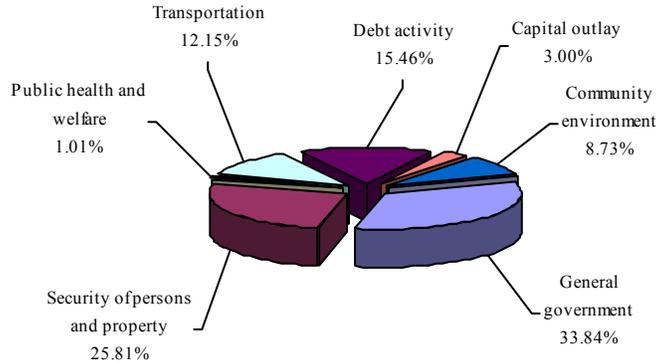


The tables that follow assist in illustrating the expenditures of the general fund.

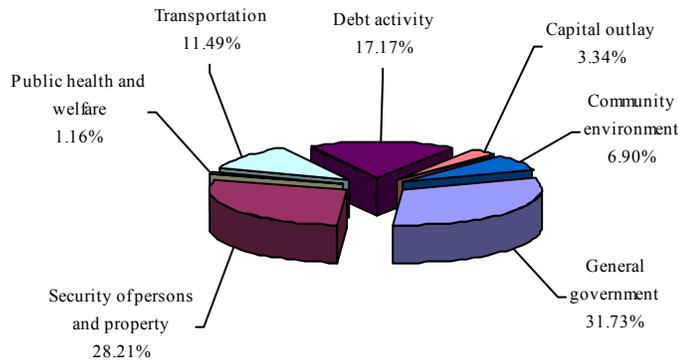
	<u>2005</u> <u>Amount</u>	<u>2004</u> <u>Amount</u>	<u>Percent</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 2,622,463	\$ 1,947,445	34.66 %
Security of persons and property	1,999,409	1,730,596	15.53 %
Public health and welfare	78,053	71,340	9.41 %
Transportation	941,273	704,711	33.57 %
Community environment	676,147	423,634	59.61 %
Capital outlay	232,358	204,678	13.52 %
Debt activity	<u>1,198,180</u>	<u>1,053,225</u>	13.76 %
Total	<u>\$ 7,747,883</u>	<u>\$ 6,135,629</u>	26.28 %

VILLAGE OF NEW ALBANY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED

Expenditures - Fiscal Year 2005



Expenditures - Fiscal Year 2004



Economic Opportunity Fund

The Village's economic opportunity fund receives income tax revenue pledged to the New Albany Community Authority and the New Albany-Plain Local School District. The economic opportunity fund has a zero fund balance, as all of the income tax revenue of \$8,088,188 is pledged to other governments.

Bond Improvement Fund

The Village's bond improvement fund, fund balance decreased \$10,699,110, primarily due to an \$8,000,000 expenditure which is being used for construction of the New Albany Performing Arts Center. The bond improvement fund received investment income of \$318,718 during fiscal year 2005.

VILLAGE OF NEW ALBANY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

Budgeting Highlights

The Village's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the Village's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the Village's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly.

Budgetary information is presented for the general fund and the economic opportunity fund. In the general fund, the actual revenues came in \$1,086,540 lower than they were in the final budget and actual expenditures and other financing sources were \$172,799 more than the amount in the final budget. Budgeted revenues increased \$1,971,979 from the original to the final budget due primarily to an increase in projected income tax revenue. The original and final budgeted appropriations did not change during the year.

In the economic opportunity fund, the actual revenues came in \$434,165 lower than the final budgeted revenues. The Village did not have an original budget, due to the reclassification of the economic opportunity fund during 2005. The Village had originally classified this fund as an agency fund, which does not require a budget. The classification of this fund was changed during 2005.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2005, the Village had \$30,572,271 (net of accumulated depreciation) invested in land, buildings and improvements, equipment, vehicles, infrastructure and construction in progress. The Village implemented GASB Statement No. 34 in fiscal year 2004; therefore the Village only reports infrastructure for additions occurring after fiscal year 2003. The following table shows fiscal 2005 balances compared to 2004 (see note 9 to the basic financial statements):

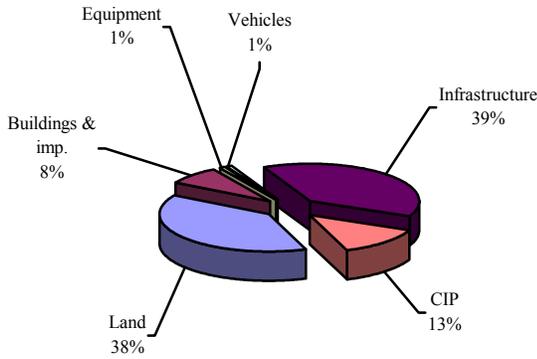
**Capital Assets at December 31
(Net of Depreciation)**

	Governmental Activities	
	2005	2004
Land	\$ 11,892,072	\$ 3,442,572
Construction-in-progress	3,866,172	816,651
Buildings and improvements	2,463,610	2,520,253
Furniture and equipment	249,089	219,957
Vehicles	283,697	302,218
Infrastructure	11,817,631	5,216,787
Totals	\$ 30,572,271	\$ 12,518,438

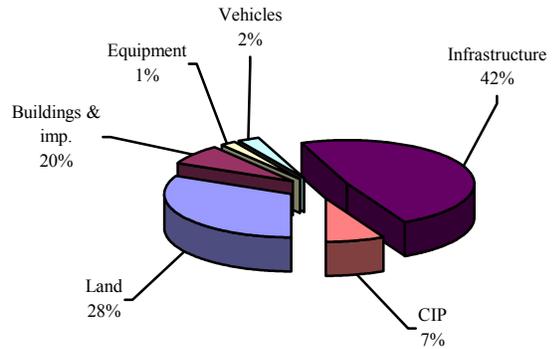
VILLAGE OF NEW ALBANY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED

The following graphs show the breakdown of governmental capital assets by category for 2005 and 2004.

**Capital Assets - Governmental Activities
2005**



Capital Assets - Governmental Activities 2004



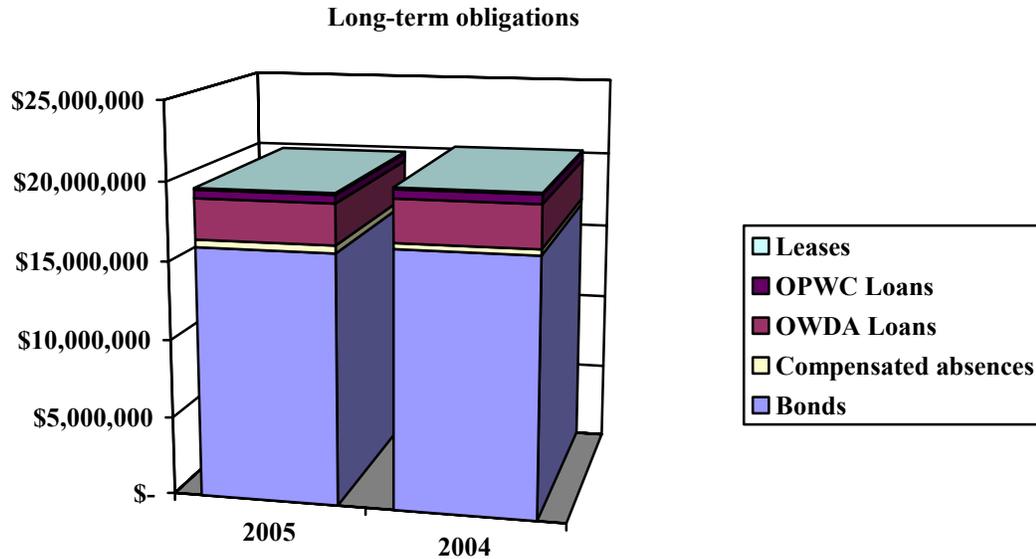
Debt Administration

The Village had the following long-term obligations outstanding at December 31, 2005 and 2004 (see note 12 to the basic financial statements). The long-term obligations outstanding at December 31, 2004 have been restated as described in Note 3 of the financial statements:

	<u>2005</u>	Restated <u>2004</u>
General obligation bonds	\$ 12,965,000	\$ 13,215,000
Capital improvement bonds	3,015,000	3,190,000
Compensated absences	483,530	376,605
Capital lease obligation payable	114,350	106,004
OPWC loans	564,409	522,849
OWDA loans	<u>2,571,115</u>	<u>2,693,207</u>
Total long-term obligations	<u><u>\$ 19,713,404</u></u>	<u><u>\$ 20,103,665</u></u>

A comparison of the long-term obligations of 2005 and 2004 by category is depicted in the chart below.

VILLAGE OF NEW ALBANY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED



Economic Conditions and Outlook

In the last ten years, the Village of New Albany has experienced tremendous growth in population and commercial activity. The Village has managed this growth through the creation and implementation of the Strategic Plan. This plan serves as a unique guide for integrating the benefits of urban environments such as pedestrian interconnectivity, neighborhood commercial uses, reduced infrastructure costs, and a sense of community with positive aspects including preservation of the rural aesthetic and large open spaces. A new component of the strategic plan is the economic development plan. This plan provides for a balanced approach to growth that calculates the break even point between the cost to provide services and the revenue generated by development. This is especially important due to the village’s transition to a reliance on income tax revenues provided by the business park, allowing for an increase in services without an additional burden to the residents.

The Village of New Albany is poised for continued growth. The village is strategically located along State Route 161 within 3 minutes of the I-270 outer belt in the northeast quadrant of the greater Columbus metropolitan area. All of the major transportation amenities are a short distance away: 15 minutes from Port Columbus International Airport and 20 minutes from downtown Columbus. The intersection of US Route 62 enhances the internal transportation system and provides for easy accessibility for residents and businesses. The Ohio Department of Transportation plans to begin construction on the east extension of the State Route 161 Expressway literally paving the way for future development opportunities.

Residential Activity

In the past ten years the village gained nearly 66% of its residential population. According to the United States Census Bureau update for 2005, the village population increased from 3,711 in 2000 to 5,827. As of June 2005, 1,581 residential units were zoned with approximately 45% of those in the active planning or construction phase. Several new subdivisions including Ealy Crossing, Richmond Square, Walcott Manor and The Enclave at New Albany, feature traditional early American architecture and preservation of natural areas and open space. The maximum density of residential development in the village is maintained at 1.17 units per acre. The average family size in New Albany is 3.30 and the median age is 37. The average price for a single family residential home is \$450,000 and the average household income is \$103,000. This correlates directly to the educational attainment level in the village – over half of the population over the age of 25 has earned a Bachelor’s Degree or higher.

VILLAGE OF NEW ALBANY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2005 UNAUDITED

Commercial Activity

As the population grows and demands for services increase, the village has had to turn its focus to increased commercial activity. The village currently has 2.2 million square feet of commercial development in the business park with a day time employment of approximately 8,000. The village vacancy rate is less than 3%.^a This is significantly lower than the 18-22% average for central Ohio and adjacent communities. One of the main reasons why the vacancy rate is drastically different from that of the region is the presence of corporate campuses with the business park. The village has taken careful and deliberate steps to attract companies that want to “grow roots” in the community and construct a campus – not just an eight hour operations facility. The village also offers a competitive real property tax abatement package that provides for up to fifteen (15) years of property tax abatement for up to 100%. The New Albany Plain Local School District has been instrumental in partnering with the village to adopt a compensation agreement for all properties within eligible tax abated areas. In 2005, the village paid the school district over \$3.1 million in revenue thereby making them whole for the taxes they would have otherwise received in the business park. Many of the corporate community members include Abercrombie & Fitch, Novus (Discovercard), Aetna, The New Albany Company, the New Albany Surgical Hospital and Too Brands.

The pace of commercial construction does not show signs of slowing. As of June 2006, the village had 1.9 million square feet of commercial development in the engineering review phase or under construction. Village council recently approved legislation that would allow for the construction of a fiber optic backbone to attract high technology companies that require a connection to the Third Frontier Network – the research network that links major universities and research centers across the state of Ohio.

Economic development activities in the village also include the development of the Village Center. This area is considered the heart and soul of the village. The guidelines for the development of this area, as outlined by the adopted Village Center plan, create a vibrant urban streetscape that is anchored by traditional “town center” amenities such as the library, the village hall and the post office. The plan for future development will result in a pedestrian friendly mixed use environment with a high concentration of residential units, office and retail uses.

Quality of Life

New Albany has many amenities for the residential and business population. The unique urban village design creates an opportunity for connectivity to the library, restaurants, retail and specialty shops through leisure trails and paths. The topography is arguably the most scenic in central Ohio with breathtaking wooded settings and esteemed golf courses. Our residential neighborhoods, from the country club communities to the traditionally designed communities, offer employees a range of housing styles and price points while maintaining the highest level of quality and attention to detail. The new Wexner Park and Pavilion features a playground complex, a pavilion and a commons area for community gatherings. The Rose Run Streamside Park is a passive park in the heart of the Village that will serve as a focal point for residents and employees to walk and enjoy nature.

The New Albany-Plain Local School District was ranked in the top 3% of the state according to proficiency scores. The New Albany Community Foundation is leading the collaboration of the New Albany Schools, the New Albany Company and the Village of New Albany to build an Arts Center that would host a range of cultural and educational programs featuring many Central Ohio organizations such as the Columbus Symphony, the Columbus Museum of Art, COSI, Thurber House, Columbus College of Art and Design, The Ohio State University and more.

The Village is not a typical municipality; we work to create a personal relationship with each of our companies. We provide opportunities for a company to go beyond establishing an address within the Village: in New Albany, it's the perfect fit!

^a Camoin Associates – Office Market Report.

VILLAGE OF NEW ALBANY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED

Contacting the Village's Financial Management

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors' with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional financial information contact: Vicki McKinney, Acting Finance Director, Village of New Albany, 99 W. Main Street, New Albany, Ohio 43054.

**BASIC
FINANCIAL STATEMENTS**

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VILLAGE OF NEW ALBANY, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2005

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents and investments	\$ 17,564,061
Receivables (net of allowances for uncollectibles):	
Income taxes	4,086,789
Property and other taxes	847,681
Accounts	5,236
Accrued interest	116,255
Due from other governments	202,292
Prepayments	34,477
Materials and supplies inventory	2,034
Capital assets:	
Land and construction in progress	15,758,244
Depreciable capital assets, net	14,814,027
Total capital assets	<u>30,572,271</u>
Total assets	<u>53,431,096</u>
Liabilities:	
Accounts payable	60,648
Retainage payable	182,667
Contracts payable	275,111
Accrued wages and benefits	101,716
Due to other governments	2,118,877
Deferred revenue	815,320
Accrued interest payable	88,294
Note payable	8,236,000
Long-term liabilities:	
Due within one year	777,937
Due in more than one year	18,935,467
Total liabilities	<u>31,592,037</u>
Net assets:	
Invested in capital assets, net of related debt	13,913,512
Restricted for:	
Capital projects	3,981,281
Street construction and maintenance	409,342
Safety programs	90,999
Other purposes	1,111,753
Unrestricted	<u>2,332,172</u>
Total net assets	<u>\$ 21,839,059</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW ALBANY, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

	Program Revenues			Governmental Activities	Net Revenue (Expense) and Change in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions		
Governmental Activities:					
General government	\$ 3,307,782	\$ 1,141,102	\$ -	\$ -	\$ (2,166,680)
Security of persons and property.	2,521,196	111,469	6,427	-	(2,403,300)
Public health and welfare	78,053	-	-	-	(78,053)
Transportation	2,107,148	38,144	311,822	14,901,968	13,144,786
Community environment.	8,705,116	462,886	-	-	(8,242,230)
Leisure time activity.	14,127	-	12,736	-	(1,391)
Economic development	7,961,170	-	-	-	(7,961,170)
Interest and fiscal charges.	969,181	-	-	-	(969,181)
Total governmental activities	<u>\$ 25,663,773</u>	<u>\$ 1,753,601</u>	<u>\$ 330,985</u>	<u>\$ 14,901,968</u>	<u>(8,677,219)</u>
General Revenues:					
Property taxes levied for:					
General fund.					779,007
Income taxes levied for:					
General fund.					6,376,231
Special revenue					7,961,170
Capital projects.					890,222
Grants and entitlements not restricted to specific programs.					435,904
Investment earnings.					556,217
Payment in lieu of taxes.					15,876
Miscellaneous					<u>736,232</u>
Total general revenues.					17,750,859
Change in net assets.					9,073,640
Net assets at beginning of year (restated)					<u>12,765,419</u>
Net assets at end of year.					<u>\$ 21,839,059</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW ALBANY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2005

	General	Economic Opportunity Fund	Bond Improvement Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents and investments	\$ 5,006,017	\$ -	\$ 8,330,486	\$ 4,227,558	\$ 17,564,061
Receivables (net of allowance for uncollectibles):					
Income taxes	1,937,025	1,893,897	-	255,867	4,086,789
Property and other taxes	847,681	-	-	-	847,681
Accounts	5,236	-	-	-	5,236
Accrued interest	-	-	116,255	-	116,255
Due from other governments	90,144	-	-	112,148	202,292
Prepayments	34,477	-	-	-	34,477
Materials and supplies inventory	2,034	-	-	-	2,034
Total assets	<u>\$ 7,922,614</u>	<u>\$ 1,893,897</u>	<u>\$ 8,446,741</u>	<u>\$ 4,595,573</u>	<u>\$ 22,858,825</u>
Liabilities:					
Accounts payable	\$ 32,365	\$ -	\$ -	\$ 28,283	\$ 60,648
Contracts payable	-	-	241,934	33,177	275,111
Retainage payable	-	-	101,228	81,439	182,667
Accrued wages and benefits	101,716	-	-	-	101,716
Due to other governments	224,980	812,410	-	-	1,037,390
Accrued interest payable	-	-	15,443	-	15,443
Notes payable	-	-	8,236,000	-	8,236,000
Deferred revenue	2,019,042	1,081,487	63,343	210,120	3,373,992
Total liabilities	<u>2,378,103</u>	<u>1,893,897</u>	<u>8,657,948</u>	<u>353,019</u>	<u>13,282,967</u>
Fund Balances:					
Reserved for encumbrances	288,545	-	18,750	453,326	760,621
Reserved for prepayments	34,477	-	-	-	34,477
Reserved for materials and supplies inventory	2,034	-	-	-	2,034
Unreserved, undesignated (deficit), reported in:					
General fund	5,219,455	-	-	-	5,219,455
Special revenue funds	-	-	-	254,582	254,582
Capital projects funds	-	-	(229,957)	3,534,646	3,304,689
Total fund balances (deficit)	<u>5,544,511</u>	<u>-</u>	<u>(211,207)</u>	<u>4,242,554</u>	<u>9,575,858</u>
Total liabilities and fund balances	<u>\$ 7,922,614</u>	<u>\$ 1,893,897</u>	<u>\$ 8,446,741</u>	<u>\$ 4,595,573</u>	<u>\$ 22,858,825</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW ALBANY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2005

Total governmental fund balances		\$ 9,575,858
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		30,572,271
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Delinquent property taxes	\$ 32,361	
Income taxes	2,328,174	
Intergovernmental revenues	134,794	
Accrued interest	63,343	
Total		2,558,672
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities are as follows:		
Accrued interest payable	(72,851)	
General obligation bonds	(15,980,000)	
OWDA loans	(2,571,115)	
OPWC loans	(564,409)	
Compensated absences	(483,530)	
Intergovernmental payable	(1,081,487)	
Capital lease payable	(114,350)	
		(20,867,742)
Net assets of governmental activities		\$ 21,839,059

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW ALBANY, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	General	Economic Opportunity Fund	Bond Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Income taxes	\$ 6,858,394	\$ 8,088,188	\$ -	\$ 964,133	\$ 15,910,715
Property and other taxes	771,284	-	-	-	771,284
Charges for services	532,513	-	-	50,514	583,027
Licenses and permits	470,216	-	-	597,094	1,067,310
Fines and forfeitures	96,287	-	-	6,977	103,264
Intergovernmental	429,003	-	-	1,405,617	1,834,620
Payment in lieu of taxes	-	-	-	15,876	15,876
Investment income	192,737	-	318,718	7,376	518,831
Donations	-	-	-	19,163	19,163
Other	35,232	-	-	701,000	736,232
Total revenues	<u>9,385,666</u>	<u>8,088,188</u>	<u>318,718</u>	<u>3,767,750</u>	<u>21,560,322</u>
Expenditures:					
Current:					
General government	2,622,463	-	8,689	35,743	2,666,895
Security of persons and property	1,999,409	-	-	20,514	2,019,923
Public health and welfare	78,053	-	-	-	78,053
Transportation	941,273	-	-	203,276	1,144,549
Community environment	676,147	-	8,000,000	-	8,676,147
Leisure time activity	-	-	-	14,127	14,127
Economic development	-	8,088,188	-	-	8,088,188
Capital outlay	232,358	-	2,865,829	3,197,481	6,295,668
Debt service:					
Principal retirement	465,671	-	-	159,824	625,495
Interest and fiscal charges	732,509	-	230,776	160,208	1,123,493
Total expenditures	<u>7,747,883</u>	<u>8,088,188</u>	<u>11,105,294</u>	<u>3,791,173</u>	<u>30,732,538</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,637,783</u>	<u>-</u>	<u>(10,786,576)</u>	<u>(23,423)</u>	<u>(9,172,216)</u>
Other financing sources (uses):					
OPWC loans issued	-	-	-	79,292	79,292
Capital lease transaction	49,017	-	-	-	49,017
Premium on notes sold	-	-	87,466	-	87,466
Transfers in	-	-	-	1,708,000	1,708,000
Transfers out	(1,708,000)	-	-	-	(1,708,000)
Total other financing sources (uses)	<u>(1,658,983)</u>	<u>-</u>	<u>87,466</u>	<u>1,787,292</u>	<u>215,775</u>
Net change in fund balances	(21,200)	-	(10,699,110)	1,763,869	(8,956,441)
Fund balances at beginning of year	<u>5,565,711</u>	<u>-</u>	<u>10,487,903</u>	<u>2,478,685</u>	<u>18,532,299</u>
Fund balances (deficit) at end of year	<u>\$ 5,544,511</u>	<u>\$ -</u>	<u>\$ (211,207)</u>	<u>\$ 4,242,554</u>	<u>\$ 9,575,858</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW ALBANY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

Net change in fund balances - total governmental funds \$ (8,956,441)

Amounts reported for governmental activities in the statement of activities are different because:

Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital outlays	\$	5,067,706	
Depreciation expense		(798,841)	
Total		4,268,865	4,268,865

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net assets. 13,784,968

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Income taxes		(683,092)	
Delinquent property taxes		7,723	
Intergovernmental revenue		30,106	
Interest		37,386	
Total		(607,877)	(607,877)

Repayment of bond, loan and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. 625,495

In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due. 66,846

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences		(106,925)	
Intergovernmental payable		127,018	
Total		20,093	20,093

Capital leases and loans provide current financial resources to governmental funds, but issuing debt increases long-term liabilities on the statement of net assets. (128,309)

Change in net assets of governmental activities \$ 9,073,640

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW ALBANY, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Income taxes	\$ 6,335,208	\$ 7,752,320	\$ 6,691,118	\$ (1,061,202)
Property and other taxes	762,743	771,284	771,284	-
Charges for services	450,000	540,000	532,513	(7,487)
Licenses and permits.	472,000	478,500	470,216	(8,284)
Fines and forfeitures.	110,000	101,625	98,032	(3,593)
Intergovernmental	184,570	434,771	434,771	-
Investment income	90,000	298,000	296,794	(1,206)
Other	40,000	40,000	35,232	(4,768)
Total revenues.	<u>8,444,521</u>	<u>10,416,500</u>	<u>9,329,960</u>	<u>(1,086,540)</u>
Expenditures:				
Current:				
General government	2,530,657	2,530,657	2,818,749	(288,092)
Security of persons and property	1,950,172	1,950,172	2,017,345	(67,173)
Public health and welfare.	78,053	78,053	78,053	-
Transportation	1,223,838	1,223,838	1,011,427	212,411
Community environment	738,424	738,424	686,094	52,330
Capital outlay.	168,921	168,921	246,132	(77,211)
Debt service:				
Principal retirement	440,000	440,000	425,000	15,000
Interest and fiscal charges	715,275	715,275	727,339	(12,064)
Total expenditures	<u>7,845,340</u>	<u>7,845,340</u>	<u>8,010,139</u>	<u>(164,799)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>599,181</u>	<u>2,571,160</u>	<u>1,319,821</u>	<u>(1,251,339)</u>
Other financing uses:				
Transfers out	<u>(1,700,000)</u>	<u>(1,700,000)</u>	<u>(1,708,000)</u>	<u>(8,000)</u>
Total other financing uses.	<u>(1,700,000)</u>	<u>(1,700,000)</u>	<u>(1,708,000)</u>	<u>(8,000)</u>
Net change in fund balance	(1,100,819)	871,160	(388,179)	(1,259,339)
Fund balance at beginning of year (restated).	5,017,728	5,017,728	5,017,728	-
Prior year encumbrances appropriated.	146,403	146,403	146,403	-
Fund balance at end of year	<u>\$ 4,063,312</u>	<u>\$ 6,035,291</u>	<u>\$ 4,775,952</u>	<u>\$ (1,259,339)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ECONOMIC OPPORTUNITY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Income taxes.	\$ -	\$ 8,439,585	\$ 8,005,420	\$ (434,165)
Total revenues.	<u>-</u>	<u>8,439,585</u>	<u>8,005,420</u>	<u>(434,165)</u>
Expenditures:				
Economic development.	<u>-</u>	<u>-</u>	<u>8,005,420</u>	<u>(8,005,420)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>8,005,420</u>	<u>(8,005,420)</u>
Net change in fund balance.	-	8,439,585	-	(8,439,585)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 8,439,585</u>	<u>\$ -</u>	<u>\$ (8,439,585)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW ALBANY, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2005

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents and investments. . . .	\$ 1,776,386
Total assets.	<u>\$ 1,776,386</u>
Liabilities:	
Accounts payable.	\$ 2,917
Due to other governments.	39,479
Deposits held and due to others.	<u>1,733,990</u>
Total liabilities.	<u>\$ 1,776,386</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 1 - DESCRIPTION OF THE VILLAGE

The Village of New Albany (the “Village”) is an independent political subdivision of the State of Ohio and operates subject to the provisions of the Ohio Constitution, the Village Charter, and various sections of the Ohio Revised Code. The Village is located in the northeast section of Franklin County, Ohio, in the Columbus metropolitan area, and encompasses approximately ten square miles.

The Village was founded in 1837 and incorporated as a Village in 1856. The Village operates under a Charter that was approved by the voters on November 3, 1992, and became effective on January 1, 1993. The Village is organized as a Mayor-Council-Administrator form of government.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (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 principles. The Village also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental funds provided they do not conflict with or contradict GASB pronouncements. The most significant of the Village’s accounting policies are described below.

A. Reporting Entity

For financial reporting purposes, the Village’s BFS include all funds, agencies, boards, commissions, and departments for which the Village is financially accountable. Financial accountability, as defined by the GASB, exists if the Village 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 Village. The Village 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 Village. The Village also took into consideration other organizations for which the nature and significance of their relationship with the Village are such that exclusion would cause the Village’s basic financial statements to be misleading or incomplete. The Village has no component units.

To provide necessary services to its citizens, the Village is divided into various departments including police, fire fighting and prevention, street maintenance, parks and recreation, public service and planning, and zoning. The operation of each of these departments is directly controlled by the Village, through the budgetary process and therefore is included as a part of the reporting entity.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

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

The following organizations are described due to their significant relationship to the Village:

JOINTLY GOVERNED ORGANIZATIONS:

New Albany Performing Arts Center

In 2004, the Village entered into a joint operating agreement with New Albany-Plain Local School District (the "District"), Plain Township (the "Township") and the New Albany Community Foundation (the "Foundation") for the operations of the New Albany Performing Arts Center (the "Center"). The Center is being constructed through a joint collaboration between the Village, District and Township. Each of these entities shall own a portion of the Center, as tenants in common, equal to their financial contribution of the construction. The Village, District and Township have committed amounts not to exceed \$5 million, \$5 million and \$3 million, respectively, to supplement the construction of the Center. The Foundation has committed to use its best efforts to raise approximately \$2.3 million to be applied to an endowment for the purpose of subsidizing the operation of the Center. The Center will serve both school and community needs, including music, theater, dance and ballet.

The Center is operated by a six member Board of Trustees (the "Board") consisting of two members appointed by the District, two members appointed by the Village, one member appointed by the Township and one member appointed by the Foundation. The Village does not appoint a voting majority of the Board.

The Village has no ongoing financial interest or responsibility in the operation of the Center. The Board approves the operating budget of the Center. Complete financial statements for the Center may be obtained from the Treasurer of the New Albany-Plain Local School District at 99 West Main Street, 2nd Floor, New Albany, OH 43054.

New Albany - Plain Local Joint Park District

The New Albany Plain-Local Joint Park District (the "Park District") is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating entities as follows: (1) The Village of New Albany; (2) Plain Township; (3) The New Albany-Plain Local School District. The Park District possesses its own budgeting and taxing authority.

B. Basis of Presentation - Fund Accounting

The Village's BFS consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

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

The statement of net assets presents the financial condition of the governmental activities of the Village at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Village's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which governmental functions are self-financing or draw from the general revenues of the Village.

Fund Financial Statements - During the year, the Village segregates transactions related to certain Village functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

C. Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The Village does not have any proprietary funds.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Village's major governmental funds:

General Fund - The general fund accounts for all financial resources except those required to be accounted for in another fund.

Economic Opportunity Fund - The economic opportunity fund accounts for financial resources pledged to the New Albany Community Authority and the New Albany-Plain Local School District for public infrastructure improvements.

Bond Improvement Fund - The bond improvement fund accounts for financial resources used in acquisition and construction of capital facilities.

Other governmental funds of the Village are used to account for (a) the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs; (b) financial resources to be used for the acquisition, construction, or improvement of capital facilities; and (c) for grants and other resources whose use is restricted to a particular purpose.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

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

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Village under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Village's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Village's only fiduciary funds are agency funds. The Village's agency funds account for deposits held by the Village.

D. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the Village are included on the statement of net assets.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the financial statements for governmental funds.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Agency funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Village, available means expected to be received within sixty days of year-end.

Nonexchange transactions, in which the Village receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (See Note 7). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Village must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Village on a reimbursement basis.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

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

On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax, local government funds and permissive tax), fines and forfeitures, fees and special assessments.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2005, but which were levied to finance year 2006 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

F. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. For all funds, Council appropriations are made by department to personal services, travel and education, contractual services, supplies and materials, and capital outlay. This is known as the legal level of budgetary control. Budgetary modifications may only be made by resolution of the Village Council at the legal level of control. All funds, except agency funds, are legally required to be budgeted; however, only governmental funds are legally required to be reported.

Tax Budget - A tax budget of estimated revenue and expenditures for all funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

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

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the Village by September 1. As part of this certification, the Village receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the Village must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include encumbered cash balances at December 31 of the preceding year. The certificate may be further amended during the year if the Village Finance Director determines, and the Budget Commission agrees, that the estimate needs to be either increased or decreased. The amounts reported on the budgetary statement reflect the amounts in the original and final amended official certificates of estimated resources issued during 2005.

Appropriations - A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the legal level of budgetary control. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The appropriations for a fund may only be modified during the year by an ordinance of Council. The amounts on the budgetary statement reflect the original and final appropriation amounts, including all amendments and modifications legally enacted by Council.

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbrances are carried forward and are not reappropriated as part of the subsequent year appropriations.

G. Cash and Cash Equivalents

Cash balances of the Village's funds are pooled and invested in investments maturing within ten years in order to provide improved cash management. Individual fund integrity is maintained through Village records. Each fund's interest in the pooled bank account is presented on the balance sheet as "Equity in Pooled Cash and Cash Equivalents".

During fiscal year 2005, investments were limited to federal agency securities, a money market account, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio).

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

The Village has invested funds in STAR Ohio during fiscal 2005. 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2005.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. During fiscal 2005, interest revenue credited to the general fund amounted to \$192,737 which includes \$78,821 assigned from other Village funds.

For purpose of presentation on the financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the Village are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the Village's investment account at year-end is provided in Note 4.

H. Inventories of Materials and Supplies

On government-wide and fund financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

On the fund financial statements, reported material and supplies inventory is equally offset by a fund balance reserve which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption.

I. Capital Assets

These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Village's capitalization threshold is \$5,000 for all capital assets. The Village chose not to retroactively report infrastructure in accordance with Phase III implementation of GASB 34. The Village's infrastructure consists of curbs, sidewalks, and streets constructed or improved after fiscal year 2003. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the Village's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Buildings and improvements	25 - 50 years
Equipment	6 - 10 years
Vehicles	5 - 6 years
Infrastructure	15 - 50 years

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

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

J. Compensated Absences

Compensated absences of the Village consist of vacation leave and sick leave to the extent that payment to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the Village and the employee.

In conformity with GASB Statement No. 16, "Accounting for Compensated Absences", vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Village will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at December 31 by all employees.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments. Village employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave at various rates.

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

L. Prepayments

Payments made to vendors for services that will benefit beyond December 31, 2005, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

VILLAGE OF NEW ALBANY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

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

M. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “due to/from other funds.” On fund financial statements, long-term interfund loans are classified as “advances to/from other funds” on the balance sheet and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources. These amounts are eliminated in the governmental columns of the statement of net assets.

N. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the BFS.

O. Fund Balance Reserves

Reserved fund balances indicate that portion of fund equity which is not available for current appropriation or use. The unreserved and designated portions of fund equity reflected in the governmental funds are available for use within the specific purposes of the funds.

The Village reports a reservation of fund balance for amounts representing encumbrances outstanding, prepayments and materials and supplies inventory in the governmental fund financial statements.

P. Estimates

The preparation of the BFS in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the BFS and accompanying notes. Actual results may differ from those estimates.

Q. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes primarily consist of Mayor’s Court computer funds and a Blacklick tax increment financing.

The Village applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Village Administration and that are either unusual in nature or infrequent in occurrence.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2005, the Village has implemented GASB Statement No. 40 “Deposit and Investment Risk Disclosures”, and GASB Statement No. 42, “Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries”.

GASB Statement No. 40 establishes and modifies disclosure requirements related to investment risks: credit risk (including custodial credit risk and concentrations of credit risk) and interest rate risk. This statement also establishes and modifies disclosure requirements for custodial credit risk on deposits.

GASB Statement No. 42 amends GASB Statement No. 34 and establishes accounting and financial reporting standards for impairment of capital assets and accounting requirements for insurance recoveries.

The implementation of GASB Statement No. 40 and GASB Statement No. 42 did not have an effect on the financial statements of the Village, however additional note disclosure can be found in Note 4.

B. Prior Period Adjustments

Budgetary Statement – General Fund - The beginning fund balance as reported on Statement of Revenues, Expenditures and Changes in Fund Balancing – Budget and Actual (Non – GAAP Budgetary Basis) – General fund has been restated from \$4,838,728 to \$5,017,728 due to an error in the previous year.

Governmental Activities - Restatement of Net Assets - The net assets of the governmental activities have been restated at December 31, 2004 to properly report the OPWC loan liability.

The adjustments had the following effect on net assets of the governmental activities as previously reported:

	<u>Governmental Activities</u>
Net assets as previously reported	\$ 13,288,268
Adjustment to add the liability for OPWC loans	<u>(522,849)</u>
Restated net assets at January 1, 2005	<u>\$ 12,765,419</u>

C. Deficit Fund Balances

Fund balances at December 31, 2005 included the following individual fund deficits:

<u>Major Fund</u>	<u>Deficit</u>
Bond Improvement	\$211,207
 <u>Nonmajor Fund</u>	
605 / 161 Issue II	\$ 59,214

These funds complied with Ohio state law, which does not permit a cash basis deficit at year-end. The general fund is liable for any deficit in this fund and provides transfers when cash is required, not when accruals occur. The deficit fund balances result from adjustments in accrued liabilities.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

D. Compliance

- Ohio Revised Code Section 5705.41(B) provides, in part, that no subdivision or taxing unit shall “make any expenditure of money unless it has been appropriated as provided in such chapter.” During the year, the Village’s amended appropriation measures were not properly submitted to the County Budget Commission for approval. Thus, at December 31, 2005, expenditures were in excess of the Village’s original permanent appropriations at the legal level of control for the following funds:

<u>Fund</u>	<u>Object Level</u>	<u>Excess</u>
General	Capital Outlay	\$ 62,791
General	Contractual Services	467,363
Oak Grove EOZ	Economic Development	1,120,790
Central College EOZ	Economic Development	1,699,080
Blacklick EOZ	Economic Development	5,185,550

- Ohio Revised Code Section 5705.39 states, in part, “that the total appropriation from each fund shall not exceed the total estimated revenue available for expenditure therefrom...” The following funds had appropriations in excess of total estimated resources as of December 31, 2005:

<u>Fund</u>	<u>Excess</u>
Blacklick TIF	\$ 126,774
Capital Improvement Fund	126,221
Issue 2 Improvement Fund	1,976,985

The Village is working to amend appropriation resolutions throughout the year to comply with Ohio Revised Code for fiscal year 2006.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the Village 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 Village 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 not required for use within the current five year period of designation of depositories as defined by the Village’s investment policy. 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 in 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 Village’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 treasurer 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.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities 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 that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that 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;
6. The State Treasurer's investment pool (STAR Ohio);
7. High grade commercial paper for a period not to exceed 180 days in an amount not to exceed twenty-five percent of the City's interim monies available for investment; and
8. Bankers acceptances for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the City's interim monies available for investment.

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

1. Bonds and other obligations guaranteed by the United States;
2. Discount notes of the Federal National Mortgage Association;
3. Bonds of the State of Ohio; and
4. Bonds of any municipal corporation, village, county, township, or other political subdivision of Ohio, as to which there is no default of principal, interest or coupons;

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 Village, and must be purchased with the expectation that it will be held to maturity.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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.

Cash on hand: At year-end, the Village had \$300 in undeposited cash on hand which is included on the financial statements of the Village as part of "Equity in pooled cash and cash equivalents and investments".

A. Deposits with Financial Institutions

At December 31, 2005, the carrying amount of all Village deposits was \$677,542. As of December 31, 2005, \$851,818 of the Village's bank balance of \$951,818 was exposed to custodial risk as discussed below, while \$100,000 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. As permitted by Ohio Revised Code, the Village's deposits are collateralized by a pool of eligible securities deposited with Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the depository bank and pledged as a pool of collateral against all public deposits held by the depository.

The Village has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Village to a successful claim by the FDIC.

B. Investments

As of December 31, 2005, the Village had the following investments and maturities:

Investment type	Balance at Fair Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
FHLMC	\$ 5,661,705	\$ 248,440	\$3,455,805	\$ 978,890	\$ 487,055	\$ 491,515
FHLB	7,078,405	647,375	3,956,020	499,225	993,440	982,345
FNMA	4,467,970	1,995,940	-	1,484,530	-	987,500
FFCB	493,280	-	493,280	-	-	-
Money Market	843,608	843,608	-	-	-	-
STAR Ohio	117,637	117,637	-	-	-	-
	<u>\$ 18,662,605</u>	<u>\$ 3,853,000</u>	<u>\$7,905,105</u>	<u>\$ 2,962,645</u>	<u>\$ 1,480,495</u>	<u>\$ 2,461,360</u>

The weighted average maturity of investments is 1.04 years.

Interest Rate Risk: The Ohio Revised Code general limits security purchases to those that mature within five years of the settlement date. Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Village's investment policy addresses interest rate risk by requiring the consideration of market conditions and cash flow requirements in determining the term of an investment.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Village has no investment policy dealing with investment custodial risk beyond the requirement in Ohio law that prohibits payments for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee. The Village's investment in repurchase agreements is collateralized by underlying securities pledged by the investment's counterparty, not in the name of the Village. Ohio law requires the market value of the securities subject to a repurchase agreement must exceed the principal value of securities subject to a repurchase agreement by 2%.

Credit Risk: 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 service rating. The Village's other investments carry a rating of AAA by Standard & Poor's.

Concentration of Credit Risk: The Village's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The following table includes the percentage of each investment type held by the Village at December 31, 2005:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLMC	\$ 5,661,705	30.34%
FHLB	7,078,405	37.93%
FNMA	4,467,970	23.94%
FFCB	493,280	2.64%
Money Market	843,608	4.52%
STAR Ohio	<u>117,637</u>	<u>0.63%</u>
	<u>\$18,662,605</u>	<u>100.00%</u>

D. Reconciliation of Cash and Investment to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of December 31, 2005:

<u>Cash and Investments per footnote</u>	
Carrying amount of deposits	\$ 677,542
Investments	18,662,605
Cash on hand	<u>300</u>
Total	<u>\$ 19,340,447</u>
 <u>Cash and investments per Statement of Net Assets</u>	
Governmental activities	\$ 17,564,061
Agency funds	<u>1,776,386</u>
Total	<u>\$ 19,340,447</u>

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 5 - INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2005, consisted of the following, as reported in the fund financial statements:

<u>Transfers to</u>	<u>General</u>
Nonmajor Special Revenue	\$ 8,000
Nonmajor Capital Projects	<u>1,700,000</u>
	<u>\$1,708,000</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the Village. Real property taxes and public utility taxes are levied after October 1 on the assessed value as of the prior January 1, the tax lien date. Assessed values are established by state law at 35 percent of appraised market value, as established by the County Auditor. All real property is required to be revalued every six years. The last revaluation was completed in 2000. Real property taxes are payable annually or semiannually. The first payment for 2005 was due December 31, with the remainder payable June 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied on assessed values as of the prior January 1, the lien date. Public utility tangible personal property currently is assessed at 88% of true value for taxable transmission and distribution property and 25% of true value for all other taxable property. Public utility property taxes are payable on the same dates as real property taxes described previously.

Taxes collected on tangible personal property (other than public utility) in one calendar year are levied on the assessed values and at the close of the most recent fiscal year of the taxpayer (for businesses in operation more than one year) or December 31. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30, and if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. The first \$10,000 of taxable value is exempt from taxation for each business by state law.

Public utility property taxes are assessed on tangible personal property, as well as land and improvements.

The Franklin County Treasurer collects property taxes on behalf of all taxing districts in Franklin County, including the Village. The Franklin County Auditor periodically remits to the Village its portion of the taxes collected. The full rate for all Village operations for the year ended December 31, 2005, was \$1.94 per \$1,000.00 of assessed value. The assessed values of real and tangible personal property, upon which taxes for 2005 were collected, are as follows:

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 6 - PROPERTY TAXES - (Continued)

<u>Category</u>	<u>Assessed Value</u>
Real	\$ 512,801,100
Personal property	13,845,146
Public utility	<u>4,095,250</u>
 Total assessed valuation	 <u>\$ 530,741,496</u>

Accrued taxes receivable represent delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable and unpaid as of December 31, 2005. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2005 operations. Accordingly, the receivable is offset by a credit to "Deferred Revenue."

NOTE 7 - LOCAL INCOME TAX

The Village levies a municipal income tax of 2.0% on all salaries, wages, commissions and other compensation; on net profits earned within the Village; and on incomes of residents earned outside of the Village. In the latter case, the Village allows a credit of 100% for any income tax paid to another municipality to a maximum of the total amount assessed.

Employers within the Village are required to withhold income tax on employees' compensation and remit the tax to the Village either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax revenue has been reported as revenue in the general fund, economic opportunity major fund, and nonmajor capital projects funds to the extent that it was measurable and available to finance current operations at December 31. Income tax revenue for 2005 was \$15,910,715 on the modified accrual statements.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2005, consisted of taxes, accounts (billings for user charged services), accrued interest, and intergovernmental receivables arising from grants, entitlements, and shared revenue. All intergovernmental receivables have been classified as "Due From Other Governments" on the BFS. Receivables have been recorded to the extent that they are measurable at December 31, 2005, as well as intended to finance fiscal 2005 operations.

A summary of the principal items of receivables reported on the Statement of Net Assets follows:

Governmental Activities:

Income taxes	\$ 4,086,789
Real and other taxes	847,681
Accounts	5,236
Accrued interest	116,255
Due from other governments	<u>202,292</u>
Total	<u>\$ 5,258,253</u>

Receivables have been disaggregated on the face of the BFS. All receivables are expected to be collected within the subsequent year.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2005, was as follows:

	Balance			Balance
<u>Governmental Activities:</u>	<u>12/31/04</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/05</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 3,442,572	\$ 8,449,500	\$ -	\$ 11,892,072
Construction in progress	<u>816,651</u>	<u>3,866,172</u>	<u>(816,651)</u>	<u>3,866,172</u>
Total capital assets, not being depreciated	<u>4,259,223</u>	<u>12,315,672</u>	<u>(816,651)</u>	<u>15,758,244</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	2,832,146	-	-	2,832,146
Equipment	463,059	94,291	-	557,350
Vehicles	738,003	103,993	-	841,996
Infrastructure	<u>5,411,948</u>	<u>7,155,369</u>	<u>-</u>	<u>12,567,317</u>
Total capital assets, being depreciated	<u>9,445,156</u>	<u>7,353,653</u>	<u>-</u>	<u>16,798,809</u>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	(311,893)	(56,643)	-	(368,536)
Equipment	(243,102)	(65,159)	-	(308,261)
Vehicles	(435,785)	(122,514)	-	(558,299)
Infrastructure	<u>(195,161)</u>	<u>(554,525)</u>	<u>-</u>	<u>(749,686)</u>
Total accumulated depreciation	<u>(1,185,941)</u>	<u>(798,841)</u>	<u>-</u>	<u>(1,984,782)</u>
Total capital assets, being depreciated, net	<u>8,259,215</u>	<u>6,554,812</u>	<u>-</u>	<u>14,814,027</u>
Governmental activities capital assets, net	<u>\$ 12,518,438</u>	<u>\$ 18,870,484</u>	<u>\$ (816,651)</u>	<u>\$ 30,572,271</u>

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to functions/programs of the Village as follows:

Governmental activities:

General government	\$ 120,733
Security of persons and property	60,571
Transportation	<u>617,537</u>
Total depreciation expense - governmental activities	<u>\$ 798,841</u>

NOTE 10 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In the current year and in prior years, the Village entered into capital lease agreements for the acquisition of a street sweeper and for copier equipment.

The terms of the lease agreements provide an option to purchase the equipment. These leases meet the criteria of a capital lease as defined by Financial Accounting Standards Board (FASB) Statement No. 13 “Accounting for Leases” which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital lease payments have been reclassified and are reflected as debt service expenditures in the general fund in the fund financial statements. Capital assets, acquired by lease, have been capitalized in the amount of \$218,896, including \$148,500 on vehicles and \$70,396 in equipment. This amount is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2005:

<u>Year Ending</u> <u>December 31</u>	<u>Equipment</u>
2006	\$ 50,081
2007	50,082
2008	15,157
2009	<u>11,220</u>
Total minimum lease payments	126,540
Less: amount representing interest	<u>(12,190)</u>
Present value of future minimum lease payments	<u>\$ 114,350</u>

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 11 - OTHER EMPLOYEE BENEFITS - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn ten to twenty days of vacation per year, depending upon length of service and type of employment. Earned, unused vacation time is paid upon termination of employment. Employees earn sick leave at different rates depending upon length of service and type of employment. Sick leave accrual is continuous. Upon separation of employment, an employee can be paid 120 hours of sick leave and one third of the remaining hours of accumulated, unused sick leave. As of December 31, 2005, the liability for unpaid compensated absences was \$483,530 for the entire Village, which is reported as a fund liability and/or on the government-wide financial statements as applicable.

NOTE 12 - LONG-TERM OBLIGATIONS

- A. The maturity date, interest rate, and original issue amount for the Village's long-term obligations are as follows:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
General Obligation Bonds:			
Series 2003 Capital Improvement	2033	4.99%	\$ 13,460,000
Municipal Building	2018	variable	4,080,000
OPWC Loans:			
CT06G Thompson/Harlem Road	2019	0%	59,167
CT66G Intersection Improvements for SR161	2025	0%	338,006
CC12E US62/Dublin-Granville Intersection	2011	0%	204,968
OWDA Loans:			
2977 Bevelhymer/Cederbrook Waterlines	2015	6.72%	614,938
3189 Central College/Kitzmilller Waterlines	2020	5.77%	701,331
2163 Elevated Storage Tank	2020	6.13%	1,933,380

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

B. During fiscal year 2005, the following changes occurred in governmental activities long-term obligations:

	Balance		Restated			Balance	Amounts
	<u>12/31/04</u>	<u>Restatement</u>	<u>12/31/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/05</u>	<u>Due in</u>
							<u>One Year</u>
<u>Governmental Activities:</u>							
<u>General obligation bonds:</u>							
Series 2003							
Capital Improvement	\$ 13,215,000	\$ -	\$ 13,215,000	\$ -	\$ (250,000)	\$ 12,965,000	\$ 250,000
Municipal Building	3,190,000	-	3,190,000	-	(175,000)	3,015,000	175,000
Total - bonds	<u>16,405,000</u>	<u>-</u>	<u>16,405,000</u>	<u>-</u>	<u>(425,000)</u>	<u>15,980,000</u>	<u>425,000</u>
<u>OWDA Loans:</u>							
OWDA Loan 2977							
Bevelhymer/Cederbrook							
Waterlines	417,958	-	417,958	-	(28,702)	389,256	30,631
OWDA Loan 3189							
Central College/Kitzmilller							
Waterlines	607,975	-	607,975	-	(24,421)	583,554	25,942
OWDA Loan 2163							
Elevated Storage Tank	1,667,274	-	1,667,274	-	(68,969)	1,598,305	73,006
<u>OPWC Loans:</u>							
CTO6G							
Thompson/Harlem Rd.	-	-	-	59,167	-	59,167	-
CT66G							
Intersection Improvements							
for SR 161	-	317,881	317,881	20,125	(8,450)	329,556	16,900
CC12E							
US 62/Dublin-Granville Rd							
Intersection	-	204,968	204,968	-	(29,282)	175,686	29,282
Total loans	<u>2,693,207</u>	<u>522,849</u>	<u>3,216,056</u>	<u>79,292</u>	<u>(159,824)</u>	<u>3,135,524</u>	<u>175,761</u>
<u>Other long-term obligations:</u>							
Compensated absences	376,605	-	376,605	247,194	(140,269)	483,530	133,428
Capital lease obligation	106,004	-	106,004	49,017	(40,671)	114,350	43,748
Total other long-term obligations	<u>482,609</u>	<u>-</u>	<u>482,609</u>	<u>296,211</u>	<u>(180,940)</u>	<u>597,880</u>	<u>177,176</u>
Total governmental activities and long-term obligations	<u>\$ 19,580,816</u>	<u>\$ 522,849</u>	<u>\$ 20,103,665</u>	<u>\$ 375,503</u>	<u>\$ (765,764)</u>	<u>\$ 19,713,404</u>	<u>\$ 777,937</u>

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

Compensated absences reported in the “long-term liabilities” account will be paid from the fund from the general fund. Capital lease obligations will be paid from the general fund.

- B.** As of December 31, 2005, the Village’s overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$37,314,967. The following is a summary of the Village’s future annual debt service requirements to maturity for the general obligation bonds payable:

Year Ending December 31	Series 2003					
	Capital Improvement			Municipal Building		
	Principal	Interest	Total	Principal	Interest	Total
2006	\$ 250,000	\$ 610,372	\$ 860,372	\$ 175,000	\$ 134,125	\$ 309,125
2007	250,000	604,747	854,747	185,000	127,300	312,300
2008	260,000	597,872	857,872	200,000	119,993	319,993
2009	270,000	590,072	860,072	200,000	111,992	311,992
2010	280,000	581,298	861,298	210,000	103,792	313,792
2011-2015	1,585,000	2,733,182	4,318,182	1,190,000	373,293	1,563,293
2016-2020	1,970,000	2,336,712	4,306,712	855,000	82,650	937,650
2021-2025	2,525,000	1,785,000	4,310,000	-	-	-
2026-2030	3,230,000	1,086,250	4,316,250	-	-	-
2031-2033	2,345,000	238,250	2,583,250	-	-	-
Total	\$ 12,965,000	\$ 11,163,755	\$ 24,128,755	\$ 3,015,000	\$ 1,053,145	\$ 4,068,145

- C.** The following is a summary of the Village’s future annual debt service requirements to maturity for the OWDA and OPWC Loans payable:

Year Ending December 31	OWDA Loan #2977			OWDA Loan #3189			OWDA Loan #2163		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2006	\$ 30,631	\$ 26,158	\$ 56,789	\$ 25,941	\$ 35,380	\$ 61,321	\$ 73,006	\$ 91,184	\$ 164,190
2007	32,689	24,100	56,789	27,556	33,766	61,322	77,279	86,911	164,190
2008	34,886	21,903	56,789	29,271	32,051	61,322	81,802	82,388	164,190
2009	37,230	19,559	56,789	31,093	30,229	61,322	86,590	77,600	164,190
2010	39,732	17,056	56,788	33,028	28,294	61,322	91,658	72,531	164,189
2011-2015	214,088	41,460	255,548	198,657	107,950	306,607	545,329	275,618	820,947
2016-2020	-	-	-	238,008	37,942	275,950	642,641	96,213	738,854
Total	\$ 389,256	\$ 150,236	\$ 539,492	\$ 583,554	\$ 305,612	\$ 889,166	\$ 1,598,305	\$ 782,445	\$ 2,380,750

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31	OPWC Loan #CT06G			OPWC Loan #CT66G			OPWC Loan #CC12E		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2006	\$ -	\$ -	\$ -	\$ 16,900	\$ -	\$ 16,900	\$ 29,281	\$ -	\$ 29,281
2007	4,900	-	4,900	16,900	-	16,900	29,281	-	29,281
2008	4,900	-	4,900	16,901	-	16,901	29,281	-	29,281
2009	4,900	-	4,900	16,900	-	16,900	29,281	-	29,281
2010	4,900	-	4,900	16,900	-	16,900	29,281	-	29,281
2011-2015	24,500	-	24,500	84,502	-	84,502	29,281	-	29,281
2016-2020	15,067	-	15,067	84,502	-	84,502	-	-	-
2021-2025	-	-	-	76,051	-	76,051	-	-	-
Total	<u>\$59,167</u>	<u>\$ -</u>	<u>\$59,167</u>	<u>\$ 329,556</u>	<u>\$ -</u>	<u>\$ 329,556</u>	<u>\$ 175,686</u>	<u>\$ -</u>	<u>\$ 175,686</u>

NOTE 13 - NOTES PAYABLE

On December 14, 2005, the Village issued \$8,236,000 in capital facilities notes to provide resources for the construction, furnishing and equipping of a performing arts center. A summary of the note transactions for the year ended December 31, 2005, follows:

	Outstanding 12/31/2004	Issued	Retired	Outstanding 12/31/2005
Governmental Activities:				
Capital Facilities				
Note - 3.00%	\$ 8,000,000	\$ -	\$ (8,000,000)	\$ -
Capital Facilities				
Note - 4.25%	-	8,236,000	-	8,236,000
Total on Statement of Net Assets	<u>\$ 8,000,000</u>	<u>\$ 8,236,000</u>	<u>\$ (8,000,000)</u>	<u>\$ 8,236,000</u>

The notes are backed by the full faith and credit of the Village of New Albany and mature on December 14, 2006.

NOTE 14 - RISK MANAGEMENT

A. Risk Pool Membership

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 500 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 14 - RISK MANAGEMENT - (Continued)

The Plan issues its own policies and reinsures with A- VII or better rated carriers, except for a 5% portion the Plan retains. With policies effective September 1, 2003 and after, the Plan pays the lesser of 5% or \$25,000 for casualty losses up to the coverage limit and the lesser of 5% or \$50,000 for property losses up to the coverage limit. The individual members are only responsible for their self-retention (deductible) amounts, which vary from Member to Member.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2005 (the latest information available):

	<u>2005</u>
Assets	\$ 8,219,430
Liabilities	<u>(2,748,639)</u>
Members' Equity	<u>\$ 5,470,791</u>

B. Health, Dental, Vision and Life Insurance

Employees are covered for private medical coverage. Payments are made to the carrier by the Village on behalf of the employees. The current carrier is United Health Care. The family and single rate is gender and age sensitive and different for each employee. Dental benefits, vision benefits, and life insurance are also provided. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

C. Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation system a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

NOTE 15 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

The Village participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to established and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705.

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5% of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1% of their annual covered salary; members in public safety contributed 9%. The Village's contribution rate for pension benefits for 2004 was 13.55%, except for those plan members in law enforcement or public safety. For those classifications, the Village's pension contributions were 12.7% of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$238,801, \$197,992, and \$165,392, respectively; 75.33% has been contributed for 2005 and 100% has been contributed for 2004 and 2003. The Village and plan members did not make any contributions to the member-directed plan for 2005.

B. Ohio Police and Fire Pension Fund

The Village contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0% of their annual covered salary to fund pension obligations while the Village is required to contribute 11.75% for police officers. Contributions are authorized by State statute. The Village's contributions to the fund for the police were \$171,469 for the fiscal year ended December 31, 2005, and \$149,065 and \$139,280 for the years ended December 31, 2004 and December 31, 2003, respectively. The full amount has been contributed for 2004 and 2003. 76.28% for police has been contributed for 2005 with the remainder being reported as a liability.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 16 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55% of covered payroll (16.70% for public safety and law enforcement); 4.00% of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8.00%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.3% based on additional annual pay increases. Health care premiums were assumed to increase 1.00% and 6.00% annually for the next eight years and 4.00% annually after nine years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 376,109 as of December 31, 2005. Actual employer contributions for 2005 which were used to fund postemployment benefits were \$70,495. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004 (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 16 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll, of which 7.75% of covered payroll was applied to the postemployment health care program during 2004. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The Village's actual contributions for 2005 that were used to fund postemployment benefits was \$68,073 for police. The OP&F's total health care expense for the year ended December 31, 2004 (the latest information available) was \$102,173,796, which was net of member contributions of \$55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004 (the latest information available), was 13,812 for police and \$10,528 for firefighters.

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING

While the Village is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues and other financing sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses and other financing uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

Net Change in Fund Balance

	<u>General</u>	Economic Opportunity <u>Fund</u>
Budget basis	\$ (388,179)	\$ -
Net adjustment for revenue accruals	55,706	82,768
Net adjustment for expenditure accruals	(59,135)	(82,768)
Net adjustment for other sources/uses	49,017	-
Adjustment for encumbrances	<u>321,391</u>	<u>-</u>
GAAP basis	<u>\$ (21,200)</u>	<u>\$ -</u>

NOTE 18 - PLEDGED REVENUES

A. Allocation of Pledged Revenues

On July 2, 1996, the Village adopted Resolution 13-96 establishing the New Albany Economic Opportunity Zone. Income tax revenue received by the Village each year from this zone is applied as follows: (1) administrative costs of the Regional Income Tax Agency (RITA); (2) thirty percent of the balance to be deposited with the New Albany Community Authority (the "Authority"); and (3) the remaining balance to be deposited with the New Albany – Plain Local School District (the "School District").

On July 7, 1998, the Village adopted Resolution R-30-98 expanding the New Albany EOZ. Income tax revenue received by the Village each year from this expanded EOZ are applied as follows: (1) administrative costs of the Regional Income Tax Agency (RITA); (2) thirty percent of the balance to be deposited with the Authority; and (3) the remaining balance to be deposited with the School District.

On March 2, 1999, the Village adopted Resolution R-17-99 establishing the Blacklick EOZ. Within the Blacklick EOZ, the Village established Phase I and Phase II subaccounts. Income tax revenue received by the Village each year from the Phase I of the Blacklick EOZ is applied as follows: (1) administrative costs of the Regional Income Tax Agency (RITA); (2) fifty percent of the balance to be deposited with the Authority; (3) an amount to the Plain Township Fire Department, in each of years 2001 through 2005, as is mutually agreeable to the Village and the Plain Township Fire Department, and (4) the remaining balance to be deposited with the School District to the extent of real property tax payments which the School District would have received had the Village not issue the tax exemption. Income tax revenue received by the Village each year from Phase II of the Blacklick EOZ is applied as follows: (1) administrative costs of the Regional Income Tax Agency (RITA); (2) thirty percent of the balance to be deposited with the Authority; and (3) thirty-five percent to be deposited with the School District to the extent of real property tax payments which the School District would have received had the Village not issued the tax exemption.

B. New Albany Community Authority

The income tax revenue pledged to the Authority is used for the repayment of Multi-purpose Infrastructure Improvement Bonds, Series C (the "bonds"). These bonds were used for public infrastructure construction and improvements in the EOZ's.

VILLAGE OF NEW ALBANY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

NOTE 18 - PLEDGED REVENUES - (Continued)

In January 2004, the Authority refunded the Multi-purpose Infrastructure Improvement Bonds, Series B, using the proceeds of the Series C Bonds. The bonds have a variable interest rate, currently determined weekly, not to exceed 12%. Interest rates averaged 2.40% for 2005. The final stated maturity date is February 1, 2025. The amount of principal outstanding on the bonds at December 31, 2005 was \$15,100,000.

The Village has agreed to pledge these income tax revenues to the Authority for so long as any Authority Bonds are issued and outstanding. The Authority agrees to pledge such revenues to pay the principal of and interest and redemption premium on the Authority Bonds and any other costs, including, but not limited to, administrative, credit enhancement, trustee or other costs, related to the issuance of those Authority Bonds or the periodic payment of principal of and interest and redemption premiums on those Authority Bonds.

During fiscal year 2005, the total amount of pledged revenues paid to the Authority was \$4,746,827, or 30.43% of total income tax receipts, and principal and interest payments on bonds were \$1,000,000 and \$380,862, respectively.

C. New Albany - Plain Local School District

The income tax revenue pledged to the School District is used to pay the cost associated with construction administrative facilities and for the mutual use of the Village and the School District, for the purchase and improvement of land that is mutually beneficial to the Village and the School District, and for any other purposes that are mutually beneficial to the Village and the School District.

School District agreements are to stay in effect until the real property tax exemptions granted for individual projects expire or until terminated by mutual agreement of the parties. During fiscal year 2005, the total amount of pledged revenues paid to the School District was \$3,258,593, or \$20.89% of total income tax receipts.

NOTE 19 - CONTINGENCIES

A. Grants

The Village receives significant financial assistance from numerous federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Village at December 31, 2005.

B. Litigation

The Village is currently not involved in litigation that the Village's legal counsel anticipates a loss.

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Income taxes	\$ 7,752,320	\$ 6,691,118	\$ (1,061,202)
Property and other taxes	771,284	771,284	-
Charges for services	540,000	532,513	(7,487)
Licenses and permits	478,500	470,216	(8,284)
Fines and forfeitures	101,625	98,032	(3,593)
Intergovernmental	434,771	434,771	-
Investment income	298,000	296,794	(1,206)
Other	40,000	35,232	(4,768)
Total revenues	<u>10,416,500</u>	<u>9,329,960</u>	<u>(1,086,540)</u>
Expenditures:			
Current:			
General government:			
Village administrator			
Personal services	353,112	331,513	21,599
Travel/transportation	10,200	754	9,446
Contractual services	44,733	99,248	(54,515)
Materials and supplies.	91,420	53,761	37,659
Total village administrator.	<u>499,465</u>	<u>485,276</u>	<u>14,189</u>
Finance department			
Personal services	235,377	221,070	14,307
Travel/transportation	1,000	875	125
Contractual services	24,702	23,985	717
Materials and supplies.	20,950	10,768	10,182
Total finance department.	<u>282,029</u>	<u>256,698</u>	<u>25,331</u>
Village council			
Personal services	156,356	142,336	14,020
Travel/transportation	1,000	359	641
Contractual services	65,500	30,478	35,022
Materials and supplies.	60,300	40,499	19,801
Total village council.	<u>283,156</u>	<u>213,672</u>	<u>69,484</u>
Mayor's court			
Personal services	132,604	154,767	(22,163)
Travel/transportation	1,000	244	756
Contractual services	74,360	14,954	59,406
Materials and supplies.	20,048	6,436	13,612
Total mayor's court.	<u>228,012</u>	<u>176,401</u>	<u>51,611</u>
Village engineer			
Contractual services	305,000	772,363	(467,363)
Total village engineer.	<u>305,000</u>	<u>772,363</u>	<u>(467,363)</u>
Village attorney			
Contractual services	195,575	224,492	(28,917)
Total village attorney.	<u>195,575</u>	<u>224,492</u>	<u>(28,917)</u>

Continued

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Village planner			
Contractual services	107,701	107,701	-
Total village planner.	<u>107,701</u>	<u>107,701</u>	<u>-</u>
Lands and buildings			
Contractual services	-	19,865	(19,865)
Materials and supplies.	320,630	240,881	79,749
Total lands and buildings.	<u>320,630</u>	<u>260,746</u>	<u>59,884</u>
Other charges			
Contractual services	309,089	321,400	(12,311)
Total other charges.	<u>309,089</u>	<u>321,400</u>	<u>(12,311)</u>
Total general government.	<u>2,530,657</u>	<u>2,818,749</u>	<u>(288,092)</u>
Security of persons and property:			
Police			
Personal services	1,708,265	1,767,465	(59,200)
Travel/transportation	30,000	899	29,101
Contractual services	56,232	65,361	(9,129)
Materials and supplies.	155,675	133,207	22,468
Total police.	<u>1,950,172</u>	<u>1,966,932</u>	<u>(16,760)</u>
Land and buildings			
Contractual services	-	50,413	(50,413)
Total land and buildings.	<u>-</u>	<u>50,413</u>	<u>(50,413)</u>
Total security of persons and property .	<u>1,950,172</u>	<u>2,017,345</u>	<u>(67,173)</u>
Public health and welfare:			
Other charges			
Contractual services	78,053	78,053	-
Total other charges.	<u>78,053</u>	<u>78,053</u>	<u>-</u>
Total public health and welfare	<u>78,053</u>	<u>78,053</u>	<u>-</u>
Transportation			
Public services			
Personal services	845,995	696,563	149,432
Travel/transportation	2,000	200	1,800
Contractual services	55,275	116,176	(60,901)
Materials and supplies.	320,568	198,488	122,080
Total public services	<u>1,223,838</u>	<u>1,011,427</u>	<u>212,411</u>
Total transportation	<u>1,223,838</u>	<u>1,011,427</u>	<u>212,411</u>

Continued

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Community environment:			
Community development			
Personal services	\$ 558,935	\$ 527,664	\$ 31,271
Travel/transportation	5,000	853	4,147
Contractual services	108,384	131,285	(22,901)
Materials and supplies.	66,105	26,292	39,813
Total community development	<u>738,424</u>	<u>686,094</u>	<u>52,330</u>
Total community environment	<u>738,424</u>	<u>686,094</u>	<u>52,330</u>
Capital outlay			
General government.	4,169	6,779	(2,610)
Security of persons and property	38,672	62,791	(24,119)
Transportation	126,080	176,562	(50,482)
Total capital outlay.	<u>168,921</u>	<u>246,132</u>	<u>(77,211)</u>
Total capital outlay	<u>168,921</u>	<u>246,132</u>	<u>(77,211)</u>
Debt service:			
Principal retirement.	440,000	425,000	15,000
Interest and fiscal charges	715,275	727,339	(12,064)
Total debt service	<u>1,155,275</u>	<u>1,152,339</u>	<u>2,936</u>
Total expenditures	<u>7,845,340</u>	<u>8,010,139</u>	<u>(164,799)</u>
Excess of revenues over expenditures.	<u>2,571,160</u>	<u>1,319,821</u>	<u>(1,251,339)</u>
Other financing uses:			
Transfers out	<u>(1,700,000)</u>	<u>(1,708,000)</u>	<u>(8,000)</u>
Total other financing uses	<u>(1,700,000)</u>	<u>(1,708,000)</u>	<u>(8,000)</u>
Net change in fund balance.	871,160	(388,179)	(1,259,339)
Fund balance at beginning of year (restated).	<u>5,017,728</u>	<u>5,017,728</u>	<u>-</u>
Prior year encumbrances appropriated	<u>146,403</u>	<u>146,403</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,035,291</u>	<u>\$ 4,775,952</u>	<u>\$ (1,259,339)</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ECONOMIC OPPORTUNITY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Income tax.	\$ 8,439,585	\$ 8,005,420	\$ (434,165)
Total revenues.	<u>8,439,585</u>	<u>8,005,420</u>	<u>(434,165)</u>
Expenditures:			
Economic Development			
Contractual services	-	8,005,420	(8,005,420)
Total expenditures	<u>-</u>	<u>8,005,420</u>	<u>(8,005,420)</u>
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 8,439,585</u>	<u>\$ -</u>	<u>\$ (8,439,585)</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BOND IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment income	\$ 135,000	\$ 265,806	\$ 130,806
Total revenues.	<u>135,000</u>	<u>265,806</u>	<u>130,806</u>
Expenditures:			
Contactual services.	-	8,689	(8,689)
Capital outlay	11,341,000	10,541,418	799,582
Debt service			
Principal retirement.	8,000,000	8,000,000	-
Interest and fiscal charges.	-	235,333	(235,333)
Total expenditures.	<u>19,341,000</u>	<u>18,785,440</u>	<u>555,560</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(19,206,000)</u>	<u>(18,519,634)</u>	<u>686,366</u>
Other financing sources:			
Premium on notes	16,289	87,466	71,177
Note issuance	8,000,000	8,236,000	236,000
Total other financing sources.	<u>8,016,289</u>	<u>8,323,466</u>	<u>307,177</u>
Net change in fund balance.	(11,189,711)	(10,196,168)	993,543
Fund balance at beginning of year	15,765,904	15,765,904	-
Prior year encumbrances appropriated	<u>2,742,000</u>	<u>2,742,000</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 7,318,193</u>	<u>\$ 8,311,736</u>	<u>\$ 993,543</u>

VILLAGE OF NEW ALBANY, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

The special revenue funds are used to account for all specific financial resources (other than major capital projects) that are legally restricted for specified expenditure purposes. The following are the special revenue funds which the Village operates:

Street Fund

The street fund is required by the Ohio Revised Code to account for the portion of the State gasoline and motor vehicle registration fees designated for the maintenance of the streets within the Village.

Blacklick TIF Fund

To account for the revenues and expenditures collected and disbursed related to the Blacklick Tax Incremental Financing agreement.

Mayor's Court Computer Fund

To account for revenues collected by the courts to be used for computer maintenance of the courts.

Alcohol Education Fund

To account for revenues generated from fines to be used for alcohol related educational programs.

Law Enforcement and Education Fund

To account for grant monies received from DUI arrests to be used for enforcement and education and for DUI housing reimbursements pursuant to Ohio Revised Code Section 4511.191.

COPS More Grant Fund

To account for United States Department of Justice monies received and personnel expenses related to the COPS Universal Hiring Program grant.

Federal Emergency Management Agency Fund

To account for the federal portion of grant monies received from the Federal Emergency Management Agency through the State of Ohio Emergency Management Agency Public Assistance Disaster Recovery Grant Program.

Safety Town Fund

To account for revenues generated from charges for services and donations collected for expenses related to the Safety Town traffic safety program for children.

July 4th Parade Fund

To account for donations and transfers restricted for the Village's 4th of July parade.

Alcohol Indigent Fund

To account for revenues generated from fines imposed by the Mayor's Court for DUI arrests to be used for DUI enforcement training for police officers and other traffic safety programs.

VILLAGE OF NEW ALBANY, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Capital Projects Funds

The capital project funds are used to account for the acquisition and construction of major capital facilities. The following is a description of all capital project funds:

Capital Improvement Fund

To account for property and municipal income tax transfers for various capital improvement expenditures within the Village.

Issue II Improvement Fund

To account for projects funded by Issue II monies.

Park Improvement Fund

To account for income tax revenue and other revenues for the improvement of the Village's parks and recreation areas.

Water & Sanitary Sewer Improvement Fund

To account for revenues used for the improvement of water and storm sewer lines within the Village.

605/161 Issue II Fund

To account for Issue II monies used for the improvement of the intersection of Interstate 161 and Route 605

Harlem / Thompson Issue II Fund

To account for Issue II monies used for the improvement of the intersection of Route 62, Harlem Rd, and Thompson Rd.

Capital Asset Fund

To account for infrastructure improvements including road improvements and paving.

VILLAGE OF NEW ALBANY, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 431,481	\$ 3,796,077	\$ 4,227,558
Receivables (net of allowances of uncollectibles):			
Income taxes	-	255,867	255,867
Due from other governments.	112,148	-	112,148
Total assets	<u>\$ 543,629</u>	<u>\$ 4,051,944</u>	<u>\$ 4,595,573</u>
Liabilities:			
Accounts payable	\$ 13,022	\$ 15,261	\$ 28,283
Contracts payable	-	33,177	33,177
Retainage payable	-	81,439	81,439
Deferred revenue.	69,547	140,573	210,120
Total liabilities	<u>82,569</u>	<u>270,450</u>	<u>353,019</u>
Fund Balances:			
Fund balances:			
Reserved for encumbrances	206,478	246,848	453,326
Unreserved, undesignated, reported in:			
Special revenue funds	254,582	-	254,582
Capital projects funds	-	3,534,646	3,534,646
Total fund balances	<u>461,060</u>	<u>3,781,494</u>	<u>4,242,554</u>
Total liabilities and fund equity	<u>\$ 543,629</u>	<u>\$ 4,051,944</u>	<u>\$ 4,595,573</u>

VILLAGE OF NEW ALBANY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Municipal income taxes	\$ -	\$ 964,133	\$ 964,133
Charges for services	12,370	38,144	50,514
Licenses and permits	-	597,094	597,094
Fines and forfeitures	6,977	-	6,977
Intergovernmental	288,617	1,117,000	1,405,617
Payment in lieu of taxes	15,876	-	15,876
Investment income	7,376	-	7,376
Donations	19,163	-	19,163
Other	-	701,000	701,000
	<u>350,379</u>	<u>3,417,371</u>	<u>3,767,750</u>
Expenditures:			
Current:			
General government:			
Security of persons and property	35,743	-	35,743
Transportation	20,514	-	20,514
Leisure time activity	203,276	-	203,276
Capital outlay	14,127	-	14,127
Debt service:			
Principal retirement	-	3,197,481	3,197,481
Interest and fiscal charges	-	159,824	159,824
	<u>273,660</u>	<u>3,517,513</u>	<u>3,791,173</u>
Excess (deficiency) of revenues over (under) expenditures	<u>76,719</u>	<u>(100,142)</u>	<u>(23,423)</u>
Other financing sources:			
OPWC loans	-	79,292	79,292
Transfers in	8,000	1,700,000	1,708,000
Total other financing sources	<u>8,000</u>	<u>1,779,292</u>	<u>1,787,292</u>
Net change in fund balances	84,719	1,679,150	1,763,869
Fund balances at beginning of year	<u>376,341</u>	<u>2,102,344</u>	<u>2,478,685</u>
Fund balances at end of year	<u>\$ 461,060</u>	<u>\$ 3,781,494</u>	<u>\$ 4,242,554</u>

VILLAGE OF NEW ALBANY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2005

	Street Fund	Blacklick TIF Fund	Mayor's Court Computer Fund	Alcohol Education Fund
Assets:				
Equity in pooled cash and cash equivalents.	\$ 310,216	\$ 300	\$ 15,688	\$ 4,200
Due from other governments	112,148	-	-	-
Total assets	\$ 422,364	\$ 300	\$ 15,688	\$ 4,200
Liabilities:				
Accounts payable	\$ 13,022	\$ -	\$ -	\$ -
Deferred revenue.	69,547	-	-	-
Total liabilities	82,569	-	-	-
Fund Balances:				
Reserved for encumbrances	206,478	-	-	-
Unreserved:				
Undesignated.	133,317	300	15,688	4,200
Total fund balances	339,795	300	15,688	4,200
Total liabilities and fund equity.	\$ 422,364	\$ 300	\$ 15,688	\$ 4,200

<u>Law Enforcement & Education Fund</u>	<u>COPS More Grant Fund</u>	<u>Safety Town Fund</u>	<u>July 4th Parade Fund</u>	<u>Alcohol Indigent Fund</u>	<u>Totals</u>
\$ 2,125	\$ 68,399	\$ 22,600	\$ 7,278	\$ 675	\$ 431,481
-	-	-	-	-	112,148
<u>\$ 2,125</u>	<u>\$ 68,399</u>	<u>\$ 22,600</u>	<u>\$ 7,278</u>	<u>\$ 675</u>	<u>\$ 543,629</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,022
-	-	-	-	-	69,547
-	-	-	-	-	82,569
-	-	-	-	-	206,478
2,125	68,399	22,600	7,278	675	254,582
<u>2,125</u>	<u>68,399</u>	<u>22,600</u>	<u>7,278</u>	<u>675</u>	<u>461,060</u>
<u>\$ 2,125</u>	<u>\$ 68,399</u>	<u>\$ 22,600</u>	<u>\$ 7,278</u>	<u>\$ 675</u>	<u>\$ 543,629</u>

VILLAGE OF NEW ALBANY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Street Fund</u>	<u>Blacklick TIF</u>	<u>Mayor's Court Computer Fund</u>	<u>Alcohol Education Fund</u>
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	4,165	1,940
Intergovernmental	260,642	1,764	-	-
Investment income	7,376	-	-	-
Payment in lieu of taxes	-	15,876	-	-
Donations	-	-	-	-
Total revenues	<u>268,018</u>	<u>17,640</u>	<u>4,165</u>	<u>1,940</u>
Expenditures:				
Current:				
General government	-	29,289	6,454	-
Security of persons and property	-	-	-	250
Transportation	177,065	-	-	-
Leisure time activity	-	-	-	-
Total expenditures	<u>177,065</u>	<u>29,289</u>	<u>6,454</u>	<u>250</u>
Excess (deficiency) of revenues over (under) expenditures	<u>90,953</u>	<u>(11,649)</u>	<u>(2,289)</u>	<u>1,690</u>
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	90,953	(11,649)	(2,289)	1,690
Fund balances at beginning of year	<u>248,842</u>	<u>11,949</u>	<u>17,977</u>	<u>2,510</u>
Fund balances at end of year	<u>\$ 339,795</u>	<u>\$ 300</u>	<u>\$ 15,688</u>	<u>\$ 4,200</u>

<u>Law Enforcement & Education Fund</u>	<u>COPS More Grant</u>	<u>FEMA Grant Fund</u>	<u>Safety Town Fund</u>	<u>July 4th Parade Fund</u>	<u>Alcohol Indigent Fund</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ 12,370	\$ -	\$ -	\$ 12,370
872	-	-	-	-	-	6,977
-	-	26,211	-	-	-	288,617
-	-	-	-	-	-	7,376
-	-	-	-	-	-	15,876
-	-	-	6,427	12,736	-	19,163
<u>872</u>	<u>-</u>	<u>26,211</u>	<u>18,797</u>	<u>12,736</u>	<u>-</u>	<u>350,379</u>
-	-	-	-	-	-	35,743
-	-	-	20,264	-	-	20,514
-	-	26,211	-	-	-	203,276
-	-	-	-	14,127	-	14,127
<u>-</u>	<u>-</u>	<u>26,211</u>	<u>20,264</u>	<u>14,127</u>	<u>-</u>	<u>273,660</u>
<u>872</u>	<u>-</u>	<u>-</u>	<u>(1,467)</u>	<u>(1,391)</u>	<u>-</u>	<u>76,719</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
<u>872</u>	<u>-</u>	<u>-</u>	<u>(1,467)</u>	<u>6,609</u>	<u>-</u>	<u>84,719</u>
<u>1,253</u>	<u>68,399</u>	<u>-</u>	<u>24,067</u>	<u>669</u>	<u>675</u>	<u>376,341</u>
<u>\$ 2,125</u>	<u>\$ 68,399</u>	<u>\$ -</u>	<u>\$ 22,600</u>	<u>\$ 7,278</u>	<u>\$ 675</u>	<u>\$ 461,060</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

STREET FUND

FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 296,787	\$ 264,568	\$ (32,219)
Investment income.	5,000	7,376	2,376
Total revenues.	<u>301,787</u>	<u>271,944</u>	<u>(29,843)</u>
Expenditures:			
Transportation			
Contractual services	10,000	304,535	(294,535)
Materials and supplies.	125,354	109,597	15,757
Capital outlay	351,078	-	351,078
Total expenditures	<u>486,432</u>	<u>414,132</u>	<u>72,300</u>
Net change in fund balance.	(184,645)	(142,188)	42,457
Fund balance at beginning of year	171,472	171,472	-
Prior year encumbrances appropriated . .	<u>61,432</u>	<u>61,432</u>	-
Fund balance at end of year.	<u>\$ 48,259</u>	<u>\$ 90,716</u>	<u>\$ 42,457</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BLACKLICK TIF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,764	\$ 1,764	\$ -
Payment in lieu of taxes.	15,876	15,876	-
Total revenues.	17,640	17,640	-
Expenditures:			
Debt service			
Interest and fiscal charges.	156,363	29,289	127,074
Total expenditures	156,363	29,289	127,074
Excess (deficiency) of revenues over (under) expenditures	(138,723)	(11,649)	127,074
Net change in fund balance.	(138,723)	(11,649)	127,074
Fund balance at beginning of year	11,949	11,949	-
Fund balance at end of year.	\$ (126,774)	\$ 300	\$ 127,074

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MAYOR'S COURT COMPUTER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 4,000	\$ 4,165	\$ 165
Total revenues	<u>4,000</u>	<u>4,165</u>	<u>165</u>
Expenditures:			
General government			
Materials and supplies.	9,900	6,454	3,446
Total expenditures	<u>9,900</u>	<u>6,454</u>	<u>3,446</u>
Net change in fund balance.	(5,900)	(2,289)	3,611
Fund balance at beginning of year	<u>17,977</u>	<u>17,977</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 12,077</u>	<u>\$ 15,688</u>	<u>\$ 3,611</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

ALCOHOL EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 1,490	\$ 1,940	\$ 450
Total revenues	<u>1,490</u>	<u>1,940</u>	<u>450</u>
Expenditures:			
Security of persons and property Materials and supplies.	<u>250</u>	<u>250</u>	<u>-</u>
Total expenditures	<u>250</u>	<u>250</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,240</u>	<u>1,690</u>	<u>450</u>
Net change in fund balance.	1,240	1,690	450
Fund balance at beginning of year	<u>2,510</u>	<u>2,510</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 3,750</u>	<u>\$ 4,200</u>	<u>\$ 450</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT & EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 872	\$ 872	\$ -
Total revenues	<u>872</u>	<u>872</u>	<u>-</u>
Expenditures:			
Security of persons and property			
Capital outlay	1,300	-	1,300
Total expenditures	<u>1,300</u>	<u>-</u>	<u>1,300</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(428)</u>	<u>872</u>	<u>1,300</u>
Net change in fund balance.	(428)	872	1,300
Fund balance at beginning of year	<u>1,253</u>	<u>1,253</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 825</u>	<u>\$ 2,125</u>	<u>\$ 1,300</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

COPS MORE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund balance at beginning of year	\$ 68,399	\$ 68,399	\$ -
Fund balance at end of year.	<u>\$ 68,399</u>	<u>\$ 68,399</u>	<u>\$ -</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEMA GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 26,211	\$ 26,211	\$ -
Total revenues	<u>26,211</u>	<u>26,211</u>	<u>-</u>
Expenditures:			
Transportation			
Personal services	-	14,920	(14,920)
Materials and supplies	-	11,291	(11,291)
Total expenditures	<u>-</u>	<u>26,211</u>	<u>(26,211)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>26,211</u>	<u>-</u>	<u>(26,211)</u>
Net change in fund balance	26,211	-	(26,211)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 26,211</u>	<u>\$ -</u>	<u>\$ (26,211)</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SAFETY TOWN FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for services	\$ 12,295	\$ 12,370	\$ 75
Other	6,427	6,427	-
Total revenues	<u>18,722</u>	<u>18,797</u>	<u>75</u>
Expenditures:			
Security of persons and property			
Materials and supplies	30,000	20,264	9,736
Total expenditures	<u>30,000</u>	<u>20,264</u>	<u>9,736</u>
Net change in fund balance	(11,278)	(1,467)	9,811
Fund balance at beginning of year	<u>24,067</u>	<u>24,067</u>	<u>-</u>
Fund balance at end of year	<u>\$ 12,789</u>	<u>\$ 22,600</u>	<u>\$ 9,811</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

JULY 4TH PARADE FUND

FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$ 11,736	\$ 12,736	\$ 1,000
Total revenues.	11,736	12,736	1,000
Expenditures:			
Leisure time activity			
Materials and supplies.	5,000	14,127	(9,127)
Total expenditures	5,000	14,127	(9,127)
Excess (deficiency) of revenues over (under) expenditures.	6,736	(1,391)	(8,127)
Other financing sources:			
Transfers in.	8,000	8,000	-
Total other financing sources.	8,000	8,000	-
Net change in fund balance.	14,736	6,609	(8,127)
Fund balance at beginning of year	669	669	-
Fund balance at end of year.	\$ 15,405	\$ 7,278	\$ (8,127)

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALCOHOL INDIGENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund balance at beginning of year	\$ 675	\$ 675	\$ -
Fund balance at end of year.	<u>\$ 675</u>	<u>\$ 675</u>	<u>\$ -</u>

VILLAGE OF NEW ALBANY, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2005

	<u>Capital Improvement Fund</u>	<u>Issue II Improvement Fund</u>	<u>Park Improvement Fund</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 576,716	\$ 312,606	\$ 379,230
Receivables (net of allowances of uncollectibles):			
Income taxes.	<u>220,116</u>	<u>-</u>	<u>35,751</u>
Total assets.	<u>\$ 796,832</u>	<u>\$ 312,606</u>	<u>\$ 414,981</u>
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Contracts payable	-	-	-
Retainage payable	-	-	-
Deferred revenue.	<u>125,694</u>	<u>-</u>	<u>14,879</u>
Total liabilities	<u>125,694</u>	<u>-</u>	<u>14,879</u>
Fund Balances:			
Reserved for encumbrances.	201,848	-	45,000
Unreserved, undesignated (deficit), reported in:			
Capital projects funds	<u>469,290</u>	<u>312,606</u>	<u>355,102</u>
Total fund balances (deficit)	<u>671,138</u>	<u>312,606</u>	<u>400,102</u>
Total liabilities and fund equity.	<u>\$ 796,832</u>	<u>\$ 312,606</u>	<u>\$ 414,981</u>

<u>Water & Sanitary Sewer Improvement Fund</u>	<u>605/161 Issue II Fund</u>	<u>Harlem/Thompson Issue II Fund</u>	<u>Capital Asset Fund</u>	<u>Total</u>
\$ 1,287,321	\$ 49,844	\$ 190,360	\$ 1,000,000	\$ 3,796,077
-	-	-	-	255,867
<u>\$ 1,287,321</u>	<u>\$ 49,844</u>	<u>\$ 190,360</u>	<u>\$ 1,000,000</u>	<u>\$ 4,051,944</u>
\$ -	\$ -	\$ 15,261	\$ -	\$ 15,261
-	33,177	-	-	33,177
-	75,881	5,558	-	81,439
-	-	-	-	140,573
-	109,058	20,819	-	270,450
-	-	-	-	246,848
1,287,321	(59,214)	169,541	1,000,000	3,534,646
<u>1,287,321</u>	<u>(59,214)</u>	<u>169,541</u>	<u>1,000,000</u>	<u>3,781,494</u>
<u>\$ 1,287,321</u>	<u>\$ 49,844</u>	<u>\$ 190,360</u>	<u>\$ 1,000,000</u>	<u>\$ 4,051,944</u>

VILLAGE OF NEW ALBANY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Capital Improvement Fund	Issue II Improvement Fund	Park Improvement Fund
Revenues:			
Income tax	\$ 773,787	\$ -	\$ 190,346
Charges for services	-	-	-
Licenses and permits	64,980	-	104,068
Intergovernmental	300,000	-	-
Other	79,000	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	1,217,767	-	294,414
Expenditures:			
Capital outlay	1,076,676	-	35,364
Debt service:			
Principal retirement	37,732	-	-
Interest and fiscal charges.	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	1,114,408	-	35,364
Excess (deficiency) of revenues over (under) expenditures.	<hr/> 103,359	<hr/> -	<hr/> 259,050
Other financing sources:			
OPWC loans.	-	-	-
Transfers in	350,000	-	-
Total other financing sources.	<hr/> 350,000	<hr/> -	<hr/> -
Net change in fund balances	453,359	-	259,050
Fund balances at beginning of year.	<hr/> 217,779	<hr/> 312,606	<hr/> 141,052
Fund balances (deficit) at end of year	<hr/> <u>\$ 671,138</u>	<hr/> <u>\$ 312,606</u>	<hr/> <u>\$ 400,102</u>

Water & Sanitary Sewer Improvement Fund	605/161 Issue II Fund	Harlem/Thompson Issue II Fund	Capital Asset Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 964,133
-	-	38,144	-	38,144
428,046	-	-	-	597,094
-	-	817,000	-	1,117,000
-	-	622,000	-	701,000
<u>428,046</u>	<u>-</u>	<u>1,477,144</u>	<u>-</u>	<u>3,417,371</u>
-	294,091	1,791,350	-	3,197,481
122,092	-	-	-	159,824
<u>160,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,208</u>
<u>282,300</u>	<u>294,091</u>	<u>1,791,350</u>	<u>-</u>	<u>3,517,513</u>
<u>145,746</u>	<u>(294,091)</u>	<u>(314,206)</u>	<u>-</u>	<u>(100,142)</u>
-	20,125	59,167	-	79,292
-	-	350,000	1,000,000	1,700,000
-	<u>20,125</u>	<u>409,167</u>	<u>1,000,000</u>	<u>1,779,292</u>
145,746	(273,966)	94,961	1,000,000	1,679,150
<u>1,141,575</u>	<u>214,752</u>	<u>74,580</u>	<u>-</u>	<u>2,102,344</u>
<u>\$ 1,287,321</u>	<u>\$ (59,214)</u>	<u>\$ 169,541</u>	<u>\$ 1,000,000</u>	<u>\$ 3,781,494</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Income taxes	\$ 655,000	\$ 722,683	\$ 67,683
Licenses and permits	60,000	64,980	4,980
Intergovernmental.	300,000	300,000	-
Other	114,000	79,000	(35,000)
Total revenues.	<u>1,129,000</u>	<u>1,166,663</u>	<u>37,663</u>
Expenditures:			
Capital outlay	1,734,682	1,278,525	456,157
Debt service:			
Principal retirement	-	37,732	(37,732)
Total expenditures.	<u>1,734,682</u>	<u>1,316,257</u>	<u>418,425</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(605,682)</u>	<u>(149,594)</u>	<u>456,088</u>
Other financing sources:			
Transfers in.	350,000	350,000	-
Total other financing sources.	<u>350,000</u>	<u>350,000</u>	<u>-</u>
Net change in fund balance.	(255,682)	200,406	456,088
Fund balance at beginning of year	<u>174,462</u>	<u>174,462</u>	<u>-</u>
Fund balance (deficit) at end of year.	<u>\$ (81,220)</u>	<u>\$ 374,868</u>	<u>\$ 456,088</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ISSUE II IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund balance at beginning of year	\$ 312,606	\$ 312,606	\$ -
Fund balance at end of year.	<u>\$ 312,606</u>	<u>\$ 312,606</u>	<u>\$ -</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARK IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Income tax	\$ 165,364	\$ 178,138	\$ 12,774
Licenses and permits	101,255	104,069	2,814
Total revenues.	<u>266,619</u>	<u>282,207</u>	<u>15,588</u>
Expenditures:			
Capital outlay	<u>212,160</u>	<u>80,364</u>	<u>131,796</u>
Total expenditures.	<u>212,160</u>	<u>80,364</u>	<u>131,796</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>54,459</u>	<u>201,843</u>	<u>147,384</u>
Net change in fund balance.	54,459	201,843	147,384
Fund balance at beginning of year	<u>132,387</u>	<u>132,387</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 186,846</u>	<u>\$ 334,230</u>	<u>\$ 147,384</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER & SANITARY SEWER IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses and permits	\$ 370,000	\$ 428,046	\$ 58,046
Total revenues.	370,000	428,046	58,046
Expenditures:			
Debt service			
Principal retirement.	122,092	122,092	-
Interest and fiscal charges.	160,208	160,208	-
Total expenditures.	282,300	282,300	-
Net change in fund balance.	87,700	145,746	58,046
Fund balance at beginning of year	1,141,575	1,141,575	-
Fund balance at end of year.	\$ 1,229,275	\$ 1,287,321	\$ 58,046

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
605/161 ISSUE II FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Capital outlay	\$ -	\$ 602,413	\$ (602,413)
Total expenditures.	<u>-</u>	<u>602,413</u>	<u>(602,413)</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>-</u>	<u>(602,413)</u>	<u>(602,413)</u>
Other financing sources:			
OPWC loans.	<u>316,670</u>	<u>316,670</u>	<u>-</u>
Total other financing sources	<u>316,670</u>	<u>316,670</u>	<u>-</u>
Net change in fund balance.	316,670	(285,743)	(602,413)
Fund balance at beginning of year	<u>335,587</u>	<u>335,587</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 652,257</u>	<u>\$ 49,844</u>	<u>\$ (602,413)</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HARLEM/THOMPSON ISSUE II FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services.	\$ -	\$ 38,144	\$ 38,144
Intergovernmental.	974,400	817,000	(157,400)
Other	400,000	622,000	222,000
Total revenues.	<u>1,374,400</u>	<u>1,477,144</u>	<u>102,744</u>
Expenditures:			
Capital outlay	<u>2,289,591</u>	<u>1,770,531</u>	<u>519,060</u>
Total expenditures.	<u>2,289,591</u>	<u>1,770,531</u>	<u>519,060</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(915,191)</u>	<u>(293,387)</u>	<u>621,804</u>
Other financing sources:			
Transfers in.	350,000	350,000	-
OPWC loans.	795,191	59,167	(736,024)
Total other financing sources.	<u>1,145,191</u>	<u>409,167</u>	<u>(736,024)</u>
Net change in fund balance.	230,000	115,780	(114,220)
Fund balance at beginning of year	<u>74,580</u>	<u>74,580</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 304,580</u>	<u>\$ 190,360</u>	<u>\$ (114,220)</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL ASSET FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other financing sources:			
Transfers in.	\$ 1,000,000	\$ 1,000,000	\$ -
Total other financing sources.	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Net change in fund balance.	1,000,000	1,000,000	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 1,000,000</u></u>	<u><u>\$ 1,000,000</u></u>	<u><u>\$ -</u></u>

VILLAGE OF NEW ALBANY, OHIO

COMBINING STATEMENTS - NONMAJOR FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the Village in a trustee capacity, or as an agency for individuals, private organizations, other governments and/or funds. The following are the Village's fiduciary fund types:

Agency Funds

Agency funds are custodial in nature, and thus, do not recognize revenues or expenditures, only changes in assets and liabilities. The Village has the following agency funds:

Columbus Agency Fund

Subdivision Development Fund

Builder's Escrow Fund

Board of Building Standards

Mayor's Court

Columbus Annexation Fund

VILLAGE OF NEW ALBANY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Balance</u> <u>1/1/2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2005</u>
Columbus Agency Fund				
Assets:				
Equity in pooled cash and cash equivalents	\$ 146,748	\$ 48,696	\$ -	\$ 195,444
Total assets.	<u>\$ 146,748</u>	<u>\$ 48,696</u>	<u>\$ -</u>	<u>\$ 195,444</u>
Liabilities:				
Due to other governments	\$ -	\$ 39,350	\$ -	\$ 39,350
Deposits held and due to others	146,748	9,346	-	156,094
Total liabilities	<u>\$ 146,748</u>	<u>\$ 48,696</u>	<u>\$ -</u>	<u>\$ 195,444</u>
Subdivision Development Fund				
Assets:				
Equity in pooled cash and cash equivalents	\$ 318,650	\$ 466,209	\$ 14,151	\$ 770,708
Total assets.	<u>\$ 318,650</u>	<u>\$ 466,209</u>	<u>\$ 14,151</u>	<u>\$ 770,708</u>
Liabilities:				
Accounts payable	\$ 17,068	\$ -	\$ 14,151	\$ 2,917
Deposits held and due to others	301,582	466,209	-	767,791
Total liabilities	<u>\$ 318,650</u>	<u>\$ 466,209</u>	<u>\$ 14,151</u>	<u>\$ 770,708</u>
Builder's Escrow Fund				
Assets:				
Equity in pooled cash and cash equivalents	\$ 640,755	\$ 162,295	\$ -	\$ 803,050
Total assets.	<u>\$ 640,755</u>	<u>\$ 162,295</u>	<u>\$ -</u>	<u>\$ 803,050</u>
Liabilities:				
Deposits held and due to others	\$ 640,755	\$ 162,295	\$ -	\$ 803,050
Total liabilities	<u>\$ 640,755</u>	<u>\$ 162,295</u>	<u>\$ -</u>	<u>\$ 803,050</u>
Board of Building Standards				
Assets:				
Equity in pooled cash and cash equivalents	\$ 595	\$ 222	\$ -	\$ 817
Total assets.	<u>\$ 595</u>	<u>\$ 222</u>	<u>\$ -</u>	<u>\$ 817</u>
Liabilities:				
Due to other governments	\$ -	\$ 129	\$ -	\$ 129
Deposits held and due to others	595	93	-	688
Total liabilities	<u>\$ 595</u>	<u>\$ 222</u>	<u>\$ -</u>	<u>\$ 817</u>

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VILLAGE OF NEW ALBANY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2005

Mayor's Court

Assets:

Equity in pooled cash and cash equivalents	\$ 7,457	\$ -	\$ 1,090	\$ 6,367
Total assets.	\$ 7,457	\$ -	\$ 1,090	\$ 6,367

Liabilities:

Deposits held and due to others	\$ 7,457	\$ -	\$ 1,090	\$ 6,367
Total liabilities	\$ 7,457	\$ -	\$ 1,090	\$ 6,367

Total Agency Funds

Assets:

Equity in pooled cash and cash equivalents	\$ 1,114,205	\$ 677,422	\$ 15,241	\$ 1,776,386
Total assets.	\$ 1,114,205	\$ 677,422	\$ 15,241	\$ 1,776,386

Liabilities:

Accounts payable	\$ 17,068	\$ -	\$ 14,151	\$ 2,917
Due to other governments	-	39,479	-	39,479
Deposits held and due to others	1,097,137	637,943	1,090	1,733,990
Total liabilities	\$ 1,114,205	\$ 677,422	\$ 15,241	\$ 1,776,386

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STATISTICAL SECTION

VILLAGE OF NEW ALBANY, OHIO
STATISTICAL SECTION

This part of the Village of New Albany's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the village's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the village's financial performance and well-being have changed over time.	S 1 - S 4
Revenue Capacity These schedules contain information to help the reader assess the village's most significant local revenue source, the property tax.	S 5 - S 8
Debt Capacity These schedules present information to help the reader assess the affordability of the village's current levels of outstanding debt and the village's ability to issue additional debt in the future.	S 9 - S 12
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the village's financial activities take place.	S 13 - S 14
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the village's financial report relates to the services the village provides and the activities it performs.	S 15 - S17

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year. The Village implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year. Prior to 2004 the village operated on a non-gaap cash basis, so comparative information may not be available.

VILLAGE OF NEW ALBANY, OHIO

NET ASSETS BY COMPONENT
LAST TWO FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year	
	2005	2004
Governmental activities		
Invested in capital assets, net of related debt	\$ 13,913,512	\$ 4,902,025
Restricted	5,593,375	13,226,524
Unrestricted	2,332,172	(5,363,130)
Total governmental activities net assets	<u>\$ 21,839,059</u>	<u>\$ 12,765,419</u>

Note: 2004 was the first year the Village implemented GASB 34, so comparative information before that date is not available.

VILLAGE OF NEW ALBANY, OHIO

CHANGES IN NET ASSETS
LAST TWO FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year	
	2005	2004
Expenses		
Governmental activities:		
General government	\$ 3,307,782	\$ 2,268,897
Security of persons and property	2,521,196	2,049,174
Public health and welfare	78,053	71,340
Transportation	2,107,148	1,362,349
Community environment	8,705,116	421,899
Leisure time activity	14,127	9,914
Economic development	7,961,170	5,786,667
Interest and fiscal charges	969,181	956,680
Total governmental activities expenses	25,663,773	12,926,920
Program Revenues		
Governmental activities:		
Charges for services:		
General government	\$ 1,141,102	\$ 1,196,148
Security of persons and property	111,469	106,268
Transportation	38,144	5,000
Community environment	462,886	388,313
Operating grants and contributions		
Security of persons and property	6,427	-
Transportation	311,822	294,986
Leisure time and activity	12,736	-
Interest and fiscal charges	-	8,407
Capital grants and contributions		
Transportation	14,901,968	6,395,947
Total governmental program revenues	16,986,554	8,395,069
Net (Expense)/Revenue		
Governmental activities	\$ (8,677,219)	\$ (4,531,851)
General Revenues and Other Changes in Net Assets		
Governmental activities:		
Taxes		
Property taxes	\$ 779,007	\$ 746,233
Income taxes	15,227,623	13,341,411
Unrestricted grants and contributions	435,904	218,124
Investment earnings	556,217	276,738
Payment in lieu of taxes	15,876	67,113
Miscellaneous	736,232	85,891
Total governmental activities	17,750,859	14,735,510
Change in Net Assets		
Governmental activities	\$ 9,073,640	\$ 10,203,659

Note: 2004 was the first year the Village implemented GASB 34 so comparative information before that date is not available.

VILLAGE OF NEW ALBANY, OHIO

**FUND BALANCES, GOVERNMENTAL FUNDS
LAST TWO FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year	
	2005	2004
General Fund		
Reserved	\$ 325,056	\$ 144,420
Unreserved	5,219,455	5,421,291
Total general fund	<u>\$ 5,544,511</u>	<u>\$ 5,565,711</u>
All Other Governmental Funds		
Reserved	\$ 472,076	\$ 2,784,388
Unreserved, reported in:		
Special revenue funds	254,582	336,453
Capital projects funds	3,304,689	9,845,747
Total all other governmental funds	<u>\$ 4,031,347</u>	<u>\$ 12,966,588</u>

Note: 2004 was the first year the Village implemented GASB 34 so comparative information before that date is not available.

VILLAGE OF NEW ALBANY, OHIO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TWO FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year	
	<u>2005</u>	<u>2004</u>
Revenues		
Income taxes	\$ 15,910,715	\$ 11,466,513
Property and other taxes	771,284	743,761
Charges for services	583,027	506,908
Licenses and permits	1,067,310	1,082,342
Fines and forfeitures	103,264	106,479
Intergovernmental	1,834,620	1,173,663
Payments in lieu of taxes	15,876	67,113
Investment income	518,831	282,135
Donations	19,163	-
Other	736,232	365,891
Total revenues	<u>21,560,322</u>	<u>15,794,805</u>
Expenditures		
Current:		
General government	2,666,895	1,950,445
Security of persons and property	2,019,923	1,751,971
Public health and welfare	78,053	71,340
Transportation	1,144,549	932,141
Community environment	8,676,147	423,634
Leisure time activity	14,127	9,914
Economic development	8,088,188	4,984,761
Capital outlay	6,295,668	3,294,312
Debt service:		
Principal retirement	625,495	556,357
Interest and fiscal charges	1,123,493	960,074
Total expenditures	<u>30,732,538</u>	<u>14,934,949</u>
Excess of revenues over (under) expenditures	(9,172,216)	859,856
Other Financing Sources (Uses)		
OPWC loans issued	79,292	-
Capital lease transaction	49,017	8,128
Premium on notes sold	87,466	66,139
Transfers in	1,708,000	926,200
Transfers out	<u>(1,708,000)</u>	<u>(926,200)</u>
Total other financing sources	<u>215,775</u>	<u>74,267</u>
Net change in fund balances	<u>\$ (8,956,441)</u>	<u>\$ 934,123</u>
Debt service as a percentage of noncapital expenditures	7.16%	13.03%

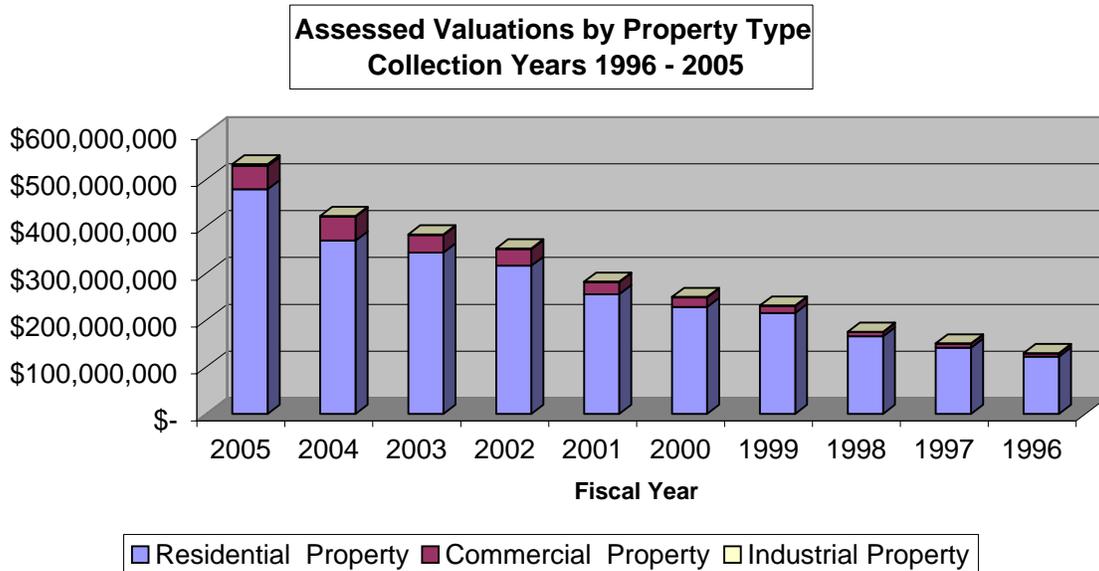
Note: 2004 was the first year the Village implemented GASB 34, so comparative information before that date is not available.

VILLAGE OF NEW ALBANY, OHIO

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended December 31,	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2005	\$ 479,660,436	\$ 49,332,840	\$ 3,946,300	\$ 2,198,080	\$ 530,741,496	1.94
2004	370,080,360	50,865,140	1,598,640	2,198,080	420,346,060	1.94
2003	344,535,760	37,251,620	1,442,750	2,238,360	380,991,770	1.94
2002	316,291,760	35,420,270	1,442,750	2,283,600	350,871,180	1.73
2001	255,334,550	25,859,690	1,233,560	3,101,340	279,326,460	1.72
2000	228,235,900	20,521,230	1,116,870	1,805,600	248,068,400	1.23
1999	215,444,070	15,085,440	1,015,660	3,022,040	228,523,130	1.57
1998	165,641,120	8,920,810	709,020	2,708,580	172,562,370	1.70
1997	141,570,300	8,321,160	645,640	3,010,270	147,526,830	1.71
1996	122,237,880	7,116,350	628,840	855,150	129,127,920	1.95

Source: Ohio Municipal Advisory Council and Franklin County Auditor's Office



VILLAGE OF NEW ALBANY, OHIO

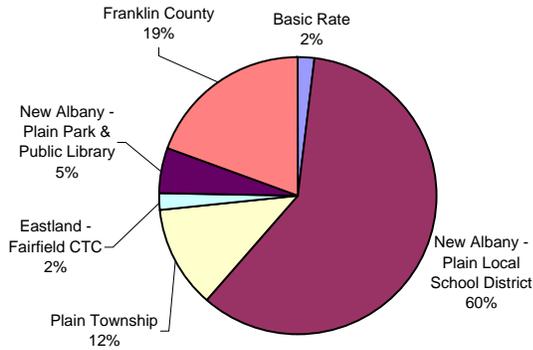
**DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS**

Fiscal Year	Village Direct Rate		Overlapping Rates					Total
	Basic Rate		New Albany-Plain Local School District	Plain Township	Eastland-Fairfield Career and Technical Center	New Albany - Plain Park District and Columbus Public Library	Franklin County	
2005	\$ 1.94	\$	56.16	\$ 11.32	\$ 2.00	\$ 4.97	\$ 18.44	\$ 94.83
2004	1.94		58.10	11.42	2.00	4.07	18.44	95.97
2003	1.94		59.19	11.17	2.00	3.47	17.64	95.41
2002	1.73		50.17	11.69	2.00	2.95	17.64	86.18
2001	1.72		52.03	11.80	2.00	2.95	17.64	88.14
2000	1.23		52.17	12.35	2.00	2.95	17.64	88.34
1999	1.57		47.46	9.31	2.00	2.20	17.64	80.18
1998	1.70		49.34	9.34	2.00	2.20	17.54	82.12
1997	1.71		50.45	9.42	1.20	2.20	15.22	80.20
1996	1.95		39.08	9.21	1.20	2.20	15.12	68.76

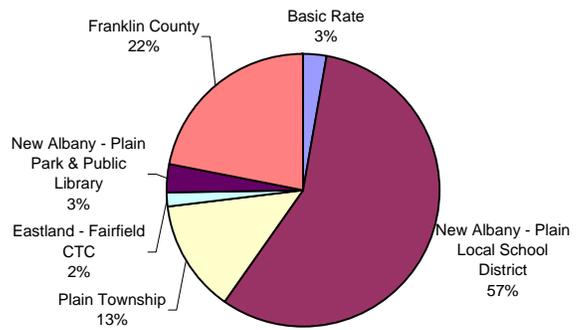
Source: Franklin County Auditor's Office

**Property Tax Rates by Entity
1996 - 2005**

2005 Collection Year



1996 Collection Year



VILLAGE OF NEW ALBANY, OHIO

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR**

2005			
Taxpayer	Taxable Assessed Value (2)	Rank	Percentage of Total City Taxable Assessed Value
New Albany Company, LP	\$ 27,239,820	1	5.13%
Leslie H. Wexner	20,187,470	2	3.80%
M/I Homes of Central Ohio	8,463,800	3	1.59%
HHD & B, LLC	3,500,000	4	0.66%
Abercrombie & Fitch	3,037,690	5	0.57%
Discover Financial Services (1)	2,814,563	6	0.53%
Columbus Southern Power Co.	2,370,330	7	0.45%
Robert W. Rahal	2,191,610	8	0.41%
Market Street Association, LLC	2,088,120	9	0.39%
New Albany Links Golf	2,061,020	10	0.39%
Total	73,954,423		13.92%
All Other Taxpayers	456,787,073		86.08%
Total	\$ 530,741,496		100.00%

Source: Franklin County Auditor's Office

(1) Ohio HB66 has begun to phase out the Tangible Personal Property Tax in the next three years. To reflect this phase out, the assessed valuation listed above is 75% of the 2005 actual assessed valuation.

(2) Includes Public Utility Real, Real Property, and Tangible Personal Property

Information from 1996 is not available from the County. The Village did not track this information at that point in

VILLAGE OF NEW ALBANY, OHIO

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

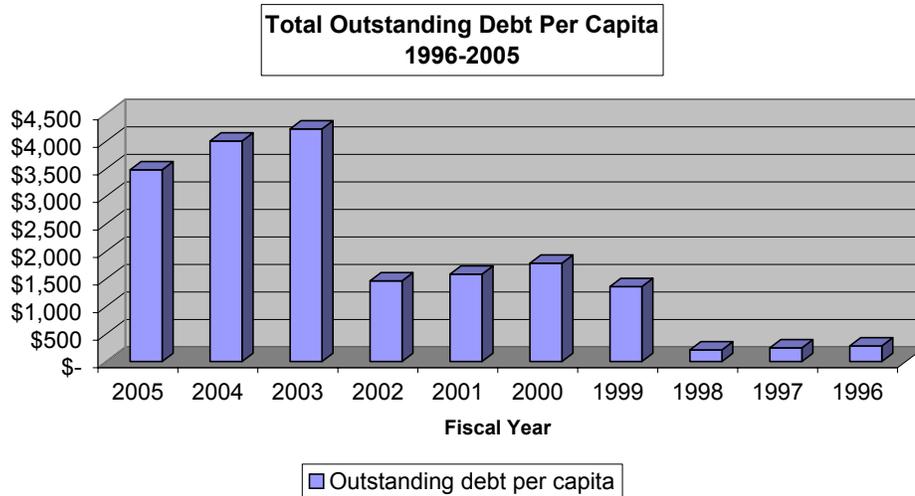
Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2005	\$ 880,568	\$ 834,879	94.81%
2004	686,401	676,272	98.52%
2003	562,355	562,261	99.98%
2002	453,169	440,243	97.15%
2001	449,252	427,709	95.20%
2000	334,756	334,197	99.83%
1999	395,981	402,909	101.75%
1998	314,352	311,025	98.94%
1997	273,272	289,959	106.11%
1996	266,445	261,588	98.18%

VILLAGE OF NEW ALBANY, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Governmental Activities								
Fiscal Year	General Obligation Bonds	Capital Improvement Bonds	Capital Leases	OWDA Loans	OPWC Loans	Total Primary Government	Percentage of Personal Income	Per Capita
2005	\$ 12,965,000	\$ 3,015,000	\$ 114,350	\$ 2,571,115	\$ 564,409	\$ 19,229,874	3.41%	\$ 3,481
2004	13,215,000	3,190,000	106,004	2,693,207	522,849	19,727,060	5.92%	4,004
2003	13,460,000	3,355,000	129,192	2,808,248	-	19,752,440	6.40%	4,225
2002	-	3,505,000	-	2,820,477	-	6,325,477	2.27%	1,463
2001	-	3,655,000	-	2,899,497	-	6,554,497	2.49%	1,587
2000	-	3,805,000	-	2,816,489	-	6,621,489	2.87%	1,784
1999	-	3,945,000	88,354	536,529	-	4,569,883	2.56%	1,360
1998	-	-	88,072	565,356	-	653,428	0.45%	211
1997	-	-	87,789	577,868	-	665,657	0.60%	248
1996	-	-	42,832	595,097	-	637,929	0.81%	283

Note: Details regarding the village's outstanding debt can be found in the notes to the financial statements.



VILLAGE OF NEW ALBANY, OHIO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Capital Improvement Bonds	Total		
2005	\$ 12,965,000	\$ 3,015,000	\$ 15,980,000	3.01%	\$ 2,893
2004	13,215,000	3,190,000	16,405,000	3.90%	3,330
2003	13,460,000	3,355,000	16,815,000	4.41%	3,597
2002	-	3,505,000	3,505,000	1.00%	811
2001	-	3,655,000	3,655,000	1.31%	885
2000	-	3,805,000	3,805,000	1.53%	1,025
1999	-	3,945,000	3,945,000	1.73%	1,174
1998	-	-	-	0.00%	-
1997	-	-	-	0.00%	-
1996	-	-	-	0.00%	-

Note: Details regarding the village's outstanding debt can be found in the notes to the financial statements.

VILLAGE OF NEW ALBANY, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2005

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
New Albany - Plain Local School District	\$ 85,932,873	60.57%	\$ 52,049,541
Franklin County	93,175,000	1.77%	1,649,198
Licking County	13,052,869	0.03%	3,916
Plain Township	2,354,998	84.64%	1,993,270
New Albany/Plain Park District	15,449,990	60.19%	9,299,349
Licking Heights Local School District	60,724,026	0.24%	145,738
Solid Waste Authority of Central Ohio	29,670,000	1.71%	507,357
Licking County Career Center Joint Vocational S. D.	30,335,000	0.03%	<u>9,101</u>
Subtotal, overlapping debt			\$ 65,657,469
Village direct debt			<u>19,229,874</u>
Total direct and overlapping debt			<u><u>\$ 84,887,343</u></u>

Sources: Ohio Municipal Advisory Council

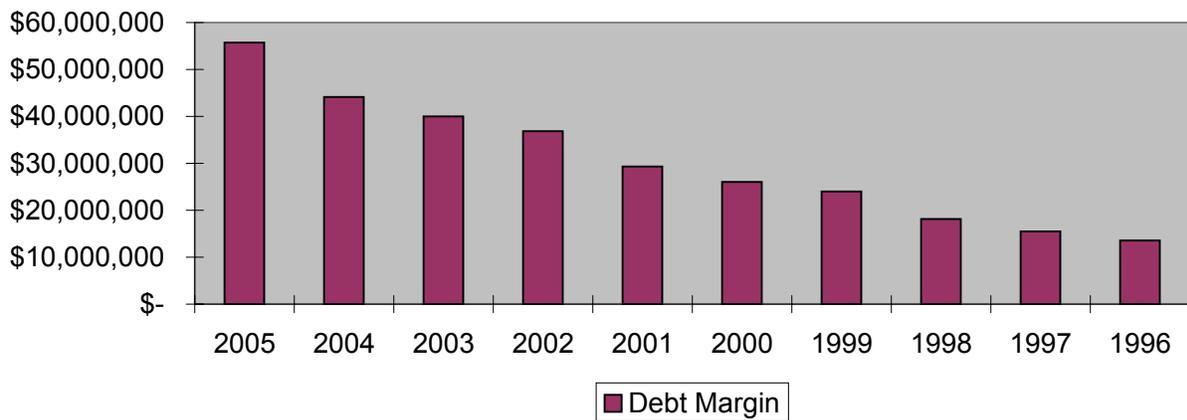
Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the village. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of New Albany. This process recognizes that, when considering the village's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

VILLAGE OF NEW ALBANY, OHIO

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Debt Service Available Balance	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2005	\$ 55,727,857	\$ -	\$ -	\$ 55,727,857	0.00%
2004	44,136,336	-	-	44,136,336	0.00%
2003	40,004,136	-	-	40,004,136	0.00%
2002	36,841,474	-	9,121	36,850,595	0.00%
2001	29,329,278	-	-	29,329,278	0.00%
2000	26,047,182	-	-	26,047,182	0.00%
1999	23,994,929	-	-	23,994,929	0.00%
1998	18,119,049	-	-	18,119,049	0.00%
1997	15,490,317	-	574	15,490,891	0.00%
1996	13,558,432	-	-	13,558,432	0.00%

**Debt Margin Analysis
1996 - 2005**



VILLAGE OF NEW ALBANY, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age</u>	<u>Education Level in Years of Schooling</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rates</u>		
							<u>Franklin County</u>	<u>Ohio</u>	<u>United States</u>
2005	5,524	\$ 564,442,320	\$ 102,180	37.6	12+	3,428	4.8%	5.6%	4.9%
2004	4,927	333,290,782	67,646	37.6	12+	2,877	4.9%	5.7%	5.1%
2003	4,675	308,832,074	66,060	37.6	12+	2,592	4.0%	5.5%	5.7%
2002	4,323	279,158,197	64,575	37.6	12+	2,292	3.9%	5.3%	6.0%
2001	4,131	263,336,403	63,746	37.6	12+	1,993	3.1%	4.8%	5.8%
2000	3,711	230,568,141	62,131	37.6	12+	1,700	2.1%	3.9%	4.0%
1999	3,361	178,582,030	53,134	39.5	12	1,446	2.1%	4.0%	4.1%
1998	3,100	145,948,000	47,080	39.5	12	1,289	2.5%	4.3%	4.5%
1997	2,688	110,407,933	41,074	39.5	12	1,105	2.7%	4.6%	4.9%
1996	2,253	78,905,490	35,022	39.5	12	955	3.1%	4.9%	5.4%

- (1) Mid-Ohio Regional Planning Commission
- (2) U. S. Census Bureau
- (3) Plain Local School Treasurer

VILLAGE OF NEW ALBANY, OHIO

PRINCIPAL EMPLOYERS
CURRENT YEAR

Employer	2005		
	Employees	Rank	Percentage of Total Village Employment
Discover Financial Services	2,155	1	26.94%
Abercrombie & Fitch	1,593	2	19.91%
Aetna Life Insurance	1,020	3	12.75%
New Albany Plain Local Schools	460	4	5.75%
Too Brands, Inc.	448	5	5.60%
MP Totalcare Supply, Inc.	160	6	2.00%
New Albany Surgical Hospital	287	7	3.59%
MRS Associates, Inc.	223	10	2.79%
Village of New Albany	62	8	0.78%
Orthopedic & Neurological Consultants	42	9	0.53%
Total	6,450		80.64%

Note: Information from 1996 was not available

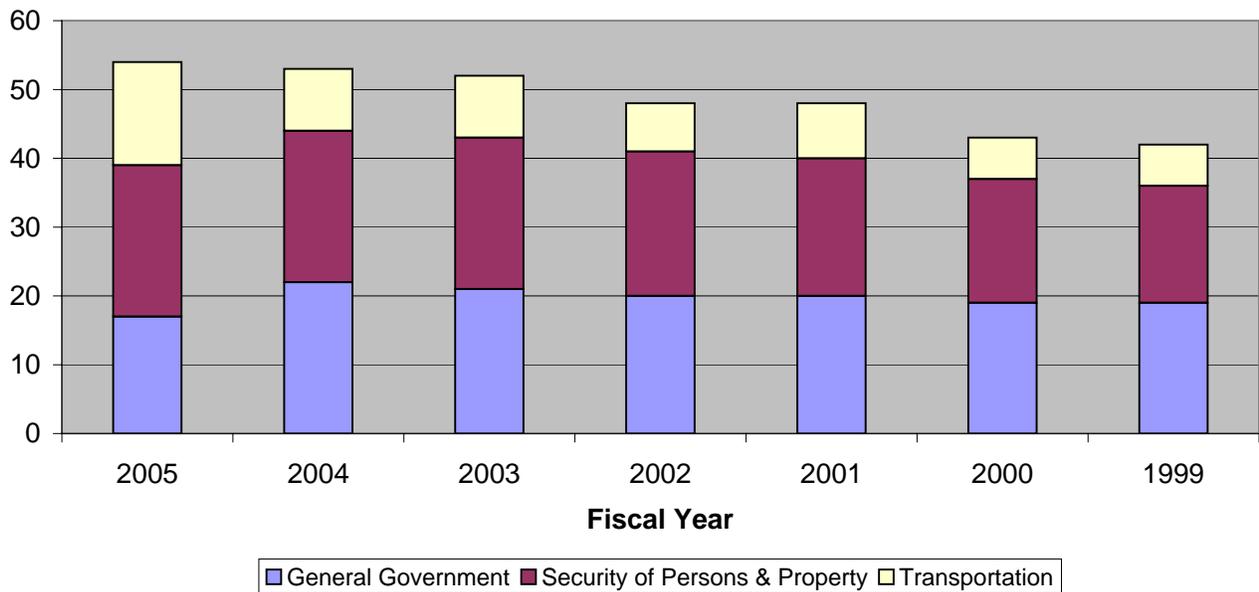
VILLAGE OF NEW ALBANY ,OHIO

FULL TIME EQUIVALENT VILLAGE GOVERNMENT
EMPLOYEES BY FUNCTION/PROGRAM
LAST SEVEN FISCAL YEARS

Function/Program	Full-time Equivalent Employees as of December 31						
	2005	2004	2003	2002	2001	2000	1999
General government							
Management service	4	12	11	11	11	11	11
Finance	3	3	3	3	3	3	3
Building	8	5	5	4	4	3	3
Mayor's Court	2	2	2	2	2	2	2
Security of persons and property							
Officers	15	14	15	15	14	13	12
Civilians	7	8	7	6	6	5	5
Transportation	15	9	9	7	8	6	6
Total	54	53	52	48	48	43	42

Note: Information before 1999 was not available

**Full-Time Equivalent Employees By Function
1999-2005**



VILLAGE OF NEW ALBANY, OHIO

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Police										
Physical arrests	331	470	352	285	420	416	410	438	393	365
Parking violations	139	2,105	2,014	2,197	2,998	2,472	1,862	2,282	2,301	2,475
Other public works										
Street resurfacing (miles)	-	2.53	0.69	-	-	-	-	-	-	-
Potholes repaired	100	150	10	-	-	-	-	-	-	-

Note: Information prior to 2002 related to public works projects was not available

VILLAGE OF NEW ALBANY, OHIO

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	6	6	6	6	6	6	6	6	3	3

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**VILLAGE OF NEW ALBANY, OHIO
FRANKLIN COUNTY**

Report Issued Pursuant to

Government Auditing Standards

For the year ended December 31, 2005



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

To the Honorable Mayor and Village
Council of the Village of New Albany

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of New Albany, Franklin County, Ohio (the Village) as of and for the year ended December 31, 2005, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated June 16, 2006. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion 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 reportable 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 caused by error or fraud 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.

Compliance and Other Matters

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 grant agreements, 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 two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2005-1 and 2005-2.

We also noted certain matters that we reported to management of the Village in a separate letter dated June 16, 2006.

This report is intended solely 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.

Kennedy, Cottrell + Associates LLC

Kennedy, Cottrell + Associates
June 16, 2006

VILLAGE OF NEW ALBANY, OHIO
FRANKLIN COUNTY

SCHEDULE OF FINDINGS

DECEMBER 31, 2005

2005-1 NONCOMPLIANCE: EXPENDITURES EXCEEDED APPROPRIATIONS

Ohio Revised Code Section 5705.39 states, in part:

The total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure therefrom, as certified by the budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate.

Furthermore, Ohio Revised Code Section 5705.41(B) provides, in part, that no subdivision or taxing unit shall "make any expenditure of money unless it has been appropriated as provided in such chapter."

Subsequent to its permanent appropriate measure for calendar year 2005, the Village Council approved various amended appropriation measures throughout the year. However, none of the amended appropriation measures were submitted to the County Budget Commission, as required; thus, none of the amendments were ever certified by the County. Without the County certification, the amended appropriation measures and any expenditures of money in connection with the amendments were not valid.

As a result, at December 31, 2005, expenditures were in excess of the Village's original permanent appropriations at the legal level of control for the following funds:

<u>Fund</u>	<u>Object Level</u>	<u>Excess</u>
General	Capital Outlay	\$ 62,791
General	Contractual Services	467,363
Oak Grove EOZ	Economic Development	1,120,790
Central College EOZ	Economic Development	1,699,080
Blacklick EOZ	Economic Development	5,185,550

Village management should ensure that all appropriation measures are properly submitted to and approved by the County Budget Commission prior to the expenditure of monies related to the appropriation.

Official's Response

The Finance Department will ensure that all appropriation measures are submitted to the Franklin County Budget Commission immediately following Council approval. Monies associated with the amended appropriations will not be expended until the County certifies the funds.

VILLAGE OF NEW ALBANY, OHIO
FRANKLIN COUNTY

SCHEDULE OF FINDINGS

DECEMBER 31, 2005

2005-2 NONCOMPLIANCE: APPROPRIATIONS EXCEEDED ESTIMATED RESOURCES

Ohio Revised Code Section 5705.39 states, in part, "that the total appropriation from each fund shall not exceed the total estimated revenue available for expenditure therefrom...."

Although the Village submitted three amended certificates of estimated resources throughout the year to the County Budget Commission, because no amended appropriation measures were ever submitted to the County for approval, the following funds had appropriations in excess of total estimated resources as of December 31, 2005:

<u>Fund</u>	<u>Excess</u>
Blacklick TIF	\$ 126,774
Capital Improvement Fund	126,221
Issue 2 Improvement Fund	1,976,985

We recommend the Village monitor more closely its appropriations and estimated resources and ensure that all required budgetary documents, including amended appropriations, are filed with the County to be in compliance.

Official's Response

The Finance Department will monitor its certificate of estimated resources and ensure that amendments are requested from the County before unanticipated revenues are expended.



**Auditor of State
Betty Montgomery**

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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
SEPTEMBER 5, 2006**