



**VILLAGE OF NEW ALBANY, OHIO  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2006**







Mary Taylor, CPA  
Auditor of State

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, 2006 through December 31, 2006. 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.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

July 30, 2007

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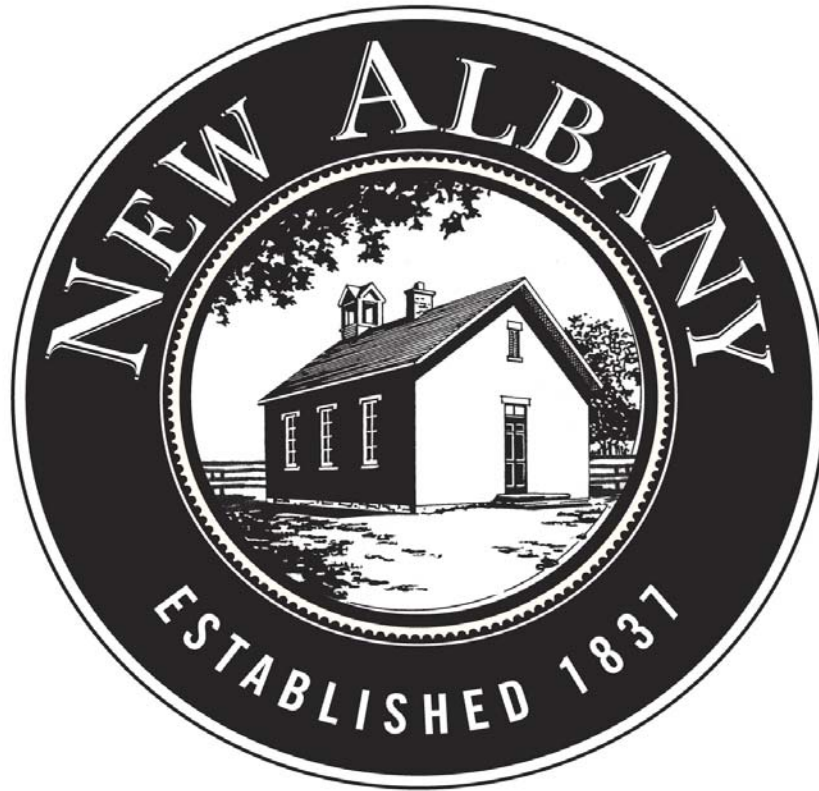
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# **Comprehensive Annual Financial Report**

*For the Year Ended December 31, 2006*

**James M. Nicholson**  
*Director of Finance*





## INTRODUCTORY SECTION

**VILLAGE OF NEW ALBANY  
FRANKLIN & LICKING COUNTIES, OHIO**

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FRANKLIN & LICKING COUNTIES, OHIO**

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June 27, 2007

Honorable Mayor, Members of Village Council  
And Citizens of the Village of New Albany  
New Albany, Ohio

The Comprehensive Annual Financial Report (CAFR) of the Village of New Albany, Ohio (Village) is hereby presented. This CAFR reports the Village's operations and financial position for the year ended December 31, 2006, in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. This official report has been developed to accurately detail the status of the Village finances for review by New Albany residents and elected officials, investment banks and underwriters and all other interested parties. This report is presented in compliance with Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" (GASB Statement No. 34). It is intended to provide all pertinent and necessary information that may be required by the citizens of New Albany to review the fiscal condition of the community.

The Village administration is responsible for the accuracy of the data, the completeness and fairness of the presentation, and for all disclosure. To the best of the Village's knowledge, the financial and other data contained in this report fairly present the financial position and results of operations of the Village. All necessary disclosures to enable the citizens and other readers to understand the Village's financial activities are included in this report.

The Village is required by state law to have an annual audit performed by either the Auditor of State's Office or by an Independent Auditor. The Village has engaged the accounting firm of Kennedy Cottrell Richards to audit the Village's financial records. The Village continues to receive an unqualified opinion. The Independent Auditor's Report on the Village's financial statements is included in the Financial Section of this report.

Management's discussion and analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

## **Profile of the Government**

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The Village of New Albany is located in central Ohio, approximately 15 miles northeast of the City of Columbus and is located in both Franklin and Licking Counties. The Village covers an area of approximately 11.43 square miles, and has an estimated population of 6,584<sup>(1)</sup> as of 2006. Founded in 1837 and incorporated in 1856, the Village operates under a charter form of government, which was originally adopted on November 3, 1992. The voters adopted the current charter on November 2, 1999. The form of government provided by the Charter is 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, as well as five additional Council members.

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

The Village provides a range of municipal services mandated by statute or charter, including police protection, street maintenance, planning, zoning and other general government services. Health services are contracted with, and provided by, the Franklin County Board of Health.

The Council is required to adopt a final budget no later than the close of the preceding fiscal year. This annual budget serves as the foundation for the Village's financial planning and control. The budget is prepared by fund, function and department for all funds except for the agency funds. Projections of revenues and expenditures are developed for agency funds, but are not included in the permanent budget adopted by Village Council. Department heads may make budget transfers within the lowest level of budgetary control.

## **Economic Condition and Outlook**

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The Village's primary revenue source is an income tax on local residents, and withheld on New Albany-based businesses and their non-resident employees working in the Village. Residents voted in May 2003 to approve an increase in the Village's income tax rate from 1.0% of taxable earnings with a 50% credit for local income taxes paid to neighboring jurisdictions, to 2.0% with full credit (up to 2%).

The Village is projecting general fund revenue in 2007 to be 3.7% higher than prior year due to the economic impacts highlighted above. General fund

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<sup>1</sup> US Census Bureau 2005 Population Estimates

expenditures for 2007 have been budgeted to be 16.6% higher than the prior year primarily due to increased wages and benefits as well as general non-wage inflationary increases. Programs supported by the general fund are budgeted at the same level of service as last year.

New Albany is poised for continued growth. Strategically located along the newly improved and expanded State Route 161, New Albany is 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 employers.

### **Residential Activity**

According to the United States Census Bureau 2005 Population Estimates, the Village of New Albany's population for 2006 is 6,584. As of June 2006, 3,451 residential units were zoned with approximately 1,746 (51%) of those in the active planning or construction phase.<sup>(2)</sup> 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 3.3 members and the median age is 37.6 years.<sup>(3)</sup> The average price for a single family residential home is \$452,900 and the average household income is \$102,180.<sup>(4)</sup> Approximately 55% of the population over the age of 25 has earned a Bachelor's Degree or higher.<sup>(5)</sup>

In 2006, New Albany created nine (9) new Tax Incentive Financing Districts. The projected net present value of the TIF Districts is \$23,000,000. The money will be used to pay for public infrastructure projects such as road improvements and trail connections.

### **Commercial Activity**

In 2006, New Albany adopted an economic development component to the Strategic Plan which outlines strategies to diversify the local economy, attract new businesses and balance residential and commercial growth. The plan reported an office vacancy rate of less than 3%.<sup>(6)</sup> This is significantly lower than the 18-22% average for central Ohio and adjacent communities.<sup>(7)</sup> 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.

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<sup>2</sup> Village of New Albany Community Development Department

<sup>3</sup> Federal 2000 decennial census

<sup>4</sup> Ibid

<sup>5</sup> Ibid

<sup>6</sup> 2006 Village of New Albany Economic Development Strategic Plan, Camoin Associates – Section IV, page 10.

<sup>7</sup> Ibid



### ***Corporate Office***

Over 2.1 million square feet of commercial development is either under construction or in the planning phase in New Albany. Over 700,000 square feet of commercial development was added in 2006. As a result of the business retention and expansion program companies like Abercrombie & Fitch, Commercial Vehicle Group and Tween Brands announced plans for future expansions. Discover Financial Services consolidated offices and moved 250 employees from the west side of Columbus to New Albany. American Electric Power chose New Albany as the home for its new control center operations – an 80,000 square foot project in the business park.

Three dynamic partnerships were announced in 2006 to spur economic growth and increase sustainable development opportunities. First, through the newly created Community Improvement Corporation New Albany committed to a partnership with Tech Columbus to leverage \$1.5 million in state grants to create a business technology center. Second, New Albany partnered with Canini & Pellecchia and The New Albany Company to develop a 52 acre site at the northeast corner of Smiths Mill Road and US Route 62. The \$2 million public contribution will assist with the construction of public roads, utilities and fiber infrastructure – as well as the improvement and beautification of US Route 62. The development will result in over 180,000 square feet of medical office and 175,00 square feet of supporting retail amenities. Finally, the Daimler Group, The New Albany Company, The Georgetown Company and Capital Square Ltd. announced the creation of Daimler-New Albany – a joint development venture that combines more than 75 years of experience with 20 million square feet of development and \$4 billion in commercial assets.

### ***Village Center***

The Village Center is the heart and soul of the community. 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.

In 2006, construction began on the New Albany Exchange, a 35,000 square foot mixed use development located on Main Street. The plans are nearly complete and construction is set to begin in Spring 2007 on the Market Square Expansion – a project that includes 45,000 square feet of office and retail along Main and Market Streets.

### ***Incentives***

New Albany 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 and 2006, New Albany 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.

### **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 8% of the state according to proficiency scores.<sup>(8)</sup> 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.

### **Major Initiatives**

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- Constructed an extension of Village Hall Road which connects US 62 with Reynoldsburg-New Albany Road.
- New Albany is a partner in the development of a 52 acre site at the northeast corner of Smiths Mill Road and US Route 62. The \$2 million public contribution will assist with the construction of public roads, utilities and fiber infrastructure – as well as the improvement and beautification of US Route 62.
- Entered negotiations with the City of Columbus for the establishment and creation of a 1,200-acre Metro Park at the northern border of New Albany.
- New Albany and American Electric Power partnered to design and build a comprehensive fiber optic network that benefits the schools, the municipal government and companies located within the business park. The fiber will connect to the Ohio Third Frontier Network. Construction is set to begin

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<sup>8</sup> Ohio Department of Education website.

in Spring 2007.

- During 2006, the Village received rating upgrades from both Standard & Poor's (from AA- to AAA) and Moody's (from A1 to Aa3).
- Construction of the Village's Public Service Complex has been completed and the department moved into the facility in February 2007.
- Created the Central College TIF zone which includes six residential subdivisions for the purpose of providing funding for the New Albany Performing Arts Center and the acquisition of the Village Metro Park.
- Through the newly created Community Improvement Corporation, New Albany has committed to a partner with Tech Columbus to leverage \$1.5 million in state grants to create a business technology center.
- New Albany is actively negotiating to purchase the Duke & Duchess Gas Station on the southeast corner of Dublin-Granville Road and Main Street in the Village Center.
- Entered into a \$1 million loan agreement with the Ohio Public Works Commission (OPWC), and began design work for road and streetscape improvements at the intersection of High and Main Streets.
- Construction of the Village's Police Facility was completed in early 2007, and the department moved into their new quarters in April 2007.
- Construction on the Jeanne B. McCoy Performing Arts Center is underway and is scheduled to open in December 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 school district.
- New Albany will design an intersection improvement plan for the intersection of US Route 62 and Central College Road. The construction cost on this multi-jurisdictional project is expected to exceed \$5 million.
- Constructed over 5,000 linear feet of pedestrian-friendly leisure paths within the Village.

### **Awards and Acknowledgements**

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#### ***Certificate of Achievement for Excellence in Financial Reporting***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of New Albany for its comprehensive annual financial

report for the fiscal year ended December 31, 2005. This was the second consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.


***Distinguished Budget Presentation Award***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Distinguished Budget Presentation Award to the Village of New Albany for the Annual Budget beginning January 1, 2007. This was the first year that the government has achieved this prestigious award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only.

***Acknowledgement***

The presentation of this report could not have been accomplished without the dedication and effort of the entire Finance Department staff. I would like to express my appreciation to those directly involved with this report and to the entire staff for their efficient service throughout the year.

Sincerely,



James M. Nicholson  
Director of Finance

# 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, 2005

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.



President

Executive Director





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Village of New Albany  
Ohio**

For the Fiscal Year Beginning

**January 1, 2007**

President

Executive Director

**Village of New Albany, Ohio  
Elected & Appointed Officials  
As of December 31, 2006**

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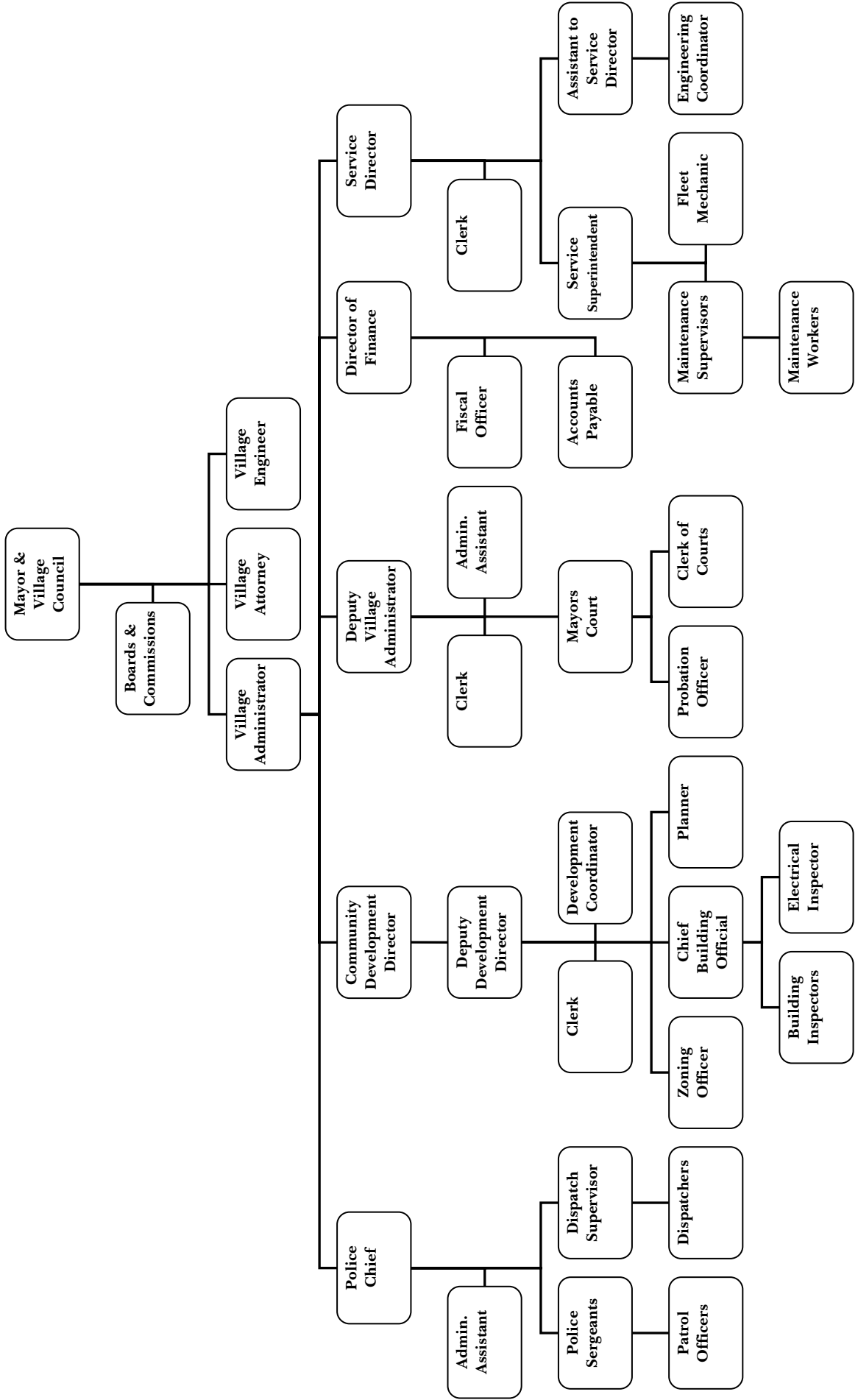
**Elected Officials**

Mayor	Nancy I. Ferguson (2007)
President of Council	Michael L. Mott (2009)
Council Members	Colleen H. Briscoe (2009) Dr. Glyde A. Marsh (2009) David G. Olmstead (2007) Stephen G. Pleasnick (2007) Edward J. Fellowes (2007)

**Appointed Officials:**

Village Administrator	Joseph F. Stefanov
Deputy Administrator	Debra K. Mecozzi
Finance Director	James M. Nicholson
Village Attorney	Mitchell H. Banchefsky
Development Director	Jennifer A. Chrysler
Chief of Police	Mark A. Chaney
Director of Service	Mark A. Nemec

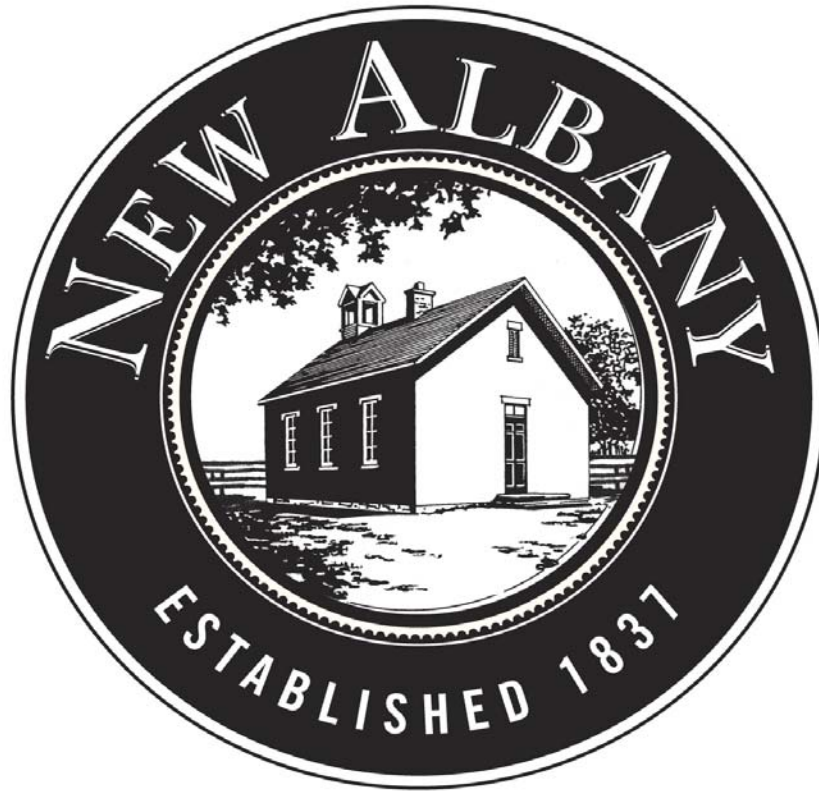
# Village of New Albany, Ohio Organizational Chart



**Village of New Albany, Ohio  
Boards & Commissions**

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FINANCIAL SECTION





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## 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, 2006, 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, 2006, 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 27, 2007 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, budgetary comparison schedules, 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 and the budgetary comparison schedules 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 Richards LLC  
June 27, 2007



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**VILLAGE OF NEW ALBANY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(UNAUDITED)**

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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, 2006. 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 2006 are as follows:

- The total net assets of the Village increased \$39,036,231.
- General revenues accounted for \$18,990,577 or 32.98% of total governmental activities revenue. Program specific revenues including charges for services, grants and contributions accounted for \$38,599,534 or 67.02% of total governmental activities revenue.
- The Village had \$18,553,880 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 of \$10,761,533 in 2006. The expenditures and other financing uses of the general fund totaled \$11,022,269 in 2006. The net decrease in fund balance for the general fund was \$260,736 or 4.70%.
- The economic opportunity fund had revenues of \$7,677,382 in 2006. Expenditures in the economic opportunity fund totaled \$7,677,382 in 2006.
- The bond improvement fund had revenues and other financing sources of \$1,681,902 in 2006. Expenditures in the bond improvement fund totaled \$9,243,156 in 2006. The net increase in fund deficit was \$7,561,254, resulting in an ending fund deficit of \$7,772,461.
- General fund actual revenue at year-end was \$109,366 greater than the final budgeted amount. Budgeted revenues increased by \$45,501 from the original estimate to the final budget.
- Final expenditures and other financing uses were \$646,661 more than the final appropriations. The Village's final appropriations were increase by \$312,012 from original budgeted appropriations.

### 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.

**VILLAGE OF NEW ALBANY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(UNAUDITED)**

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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 non-major 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 2006?" 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, 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 37-38 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



**VILLAGE OF NEW ALBANY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(UNAUDITED)**

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governmental funds begins on page 25.

**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 non-major 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 39-44 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 45 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 47-80 of this report.

The following table provides a summary of the Village's net assets for 2006 and 2005.

**VILLAGE OF NEW ALBANY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(UNAUDITED)**

	<u>Net Assets</u>	
	<u>Governmental</u>	<u>Governmental</u>
	<u>Activities</u>	<u>Activities</u>
	<u>2006</u>	<u>2005</u>
<b><u>Assets</u></b>		
Current and other assets	\$ 17,999,336	\$ 22,858,825
Capital assets, net	75,759,685	30,572,271
<b>Total Assets</b>	<b><u>\$ 93,759,021</u></b>	<b><u>\$ 53,431,096</u></b>
<b><u>Liabilities</u></b>		
Other liabilities	\$ 13,708,001	\$ 11,878,633
Long-term liabilities outstanding	19,175,730	19,713,404
<b>Total Liabilities</b>	<b><u>\$ 32,883,731</u></b>	<b><u>\$ 31,592,037</u></b>
<b><u>Net Assets</u></b>		
Invested in capital assets, net of related debt	\$ 59,602,564	\$ 13,913,512
Restricted	6,614,047	5,593,375
Unrestricted	(5,341,321)	2,332,172
<b>Total Net Assets</b>	<b><u>\$ 60,875,290</u></b>	<b><u>\$ 21,839,059</u></b>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2006, the Village's assets exceeded liabilities by \$60,875,290.

Capital assets reported on the government-wide statements represent the largest portion of the Village's net assets. At year-end, capital assets represented 80.80% 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, 2006, were \$59,602,564. 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, \$6,614,047, represents resources that are subject to external restriction on how they may be used.

The following table depicts the changes in net assets for fiscal years 2006 and 2005:

**VILLAGE OF NEW ALBANY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(UNAUDITED)**

	<b>Change in Net Assets</b>	
<b>Revenues</b>	<b>Governmental Activities 2006</b>	<b>Governmental Activities 2005</b>
<b><u>Program revenues:</u></b>		
Charges for services	\$ 1,558,503	\$ 1,753,601
Operating grants and contributions	361,318	330,985
Capital grants and contributions	36,679,713	14,901,968
<b>Total Program Revenues</b>	<b>\$ 38,599,534</b>	<b>\$ 16,986,554</b>
<b><u>General revenues:</u></b>		
Property taxes	\$ 943,465	\$ 779,007
Income taxes	16,422,003	15,227,623
Unrestricted grants and entitlements	387,579	435,904
Investment earnings	742,673	556,217
Payment in lieu of taxes	249,666	15,876
Miscellaneous	245,191	736,232
<b>Total General Revenue</b>	<b>\$ 18,990,577</b>	<b>\$ 17,750,859</b>
<b>Total Revenues</b>	<b>\$ 57,590,111</b>	<b>\$ 34,737,413</b>
<b><u>Expenses</u></b>		
General government	\$ 3,212,776	\$ 3,307,782
Security of persons and property	3,033,408	2,521,196
Public health and welfare	90,562	78,053
Transportation	2,630,025	2,107,148
Community environment	968,588	8,705,116
Leisure time activity	6,371	14,127
Economic development	7,369,090	7,961,170
Interest and fiscal charges	1,243,060	969,181
<b>Total Expenses</b>	<b>\$ 18,553,880</b>	<b>\$ 25,663,773</b>
<b>Change in Net Assets</b>	<b>\$ 39,036,231</b>	<b>\$ 9,073,640</b>
Net assets at beginning of year	21,839,059	12,765,419
<b>Net Assets at End of Year</b>	<b>\$ 60,875,290</b>	<b>\$ 21,839,059</b>

**Governmental Activities**

Governmental activities net assets increased \$39,036,231 in 2006. This increase is primarily a result of capital contributions of donated infrastructure in the amount of \$36,541,562.

**VILLAGE OF NEW ALBANY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(UNAUDITED)**

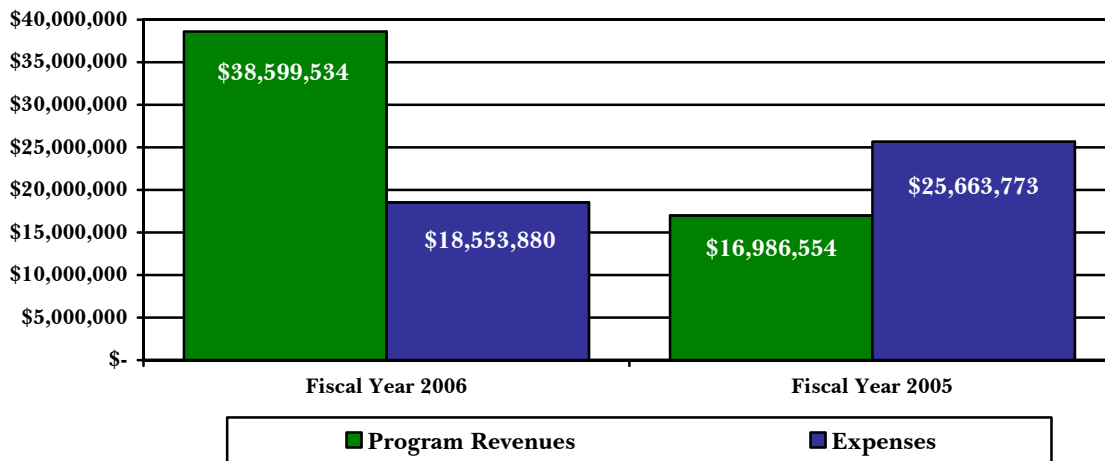
Security of persons and property, which primarily supports the operations of the police department, had expenses of \$3,033,408 which accounted for 16.35% of the total expenses of the Village. These expenses were partially funded by \$144,484 in direct charges to users of the services. General government expenses totaled \$3,212,776 which was partially funded by \$924,613 in direct charges to users of the services. Economic development expenses totaled \$7,369,090 which accounted for 39.72% of the total expenses of the Village. Transportation expenses totaled \$2,630,025 which accounted for 14.18% of the total expenses of the Village.

The state and federal government contributed to the Village a total of \$361,318 in operating grants and contributions. The Village had \$36,679,713 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 \$18,990,577 and amounted to 32.98% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$17,365,468. 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 \$387,579.

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**



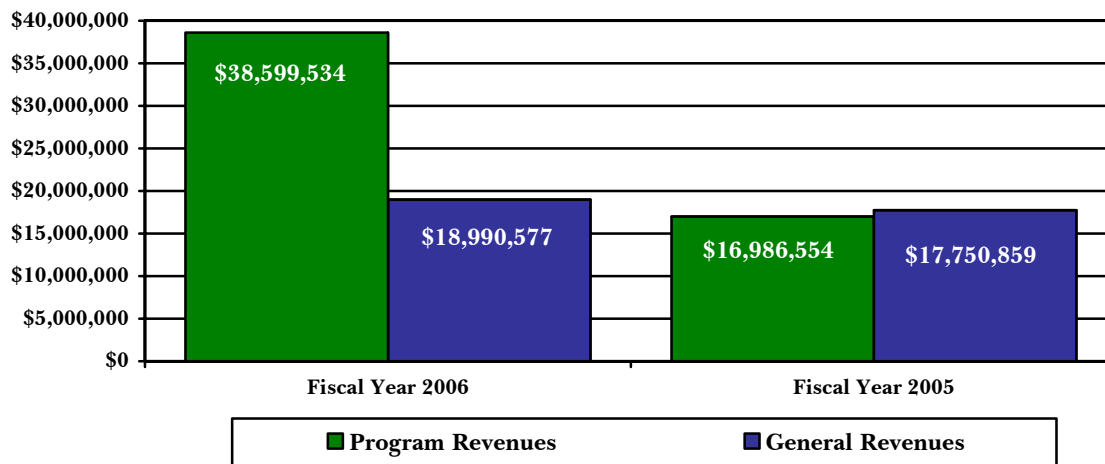
**VILLAGE OF NEW ALBANY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(UNAUDITED)**

**Governmental Activities**

	<b>Total Cost of Services 2006</b>	<b>Net Cost of Services 2006</b>	<b>Total Cost of Services 2005</b>	<b>Net Cost of Services 2005</b>
<b><u>Program Expenses:</u></b>				
General government	\$ 3,212,776	\$ 2,220,576	\$ 3,307,782	\$ 2,166,680
Security of persons and property	3,033,408	2,888,924	2,521,196	2,403,300
Public health and welfare	90,562	90,562	78,053	78,053
Transportation	2,630,025	(34,343,419)	2,107,148	(13,144,786)
Community environment	968,588	479,182	8,705,116	8,242,230
Leisure time activity	6,371	6,371	14,127	1,391
Economic development	7,369,090	7,369,090	7,961,170	7,961,170
Interest and fiscal charges	1,243,060	1,243,060	969,181	969,181
<b>Total Expenses</b>	<b><u>\$ 18,553,880</u></b>	<b><u>\$ (20,045,654)</u></b>	<b><u>\$ 25,663,773</u></b>	<b><u>\$ 8,677,219</u></b>

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 \$36,541,562 in infrastructure and land 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, 2006**  
**(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 38) reported a combined fund balance of \$2,644,687 which is \$6,931,171 lower than last year's total of \$9,575,858. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2006 and December 31, 2005 for all major and non-major governmental funds.

	<b>Fund Balances/(Deficit) <u>12/31/06</u></b>	<b>Fund Balances/(Deficit) <u>12/31/05</u></b>	<b>Increase (Decrease) <u></u></b>
<b><u>Major funds:</u></b>			
General	\$ 5,283,775	\$ 5,544,511	-4.70%
Bond improvement	(7,772,461)	(211,207)	3580.02%
Other nonmajor governmental funds	<u>5,133,373</u>	<u>4,242,554</u>	<u>21.00%</u>
<b>Total Fund Balance - Major Funds</b>	<b><u>\$ 2,644,687</u></b>	<b><u>\$ 9,575,858</u></b>	<b><u>-72.38%</u></b>

**General Fund**

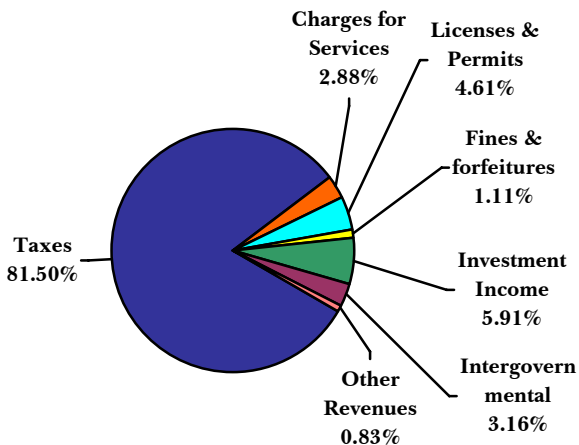
The Village's general fund balance decreased \$260,736, primarily due to increased expenditures. Revenue in the general fund increased 14.66% during 2006.

Tax revenue represents 81.50% 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. Charges for services decreased due to lower review fees charged during the year. Intergovernmental revenue decreased due to a large decrease in estate tax collection during 2006. The table that follows assists in illustrating the revenues of the general fund.

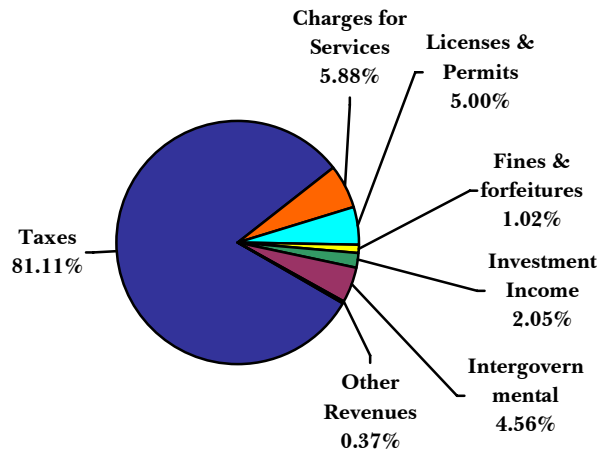
**VILLAGE OF NEW ALBANY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(UNAUDITED)**

	<u>2006</u> <u>Amount</u>	<u>2005</u> <u>Amount</u>	<u>Percent</u> <u>Change</u>
<b>Revenues</b>			
Taxes	\$ 8,770,448	\$ 7,629,678	14.95%
Charges for services	309,931	532,513	-41.80%
Licenses, permits and fees	496,531	470,216	5.60%
Fines and forfeitures	119,688	96,287	24.30%
Intergovernmental	339,666	429,003	-20.82%
Investment income	636,096	192,737	230.03%
Other	89,173	35,232	153.10%
<b>Total Revenues - General Fund</b>	<b><u>\$ 10,761,533</u></b>	<b><u>\$ 9,385,666</u></b>	<b><u>14.66%</u></b>

**Revenues – Fiscal Year 2006**



**Revenues – Fiscal Year 2005**

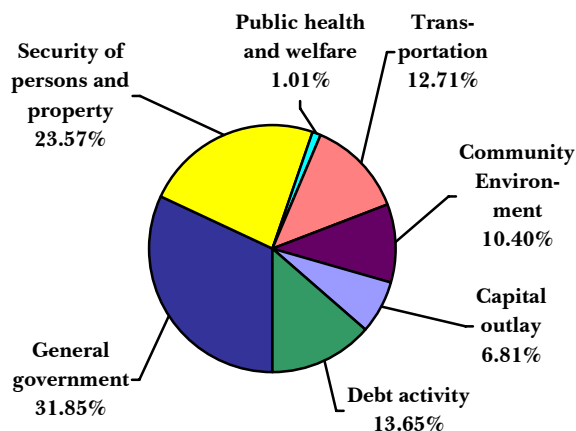


General government, security of persons and property and transportation expenditures increased due to increased wages paid and increased services provided by the Village. Capital outlay expenditures increased due to more construction projects entered into by the Village. The tables that follow assist in illustrating the expenditures of the general fund.

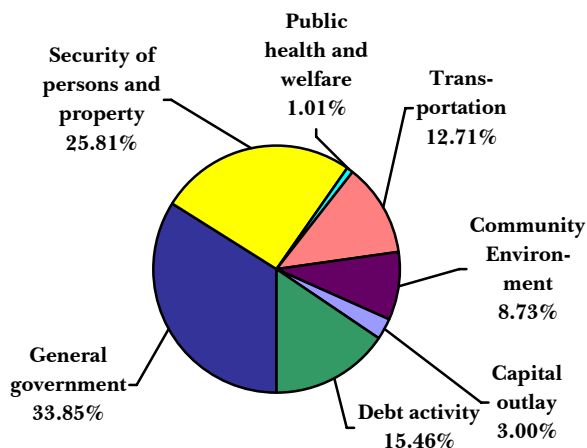
**VILLAGE OF NEW ALBANY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(UNAUDITED)**

	<u>2006</u> <u>Amount</u>	<u>2005</u> <u>Amount</u>	<u>Percent</u> <u>Change</u>
<b><u>Expenditures</u></b>			
General government	\$ 2,844,719	\$ 2,622,463	8.48%
Security of persons and property	2,105,139	1,999,409	5.29%
Public health and welfare	90,562	78,053	16.03%
Transportation	1,135,156	941,273	20.60%
Community environment	928,787	676,147	37.36%
Capital outlay	608,282	232,358	161.79%
Debt activity	1,219,578	1,198,180	1.79%
<b>Total Expenditures - General Fund</b>	<b><u>\$ 8,932,223</u></b>	<b><u>\$ 7,747,883</u></b>	<b><u>15.29%</u></b>

**Expenditures – Fiscal Year 2006**



**Expenditures – Fiscal Year 2005**



**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 \$7,677,382 is pledged to other governments.

**Bond Improvement Fund**

The Village's bond improvement fund, fund deficit increased \$7,561,254 during 2006. The bond improvement fund had revenues and other financing sources of \$1,681,902. The bond improvement fund had expenditures of \$9,243,156 during 2006.



**VILLAGE OF NEW ALBANY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(UNAUDITED)**

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**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 \$109,366 higher than they were in the final budget and actual expenditures and other financing sources were \$646,661 less than the amount in the final budget. Budgeted revenues increased \$45,501 from the original to the final budget due primarily to an increase in projected income tax revenue. Final appropriations were increased \$312,012 from the original appropriation amounts.

In the economic opportunity fund, the actual revenues came in \$2,295,611 lower than the final budget and actual expenditures were \$2,295,610 less than the amount in the final budget. Budgeted revenues were increased \$3 from the original to the final budget. Original and final appropriations stayed the same.

**Capital Assets and Debt Administration**

**Capital Assets**

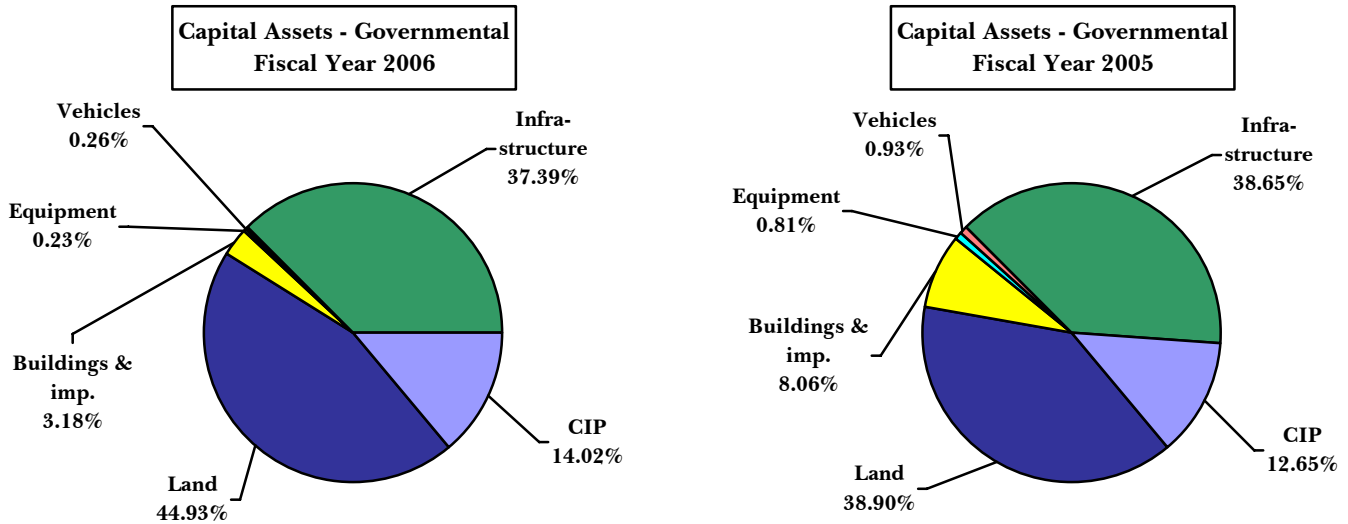
At the end of fiscal 2006, the Village had \$75,759,685 (net of accumulated depreciation) invested in land, buildings and improvements, equipment, vehicles, infrastructure and construction in progress. The Village implemented GASB Statement No. 34 in fiscal year 2005; therefore the Village only reports infrastructure for additions occurring after fiscal year 2003. The following table shows fiscal 2006 balances compared to 2005 (see note 9 to the basic financial statements):

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

	<b>Governmental Activities</b>	
	<b>2006</b>	<b>2005</b>
Land	\$ 34,038,140	\$ 11,892,072
Construction-in-progress	10,618,874	3,866,172
Buildings and improvements	2,406,968	2,463,610
Furniture and equipment	176,631	249,089
Vehicles	194,153	283,697
Infrastructure	28,324,919	11,817,631
<b>Total Capital Assets - Governmental</b>	<b>\$ 75,759,685</b>	<b>\$ 30,572,271</b>

**VILLAGE OF NEW ALBANY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(UNAUDITED)**

The following graphs show the breakdown of governmental capital assets by category for 2006 and 2005.



**Debt Administration**

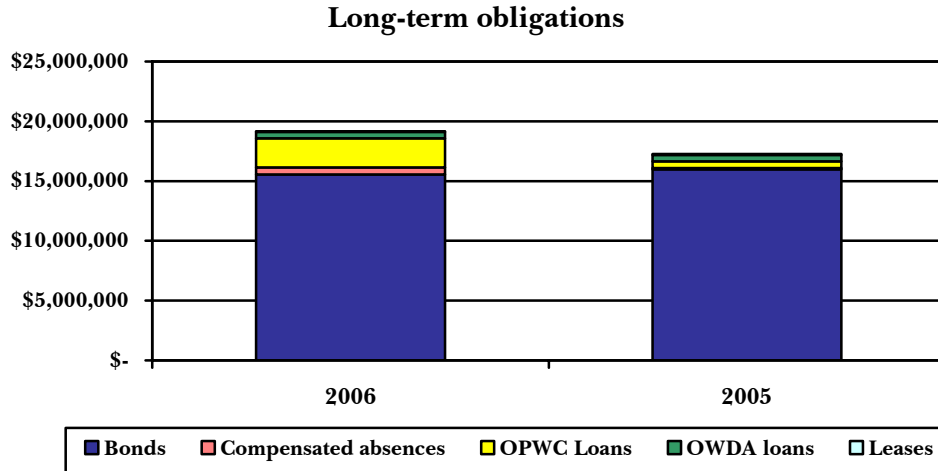
The Village had the following long-term obligations outstanding at December 31, 2006 and 2005 (see note 12 to the basic financial statements).

	<u>2006</u>	<u>2005</u>
General obligation bonds	\$ 12,715,000	\$ 12,965,000
Capital improvement bonds	2,840,000	3,015,000
Compensated absences	577,072	483,530
Capital lease obligation payable	70,602	114,350
OWDA loans	531,519	2,571,115
OPWC loans	2,441,537	564,409
<b>Total long-term obligations</b>	<b><u>\$ 19,175,730</u></b>	<b><u>\$ 19,713,404</u></b>

A comparison of the long-term obligations of 2006 and 2005 by category is depicted in the following chart:

**VILLAGE OF NEW ALBANY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(UNAUDITED)**

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**Economic Conditions and Outlook**

Over 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.

New Albany is poised for continued growth. Strategically located along the newly improved and expanded State Route 161, New Albany is 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.

**Residential Activity**

According to the United States Census Bureau 2005 Population Estimates, the Village of New Albany's population for 2006 is 6,584. As of June 2006, 3,451 residential units were zoned with approximately 1,746 (51%) of those in the active planning or construction phase.<sup>(1)</sup> The maximum density of residential development in the Village is maintained at 1.17 units per acre. The average family size in

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<sup>1</sup> Village of New Albany Community Development Department

**VILLAGE OF NEW ALBANY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(UNAUDITED)**

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New Albany is 3.3 members and the median age is 37.6 years.<sup>(2)</sup> The average price for a single family residential home is \$452,900 and the average household income is \$102,180.<sup>(3)</sup> Approximately 55% of the population over 25 has earned a Bachelor's Degree or higher.<sup>(4)</sup>

In 2006, New Albany created nine (9) new Tax Incentive Financing Districts. The projected net present value of the TIF Districts is \$23,000,000. The money will be used to pay for public infrastructure projects such as road improvements and trail connections.

### **Commercial Activity**

In 2006, New Albany adopted an economic development component to the Strategic Plan which outlines strategies to diversify the local economy, attract new businesses and balance residential and commercial growth. The plan reported an office vacancy rate of less than 3%.<sup>(5)</sup> This is significantly lower than the 18-22% average for central Ohio and adjacent communities.<sup>(6)</sup> 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.

#### *Corporate Office*

Over 2.1 million square feet of commercial development is either under construction or in the planning phase in New Albany. Over 700,000 square feet of commercial development was added in 2006. As a result of the business retention and expansion program companies like Abercrombie & Fitch, Commercial Vehicle Group and Tween Brands announced plans for future expansions. Discover Financial Services consolidated offices and moved 250 employees from the west side of Columbus to New Albany. American Electric Power chose New Albany as the home for its new control center operations – an 80,000 square foot project in the business park.

Three dynamic partnerships were announced in 2006 to spur economic growth and increase sustainable development opportunities. First, through the newly created Community Improvement Corporation New Albany committed to a partnership with Tech Columbus to leverage \$1.5 million in state grants to create a business technology center. Second, New Albany partnered with Canini & Pellicchia and The New Albany Company to develop a 52 acre site at the northeast corner of Smiths Mill Road and US Route 62. The \$2 million public contribution will assist with the construction of public roads, utilities and fiber infrastructure – as well as the improvement and beautification of US Route 62. The development will result in over 180,000 square feet of medical office and 175,000 square feet of supporting retail amenities. Finally, the Daimler Group, The New Albany Company, The Georgetown Company and Capital Square Ltd. announced the creation of Daimler-New Albany – a joint development venture that combines more than 75 years of experience with 20 million square feet of development and \$4 billion in commercial assets.

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<sup>2</sup> Federal 2000 decennial census

<sup>3</sup> Ibid

<sup>4</sup> Ibid

<sup>5</sup> 2006 Village of New Albany Economic Development Strategic Plan, Camoin Associates – Section IV, page 10.

<sup>6</sup> Ibid

**VILLAGE OF NEW ALBANY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(UNAUDITED)**

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*Village Center*

The Village Center is the heart and soul of the community. 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.

In 2006, construction began on the New Albany Exchange, a 35,000 square foot mixed use development located on Main Street. The plans are nearly complete and construction is set to begin in Spring 2007 on the Market Square Expansion – a project that includes 45,000 square feet of office and retail along Main and Market Streets.

*Incentives*

New Albany 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 and 2006, New Albany 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.

**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 8% <sup>(7)</sup> 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.

**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: James M. Nicholson, Finance Director, Village of New Albany, 99 W. Main Street, New Albany, Ohio 43054.

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<sup>7</sup> Ohio Department of Education website.

**VILLAGE OF NEW ALBANY, OHIO**

STATEMENT OF NET ASSETS  
DECEMBER 31, 2006

	<b>Governmental Activities</b>
<b><u>ASSETS</u></b>	
Equity in pooled cash and cash equivalents and investments	\$ 10,456,439
<i>Receivables (net of allowances for uncollectibles):</i>	
Income taxes	5,829,592
Property and other taxes	974,667
Accounts	33,257
Accrued interest	61,203
Intergovernmental	467,472
Prepayments	81,713
Materials and supplies inventory	94,993
<i>Capital assets:</i>	
Land and construction in progress	44,657,014
Depreciable capital assets, net	31,102,671
Total capital assets	75,759,685
<b>Total Assets</b>	<b>\$ 93,759,021</b>
<b><u>LIABILITIES</u></b>	
Accounts payable	\$ 9,680
Retainage payable	369,128
Contracts payable	704,053
Accrued wages and benefits	131,630
Due to other governments	2,883,206
Unearned revenue	925,139
Accrued interest payable	79,165
Note payable	8,606,000
<i>Long-term liabilities:</i>	
Due within one year	833,341
Due in more than one year	18,342,389
<b>Total Liabilities</b>	<b>\$ 32,883,731</b>
<b><u>NET ASSETS</u></b>	
Invested in capital assets, net of related debt	\$ 59,602,564
<i>Restricted for:</i>	
Debt service	4,782
Capital projects	4,377,040
Street construction and maintenance	533,779
Safety programs	97,308
Other purposes	1,601,138
Unrestricted (deficit)	(5,341,321)
<b>Total Net Assets</b>	<b>\$ 60,875,290</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VILLAGE OF NEW ALBANY, OHIO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Program Revenues</u>				<u>Net Revenue (Expense) and Change in Net Assets</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Governmental Activities:</b>					
General government	\$ 3,212,776	\$ 924,613	\$ 67,587	\$ -	\$ (2,220,576)
Security of persons and property	3,033,408	144,484	-	-	(2,888,924)
Public health and welfare	90,562	-	-	-	(90,562)
Transportation	2,630,025	-	293,731	36,679,713	34,343,419
Community environment	968,588	489,406	-	-	(479,182)
Leisure time activity	6,371	-	-	-	(6,371)
Economic development	7,369,090	-	-	-	(7,369,090)
Interest and fiscal charges	1,243,060	-	-	-	(1,243,060)
<b>Total Governmental Activities</b>	<b>\$ 18,553,880</b>	<b>\$ 1,558,503</b>	<b>\$ 361,318</b>	<b>\$ 36,679,713</b>	<b>\$ 20,045,654</b>

**General Revenues:**

*Property taxes levied for:*

General fund \$ 943,465

*Income taxes levied for:*

General fund 7,514,820

Special revenue 7,888,123

Capital projects 1,019,060

Grants and entitlements not restricted to specific programs 387,579

Investment earnings 742,673

Payment in lieu of taxes 249,666

Miscellaneous 245,191

**Total General Revenues \$ 18,990,577**

Change in Net Assets \$ 39,036,231

Net Assets at Beginning of Year 21,839,059

**Net Assets At End of Year \$ 60,875,290**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW ALBANY, OHIO

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2006

	General	Economic Opportunity Fund	Bond Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Equity in pooled cash, cash equivalents and investments	\$ 3,918,925	\$ -	\$ 1,496,798	\$ 5,040,716	\$ 10,456,439
<i>Receivables (net of allowance for uncollectibles):</i>					
Income taxes	2,329,459	3,182,360	-	317,773	5,829,592
Property and other taxes	974,667	-	-	-	974,667
Accounts	33,257	-	-	-	33,257
Accrued interest	45,291	-	15,912	-	61,203
Due from other governments	257,345	-	-	210,127	467,472
Prepayments	94,993	-	-	-	94,993
Materials and supplies inventory	8,137	-	-	73,576	81,713
<b>Total Assets</b>	<b>\$ 7,662,074</b>	<b>\$ 3,182,360</b>	<b>\$ 1,512,710</b>	<b>\$ 5,642,192</b>	<b>\$ 17,999,336</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 9,680	\$ -	\$ -	\$ -	\$ 9,680
Contracts payable	133,625	-	363,186	207,242	704,053
Retainage payable	-	-	292,304	76,824	369,128
Accrued wages and benefits	131,630	-	-	-	131,630
Due to other governments	204,091	1,890,132	-	15,788	2,110,011
Accrued interest payable	-	-	15,240	-	15,240
Notes payable	-	-	8,606,000	-	8,606,000
Unearned revenue	925,139	-	-	-	925,139
Deferred revenue	974,134	1,292,228	8,441	208,965	2,483,768
<b>Total Liabilities</b>	<b>\$ 2,378,299</b>	<b>\$ 3,182,360</b>	<b>\$ 9,285,171</b>	<b>\$ 508,819</b>	<b>\$ 15,354,649</b>
<b>FUND BALANCES</b>					
Reserved for encumbrances	559,172	-	1,263,553	710,813	2,533,538
Reserved for prepayments	94,993	-	-	-	94,993
Reserved for debt service	-	-	-	4,782	4,782
Reserved for materials & supplies	8,137	-	-	73,576	81,713
<i>Unreserved, undesignated (deficit) reported in:</i>					
General fund	4,621,473	-	-	-	4,621,473
Special revenue funds	-	-	-	716,766	716,766
Capital projects funds	-	-	(9,036,014)	3,627,436	(5,408,578)
<b>Total Fund Balances (Deficits)</b>	<b>\$ 5,283,775</b>	<b>\$ -</b>	<b>\$ (7,772,461)</b>	<b>\$ 5,133,373</b>	<b>\$ 2,644,687</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 7,662,074</b>	<b>\$ 3,182,360</b>	<b>\$ 1,512,710</b>	<b>\$ 5,642,192</b>	<b>\$ 17,999,336</b>

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, 2006**

**Total Governmental Fund Balances** **\$ 2,644,687**

*Amounts reported for governmental activities in the Statement of Net Assets are different due to the following:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 75,759,685

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

Delinquent property taxes	\$	49,528
Income taxes		2,158,471
Fines and forfeitures		10,636
Intergovernmental revenues		232,666
Accrued interest		32,467
		32,467

Total Long-Term Assets 2,483,768

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	\$	(63,925)
General obligation bonds		(15,555,000)
OWDA loans		(2,441,537)
OPWC loans		(531,519)
Compensated absences		(577,072)
Intergovernmental payable		(773,195)
Capital lease payable		(70,602)
		(70,602)

Total Long-Term Liabilities (20,012,850)

**Net Assets of Governmental Activities** **\$ 60,875,290**

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, 2006**

	<u>General</u>	<u>Economic Opportunity Fund</u>	<u>Bond Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>REVENUES</u></b>					
Income taxes	\$ 7,844,150	\$ 7,677,382	\$ -	\$ 1,070,174	\$ 16,591,706
Property and other taxes	926,298	-	-	-	926,298
Charges for services	309,931	-	-	21,818	331,749
Licenses and permits	496,531	-	-	592,584	1,089,115
Fines and forfeitures	119,688	-	-	7,315	127,003
Intergovernmental	339,666	-	-	449,510	789,176
Payment in lieu of taxes	-	-	-	249,666	249,666
Investment income	636,096	-	118,214	19,239	773,549
Donations	500	-	-	7,416	7,916
Other	88,673	-	15,638	132,964	237,275
<b>Total Revenues</b>	<b>\$ 10,761,533</b>	<b>\$ 7,677,382</b>	<b>\$ 133,852</b>	<b>\$ 2,550,686</b>	<b>\$ 21,123,453</b>
<b><u>EXPENDITURES</u></b>					
<i>Current:</i>					
General government	\$ 2,844,719	\$ -	\$ 6,381	\$ 26,200	\$ 2,877,300
Security of persons and property	2,105,139	-	-	8,101	2,113,240
Public health and welfare	90,562	-	-	-	90,562
Transportation	1,135,156	-	-	183,751	1,318,907
Community environment	928,787	-	-	-	928,787
Leisure time activity	-	-	-	6,371	6,371
Economic development	-	7,677,382	-	-	7,677,382
Capital outlay	608,282	-	8,830,336	1,720,255	11,158,873
<i>Debt service:</i>					
Principal retirement	468,748	-	-	201,301	670,049
Interest and fiscal charges	750,830	-	370,417	152,721	1,273,968
Note issuance costs	-	-	36,022	-	36,022
<b>Total Expenditures</b>	<b>\$ 8,932,223</b>	<b>\$ 7,677,382</b>	<b>\$ 9,243,156</b>	<b>\$ 2,298,700</b>	<b>\$ 28,151,461</b>
Excess (deficiency) of revenues over (under) expenditures	<b>\$ 1,829,310</b>	<b>\$ -</b>	<b>\$ (9,109,304)</b>	<b>\$ 251,986</b>	<b>\$ (7,028,008)</b>
<b><u>OTHER FINANCING SOURCES/(USES)</u></b>					
OPWC loans issued	\$ -	\$ -	\$ -	\$ 38,833	\$ 38,833
Premium on notes sold	-	-	58,004	-	58,004
Transfers in	-	-	1,490,046	962,450	2,452,496
Transfers out	(2,090,046)	-	-	(362,450)	(2,452,496)
<b>Total Other Financing Sources/(Uses)</b>	<b>\$ (2,090,046)</b>	<b>\$ -</b>	<b>\$ 1,548,050</b>	<b>\$ 638,833</b>	<b>\$ 96,837</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (260,736)</b>	<b>\$ -</b>	<b>\$ (7,561,254)</b>	<b>\$ 890,819</b>	<b>\$ (6,931,171)</b>
Fund balances (deficit) at beginning of year	5,544,511	-	(211,207)	4,242,554	9,575,858
<b>FUND BALANCES (DEFICIT) AT END OF YEAR</b>	<b>\$ 5,283,775</b>	<b>\$ -</b>	<b>\$ (7,772,461)</b>	<b>\$ 5,133,373</b>	<b>\$ 2,644,687</b>

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, 2006**

**Net Change in Fund Balances - Total Governmental Funds** **\$ (6,931,171)**

*Amounts reported for governmental activities in the Statement of Activities are different due to the following:*

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	\$ 10,145,296	
Depreciation expense	(1,499,444)	
Total		8,645,852

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net assets. 36,541,562

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

Income taxes	\$ (169,703)	
Delinquent property taxes	17,167	
Fines and forfeitures	10,636	
Intergovernmental revenue	97,872	
Interest	(30,876)	
Total		(74,904)

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. 670,049

In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due. 8,926

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	\$ (93,542)	
Intergovernmental payable	308,292	
Total		214,750

Loans provide current financial resources to governmental funds, but issuing debt increases long-term liabilities on the statement of net assets. (38,833)

**Change in Net Assets of Governmental Activities** **\$ 39,036,231**

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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Income taxes	\$ 7,084,166	\$ 7,084,167	\$ 7,122,386	\$ 38,219
Property and other taxes	854,022	910,022	926,298	16,276
Charges for services	585,505	585,505	309,931	(275,574)
Licenses and permits	546,050	546,050	482,727	(63,323)
Fines and forfeitures	110,000	110,000	116,107	6,107
Intergovernmental	277,771	266,771	220,378	(46,393)
Investment income	150,000	150,000	540,381	390,381
Donations	-	500	500	-
Other	45,000	45,000	88,673	43,673
<b>Total Revenues</b>	<b>\$ 9,652,514</b>	<b>\$ 9,698,015</b>	<b>\$ 9,807,381</b>	<b>\$ 109,366</b>
<b><u>EXPENDITURES</u></b>				
<i>Current:</i>				
General government	3,424,617	3,391,204	3,007,000	384,204
Security of persons and property	2,139,470	2,220,137	2,171,952	48,185
Public health and welfare	82,124	90,562	90,562	-
Transportation	1,443,210	1,430,021	1,234,993	195,028
Community environment	1,051,888	1,056,849	968,597	88,252
Capital outlay	648,591	724,699	806,208	(81,509)
<i>Debt service:</i>				
Principal retirement	394,861	425,000	425,000	-
Interest and fiscal charges	598,697	744,498	744,497	1
<b>Total Expenditures</b>	<b>\$ 9,783,458</b>	<b>\$ 10,082,970</b>	<b>\$ 9,448,809</b>	<b>\$ 634,161</b>
Excess (deficiency) of revenues over (under) expenditures	<b>\$ (130,944)</b>	<b>\$ (384,955)</b>	<b>\$ 358,572</b>	<b>\$ 743,527</b>
<b><u>OTHER FINANCING USES</u></b>				
Transfers out	(2,090,046)	(2,102,546)	(2,090,046)	12,500
<b>Total Other Financing Uses</b>	<b>\$ (2,090,046)</b>	<b>\$ (2,102,546)</b>	<b>\$ (2,090,046)</b>	<b>\$ 12,500</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (2,220,990)</b>	<b>\$ (2,487,501)</b>	<b>\$ (1,731,474)</b>	<b>\$ 756,027</b>
Fund balances (deficit) at beginning of year	4,775,952	4,775,952	4,775,952	-
Prior year encumbrances appropriated	321,391	321,391	321,391	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 2,876,353</b>	<b>\$ 2,609,842</b>	<b>\$ 3,365,869</b>	<b>\$ 756,027</b>

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)**  
**ECONOMIC OPPORTUNITY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Income taxes	\$ 8,895,268	\$ 8,895,271	\$ 6,599,660	\$ (2,295,611)
<b>Total Revenues</b>	<b>\$ 8,895,268</b>	<b>\$ 8,895,271</b>	<b>\$ 6,599,660</b>	<b>\$ (2,295,611)</b>
<b><u>EXPENDITURES</u></b>				
Economic development	\$ 8,895,270	\$ 8,895,270	\$ 6,599,660	\$ 2,295,610
<b>Total Expenditures</b>	<b>\$ 8,895,270</b>	<b>\$ 8,895,270</b>	<b>\$ 6,599,660</b>	<b>\$ 2,295,610</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (2)</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ (1)</b>
Fund balance at beginning of year	-	-	-	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ (2)</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ (1)</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VILLAGE OF NEW ALBANY, OHIO**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2006**

	<u>Agency</u>
<b><u>ASSETS</u></b>	
Equity in pooled cash, cash equivalents and investments	\$ 1,681,504
<b>Total Assets</b>	<b><u>\$ 1,681,504</u></b>
 <b><u>LIABILITIES</u></b>	
Deposits held and due to others	\$ 1,681,504
<b>Total Liabilities</b>	<b><u>\$ 1,681,504</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

## VILLAGE OF NEW ALBANY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

#### **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, 2006

**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 Village made the \$3 million contribution to the Center on behalf of the Township in exchange for tax revenues from three area tax increment financing agreements. 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, 2<sup>nd</sup> 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.



## VILLAGE OF NEW ALBANY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

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

***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.

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.

**VILLAGE OF NEW ALBANY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

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

*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. This fund consists of three distinct economic opportunity zones. These zones are the Oak Grove, Central College and Blacklick sub areas.

*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.

***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.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

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

**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.

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.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

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

Property taxes for which there is an enforceable legal claim as of December 31, 2006, but which were levied to finance year 2007 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, 2006

**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 2006.

*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 2006, investments were limited to federal agency securities, a money market account, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio).

**VILLAGE OF NEW ALBANY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

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

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 2006. 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, 2006.

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 2006, interest revenue credited to the general fund amounted to \$636,096 which includes \$414,684 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.

**VILLAGE OF NEW ALBANY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

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

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

**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.

**VILLAGE OF NEW ALBANY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

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

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, 2006, 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.

**M. 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.

**N. 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.



**VILLAGE OF NEW ALBANY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

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

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

**O. 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.

**P. 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.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2006, the Village has implemented GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section", GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation" and GASB Statement No. 47, "Accounting for Termination Benefits".

The purpose of GASB Statement No. 44 is to improve the understandability and usefulness of the information that state and local governments present as supplementary information in the statistical section.

GASB Statement No. 46 defines enabling legislation and specifies how net assets should be reported in the financial statements when there are changes in such legislation. The Statement also requires governments to disclose in the notes to the financial statements the amount of net assets restricted by enabling legislation.

GASB Statement No. 47 establishes accounting standards for termination benefits.

**VILLAGE OF NEW ALBANY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (Continued)**

The implementation of GASB Statement No. 46 and GASB Statement No. 47 did not have an effect on the fund balances/net assets of the Village as previously reported at December 31, 2005.

**B. Deficit Fund Balances**

Fund balances at December 31, 2006 included the following individual fund deficit:

<b>Major Fund</b>	<b>Deficit</b>
Bond Improvement	\$ 7,772,461

This fund 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 balance results from adjustments in accrued liabilities.

**C. 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.” At December 31, 2006, expenditures were in excess of the Village’s final appropriations at the legal level of control for the following funds:

<b>Fund</b>	<b>Object Level</b>	<b>Excess</b>
General	Capital Outlay	\$ 81,509

- 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, 2006:

<b>Fund</b>	<b>Excess</b>
Economic Opportunity Zone	\$ 2
Bond Improvement Fund	463,444

The Village is working to amend appropriation resolutions throughout the year to comply with Ohio Revised Code for fiscal year 2007.

**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

**VILLAGE OF NEW ALBANY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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.

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);

**VILLAGE OF NEW ALBANY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

7. High grade commercial paper for a period not to exceed 180 days in an amount not to exceed twenty-five percent of the Village'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 Village'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.

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, 2006, the carrying amount of all Village deposits was \$387,596. As of December 31, 2006, \$1,044,781 of the Village's bank balance of \$1,166,573 was exposed to custodial risk as discussed below, while \$121,792 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.

**VILLAGE OF NEW ALBANY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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, 2006, the Village had the following investments and maturities:

<u>Investment type</u>	<u>Balance at Fair Value</u>	<u>Investment Maturities</u>			
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>
FHLMC	\$ 2,953,335	\$ 996,000	\$ 492,115	\$ 495,860	\$ 969,360
FHLB	2,487,920	499,640	997,810	495,625	494,845
FNMA	2,483,135	1,493,755	-	989,380	-
FFCB	-	-	-	-	-
Money Market	3,702,150	3,702,150	-	-	-
STAR Ohio	123,507	123,507	-	-	-
	<u>\$ 11,750,047</u>	<u>\$ 6,815,052</u>	<u>\$ 1,489,925</u>	<u>\$ 1,980,865</u>	<u>\$ 1,464,205</u>

The weighted average maturity of investments is .61 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.

*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.

**VILLAGE OF NEW ALBANY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*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, 2006:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLMC	\$ 2,953,335	25.13%
FHLB	2,487,920	21.17%
FNMA	2,483,135	21.13%
Money Market	3,702,150	31.52%
STAR Ohio	<u>123,507</u>	<u>1.05%</u>
	<b><u>\$ 11,750,047</u></b>	<b><u>100.00%</u></b>

**C. Reconciliation of Cash and Investments 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, 2006:

<u>Cash and Investments per footnote</u>	
Carrying amount of deposits	\$ 387,596
Investments	11,750,047
Cash on hand	<u>300</u>
<b>Total</b>	<b><u>\$ 12,137,943</u></b>
 <u>Cash and investments per Statement of Net Assets</u>	
Governmental activities	\$ 10,456,439
Agency funds	<u>1,681,504</u>
<b>Total</b>	<b><u>\$ 12,137,943</u></b>

**VILLAGE OF NEW ALBANY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 5 - INTERFUND TRANSFERS**

Interfund transfers for the year ended December 31, 2006, consisted of the following, as reported in the fund financial statements:

<u>Transfers to</u>	<u>General</u>	<u>Nonmajor Capital Projects</u>	<u>Total</u>
Major			
Capital Improvement Fund	\$ 600,000	\$ 362,450	\$ 962,450
Nonmajor			
Capital Projects	<u>1,490,046</u>	<u>-</u>	<u>1,490,046</u>
	<u><b>\$ 2,090,046</b></u>	<u><b>\$ 362,450</b></u>	<u><b>\$ 2,452,496</b></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.

Transfers between governmental funds are eliminated on the government-wide financial statements

**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 2006. Real property taxes are payable annually or semiannually. The first payment for 2006 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.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 6 - PROPERTY TAXES - (Continued)**

Tangible personal property tax revenues received in 2006 (other than public utility property) represent the collection of 2006 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of January 1, 2005. In prior years, tangible personal property assessments were twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Tangible personal property tax is being phased out - the assessment percentage for property, including inventory, is 18.75% for 2006. This percentage will be reduced to 12.5% for 2007, 6.25% for 2008, and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the Village due to the phasing out of the tax. In calendar years 2006-2010, the Village will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

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, 2006, was \$1.94 per \$1,000.00 of assessed value. The assessed values of real and tangible personal property, upon which taxes for 2006 were collected, are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real	\$ 538,166,850
Personal property	10,382,164
Public utility	<u>3,877,260</u>
<b>Total Assessed Valuation</b>	<b><u>\$ 552,426,274</u></b>

Accrued taxes receivable represent delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable and unpaid as of December 31, 2006. 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 2006 operations. Accordingly, the receivable is offset by a credit to "Unearned Revenue."



VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**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 2006 was \$16,591,706 on the modified accrual statements.

**NOTE 8 - RECEIVABLES**

Receivables at December 31, 2006, 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, 2006, as well as intended to finance fiscal 2006 operations.

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

<b><u>Governmental Activities:</u></b>	
Income taxes	\$ 5,829,592
Real and other taxes	974,667
Accounts	33,257
Accrued interest	61,203
Due from other governments	<u>467,472</u>
<b>Total</b>	<b><u>\$ 7,366,191</u></b>

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, 2006

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2006, was as follows:

<b>Governmental Activities:</b>	<b>Balance</b>			<b>Balance</b>
	<b>12/31/05</b>	<b>Additions</b>	<b>Disposals</b>	<b>12/31/06</b>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 11,892,072	\$ 22,146,068	\$ -	\$ 34,038,140
Construction in progress	3,866,172	9,306,224	(2,553,522)	10,618,874
<b>Total capital assets, not being depreciated</b>	<b>\$ 15,758,244</b>	<b>\$ 31,452,292</b>	<b>\$ (2,553,522)</b>	<b>\$ 44,657,014</b>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	\$ 2,832,146	\$ -	\$ -	\$ 2,832,146
Equipment	557,350	-	-	557,350
Vehicles	841,996	24,300	-	866,296
Infrastructure	12,567,317	17,763,788	-	30,331,105
<b>Total capital assets, being depreciated</b>	<b>\$ 16,798,809</b>	<b>\$ 17,788,088</b>	<b>\$ -</b>	<b>\$ 34,586,897</b>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	\$ (368,536)	\$ (56,642)	\$ -	\$ (425,178)
Equipment	(308,261)	(72,458)	-	(380,719)
Vehicles	(558,299)	(113,844)	-	(672,143)
Infrastructure	(749,686)	(1,256,500)	-	(2,006,186)
<b>Total accumulated depreciation</b>	<b>\$ (1,984,782)</b>	<b>\$ (1,499,444)</b>	<b>\$ -</b>	<b>\$ (3,484,226)</b>
<b>Total capital assets, being depreciated, net</b>	<b>14,814,027</b>	<b>16,288,644</b>	<b>-</b>	<b>31,102,671</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 30,572,271</b>	<b>\$ 47,740,936</b>	<b>\$ (2,553,522)</b>	<b>\$ 75,759,685</b>

**VILLAGE OF NEW ALBANY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 9 - CAPITAL ASSETS – (Continued)**

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

**Governmental activities:**

General government	\$ 184,628
Security of persons and property	60,571
Transportation	<u>1,254,245</u>
<b>Total depreciation expense - governmental activities</b>	<b><u>\$ 1,499,444</u></b>

**NOTE 10 - CAPITALIZED LEASES - LESSEE DISCLOSURE**

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. Accumulated depreciation on the vehicles and equipment totaled \$29,700 and \$19,773, respectively, leaving current book values of \$118,800 and \$50,623 respectively. Principal payments in fiscal year 2006 totaled \$43,748 in the General fund.

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, 2006:

<b><u>Year Ending</u></b> <b><u>December 31</u></b>	<b><u>Equipment</u></b>
2007	\$ 50,082
2008	15,157
2009	<u>11,220</u>
<b>Total minimum lease payments</b>	<b>76,459</b>
Less: amount representing interest	<u>(5,857)</u>
<b>Present value of future minimum lease payments</b>	<b><u>\$ 70,602</u></b>

**VILLAGE OF NEW ALBANY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**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, 2006, the liability for unpaid compensated absences was \$577,072 for the entire Village, which is reported as a fund liability and/or on the government-wide financial statements as applicable. Compensated absences will be paid from the General fund.

**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>
<b><u>General Obligation Bonds:</u></b>			
Series 2003 Capital Improvement	2033	4.99%	\$ 13,460,000
Municipal Building	2018	4.00%	4,080,000
		- 4.75%	
<b><u>OPWC Loans:</u></b>			
CT06G Thompson/Harlem Road	2019	0%	98,000
CT66G Intersection Improvements for SR161	2025	0%	338,006
CC12E US62/Dublin-Granville Intersection	2011	0%	204,968
<b><u>OWDA Loans:</u></b>			
2977 Bevelhimer/Cederbrook Waterlines	2015	6.72%	614,938
3189 Central College/Kitzmilller Waterlines	2020	5.77%	701,331

**VILLAGE OF NEW ALBANY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

B. During fiscal year 2006, the following changes occurred in governmental activities long-term obligations:

	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Amounts</u>
	<u>12/31/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/06</u>	<u>Due in</u>
	<u>12/31/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/06</u>	<u>One Year</u>
<b>GOVERNMENTAL ACTIVITIES</b>					
<b><u>General Obligation Bonds</u></b>					
Series 2003					
Capital Improvement	\$ 12,965,000	\$ -	\$ (250,000)	\$ 12,715,000	\$ 185,000
Municipal Building	3,015,000	-	(175,000)	2,840,000	250,000
<b>Total - Bonds</b>	<b><u>\$ 15,980,000</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (425,000)</u></b>	<b><u>\$ 15,555,000</u></b>	<b><u>\$ 435,000</u></b>
<b><u>OWDA Loans:</u></b>					
OWDA Loan 2977					
Bevelhymmer/Cederbrook					
Waterlines	389,256	-	(30,631)	358,625	32,689
OWDA Loan 3189					
Central College/Kitzmilller					
Waterlines	583,554	-	(25,942)	557,612	27,556
OWDA Loan 2163					
Elevated Storage Tank	1,598,305	-	(73,005)	1,525,300	77,279
<b><u>OPWC Loans:</u></b>					
CTO6G					
Thompson/Harlem Rd.	59,167	38,833	(2,450)	95,550	4,900
CT66G					
Intersection Improvements for SR 161	329,556	-	(25,351)	304,205	16,900
CC12E					
US 62/Dublin-Granville Rd Intersection	175,686	-	(43,922)	131,764	29,281
<b>Total loans</b>	<b><u>\$ 3,135,524</u></b>	<b><u>\$ 38,833</u></b>	<b><u>\$ (201,301)</u></b>	<b><u>\$ 2,973,056</u></b>	<b><u>\$ 188,605</u></b>
<b><u>Other Long--Term Obligations:</u></b>					
Compensated absences	\$ 483,530	\$ 280,515	\$ (186,973)	\$ 577,072	\$ 163,621
Capital lease obligation	114,350	-	(43,748)	70,602	46,115
<b>Total Other Long-Term Obligations</b>	<b><u>\$ 597,880</u></b>	<b><u>\$ 280,515</u></b>	<b><u>\$ (230,721)</u></b>	<b><u>\$ 647,674</u></b>	<b><u>\$ 209,736</u></b>
<b>Total Governmental Activities and Long-Term Obligations</b>	<b><u>\$ 19,713,404</u></b>	<b><u>\$ 319,348</u></b>	<b><u>\$ (857,022)</u></b>	<b><u>\$ 19,175,730</u></b>	<b><u>\$ 833,341</u></b>

**VILLAGE OF NEW ALBANY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

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

- B.** As of December 31, 2006, the Village’s overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$58,009,541. 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
2007	\$ 185,000	\$ 127,300	\$ 312,300	\$ 250,000	\$ 604,747	\$ 854,747
2008	200,000	119,993	319,993	260,000	597,872	857,872
2009	200,000	111,992	311,992	270,000	590,072	860,072
2010	210,000	103,792	313,792	280,000	581,298	861,298
2011	220,000	94,973	314,973	300,000	571,497	871,497
2012-2016	1,240,000	318,933	1,558,933	1,635,000	2,667,985	4,302,985
2017-2021	585,000	42,037	627,037	2,075,000	2,235,412	4,310,412
2022-2026	-	-	-	2,655,000	1,658,750	4,313,750
2027-2031	-	-	-	3,390,000	924,750	4,314,750
2032-2033	-	-	-	1,600,000	121,000	1,721,000
<b>Total</b>	<b>\$ 2,840,000</b>	<b>\$ 919,020</b>	<b>\$ 3,759,020</b>	<b>\$ 12,715,000</b>	<b>\$ 10,553,383</b>	<b>\$ 23,268,383</b>

- 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
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	29,272	32,050	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	17,057	56,789	33,028	28,294	61,322	91,658	72,531	164,189
2011	42,402	14,387	56,789	35,084	26,238	61,322	97,023	67,166	164,189
2012-2016	171,686	27,074	198,760	211,021	95,588	306,609	577,249	243,700	820,949
2017-2020	-	-	-	190,558	24,066	214,624	513,699	60,964	574,663
<b>Total</b>	<b>\$ 358,625</b>	<b>\$ 124,080</b>	<b>\$ 482,705</b>	<b>\$ 557,612</b>	<b>\$ 270,231</b>	<b>\$ 827,843</b>	<b>\$ 1,525,300</b>	<b>\$ 691,260</b>	<b>\$ 2,216,560</b>

**VILLAGE OF NEW ALBANY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**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
2007	\$ 4,900	\$ -	\$ 4,900	\$ 16,900	\$ -	\$ 16,900	\$ 29,281	\$ -	\$ 29,281
2008	4,900	-	4,900	16,900	-	16,900	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	4,900	-	4,900	16,901	-	16,901	14,640	-	14,640
2012-2016	24,500	-	24,500	84,501	-	84,501	-	-	-
2017-2021	24,500	-	24,500	84,502	-	84,502	-	-	-
2022-2026	22,050	-	22,050	50,701	-	50,701	-	-	-
<b>Total</b>	<b>\$ 95,550</b>	<b>\$ -</b>	<b>\$ 95,550</b>	<b>\$ 304,205</b>	<b>\$ -</b>	<b>\$ 304,205</b>	<b>\$ 131,764</b>	<b>\$ -</b>	<b>\$ 131,764</b>

**NOTE 13 - NOTES PAYABLE**

On December 14, 2006, the Village issued \$8,606,000 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, 2006, follows:

	<u>Maturity Date</u>	<u>Outstanding 12/31/2005</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding 12/31/2006</u>
<b><u>Governmental Activities:</u></b>					
Capital Facilities					
Note - 4.50%	12/14/2006	\$ 8,236,000	\$ -	\$(8,236,000)	\$ -
Capital Facilities					
Note - 4.25%	12/13/2007	-	8,606,000	-	8,606,000
<b>Total on Statement of Net Assets</b>		<b>\$ 8,236,000</b>	<b>\$ 8,606,000</b>	<b>\$(8,236,000)</b>	<b>\$ 8,606,000</b>

The notes are backed by the full faith and credit of the Village and mature on December 13, 2007.

**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").

**VILLAGE OF NEW ALBANY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 14 - RISK MANAGEMENT - (Continued)**

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.

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 November 1, 2005 and after, the Plan pays the lesser of 5% or \$37,500 for casualty losses up to the coverage limit and the lesser of 5% or \$100,000 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, 2006:

	<u>2006</u>
Assets	\$ 9,620,148
Liabilities	<u>(3,329,620)</u>
<b>Total Member's Equity</b>	<b><u>\$ 6,290,528</u></b>

**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 Anthem Blue Cross and Blue Shield. 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.



**VILLAGE OF NEW ALBANY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**NOTE 15 - 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.

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 establish 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) 222-5601 or (800) 222-7377.

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement under the traditional plan, were required to contribute 9.0% of their annual covered salaries. Members participating in the traditional plan that were in law enforcement contributed 10.1% of their annual covered salary. The Village's contribution rate for pension benefits for 2006 was 9.20%, except for those plan members in law enforcement and public safety. For those classifications, the Village's pension contributions were 12.43% of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Village's contributions to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$292,623, \$238,801, and \$197,992, respectively; 73.04% has been contributed for 2006 and 100% for 2005 and 2004. The unpaid contribution to fund pension obligations for 2006, in the amount of \$78,883, is recorded as a liability.

**VILLAGE OF NEW ALBANY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 15 - PENSION PLANS - (Continued)**

**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 \$190,883, \$171,469 and \$149,065 for the fiscal years ending December 31, 2006, 2005 and 2004, respectively. The full amount has been contributed for 2005 and 2004. 74.11% for police has been contributed for 2006 with the remainder being reported as a liability.

**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 2006 local government employer contribution rate was 13.70% of covered payroll (16.93% for public safety and law enforcement); 4.50% of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.50%, 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 6.30% based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate (4.00%) plus and an additional factor ranging from .50% to 6.00% for the next nine years. In subsequent years, (10 and beyond) health care costs were assumed to increase at 4.00%.

**VILLAGE OF NEW ALBANY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 16 - POSTRETIREMENT BENEFIT PLANS – (Continued)**

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

The number of active contributing participants in the traditional and combined plans was 369,214 as of December 31, 2006. The Village's actual employer contributions for 2006 which were used to fund postemployment benefits were \$96,117. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005 (the latest information available) were \$11.1 billion. At December 31, 2005 (the latest information available), the actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, is effective on January 1, 2007. OPERS took additional actions to improve the solvency of the Health care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional fund to be allocated to the health care plan.

**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.

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 2005 and 2006. 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.

**VILLAGE OF NEW ALBANY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 16 - POSTRETIREMENT BENEFIT PLANS – (Continued)**

The Village’s actual contributions for 2006 that were used to fund postemployment benefits was \$75,781 for police. The OP&F’s total health care expense for the year ended December 31, 2005 (the latest information available) was \$108.039 million, which was net of member contributions of \$55.272 million. The number of OP&F participants eligible to receive health care benefits as of December 31, 2005 (the latest information available), was 13,922 for police and 10,537 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.

	<b>Net Change in Fund Balance</b>	
	<b>General</b>	<b>Economic Opportunity Fund</b>
	<u>General</u>	<u>Opportunity Fund</u>
Budget basis	\$ (1,731,474)	\$ -
Net adjustment for revenue accruals	954,152	1,077,722
Net adjustment for expenditure accruals	(53,346)	(1,077,722)
Adjustment for encumbrances	569,932	-
<b>GAAP basis</b>	<b><u>\$ (260,736)</u></b>	<b><u>\$ -</u></b>

## VILLAGE OF NEW ALBANY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

#### 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.

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 3.46% for 2006. The final stated maturity date is February 1, 2025. The amount of principal outstanding on the bonds at December 31, 2006 was \$13,800,000.

**VILLAGE OF NEW ALBANY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**NOTE 18 - PLEDGED REVENUES - (Continued)**

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 2006, the total amount of pledged revenues paid to the Authority was \$3,913,532, or 24.08% of total income tax receipts, and principal and interest payments on bonds were \$1,300,000 and \$498,230, 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 of 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 2006, the total amount of pledged revenues paid to the School District was \$3,064,551, or \$20.88% of total income tax receipts.

**NOTE 19 – TAX INCREMENT FINANCING DISTRICTS**

The Village, pursuant to the Ohio Revised Code and Village ordinances, has established 15 Tax Increment Financing Districts (TIFs). A TIF represents a geographic area wherein property values created after the commencement date of the TIF are exempt, in whole or in part, from property taxes. Owners of such property, however, must pay amounts equal to the property taxes, known as a “payment in lieu of taxes” or PILOTS, as though the TIF had not been established. These PILOTS are then dedicated to the payment for various public improvements within or adjacent to the TIF area. Property values existing before the commencement date of a TIF continue to be subjected to property taxes.

Payment in lieu of taxes revenue was \$249,666, net of county auditor deductions of \$2,435, in 2006 and is accounted for in three special revenue funds. Corresponding capital assets are accounted for in the Village’s infrastructure.

TIFs have a longevity of the shorter period of 30 years or until the public improvements are paid for. The property tax exemption then ceases; payment in lieu of taxes cease, and property taxes then apply to the increased property values.

**VILLAGE OF NEW ALBANY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**NOTE 20 - 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, 2006.

**B. Litigation**

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

**VILLAGE OF NEW ALBANY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 21 – CONTRACTUAL COMMITMENTS**

At December 31, 2006, the Village had the following outstanding contractual commitments:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Amount Outstanding</u>
Benjamin D. Rickey & Company	\$ 22,022	\$ (18,374)	\$ 3,648
Affiliated Resource Group	41,600	(34,813)	6,787
Affiliated Resource Group	9,508	(6,509)	2,999
Quandel Group	4,203,404	(4,007,839)	195,565
Turner Construction	53,269	(20,394)	32,875
Schottenstein Zox and Dunn	224,000	(212,338)	11,662
Whiteboard Broadband Solutions	30,000	(3,035)	26,965
Squire Sanders & Depmsey LLP	19,500	(9,427)	10,073
Lawhon & Assoc	34,550	(29,517)	5,033
Moorehead Design	9,932	(4,966)	4,966
Quality Control Inspections	40,549	(32,053)	8,496
N M Savko & Sons	639,495	(507,393)	132,102
Architectural Gardens	76,554	(57,819)	18,735
W G Faifield	194,395	(36,477)	157,918
Kolar Design	42,500	(37,995)	4,505
State Wide Ford	62,895	-	62,895
Decker Construction	173,825	(39,893)	133,932
Corna/Kokosing Construction	19,400	-	19,400
Ronald J. Gajoch & Assoc	2,128	-	2,128
Gutknecht Construction	1,012,886	(348,561)	664,325
<b>Total Contractual Commitments</b>	<b><u>\$ 6,912,412</u></b>	<b><u>\$ (5,407,403)</u></b>	<b><u>\$ 1,505,009</u></b>



**VILLAGE OF NEW ALBANY, OHIO**  
**FUND DESCRIPTIONS – GOVERNMENTAL FUNDS**

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**GENERAL FUND**

The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the charter of the Village and/or the general laws of Ohio.

**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 Construction Maintenance and Repair 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.

***Village Center TIF Fund***

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

***Windsor TIF Fund***

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

***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.

**VILLAGE OF NEW ALBANY, OHIO  
FUND DESCRIPTIONS – GOVERNMENTAL FUNDS**

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***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.

***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.

***DUI Grant Fund***

To account for the state grant monies received relating to DUI arrests.

***Community Events Fund***

To account for donations and transfers associated with community-wide events such as the Village's 4th of July parade, festivals, and entertainment to promote the quality of life in New Albany for its residents and visitors.

***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.

**NONMAJOR DEBT SERVICE FUNDS**

The debt service funds are used to account for the accumulation of resources and the payments of general obligation and special assessment principal, interest and related costs.

***Debt Service Fund***

To account for monies used for the purpose of retiring principal and interest on debt.

**NONMAJOR CAPITAL PROJECTS FUNDS**

The capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary fund types. Following are descriptions of the capital projects 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.

**VILLAGE OF NEW ALBANY, OHIO**  
**FUND DESCRIPTIONS – GOVERNMENTAL FUNDS**

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***Park Improvement Fund***

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

***Water and 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.

***Leisure Trail Improvement Fund***

To account for monies received to improve leisure trails within the Village.

**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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Income taxes	\$ 7,084,166	\$ 7,084,167	\$ 7,122,386	\$ 38,219
Property and other taxes	854,022	910,022	926,298	16,276
Charges for services	585,505	585,505	309,931	(275,574)
Licenses and permits	546,050	546,050	482,727	(63,323)
Fines and forfeitures	110,000	110,000	116,107	6,107
Intergovernmental	277,771	266,771	220,378	(46,393)
Investment income	150,000	150,000	540,381	390,381
Donations	-	500	500	-
Other	45,000	45,000	88,673	43,673
<b>Total Revenues</b>	<b>\$ 9,652,514</b>	<b>\$ 9,698,015</b>	<b>\$ 9,807,381</b>	<b>\$ 109,366</b>
<b>EXPENDITURES</b>				
<i>Current:</i>				
<b>General Government</b>				
<u>Village Administrator</u>				
Personal services	\$ 500,436	\$ 373,212	\$ 312,713	\$ 60,499
Training & travel	19,000	19,000	17,449	1,551
Contractual services	207,760	204,322	196,177	8,145
Other operating	50,350	45,350	41,464	3,886
<b>Total Village Administrator</b>	<b>\$ 777,546</b>	<b>\$ 641,884</b>	<b>\$ 567,803</b>	<b>\$ 74,081</b>
<u>Finance Department</u>				
Personal services	\$ 239,062	\$ 238,138	\$ 220,336	\$ 17,802
Training & travel	7,000	5,200	3,018	2,182
Contractual services	33,463	36,526	34,567	1,959
Other operating	14,250	14,250	14,047	203
<b>Total Finance Department</b>	<b>\$ 293,775</b>	<b>\$ 294,114</b>	<b>\$ 271,968</b>	<b>\$ 22,146</b>
<u>Village Council</u>				
Personal services	\$ 142,279	\$ 144,119	\$ 142,476	\$ 1,643
Training & travel	7,300	1,800	250	1,550
Contractual services	16,972	13,722	8,209	5,513
Other operating	86,110	73,360	60,130	13,230
<b>Total Village Council</b>	<b>\$ 252,661</b>	<b>\$ 233,001</b>	<b>\$ 211,065</b>	<b>\$ 21,936</b>
<u>Mayor's Court</u>				
Personal services	\$ 108,118	\$ 106,736	\$ 96,353	\$ 10,383
Training & travel	7,100	3,600	1,232	2,368
Contractual services	96,217	81,817	48,345	33,472
Other operating	13,518	11,518	6,196	5,322
<b>Total Mayor's Court</b>	<b>\$ 224,953</b>	<b>\$ 203,671</b>	<b>\$ 152,126</b>	<b>\$ 51,545</b>
<u>Village Engineer</u>				
Contractual services	\$ 656,000	\$ 772,000	\$ 710,071	\$ 61,929
<b>Total Village Engineer</b>	<b>\$ 656,000</b>	<b>\$ 772,000</b>	<b>\$ 710,071</b>	<b>\$ 61,929</b>
<u>Village Attorney</u>				
Contractual services	\$ 269,973	\$ 297,973	\$ 297,973	\$ -
<b>Total Village Attorney</b>	<b>\$ 269,973</b>	<b>\$ 297,973</b>	<b>\$ 297,973</b>	<b>\$ -</b>

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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Village Planner</u>				
Contractual Services	\$ 160,000	\$ 175,000	\$ 148,759	\$ 26,241
<b>Total Village Planner</b>	<b>\$ 160,000</b>	<b>\$ 175,000</b>	<b>\$ 148,759</b>	<b>\$ 26,241</b>
<u>Lands &amp; Buildings</u>				
Contractual Services	\$ 406,680	\$ 396,227	\$ 372,906	\$ 23,321
Materials & Supplies	-	-	-	-
Other operating	20,743	20,743	18,163	2,580
<b>Total Lands &amp; Buildings</b>	<b>\$ 427,423</b>	<b>\$ 416,970</b>	<b>\$ 391,069</b>	<b>\$ 25,901</b>
<u>IT Administration</u>				
Contractual Services	\$ 92,000	\$ 68,500	\$ 68,480	\$ 20
Other operating	3,000	3,000	250	2,750
<b>Total IT Administration</b>	<b>\$ 95,000</b>	<b>\$ 71,500</b>	<b>\$ 68,730</b>	<b>\$ 2,770</b>
<u>Other Charges</u>				
Personal services	\$ 3,000	\$ 3,000	\$ 3,000	\$ -
Contractual Services	264,286	282,091	184,436	97,655
<b>Total Other Charges</b>	<b>\$ 267,286</b>	<b>\$ 285,091</b>	<b>\$ 187,436</b>	<b>\$ 97,655</b>
<b>Total General Government</b>	<b>\$ 3,424,617</b>	<b>\$ 3,391,204</b>	<b>\$ 3,007,000</b>	<b>\$ 384,204</b>
<b>Security of Persons &amp; Property</b>				
<u>Police</u>				
Personal services	\$ 1,806,301	\$ 1,893,500	\$ 1,863,260	\$ 30,240
Training & travel	35,000	29,000	27,366	1,634
Contractual Services	75,284	69,348	63,582	5,766
Other operating	158,169	156,370	152,061	4,309
<b>Total Police</b>	<b>\$ 2,074,754</b>	<b>\$ 2,148,218</b>	<b>\$ 2,106,269</b>	<b>\$ 41,949</b>
<u>Lands &amp; Buildings</u>				
Other operating	\$ 64,716	\$ 71,919	\$ 65,683	\$ 6,236
<b>Total Lands &amp; Buildings</b>	<b>\$ 64,716</b>	<b>\$ 71,919</b>	<b>\$ 65,683</b>	<b>\$ 6,236</b>
<b>Total Security of Persons &amp; Property</b>	<b>\$ 2,139,470</b>	<b>\$ 2,220,137</b>	<b>\$ 2,171,952</b>	<b>\$ 48,185</b>
<b>Public Health &amp; Welfare</b>				
<u>Other Charges</u>				
Contractual Services	\$ 82,124	\$ 90,562	\$ 90,562	\$ -
<b>Total Other Charges</b>	<b>\$ 82,124</b>	<b>\$ 90,562</b>	<b>\$ 90,562</b>	<b>\$ -</b>
<b>Total Public Health &amp; Welfare</b>	<b>\$ 82,124</b>	<b>\$ 90,562</b>	<b>\$ 90,562</b>	<b>\$ -</b>
<b>Transportation</b>				
<u>Public services</u>				
Personal services	\$ 964,531	\$ 952,981	\$ 911,386	\$ 41,595
Training & travel	3,000	10,250	9,520	730
Contractual Services	173,928	175,590	160,095	15,495
Other operating	301,751	291,200	153,992	137,208
<b>Total Public Services</b>	<b>\$ 1,443,210</b>	<b>\$ 1,430,021</b>	<b>\$ 1,234,993</b>	<b>\$ 195,028</b>
<b>Total Transportation</b>	<b>\$ 1,443,210</b>	<b>\$ 1,430,021</b>	<b>\$ 1,234,993</b>	<b>\$ 195,028</b>

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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Community Environment</b>				
<u>Community Development</u>				
Personal services	\$ 724,191	\$ 707,320	\$ 663,182	\$ 44,138
Training & travel	17,500	13,500	10,830	2,670
Contractual Services	210,260	243,742	210,509	33,233
Other operating	94,937	84,187	75,981	8,206
Other uses	5,000	8,100	8,095	5
<b>Total Community Development</b>	<b>\$ 1,051,888</b>	<b>\$ 1,056,849</b>	<b>\$ 968,597</b>	<b>\$ 88,252</b>
<b>Total Community Environment</b>	<b>\$ 1,051,888</b>	<b>\$ 1,056,849</b>	<b>\$ 968,597</b>	<b>\$ 88,252</b>
<b>Capital Outlay</b>				
General Government	\$ -	\$ 19,400	\$ 19,400	\$ -
Security of Persons & Property	144,291	144,291	141,693	2,598
Transportation	504,300	561,008	645,115	(84,107)
<b>Total Capital Outlay</b>	<b>\$ 648,591</b>	<b>\$ 724,699</b>	<b>\$ 806,208</b>	<b>\$ (81,509)</b>
<b>Total Capital Outlay</b>	<b>\$ 648,591</b>	<b>\$ 724,699</b>	<b>\$ 806,208</b>	<b>\$ (81,509)</b>
<b>Debt Service</b>				
Principal retirement	\$ 394,861	\$ 425,000	\$ 425,000	\$ -
Interest and fiscal charges	598,697	744,498	744,497	1
<b>Total Debt Service</b>	<b>\$ 993,558</b>	<b>\$ 1,169,498</b>	<b>\$ 1,169,497</b>	<b>\$ 1</b>
<b>Total Expenditures</b>	<b>\$ 9,783,458</b>	<b>\$ 10,082,970</b>	<b>\$ 9,448,809</b>	<b>\$ 634,161</b>
Excess of revenues over (under) expenditures	<b>\$ (130,944)</b>	<b>\$ (384,955)</b>	<b>\$ 358,572</b>	<b>\$ 743,527</b>
<b><u>OTHER FINANCING USES</u></b>				
Transfers Out	\$ (2,090,046)	\$ (2,102,546)	\$ (2,090,046)	\$ 12,500
<b>Total Other Financing Uses</b>	<b>\$ (2,090,046)</b>	<b>\$ (2,102,546)</b>	<b>\$ (2,090,046)</b>	<b>\$ 12,500</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (2,220,990)</b>	<b>\$ (2,487,501)</b>	<b>\$ (1,731,474)</b>	<b>\$ 756,027</b>
Fund Balances at Beginning of Year	4,775,952	4,775,952	4,775,952	-
Prior year encumbrances appropriated	321,391	321,391	321,391	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 2,876,353</b>	<b>\$ 2,609,842</b>	<b>\$ 3,365,869</b>	<b>\$ 756,027</b>

**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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Income taxes	\$ 8,895,268	\$ 8,895,271	\$ 6,599,660	\$ (2,295,611)
<b>Total Revenues</b>	<b>\$ 8,895,268</b>	<b>\$ 8,895,271</b>	<b>\$ 6,599,660</b>	<b>\$ (2,295,611)</b>
<b><u>EXPENDITURES</u></b>				
<b>Economic Development</b>				
Contractual Services	\$ 177,906	\$ 177,906	\$ 133,899	\$ 44,007
Other uses	8,717,364	8,717,364	6,465,761	2,251,603
<b>Total Expenditures</b>	<b>\$ 8,895,270</b>	<b>\$ 8,895,270</b>	<b>\$ 6,599,660</b>	<b>\$ 2,295,610</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (2)</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ (1)</b>
Fund Balance at Beginning of Year	-	-	-	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ (2)</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ (1)</b>

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 200,000	\$ 200,000	\$ 163,655	\$ (36,345)
Other	-	895,788	15,638	(880,150)
<b>Total Revenues</b>	<b>\$ 200,000</b>	<b>\$ 1,095,788</b>	<b>\$ 179,293</b>	<b>\$ (916,495)</b>
<b>EXPENDITURES</b>				
<b>General Government</b>				
Contractual services	\$ 426,483	\$ 397,962	\$ 388,843	\$ 9,119
Capital outlay	10,567,447	10,579,947	9,399,099	1,180,848
<b>Total General Government</b>	<b>\$ 10,993,930</b>	<b>\$ 10,977,909</b>	<b>\$ 9,787,942</b>	<b>\$ 1,189,967</b>
<b>Debt Service</b>				
Principal retirement	\$ 8,236,000	\$ 8,236,000	\$ 8,236,000	\$ -
Interest & fiscal charges	249,000	370,620	370,620	-
Note issuance costs	-	-	36,022	(36,022)
<b>Total Debt Service</b>	<b>\$ 8,485,000</b>	<b>\$ 8,606,620</b>	<b>\$ 8,642,642</b>	<b>\$ (36,022)</b>
<b>Total Expenditures</b>	<b>\$ 19,478,930</b>	<b>\$ 19,584,529</b>	<b>\$ 18,430,584</b>	<b>\$ 1,153,945</b>
Excess of revenues over (under) expenditures	<b>\$ (19,278,930)</b>	<b>\$ (18,488,741)</b>	<b>\$ (18,251,291)</b>	<b>\$ 237,450</b>
<b>OTHER FINANCING SOURCES</b>				
Premium on notes	\$ -	\$ -	\$ 58,004	\$ 58,004
Note issuance	8,485,000	8,606,000	8,606,000	-
Transfers in	2,000,000	2,000,000	1,490,046	(509,954)
<b>Total Other Financing Sources</b>	<b>\$ 10,485,000</b>	<b>\$ 10,606,000</b>	<b>\$ 10,154,050</b>	<b>\$ (451,950)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (8,793,930)</b>	<b>\$ (7,882,741)</b>	<b>\$ (8,097,241)</b>	<b>\$ (214,500)</b>
Fund Balance at Beginning of Year	8,311,736	8,311,736	8,311,736	-
Prior year encumbrances appropriated	18,750	18,750	18,750	-
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<b>\$ (463,444)</b>	<b>\$ 447,745</b>	<b>\$ 233,245</b>	<b>\$ (214,500)</b>



**VILLAGE OF NEW ALBANY, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2006**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b><u>ASSETS</u></b>				
Equity in pooled cash and cash equivalents and investments	\$ 737,383	\$ 4,298,551	\$ 4,782	\$ 5,040,716
<i>Receivables (net of allowances for uncollectibles):</i>				
Income taxes	-	317,773	-	317,773
Due from other governments	165,345	44,782	-	210,127
Materials and supplies inventory	73,576	-	-	73,576
<b>Total Assets</b>	<b>\$ 976,304</b>	<b>\$ 4,661,106</b>	<b>\$ 4,782</b>	<b>\$ 5,642,192</b>
<b><u>LIABILITIES</u></b>				
Contracts payable	\$ -	\$ 207,242	\$ -	\$ 207,242
Retainage payable	-	76,824	-	76,824
Due to other governments	15,788	-	-	15,788
Deferred revenue	119,506	89,459	-	208,965
<b>Total Liabilities</b>	<b>\$ 135,294</b>	<b>\$ 373,525</b>	<b>\$ -</b>	<b>\$ 508,819</b>
<b><u>FUND BALANCES</u></b>				
Reserved for encumbrances	\$ 50,668	\$ 660,145	\$ -	\$ 710,813
Reserved for materials & supplies inventory	73,576	-	-	73,576
Reserved for debt service	-	-	4,782	4,782
<i>Unreserved, undesignated, reported in:</i>				
Special revenue funds	716,766	-	-	716,766
Capital projects funds	-	3,627,436	-	3,627,436
<b>Total Fund Balances</b>	<b>\$ 841,010</b>	<b>\$ 4,287,581</b>	<b>\$ 4,782</b>	<b>\$ 5,133,373</b>
<b>Total Liabilities &amp; Fund Equity</b>	<b>\$ 976,304</b>	<b>\$ 4,661,106</b>	<b>\$ 4,782</b>	<b>\$ 5,642,192</b>

VILLAGE OF NEW ALBANY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
<b><u>REVENUES</u></b>				
Income taxes	\$ -	\$ 1,070,174	\$ -	\$ 1,070,174
Charges for service	14,160	7,658	-	21,818
Licenses and permits	-	592,584	-	592,584
Fines and forfeitures	7,315	-	-	7,315
Intergovernmental	311,359	138,151	-	449,510
Payment in lieu of taxes	249,666	-	-	249,666
Investment income	14,457	-	4,782	19,239
Donations	7,416	-	-	7,416
Other	-	132,964	-	132,964
<b>Total Revenues</b>	<b>\$ 604,373</b>	<b>\$ 1,941,531</b>	<b>\$ 4,782</b>	<b>\$ 2,550,686</b>
<b><u>EXPENDITURES</u></b>				
<i>Current:</i>				
General government	\$ 26,200	\$ -	\$ -	\$ 26,200
Security of persons and property	8,101	-	-	8,101
Transportation	183,751	-	-	183,751
Leisure time activity	6,371	-	-	6,371
Capital outlay	-	1,720,255	-	1,720,255
<i>Debt service:</i>				
Principal retirement	-	201,301	-	201,301
Interest and fiscal charges	-	152,721	-	152,721
<b>Total Expenditures</b>	<b>\$ 224,423</b>	<b>\$ 2,074,277</b>	<b>\$ -</b>	<b>\$ 2,298,700</b>
Excess of revenues over/(under) expenditures	<b>\$ 379,950</b>	<b>\$ (132,746)</b>	<b>\$ 4,782</b>	<b>\$ 251,986</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Premium on notes sold	\$ -	\$ 38,833	\$ -	\$ 38,833
Transfers in	-	962,450	-	962,450
Transfers out	-	(362,450)	-	(362,450)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ 638,833</b>	<b>\$ -</b>	<b>\$ 638,833</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>379,950</b>	<b>506,087</b>	<b>4,782</b>	<b>890,819</b>
Fund Balances at Beginning of Year	461,060	3,781,494	-	4,242,554
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 841,010</b>	<b>\$ 4,287,581</b>	<b>\$ 4,782</b>	<b>\$ 5,133,373</b>



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VILLAGE OF NEW ALBANY, OHIO  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2006

	<u>Street Fund</u>	<u>Blacklick TIF Fund</u>	<u>Mayor's Court Computer Fund</u>	<u>Alcohol Education Fund</u>	<u>Village Center TIF Fund</u>
<b><u>ASSETS</u></b>					
Equity in pooled cash and cash equivalents and investments	\$ 331,661	\$ 136,419	\$ 14,363	\$ 5,325	\$ 44,454
<i>Receivables (net of allowances for uncollectibles):</i>					
Due from other governments	128,542	-	-	-	16,284
Materials and supplies inventory	73,576	-	-	-	-
<b>Total Assets</b>	<b>\$ 533,779</b>	<b>\$ 136,419</b>	<b>\$ 14,363</b>	<b>\$ 5,325</b>	<b>\$ 60,738</b>
<b><u>LIABILITIES</u></b>					
Due to other governments	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenues	82,703	-	-	-	16,284
<b>Total Liabilities</b>	<b>\$ 82,703</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,284</b>
<b><u>FUND BALANCES:</u></b>					
Reserved for encumbrances	\$ 50,061	\$ -	\$ 597	\$ -	\$ -
Reserved for materials & supplies inventory	73,576	-	-	-	-
<i>Unreserved, undesignated, reported in:</i>					
Special revenue funds	327,439	136,419	13,766	5,325	44,454
<b>Total Fund Balances</b>	<b>\$ 451,076</b>	<b>\$ 136,419</b>	<b>\$ 14,363</b>	<b>\$ 5,325</b>	<b>\$ 44,454</b>
<b>Total Liabilities &amp; Fund Equity</b>	<b>\$ 533,779</b>	<b>\$ 136,419</b>	<b>\$ 14,363</b>	<b>\$ 5,325</b>	<b>\$ 60,738</b>

<u>Windsor TIF Fund</u>	<u>Law Enforcement &amp; Education Fund</u>	<u>COPS More Grant Fund</u>	<u>Safety Town Fund</u>	<u>DUI Grant Fund</u>	<u>Community Events Fund</u>	<u>Alcohol Indigent Fund</u>	<u>Totals</u>
\$ 94,347	\$ 1,663	\$ 68,399	\$ 28,909	\$ 3,095	\$ 8,073	\$ 675	\$ 737,383
20,519	-	-	-	-	-	-	165,345
-	-	-	-	-	-	-	73,576
<b>\$ 114,866</b>	<b>\$ 1,663</b>	<b>\$ 68,399</b>	<b>\$ 28,909</b>	<b>\$ 3,095</b>	<b>\$ 8,073</b>	<b>\$ 675</b>	<b>\$ 976,304</b>
\$ 15,788	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,788
20,519	-	-	-	-	-	-	119,506
<b>\$ 36,307</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 135,294</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,658
-	-	-	-	-	-	-	73,576
78,559	1,663	68,399	28,909	3,095	8,073	675	716,776
<b>\$ 78,559</b>	<b>\$ 1,663</b>	<b>\$ 68,399</b>	<b>\$ 28,909</b>	<b>\$ 3,095</b>	<b>\$ 8,073</b>	<b>\$ 675</b>	<b>\$ 841,010</b>
<b>\$ 114,866</b>	<b>\$ 1,663</b>	<b>\$ 68,399</b>	<b>\$ 28,909</b>	<b>\$ 3,095</b>	<b>\$ 8,073</b>	<b>\$ 675</b>	<b>\$ 976,304</b>

**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, 2006**

	<u>Street Fund</u>	<u>Blacklick TIF</u>	<u>Mayor's Court Computer Fund</u>	<u>Alcohol Education Fund</u>	<u>Village Center TIF Fund</u>
<b><u>REVENUES</u></b>					
Charges for service	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	6,190	1,125	-
Intergovernmental	280,575	14,093	-	-	13,596
Investment income	14,457	-	-	-	-
Payment in lieu of taxes	-	122,873	-	-	31,315
Donations	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 295,032</b>	<b>\$ 136,966</b>	<b>\$ 6,190</b>	<b>\$ 1,125</b>	<b>\$ 44,911</b>
<b><u>EXPENDITURES</u></b>					
<i>Current:</i>					
General government	\$ -	\$ 847	\$ 7,515	\$ -	\$ 457
Security of persons and property	-	-	-	-	-
Transportation	183,751	-	-	-	-
Leisure time activity	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 183,751</b>	<b>\$ 847</b>	<b>\$ 7,515</b>	<b>\$ -</b>	<b>\$ 457</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 111,281</b>	<b>\$ 136,119</b>	<b>\$ (1,325)</b>	<b>\$ 1,125</b>	<b>\$ 44,454</b>
Fund Balances at Beginning of Year	339,795	300	15,688	4,200	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 451,076</b>	<b>\$ 136,419</b>	<b>\$ 14,363</b>	<b>\$ 5,325</b>	<b>\$ 44,454</b>

<u>Windsor TIF Fund</u>	<u>Law Enforcement &amp; Education Fund</u>	<u>COPS More Grant</u>	<u>Safety Town Fund</u>	<u>DUI Grant Fund</u>	<u>Community Events Fund</u>	<u>Alcohol Indigent Fund</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ 14,160	\$ -	\$ -	\$ -	\$ 14,160
-	-	-	-	-	-	-	7,315
-	-	-	-	3,095	-	-	311,359
-	-	-	-	-	-	-	14,457
95,478	-	-	-	-	-	-	249,666
-	-	-	250	-	7,166	-	7,416
<b>\$ 95,478</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,410</b>	<b>\$ 3,095</b>	<b>\$ 7,166</b>	<b>\$ -</b>	<b>\$ 604,373</b>
\$ 16,919	\$ 462	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,200
-	-	-	8,101	-	-	-	8,101
-	-	-	-	-	-	-	183,751
-	-	-	-	-	6,371	-	6,371
<b>\$ 16,919</b>	<b>\$ 462</b>	<b>\$ -</b>	<b>\$ 8,101</b>	<b>\$ -</b>	<b>\$ 6,371</b>	<b>\$ -</b>	<b>\$ 224,423</b>
<b>\$ 78,559</b>	<b>\$ (462)</b>	<b>\$ -</b>	<b>\$ 6,309</b>	<b>\$ 3,095</b>	<b>\$ 795</b>	<b>\$ -</b>	<b>\$ 379,950</b>
-	2,125	68,399	22,600	-	7,278	675	461,060
<b>\$ 78,559</b>	<b>\$ 1,663</b>	<b>\$ 68,399</b>	<b>\$ 28,909</b>	<b>\$ 3,095</b>	<b>\$ 8,073</b>	<b>\$ 675</b>	<b>\$ 841,010</b>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Intergovernmental	\$ 334,484	\$ 573,446	\$ 277,337	\$ (296,109)
Investment income	5,000	5,000	14,457	9,457
<b>Total Revenues</b>	<b>\$ 339,484</b>	<b>\$ 578,446</b>	<b>\$ 291,794</b>	<b>\$ (286,652)</b>
<b><u>EXPENDITURES</u></b>				
<u>Transportation</u>				
Contractual services	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
Other operating	105,609	105,609	9,026	96,583
Capital outlay	528,890	528,890	311,384	217,506
<b>Total Expenditures</b>	<b>\$ 644,499</b>	<b>\$ 644,499</b>	<b>\$ 320,410</b>	<b>\$ 324,089</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (305,015)</b>	<b>\$ (66,053)</b>	<b>\$ (28,616)</b>	<b>\$ 37,437</b>
Fund Balance at Beginning of Year	90,716	90,716	90,716	-
Prior year encumbrances appropriated	219,500	219,500	219,500	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 5,201</b>	<b>\$ 244,163</b>	<b>\$ 281,600</b>	<b>\$ 37,437</b>



**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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Intergovernmental	\$ -	\$ -	\$ 14,093	\$ 14,093
Payment in lieu of taxes	270,000	270,000	122,873	(147,127)
<b>Total Revenues</b>	<b>\$ 270,000</b>	<b>\$ 270,000</b>	<b>\$ 136,966</b>	<b>\$ (133,034)</b>
<b><u>EXPENDITURES</u></b>				
<u>General government</u>				
Contractual services	\$ 2,025	\$ 2,025	\$ 847	\$ 1,178
<i>Debt Service:</i>				
Interest and fiscal charges	170,278	170,278	-	170,278
<b>Total Expenditures</b>	<b>\$ 172,303</b>	<b>\$ 172,303</b>	<b>\$ 847</b>	<b>\$ 171,456</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 97,697</b>	<b>\$ 97,697</b>	<b>\$ 136,119</b>	<b>\$ 38,422</b>
Fund Balance at Beginning of Year	300	300	300	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 97,997</b>	<b>\$ 97,997</b>	<b>\$ 136,419</b>	<b>\$ 38,422</b>

**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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ 6,190	\$ 1,190
<b>Total Revenues</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 6,190</b>	<b>\$ 1,190</b>
<b><u>EXPENDITURES</u></b>				
General government				
Other operating	10,000	10,000	8,112	1,888
<b>Total Expenditures</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 8,112</b>	<b>\$ 1,888</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (5,000)</b>	<b>\$ (5,000)</b>	<b>\$ (1,922)</b>	<b>\$ 3,078</b>
Fund Balance at Beginning of Year	15,688	15,688	15,688	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 10,688</b>	<b>\$ 10,688</b>	<b>\$ 13,766</b>	<b>\$ 3,078</b>

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 900	\$ 900	\$ 1,125	\$ 225
<b>Total Revenues</b>	<b>\$ 900</b>	<b>\$ 900</b>	<b>\$ 1,125</b>	<b>\$ 225</b>
<b>EXPENDITURES</b>				
Security of persons and property				
Personal services	\$ -	\$ 3,000	\$ -	\$ 3,000
Other operating	250	1,300	-	1,300
<b>Total Expenditures</b>	<b>\$ 250</b>	<b>\$ 4,300</b>	<b>\$ -</b>	<b>\$ 4,300</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 650</b>	<b>\$ (3,400)</b>	<b>\$ 1,125</b>	<b>\$ 4,525</b>
Fund Balance at Beginning of Year	4,200	4,200	4,200	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 4,850</b>	<b>\$ 800</b>	<b>\$ 5,325</b>	<b>\$ 4,525</b>

**VILLAGE OF NEW ALBANY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**VILLAGE CENTER TIF FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Intergovernmental	\$ -	\$ 13,600	\$ 13,596	\$ (4)
Payment in lieu of taxes	100,000	31,300	31,315	15
<b>Total Revenues</b>	<b>\$ 100,000</b>	<b>\$ 44,900</b>	<b>\$ 44,911</b>	<b>\$ 11</b>
<b><u>EXPENDITURES</u></b>				
<u>General government</u>				
Contractual services	\$ -	\$ 457	\$ 457	\$ -
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 457</b>	<b>\$ 457</b>	<b>\$ -</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 100,000</b>	<b>\$ 44,443</b>	<b>\$ 44,454</b>	<b>\$ 11</b>
Fund Balance at Beginning of Year	-	-	-	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 100,000</b>	<b>\$ 44,443</b>	<b>\$ 44,454</b>	<b>\$ 11</b>

**VILLAGE OF NEW ALBANY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**WINDSOR TIF FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Payment in lieu of taxes	\$ -	\$ 95,475	\$ 95,478	\$ 3
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 95,475</b>	<b>\$ 95,478</b>	<b>\$ 3</b>
<b><u>EXPENDITURES</u></b>				
General government				
Contractual services	\$ -	\$ 1,131	\$ 1,131	\$ -
<b>Total Expenditures</b>	<b>-</b>	<b>1,131</b>	<b>1,131</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 94,344</b>	<b>\$ 94,347</b>	<b>\$ 3</b>
Fund Balance at Beginning of Year	-	-	-	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ -</b>	<b>\$ 94,344</b>	<b>\$ 94,347</b>	<b>\$ 3</b>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**LAW ENFORCEMENT AND EDUCATION FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Fines and forfeitures	\$ 450	\$ 450	\$ -	\$ (450)
<b>Total Revenues</b>	<b>\$ 450</b>	<b>\$ 450</b>	<b>\$ -</b>	<b>\$ (450)</b>
<b><u>EXPENDITURES</u></b>				
Security of persons and property				
Contractual services	-	462	462	-
Other operating	600	138	-	138
<b>Total Expenditures</b>	<b>\$ 600</b>	<b>\$ 600</b>	<b>\$ 462</b>	<b>\$ 138</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (150)</b>	<b>\$ (150)</b>	<b>\$ (462)</b>	<b>\$ (312)</b>
Fund Balance at Beginning of Year	2,125	2,125	2,125	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 1,975</b>	<b>\$ 1,975</b>	<b>\$ 1,663</b>	<b>\$ (312)</b>

**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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fund Balance at Beginning of Year	\$ 68,399	\$ 68,399	\$ 68,399	\$ -
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 68,399</b>	<b>\$ 68,399</b>	<b>\$ 68,399</b>	<b>\$ -</b>

**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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Charges for services	\$ 8,500	\$ 8,500	\$ 14,160	\$ 5,660
Donations	-	-	250	250
<b>Total Revenues</b>	<b>\$ 8,500</b>	<b>\$ 8,500</b>	<b>\$ 14,410</b>	<b>\$ 5,910</b>
<b><u>EXPENDITURES</u></b>				
Security of persons and property				
Other operating	\$ 23,000	\$ 23,000	\$ 8,111	\$ 14,889
<b>Total Expenditures</b>	<b>\$ 23,000</b>	<b>\$ 23,000</b>	<b>\$ 8,111</b>	<b>\$ 14,889</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (14,500)</b>	<b>\$ (14,500)</b>	<b>\$ 6,299</b>	<b>\$ 20,799</b>
Fund Balance at Beginning of Year	22,600	22,600	22,600	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 8,100</b>	<b>\$ 8,100</b>	<b>\$ 28,899</b>	<b>\$ 20,799</b>



**VILLAGE OF NEW ALBANY, OHIO**

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

FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Intergovernmental	\$ -	\$ 3,095	\$ 3,095	\$ -
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 3,095</b>	<b>\$ 3,095</b>	<b>\$ -</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 3,095</b>	<b>\$ 3,095</b>	<b>\$ -</b>
Fund Balance at Beginning of Year	-	-	-	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ -</b>	<b>\$ 3,095</b>	<b>\$ 3,095</b>	<b>\$ -</b>

**VILLAGE OF NEW ALBANY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**COMMUNITY EVENTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Donations	\$ 5,000	\$ 5,000	\$ 7,166	\$ 2,166
<b>Total Revenues</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 7,166</b>	<b>\$ 2,166</b>
<b><u>EXPENDITURES</u></b>				
Leisure time activity				
Other operating	\$ 12,000	\$ 12,000	\$ 6,371	\$ 5,629
<b>Total Expenditures</b>	<b>\$ 12,000</b>	<b>\$ 12,000</b>	<b>\$ 6,371</b>	<b>\$ 5,629</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (7,000)</b>	<b>\$ (7,000)</b>	<b>\$ 795</b>	<b>\$ 7,795</b>
Fund Balance at Beginning of Year	7,278	7,278	7,278	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 278</b>	<b>\$ 278</b>	<b>\$ 8,073</b>	<b>\$ 7,795</b>

**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, 2006

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Fund Balance at Beginning of Year	\$ 675	\$ 675	\$ 675	\$ -
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 675</b>	<b>\$ 675</b>	<b>\$ 675</b>	<b>\$ -</b>

**VILLAGE OF NEW ALBANY, OHIO**

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

**DEBT SERVICE FUND**

FOR THE YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 10,000	\$ 10,000	\$ 4,782	\$ (5,218)
<b>Total Revenues</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 4,782</b>	<b>\$ (5,218)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 4,782</b>	<b>\$ (5,218)</b>
Fund Balance at Beginning of Year	-	-	-	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 4,782</b>	<b>\$ (5,218)</b>



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**VILLAGE OF NEW ALBANY, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**DECEMBER 31, 2006**

	<b>Capital Improvement Fund</b>	<b>Park Improvement Fund</b>	<b>Water &amp; Sanitary Sewer Improvement Fund</b>
<b><u>ASSETS</u></b>			
Equity in pooled cash and cash equivalents and investments	\$ 1,286,036	\$ 428,858	\$ 1,537,166
<i>Receivables (net of allowances for uncollectibles):</i>			
Income taxes	264,796	52,977	-
Due from other governments	-	44,782	-
<b>Total Assets</b>	<b>\$ 1,550,832</b>	<b>\$ 526,617</b>	<b>\$ 1,537,166</b>
<b><u>LIABILITIES</u></b>			
Contracts payable	\$ 133,631	\$ 73,611	\$ -
Retainage payable	73,881	2,943	-
Deferred revenue	74,534	14,925	-
<b>Total Liabilities</b>	<b>\$ 282,046</b>	<b>\$ 91,479</b>	<b>\$ -</b>
<b><u>FUND BALANCES</u></b>			
Reserved for encumbrances	\$ 639,131	\$ 21,014	\$ -
<i>Unreserved, undesignated, reported in:</i>			
Capital projects funds	629,655	414,124	1,537,166
<b>Total Fund Balances</b>	<b>\$ 1,268,786</b>	<b>\$ 435,138</b>	<b>\$ 1,537,166</b>
<b>Total Liabilities &amp; Fund Equity</b>	<b>\$ 1,550,832</b>	<b>\$ 526,617</b>	<b>\$ 1,537,166</b>

<u>Harlem/Thompson Issue II Fund</u>	<u>Capital Asset Fund</u>	<u>Leisure Trail Improvement Fund</u>	<u>Total</u>
\$ 38,833	\$ 1,000,000	\$ 7,658	\$ 4,298,551
-	-	-	317,773
-	-	-	44,782
<u>\$ 38,833</u>	<u>\$ 1,000,000</u>	<u>\$ 7,658</u>	<u>\$ 4,661,106</u>
\$ -	\$ -	\$ -	\$ 207,242
-	-	-	76,824
-	-	-	89,459
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 373,525</u>
\$ -		\$ -	\$ 660,145
38,833	1,000,000	7,658	3,627,436
<u>\$ 38,833</u>	<u>\$ 1,000,000</u>	<u>\$ 7,658</u>	<u>\$ 4,287,581</u>
<u>\$ 38,833</u>	<u>\$ 1,000,000</u>	<u>\$ 7,658</u>	<u>\$ 4,661,106</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, 2006**

	<b>Capital Improvement Fund</b>	<b>Issue II Improvement Fund</b>	<b>Park Improvement Fund</b>	<b>Water &amp; Sanitary Sewer Improvement Fund</b>
<b><u>REVENUES</u></b>				
Income taxes	\$ 893,468	\$ -	\$ 176,706	\$ -
Charges for services	-	-	-	-
Licenses and permits	45,740	-	14,700	532,144
Intergovernmental	93,369	-	44,782	-
Other	-	-	23,906	-
<b>Total Revenues</b>	<b>\$ 1,032,577</b>	<b>\$ -</b>	<b>\$ 260,094</b>	<b>\$ 532,144</b>
<b><u>EXPENDITURES</u></b>				
Capital outlay	\$ 1,325,656	\$ -	\$ 225,058	\$ -
<i>Debt service:</i>				
Principal retirement	71,723	-	-	129,578
Interest and fiscal charges	-	-	-	152,721
<b>Total Expenditures</b>	<b>\$ 1,397,379</b>	<b>\$ -</b>	<b>\$ 225,058</b>	<b>\$ 282,299</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (364,802)	\$ -	\$ 35,036	\$ 249,845
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
OPWC loans	\$ -	\$ -	\$ -	\$ -
Transfers in	962,450	-	-	-
Transfers out	-	(312,606)	-	-
<b>Total Other Financing Sources/(Uses)</b>	<b>\$ 962,450</b>	<b>\$ (312,606)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 597,648</b>	<b>\$ (312,606)</b>	<b>\$ 35,036</b>	<b>\$ 249,845</b>
Fund balances (deficit) at beginning of year	671,138	312,606	400,102	1,287,321
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 1,268,786</b>	<b>\$ -</b>	<b>\$ 435,138</b>	<b>\$ 1,537,166</b>



<b>605/161 Issue II Fund</b>	<b>Harlem/Thompson Issue II Fund</b>	<b>Capital Asset Fund</b>	<b>Leisure Trail Improvement Fund</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ -	\$ 1,070,174
-	-	-	7,658	7,658
-	-	-	-	592,584
-	-	-	-	138,151
109,058	-	-	-	132,964
<b>\$ 109,058</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,658</b>	<b>\$ 1,941,531</b>
\$ -	\$ 169,541	\$ -	\$ -	\$ 1,720,255
-	-	-	-	201,301
-	-	-	-	152,721
<b>\$ -</b>	<b>\$ 169,541</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,074,277</b>
\$ 109,058	\$ (169,541)	\$ -	\$ 7,658	\$ (132,746)
\$ -	\$ 38,833	\$ -	\$ -	\$ 38,833
-	-	-	-	962,450
(49,844)	-	-	-	(362,450)
<b>\$ (49,844)</b>	<b>\$ 38,833</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 638,833</b>
\$ 59,214	\$ (130,708)	\$ -	\$ 7,658	\$ 506,087
(59,214)	169,541	1,000,000	-	3,781,494
<b>\$ -</b>	<b>\$ 38,833</b>	<b>\$ 1,000,000</b>	<b>\$ 7,658</b>	<b>\$ 4,287,581</b>

**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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Income taxes	\$ 875,000	\$ 875,000	\$ 797,628	\$ (77,372)
Licenses and permits	60,000	60,000	45,740	(14,260)
Intergovernmental	50,000	93,000	93,369	369
<b>Total Revenues</b>	<b>\$ 985,000</b>	<b>\$ 1,028,000</b>	<b>\$ 936,737</b>	<b>\$ (91,263)</b>
<b><u>EXPENDITURES</u></b>				
<b><u>General government</u></b>				
Contractual services	\$ 17,500	\$ 17,500	\$ -	\$ 17,500
Other uses	2,500	2,500	-	2,500
Capital outlay	2,041,848	2,437,373	1,747,276	690,097
<i>Debt service:</i>				
Principal retirement	59,800	71,725	71,722	3
<b>Total Expenditures</b>	<b>\$ 2,121,648</b>	<b>\$ 2,529,098</b>	<b>\$ 1,818,998</b>	<b>\$ 710,100</b>
Excess (deficiency) of revenues over (under) expenditures	<b>\$ (1,136,648)</b>	<b>\$ (1,501,098)</b>	<b>\$ (882,261)</b>	<b>\$ 618,837</b>
<b><u>OTHER FINANCING SOURCES</u></b>				
Transfers in	\$ 600,000	\$ 962,450	\$ 962,450	\$ -
<b>Total Other Financing Sources</b>	<b>\$ 600,000</b>	<b>\$ 962,450</b>	<b>\$ 962,450</b>	<b>\$ -</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (536,648)</b>	<b>\$ (538,648)</b>	<b>\$ 80,189</b>	<b>\$ 618,837</b>
Fund Balance at Beginning of Year	374,868	374,868	374,868	-
Prior year encumbrances appropriated	201,848	201,848	201,848	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 40,068</b>	<b>\$ 38,068</b>	<b>\$ 656,905</b>	<b>\$ 618,837</b>

**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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>OTHER FINANCING USES</u></b>				
Transfers out	\$ -	\$ (312,606)	\$ (312,606)	\$ -
<b>Total Other Financing Uses</b>	<b>\$ -</b>	<b>\$ (312,606)</b>	<b>\$ (312,606)</b>	<b>\$ -</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ (312,606)</b>	<b>\$ (312,606)</b>	<b>\$ -</b>
Fund Balance at Beginning of Year	312,606	312,606	312,606	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 312,606</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Income taxes	\$ 212,000	\$ 212,000	\$ 159,526	\$ (52,474)
Licenses and permits	33,865	33,865	14,700	(19,165)
Other	-	-	23,906	23,906
<b>Total Revenues</b>	<b><u>\$ 245,865</u></b>	<b><u>\$ 245,865</u></b>	<b><u>\$ 198,132</u></b>	<b><u>\$ (47,733)</u></b>
<b><u>EXPENDITURES</u></b>				
Capital outlay	\$ 460,240	\$ 460,240	\$ 169,518	\$ 290,722
<b>Total Expenditures</b>	<b><u>\$ 460,240</u></b>	<b><u>\$ 460,240</u></b>	<b><u>\$ 169,518</u></b>	<b><u>\$ 290,722</u></b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (214,375)</b>	<b>\$ (214,375)</b>	<b>\$ 28,614</b>	<b>\$ 242,989</b>
Fund Balance at Beginning of Year	334,230	334,230	334,230	-
Prior year encumbrances appropriated	45,000	45,000	45,000	-
<b>FUND BALANCE AT END OF YEAR</b>	<b><u>\$ 164,855</u></b>	<b><u>\$ 164,855</u></b>	<b><u>\$ 407,844</u></b>	<b><u>\$ 242,989</u></b>

**VILLAGE OF NEW ALBANY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**WATER AND SANITARY SEWER IMPROVEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Licenses and permits	\$ 275,000	\$ 275,000	\$ 532,144	\$ 257,144
<b>Total Revenues</b>	<b>\$ 275,000</b>	<b>\$ 275,000</b>	<b>\$ 532,144</b>	<b>\$ 257,144</b>
<b><u>EXPENDITURES</u></b>				
<i>Debt service:</i>				
Principal retirement	\$ 129,578	\$ 129,578	\$ 129,578	\$ -
Interest and fiscal charges	152,722	152,722	152,721	1
<b>Total Expenditures</b>	<b>\$ 282,300</b>	<b>\$ 282,300</b>	<b>\$ 282,299</b>	<b>\$ 1</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (7,300)</b>	<b>\$ (7,300)</b>	<b>\$ 249,845</b>	<b>\$ 257,145</b>
Fund Balance at Beginning of Year	1,287,321	1,287,321	1,287,321	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 1,280,021</b>	<b>\$ 1,280,021</b>	<b>\$ 1,537,166</b>	<b>\$ 257,145</b>

**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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>OTHER FINANCING USES</u></b>				
Transfers out	\$ -	\$ (49,844)	\$ (49,844)	\$ -
<b>Total Other Financing Uses</b>	<b>\$ -</b>	<b>\$ (49,844)</b>	<b>\$ (49,844)</b>	<b>\$ -</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ (49,844)</b>	<b>\$ (49,844)</b>	<b>\$ -</b>
Fund Balance at Beginning of Year	49,844	49,844	49,844	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 49,844</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b><u>EXPENDITURES</u></b>				
Capital outlay	\$ -	\$ 190,360	\$ 190,360	\$ -
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 190,360</b>	<b>\$ 190,360</b>	<b>\$ -</b>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (190,360)	\$ (190,360)	\$ -
<b><u>OTHER FINANCING USES</u></b>				
OPWC loans		\$ -	\$ 38,833	\$ 38,833
<b>Total Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 38,833</b>	<b>\$ 38,833</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>(190,360)</b>	<b>(151,527)</b>	<b>38,833</b>
Fund Balance at Beginning of Year	-	190,360	190,360	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 38,833</b>	<b>\$ 38,833</b>

**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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fund Balance at Beginning of Year	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ -</b>



**VILLAGE OF NEW ALBANY, OHIO**

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

**LEISURE TRAIL IMPROVEMENT FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Charges for services	\$ -	\$ -	\$ 7,658	\$ 7,658
<b>Total Revenues</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,658</u>	<u>\$ 7,658</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,658</u>	<u>\$ 7,658</u>
Fund Balance at Beginning of Year	-	-	-	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,658</u>	<u>\$ 7,658</u>

**VILLAGE OF NEW ALBANY, OHIO**  
**FUND DESCRIPTION – 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, 2006**

<b>COLUMBUS AGENCY FUND</b>	<b>Balance 1/1/2006</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 12/31/2006</b>
<b><u>ASSETS</u></b>				
Equity in pooled cash, cash equivalents and investments	\$ 195,444	\$ 152,111	\$ -	\$ 347,555
<b>Total Assets</b>	<b>\$ 195,444</b>	<b>\$ 152,111</b>	<b>\$ -</b>	<b>\$ 347,555</b>
<b><u>LIABILITIES</u></b>				
Due to other government	\$ 39,350	\$ -	\$ 39,350	\$ -
Deposits held and due to others	156,094	191,461	-	347,555
<b>Total Liabilities</b>	<b>\$ 195,444</b>	<b>\$ 191,461</b>	<b>\$ 39,350</b>	<b>\$ 347,555</b>
<b>SUBDIVISION DEVELOPMENT FUND</b>				
<b><u>ASSETS</u></b>				
Equity in pooled cash, cash equivalents and investments	\$ 770,708	\$ -	\$ 55,436	\$ 715,272
<b>Total Assets</b>	<b>\$ 770,708</b>	<b>\$ -</b>	<b>\$ 55,436</b>	<b>\$ 715,272</b>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 2,917	\$ -	\$ 2,917	\$ -
Deposits held and due to others	767,791	-	52,519	715,272
<b>Total Liabilities</b>	<b>\$ 770,708</b>	<b>\$ -</b>	<b>\$ 55,436</b>	<b>\$ 715,272</b>
<b>BUILDER'S ESCROW FUND</b>				
<b><u>ASSETS</u></b>				
Equity in pooled cash, cash equivalents and investments	\$ 803,050	\$ -	\$ 206,151	\$ 596,899
<b>Total Assets</b>	<b>\$ 803,050</b>	<b>\$ -</b>	<b>\$ 206,151</b>	<b>\$ 596,899</b>
<b><u>LIABILITIES</u></b>				
Deposits held and due to others	\$ 803,050	\$ -	\$ 206,151	\$ 596,899
<b>Total Liabilities</b>	<b>\$ 803,050</b>	<b>\$ -</b>	<b>\$ 206,151</b>	<b>\$ 596,899</b>
<b>BOARD OF BUILDING STANDARDS</b>				
<b><u>ASSETS</u></b>				
Equity in pooled cash, cash equivalents and investments	\$ 817	\$ -	\$ 98	\$ 719
<b>Total Assets</b>	<b>\$ 817</b>	<b>\$ -</b>	<b>\$ 98</b>	<b>\$ 719</b>
<b><u>LIABILITIES</u></b>				
Due to other governments	\$ 129	\$ -	\$ 129	\$ -
Deposits held and due to others	688	129	98	719
<b>Total Liabilities</b>	<b>\$ 817</b>	<b>\$ 129</b>	<b>\$ 227</b>	<b>\$ 719</b>

- - continued

**VILLAGE OF NEW ALBANY, OHIO**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**MAYOR'S COURT**

**ASSETS**

Equity in pooled cash, cash equivalents and investments	\$ 6,367	\$ 14,692	\$ -	\$ 21,059
<b>Total Assets</b>	<b>\$ 6,367</b>	<b>\$ 14,692</b>	<b>\$ -</b>	<b>\$ 21,059</b>

**LIABILITIES**

Deposits held and due to others	\$ 6,367	\$ 14,692	\$ -	\$ 21,059
<b>Total Liabilities</b>	<b>\$ 6,367</b>	<b>\$ 14,692</b>	<b>\$ -</b>	<b>\$ 21,059</b>

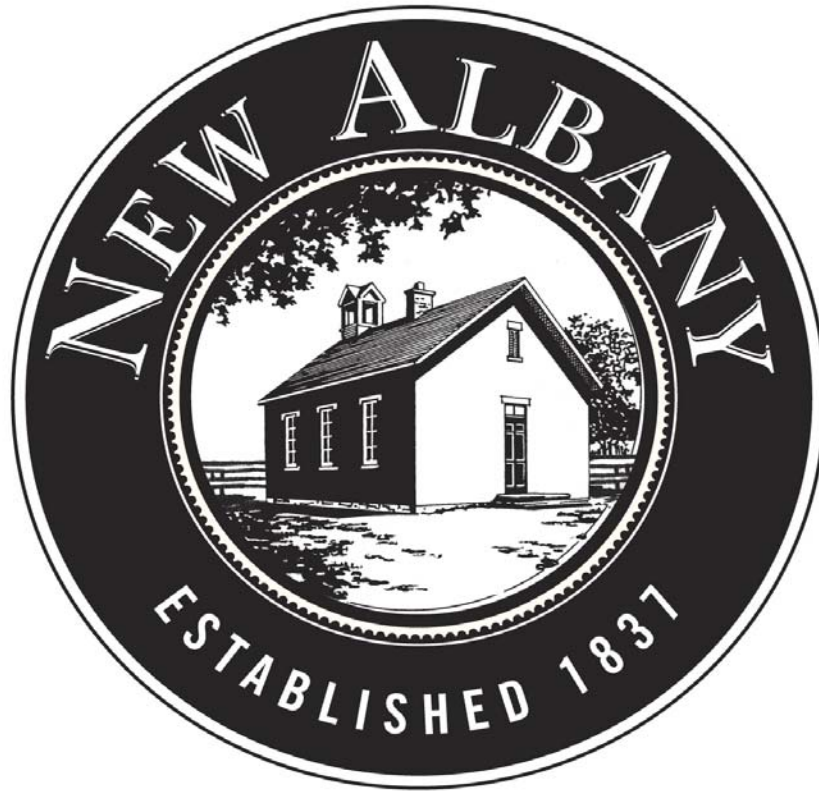
**TOTAL AGENCY FUNDS**

**ASSETS**

Equity in pooled cash, cash equivalents and investments	\$ 1,776,386	\$ 166,803	\$ 261,685	\$ 1,681,504
<b>Total Assets</b>	<b>\$ 1,776,386</b>	<b>\$ 166,803</b>	<b>\$ 261,685</b>	<b>\$ 1,681,504</b>

**LIABILITIES**

Accounts payable	\$ 2,917	\$ -	\$ 2,917	\$ -
Due to other governments	39,479	-	39,479	-
Deposits held and due to others	1,733,990	206,282	258,768	1,681,504
<b>Total Liabilities</b>	<b>\$ 1,776,386</b>	<b>\$ 206,282</b>	<b>\$ 301,164</b>	<b>\$ 1,681,504</b>



STATISTICAL SECTION



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VILLAGE OF NEW ALBANY, OHIO

STATISTICAL SECTION  
TABLE OF CONTENTS

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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	<b>126-131</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax and income tax.	<b>132-139</b>
<b>Debt Capacity</b> 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.	<b>140-143</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	<b>144-149</b>
<b>Operating Information</b> This schedule 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.	<b>150-153</b>

**Sources:** Sources are noted on the individual schedules. The Village implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.

VILLAGE OF NEW ALBANY, OHIO

NET ASSETS BY COMPONENT

LAST THREE YEARS <sup>(a)</sup>

(accrual basis of accounting)

	Fiscal Year		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b><u>Governmental activities</u></b>			
Invested in capital assets, net of related debt	\$ 59,602,564	\$ 13,913,512	\$ 4,902,025
Restricted	6,614,047	5,593,375	13,226,524
Unrestricted	<u>(5,341,321)</u>	<u>2,332,172</u>	<u>(5,363,130)</u>
<b>Total Governmental Activities Net Assets</b>	<b><u>\$ 60,875,290</u></b>	<b><u>\$ 21,839,059</u></b>	<b><u>\$ 12,765,419</u></b>

<sup>(a)</sup> The year ended December 31, 2004 was the first year of implementation of GASB Statement No. 34



VILLAGE OF NEW ALBANY, OHIO

CHANGES IN NET ASSETS  
LAST THREE YEARS (a)  
(accrual basis of accounting)

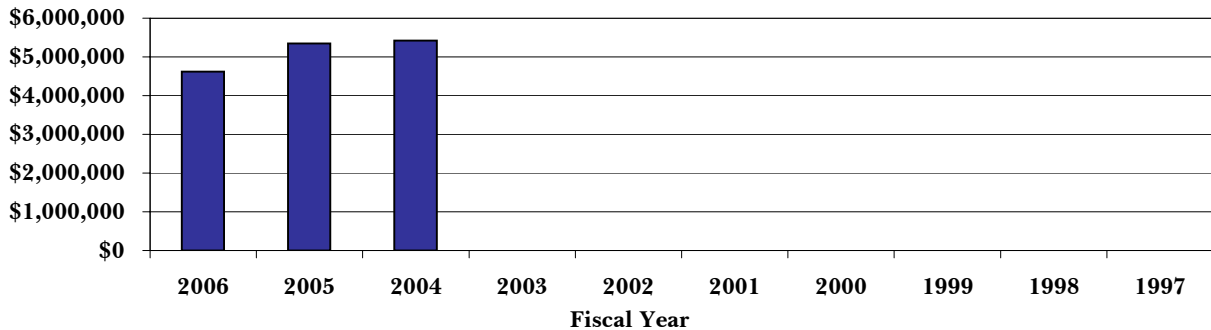
	Fiscal Year		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b><u>PROGRAM REVENUES</u></b>			
<b>Governmental Activities:</b>			
<i>Charges for Services:</i>			
General Government	\$ 924,613	\$ 1,141,102	\$ 1,196,148
Security of Persons & Property	144,484	111,469	106,268
Transportation	-	38,144	5,000
Community Environment	489,406	462,886	388,313
<i>Operating Grants &amp; Contributions</i>			
Security of Persons & Property	67,587	6,427	-
Transportation	293,731	311,822	294,986
Leisure Time Activities	-	12,736	-
Interest and Fiscal Charges	-	-	8,407
<i>Capital Grants &amp; Contributions</i>			
Transportation	36,679,713	14,901,968	6,395,947
<b>Total Governmental Activities Program Revenues</b>	<b><u>\$ 38,599,534</u></b>	<b><u>\$ 16,986,554</u></b>	<b><u>\$ 8,395,069</u></b>
<b><u>PROGRAM EXPENSES</u></b>			
<b>Governmental Activities:</b>			
General Government	\$ 3,212,776	\$ 3,307,782	\$ 2,268,897
Security of Persons & Property	3,033,408	2,521,196	2,049,174
Public Health Services	90,562	78,053	71,340
Transportation	2,630,025	2,107,148	1,362,349
Community Environment	968,588	8,705,116	421,899
Leisure Time Activities	6,371	14,127	9,914
Economic Development	7,369,090	7,961,170	5,786,667
Interest & Fiscal Charges	1,243,060	969,181	956,680
<b>Total Governmental Activities Expenses</b>	<b><u>\$ 18,553,880</u></b>	<b><u>\$ 25,663,773</u></b>	<b><u>\$ 12,926,920</u></b>
<b>Total Primary Government Net (Expense)/Revenue</b>	<b><u>\$ 20,045,654</u></b>	<b><u>\$ (8,677,219)</u></b>	<b><u>\$ (4,531,851)</u></b>
<b><u>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</u></b>			
<b>Governmental Activities:</b>			
<i>Taxes:</i>			
Property taxes	\$ 943,465	\$ 779,007	\$ 746,233
Income taxes	16,422,003	15,227,623	13,341,411
Grants and Entitlements not Restricted to Specific Programs	387,579	435,904	218,124
Investment Earnings	742,673	556,217	276,738
Payments in lieu of taxes (PILOT)	249,666	15,876	67,113
Miscellaneous	245,191	736,252	85,891
<b>Total Governmental Activities</b>	<b><u>\$ 18,990,577</u></b>	<b><u>\$ 17,750,879</u></b>	<b><u>\$ 14,735,510</u></b>
<b>Total Primary Government Change in Net Assets</b>	<b><u>\$ 39,036,231</u></b>	<b><u>\$ 9,073,660</u></b>	<b><u>\$ 10,203,659</u></b>

(a) The year ended December 31, 2004 was the first year of implementation of GASB Statement No. 34

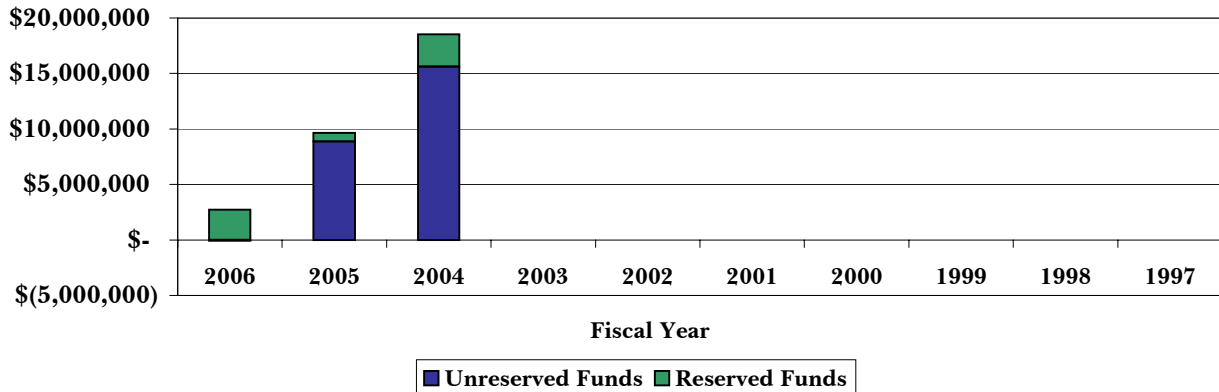
**VILLAGE OF NEW ALBANY, OHIO**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST THREE YEARS (a)**  
**(modified accrual basis of accounting)**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b><u>General Fund</u></b>				
Reserved	\$ 662,302	\$ 325,056	\$ 144,420	\$ -
Unreserved	4,621,473	5,347,399	5,421,291	-
<b>Total General Fund</b>	<b>\$ 5,283,775</b>	<b>\$ 5,672,455</b>	<b>\$ 5,565,711</b>	<b>\$ -</b>
 <b><u>All Other Governmental Funds</u></b>				
Reserved	\$ 2,052,724	\$ 472,076	\$ 2,784,388	\$ -
<i>Unreserved, undesignated reported in:</i>				
Special Revenue funds	716,766	254,582	336,453	-
Capital Project funds	(5,408,578)	3,261,717	9,845,747	-
<b>Total All Other Governmental Funds</b>	<b>\$ (2,639,088)</b>	<b>\$ 3,988,375</b>	<b>\$ 12,966,588</b>	<b>\$ -</b>
<b>Total Governmental Funds</b>	<b>\$ 2,644,687</b>	<b>\$ 9,660,830</b>	<b>\$ 18,532,299</b>	<b>\$ -</b>

**Unreserved General Fund Balance**



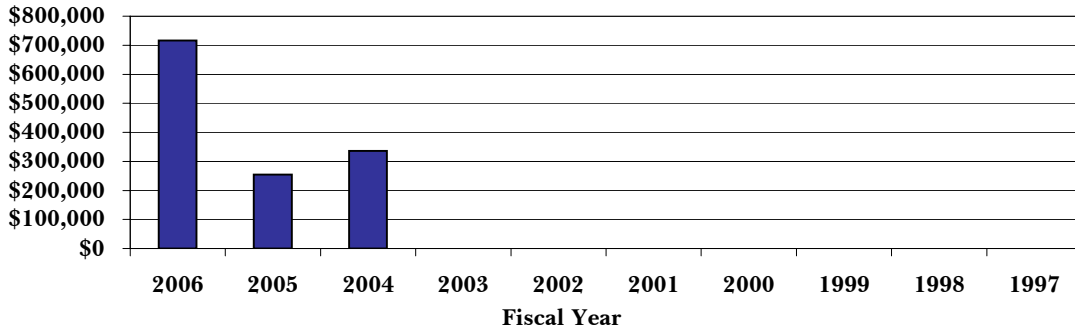
**All Governmental Funds  
Reserved/Unreserved Fund Balance**



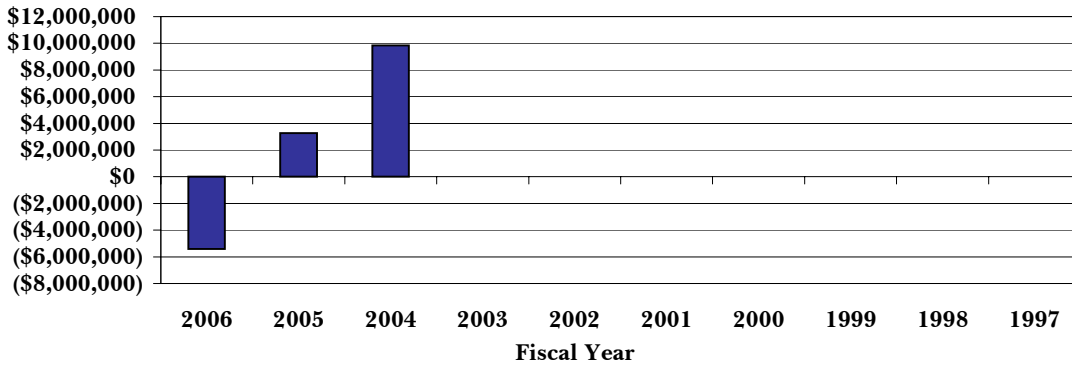
(a) The year ended December 31, 2004 was the first year of implementation of GASB Statement No. 34 and modified accrual basis accounting, so comparative information is unavailable for prior years.

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
\$	-	\$	-	\$	-	\$
-	-	-	-	-	-	-
\$	-	\$	-	\$	-	\$
\$	-	\$	-	\$	-	\$
\$	-	\$	-	\$	-	\$
-	-	-	-	-	-	-
\$	-	\$	-	\$	-	\$
\$	-	\$	-	\$	-	\$

**Unreserved Special Revenue Fund Balance**



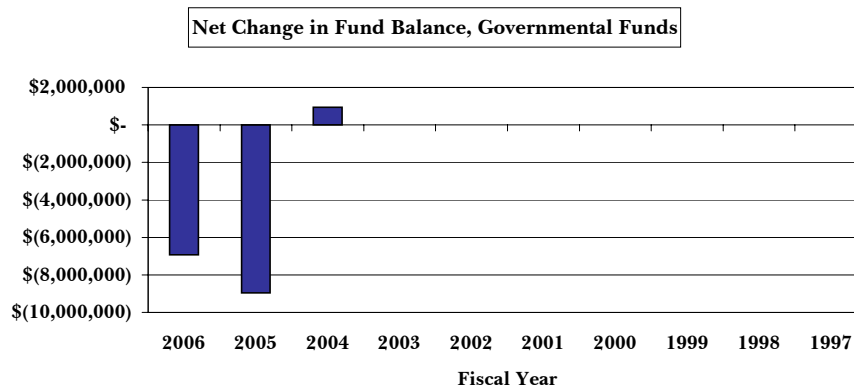
**Unreserved Capital Projects Fund Balance**



**VILLAGE OF NEW ALBANY, OHIO**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST THREE YEARS (a)**  
(modified accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Revenues:</b>				
Municipal income tax	\$ 16,591,706	\$ 15,910,715	\$ 11,466,513	\$ -
Property and other taxes	926,298	771,284	743,761	-
Charges for services	331,749	583,027	506,908	-
Licenses, permits & fees	1,089,115	1,067,310	1,082,342	-
Fines and forfeitures	127,003	103,264	106,479	-
Intergovernmental	789,176	1,834,620	1,173,663	-
Payments in lieu of taxes (PILOT)	249,666	15,876	67,113	-
Investment income	773,549	518,831	282,135	-
Donations	7,916	19,163	-	-
Other	237,275	736,232	365,891	-
<b>Total Revenues</b>	<b>\$ 21,123,453</b>	<b>\$ 21,560,322</b>	<b>\$ 15,794,805</b>	<b>\$ -</b>
<b>Expenditures:</b>				
<i>Current:</i>				
General government	\$ 2,877,300	\$ 2,666,895	\$ 1,950,445	\$ -
Security of persons and property	2,113,240	2,019,923	1,751,971	-
Public health and welfare	90,562	78,053	71,340	-
Transportation	1,318,907	1,144,549	932,141	-
Community environment	928,787	8,676,147	423,634	-
Leisure time activities	6,371	14,127	9,914	-
Economic development	7,677,382	8,088,188	4,984,761	-
Capital outlay	11,158,873	6,295,668	3,294,312	-
<i>Debt service:</i>				
Principal retirement	670,049	625,495	556,357	-
Interest & fiscal charges	1,273,968	1,123,493	960,074	-
Note issuance costs	36,022	-	-	-
<b>Total Expenditures</b>	<b>\$ 28,151,461</b>	<b>\$ 30,732,538</b>	<b>\$ 14,934,949</b>	<b>\$ -</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (7,028,008)</b>	<b>\$ (9,172,216)</b>	<b>\$ 859,856</b>	<b>\$ -</b>
<b>Other Financing Sources (Uses):</b>				
OPWC loans issued	\$ 38,833	\$ 79,292	\$ -	\$ -
Capital lease transaction	-	49,017	8,128	-
Premium on notes sold	58,004	87,466	66,139	-
Transfers in	2,452,496	1,708,000	926,200	-
Transfers out	(2,452,496)	(1,708,000)	(926,200)	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 96,837</b>	<b>\$ 215,775</b>	<b>\$ 74,267</b>	<b>\$ -</b>
<b>Net Change in Fund Balances</b>	<b>\$ (6,931,171)</b>	<b>\$ (8,956,441)</b>	<b>\$ 934,123</b>	<b>\$ -</b>

<i>Debt Service as a Percentage of Noncapital Expenditures</i>	11.65%	7.16%	13.03%	0.00%
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(a) The year ended December 31, 2004 was the first year of implementation of GASB Statement No. 34 and modified accrual basis accounting, so comparative information is unavailable.



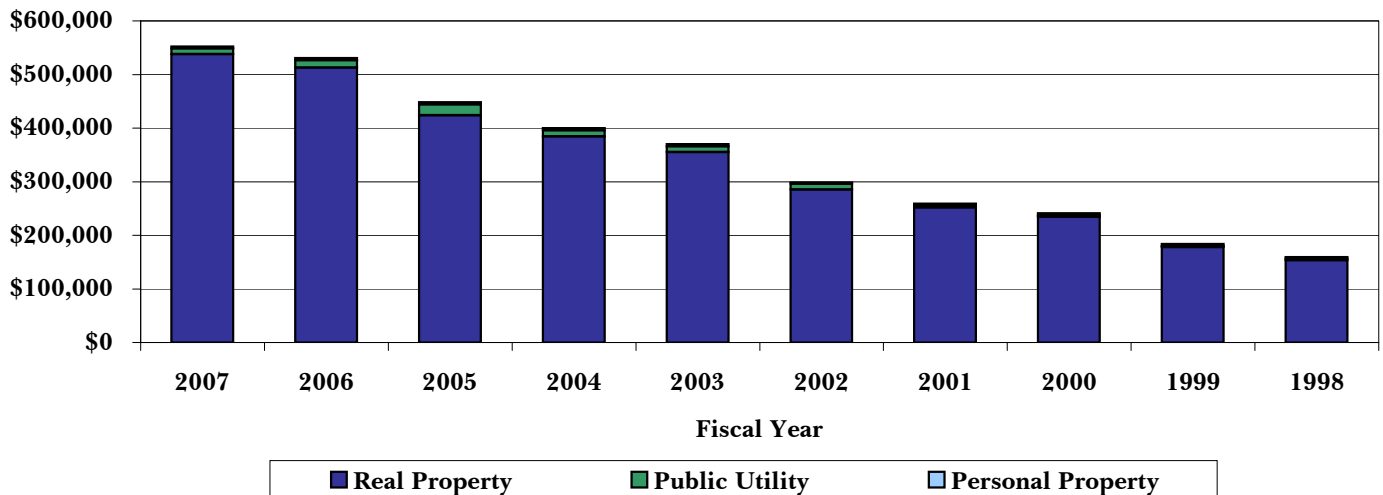
**VILLAGE OF NEW ALBANY, OHIO**  
**ASSESSED VALUATION AND ESTIMATED TRUE VALUES OF TAXABLE PROPERTY**  
**LAST TEN YEARS**  
(\$000's omitted)

Tax Year	Collection Year	Real Property		Public Utility		Personal Property		TOTAL	
		Assessed	Estimated Actual	Assessed	Estimated Actual	Assessed	Estimated Actual	Assessed	Estimated Actual
1997	1998	\$153,561	\$438,744	\$2,615	\$10,462	\$3,277	\$9,364	\$159,453	\$458,570
1998	1999	\$177,980	\$508,513	\$2,612	\$10,449	\$3,334	\$9,527	\$183,926	\$528,489
1999	2000	\$234,567	\$670,191	\$2,744	\$10,976	\$3,728	\$10,651	\$241,039	\$691,818
2000	2001	\$251,680	\$719,085	\$4,457	\$17,828	\$3,119	\$8,911	\$259,256	\$745,824
2001	2002	\$285,529	\$815,798	\$10,380	\$41,522	\$2,491	\$7,116	\$298,400	\$864,436
2002	2003	\$355,433	\$1,015,524	\$10,548	\$42,193	\$4,028	\$11,508	\$370,009	\$1,069,225
2003	2004	\$384,299	\$1,097,998	\$11,578	\$46,312	\$4,219	\$12,053	\$400,096	\$1,156,363
2004	2005	\$423,677	\$1,210,507	\$20,640	\$85,999	\$4,276	\$12,218	\$448,593	\$1,308,724
2005	2006	\$512,801	\$1,465,146	\$13,845	\$60,196	\$4,095	\$11,701	\$530,741	\$1,537,043
2006	2007	\$538,167	\$1,537,620	\$10,382	\$45,140	\$3,877	\$11,078	\$552,426	\$1,593,838

**Note:** Assessed values only include taxable property and do not include an exempt property.

Source: Franklin County, Ohio; County Auditor

**Assessed Valuations by Property Type**  
**Collection Years 1997-2006 (\$000's omitted)**





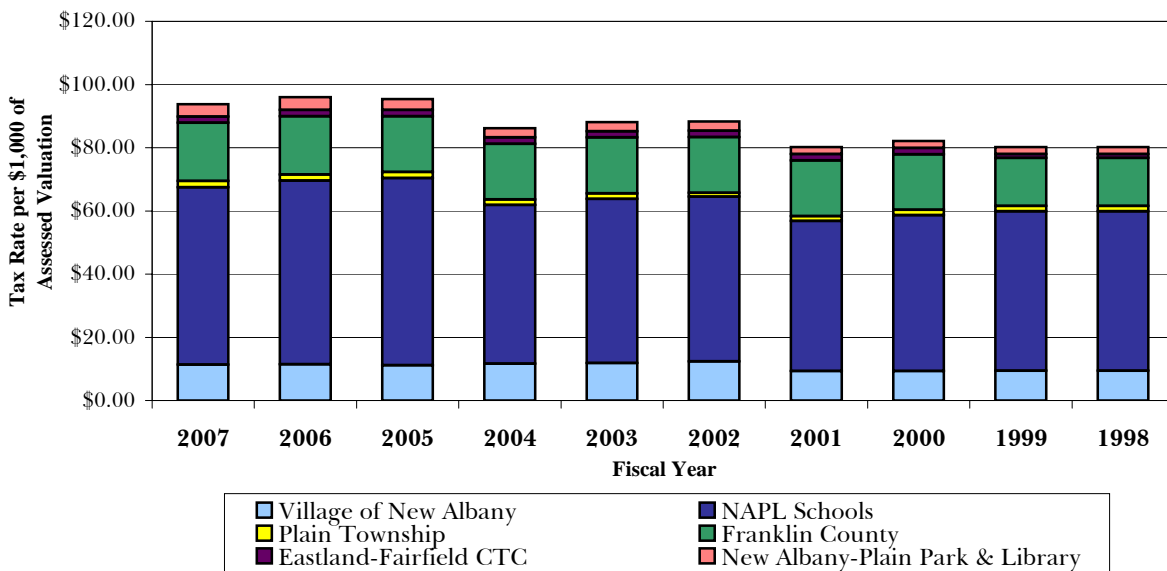
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**VILLAGE OF NEW ALBANY, OHIO**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**RATES EXPRESSED PER \$1,000 OF ASSESSED VALUATION**  
**LAST TEN YEARS**

Tax Year	Collection Year	Village of New Albany	Plain Local New Albany Schools	Plain Township	Franklin County
1997	1998	\$1.71	\$50.45	\$9.42	\$15.22
1998	1999	\$1.71	\$50.45	\$9.42	\$15.22
1999	2000	\$1.70	\$49.34	\$9.34	\$17.54
2000	2001	\$1.57	\$47.46	\$9.31	\$17.64
2001	2002	\$1.23	\$52.17	\$12.35	\$17.64
2002	2003	\$1.72	\$52.03	\$11.80	\$17.64
2003	2004	\$1.73	\$50.17	\$11.69	\$17.64
2004	2005	\$1.94	\$59.19	\$11.17	\$17.64
2005	2006	\$1.94	\$58.10	\$11.42	\$18.44
2006	2007	\$1.94	\$56.16	\$11.32	\$18.44

Source: Franklin County, Ohio; County Auditor

**Assessed Property Tax Rates - By Entity**  
**Collection Years 2007 - 1998**





Eastland-Fairfield Career & Technical Center	New Albany-Plain Park Dist & Public Library	TOTAL
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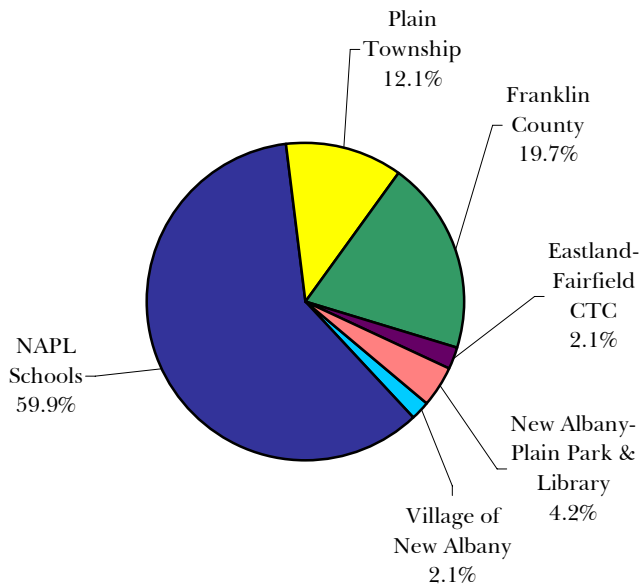
\$1.20	\$2.20	\$80.20
\$1.20	\$2.20	\$80.20
\$2.00	\$2.20	\$82.12
\$2.00	\$2.20	\$80.18
\$2.00	\$2.95	\$88.34
\$2.00	\$2.95	\$88.14
\$2.00	\$2.95	\$86.18
\$2.00	\$3.47	\$95.41
\$2.00	\$4.07	\$95.97
\$2.00	\$3.92	\$93.78

Res/Agr Effective Rate	Com/Ind Effective Rate
------------------------	------------------------

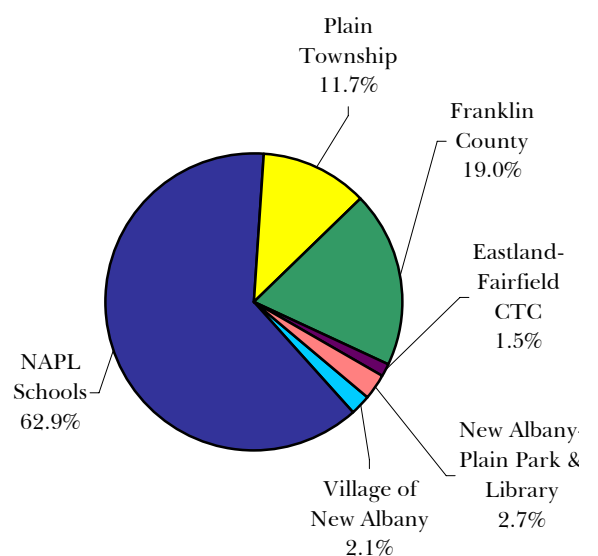
\$57.6432	\$58.8831
\$59.3016	\$60.6843
\$56.0149	\$57.6299
\$63.9738	\$64.9088
\$63.4470	\$64.0541
\$60.1871	\$60.9190
\$69.2682	\$69.9242
\$70.6765	\$71.3471
\$65.7155	\$67.9800
\$75.4105	\$76.9168

**2007 - 1998 Property Tax Breakdown by Government Entity**

2007 Collection Year



1998 Collection Year



**VILLAGE OF NEW ALBANY, OHIO**  
**TOP PRINCIPAL PROPERTY TAXPAYERS**  
**December 31, 2006**

Rank	Taxpayer Name	Assessed Valuation	% of Total Assessed Valuation
<b><u>Public Utilities</u></b>			
1.	Columbus Southern Power	\$2,278,730	0.41%
<b><u>Real Estate</u></b>			
1.	New Albany Company LP	40,077,160	7.25%
2.	Leslie H. Wexner	20,187,470	3.65%
3.	M/I Homes of Central Ohio	4,823,720	0.87%
4.	Abercrombie & Fitch	4,266,390	0.77%
5.	HHD & B LLC	3,500,000	0.63%
6.	Discover Financial	2,442,090	0.44%
7.	Tidewater Associates LLC	2,201,400	0.40%
8.	Robert W. Rahal	2,076,520	0.38%
9.	New Albany Links Golf	2,061,020	0.37%
10.	Hawksmoor Ltd	1,988,490	0.36%
<b><u>Tangible Personal Property</u></b> <sup>(1)</sup>			
1.	Discover Financial Services, Inc.	2,212,956	0.40%
2.	Abercrombie & Fitch Management	1,983,093	0.36%
3.	Abercrombie & Fitch Stores	1,134,236	0.21%
4.	Abercrombie & Fitch Trading Co.	1,129,714	0.20%
5.	Fifth Third Bank	837,848	0.15%
6.	The New Albany Company LLC	569,674	0.10%
7.	MP Totalcare Supply Inc.	474,398	0.09%
8.	Leasenet Group LLC	341,894	0.06%
9.	Too Brands Inc.	330,873	0.06%
10.	Kroger Company	297,333	0.05%
<b>ALL OTHERS</b>		<b>457,211,265</b>	<b>82.76%</b>
<b>TOTAL ASSESSED VALUATION</b>		<b>\$552,426,274</b>	<b>100.00%</b>

<sup>(1)</sup> HB66 began the phase-out of Tangible Personal Property Tax in the next three years. To reflect this phase-out, the assessed valuation listed above for TPP is 67% of the 2006 Assessed Valuation.

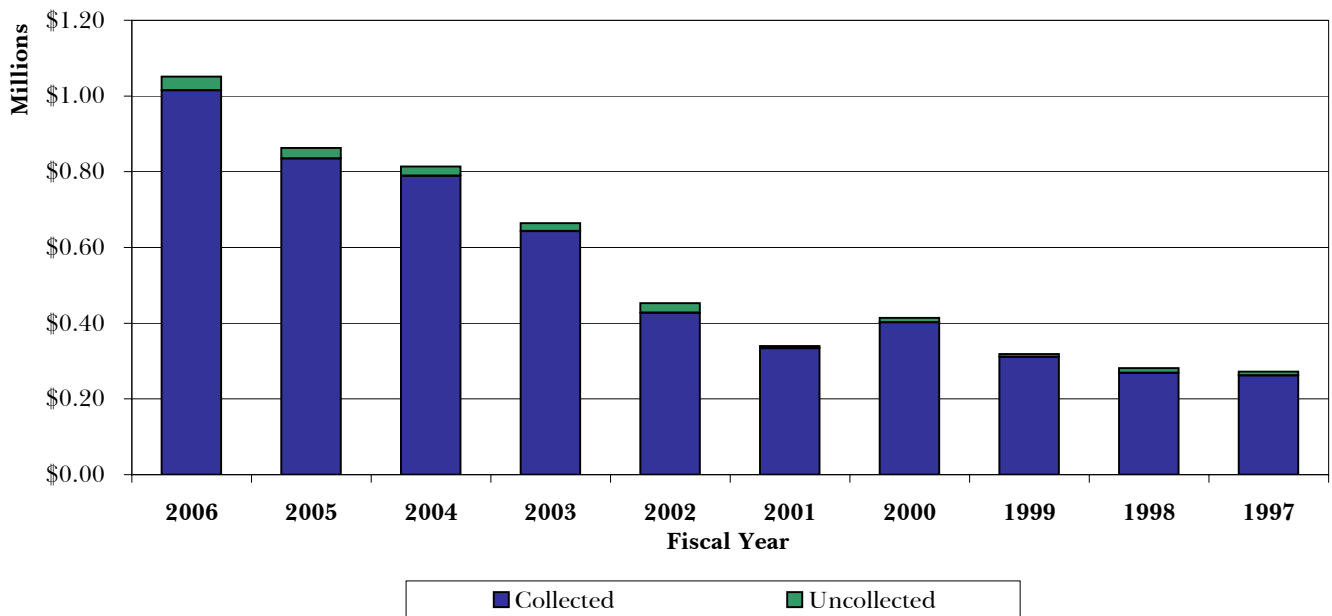
**VILLAGE OF NEW ALBANY, OHIO  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS**

Tax Year	Collection Year	Total Tax Levy	Current Collection	Delinquent Collection *	Total Tax Collections	Accumulated Outstanding Delinquent Taxes	Percent of Total Collections to Tax Levy	Percent of Delinquent Taxes to Total Tax Levy
1996	1997	\$ 266,445	\$ 261,588	\$ 9,762	\$ 271,350	\$ 9,329	101.84%	3.50%
1997	1998	\$ 273,272	\$ 268,894	\$ 10,601	\$ 279,495	\$ 11,451	102.28%	4.19%
1998	1999	\$ 314,351	\$ 311,025	\$ 8,765	\$ 319,790	\$ 10,463	101.73%	3.33%
1999	2000	\$ 395,980	\$ 402,584	\$ 9,653	\$ 412,237	\$ 12,430	104.11%	3.14%
2000	2001	\$ 334,755	\$ 334,197	\$ 5,721	\$ 339,918	\$ 12,151	101.54%	3.63%
2001	2002	\$ 555,830	\$ 427,709	\$ 12,215	\$ 439,924	\$ 24,896	79.15%	4.48%
2002	2003	\$ 653,060	\$ 643,472	\$ 23,459	\$ 666,931	\$ 22,166	102.12%	3.39%
2003	2004	\$ 806,561	\$ 789,613	\$ 21,813	\$ 811,426	\$ 24,638	100.60%	3.05%
2004	2005	\$ 880,567	\$ 834,617	\$ 20,619	\$ 855,236	\$ 32,361	97.12%	3.68%
2005	2006	\$ 1,053,820	\$ 1,014,582	\$ 19,912	\$ 1,034,494	\$ 49,528	98.17%	4.70%
<b>Ten Year Average</b>		<b>\$ 553,464</b>	<b>\$ 528,828</b>	<b>\$ 14,252</b>	<b>\$ 543,080</b>	<b>\$ 20,941</b>	<b>98.12%</b>	<b>3.78%</b>

Source: Franklin County, Ohio; County Auditor

\* Represents collection of delinquent prior period taxes during the indicated collection year.

**Property Tax Levies - Collected vs Delinquent  
Collection Years 2006-1997**

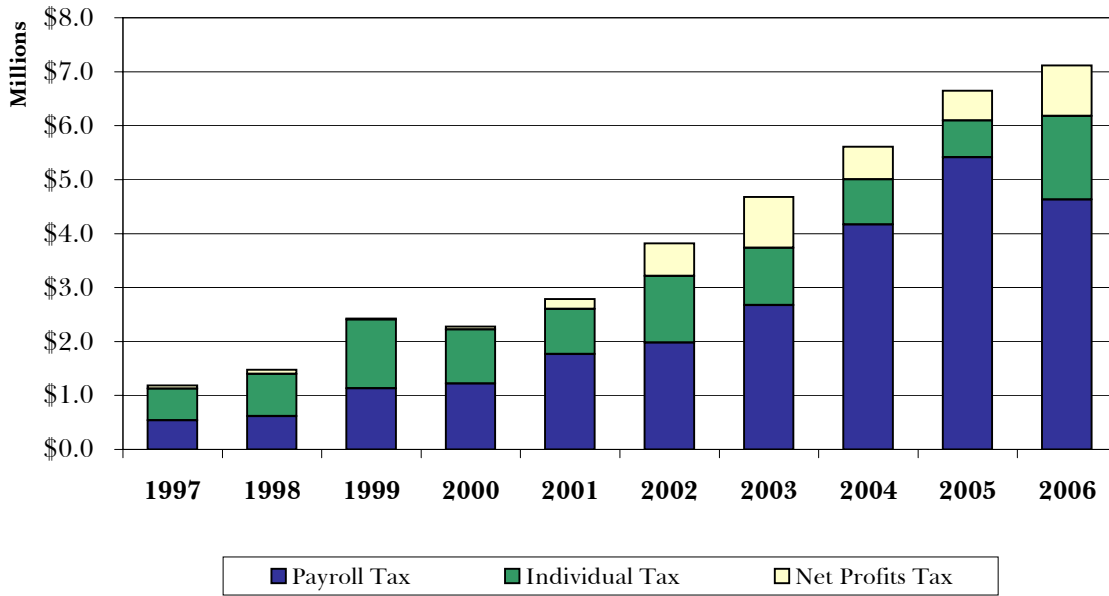


**VILLAGE OF NEW ALBANY, OHIO**  
**GENERAL FUND INCOME TAX COLLECTIONS**  
**LAST TEN YEARS**  
(Cash Basis)

Tax Year	Tax Rate	Payroll Tax	Individual Tax	Net Profits Tax	Total Tax Collections	Total General Fund Revenues	Total Income Taxes as a % of Total General Fund Revenues
1997	1.0%	\$ 539,032	\$ 585,484	\$ 60,108	\$ 1,184,624	\$ 2,024,865	58.50%
1998	1.0%	\$ 615,912	\$ 785,446	\$ 75,303	\$ 1,476,661	\$ 2,779,443	53.13%
1999	1.0%	\$ 1,135,522	\$ 1,274,812	\$ 12,603	\$ 2,422,937	\$ 4,157,961	58.27%
2000	1.0%	\$ 1,218,695	\$ 1,007,537	\$ 48,814	\$ 2,275,046	\$ 3,691,119	61.64%
2001	1.0%	\$ 1,766,788	\$ 836,206	\$ 184,907	\$ 2,787,901	\$ 4,337,495	64.27%
2002	1.0%	\$ 1,981,409	\$ 1,234,553	\$ 604,172	\$ 3,820,134	\$ 5,931,609	64.40%
2003	1.0%*	\$ 2,672,852	\$ 1,060,677	\$ 944,433	\$ 4,677,962	\$ 7,269,368	64.35%
2004	2.0%	\$ 4,168,462	\$ 835,984	\$ 608,461	\$ 5,612,907	\$ 7,948,898	70.61%
2005	2.0%	\$ 5,412,093	\$ 686,780	\$ 550,493	\$ 6,649,366	\$ 9,329,960	71.27%
2006	2.0%	\$ 4,629,294	\$ 1,552,661	\$ 932,458	\$ 7,114,413	\$ 9,807,268	72.54%
<b>Ten Year Average</b>		<b>\$ 2,414,006</b>	<b>\$ 986,014</b>	<b>\$ 402,175</b>	<b>\$ 3,802,195</b>	<b>\$ 5,727,799</b>	<b>66.38%</b>

\*Note: Tax rate was increased to 2.0% of taxable income effective July 1, 2003.

**General Fund Income  
Tax Revenues by Type  
Collection Years 1997 - 2006**

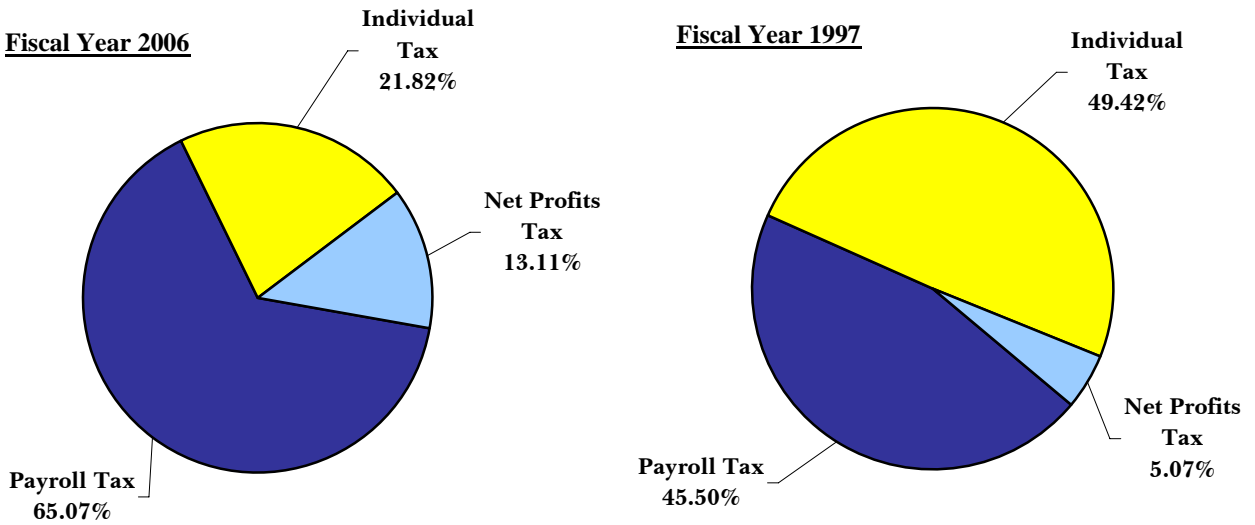


Source: Regional Income Tax Agency & Village financial reports

**VILLAGE OF NEW ALBANY, OHIO**  
**INCOME TAX COLLECTIONS**  
**CURRENT YEAR AND NINE YEARS AGO**  
**(Cash Basis)**

	<u>Fiscal Year 2006</u>		<u>Fiscal Year 1997</u>	
Payroll Tax	\$ 4,629,294	65.07%	\$ 539,032	45.51%
Individual Tax	1,552,661	21.82%	585,484	49.42%
Net Profits Tax	<u>932,458</u>	<u>13.11%</u>	<u>60,108</u>	<u>5.07%</u>
<b>Total Income Tax Collections</b>	<b><u>\$ 7,114,413</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 1,184,624</u></b>	<b><u>100.00%</u></b>

**2006 - 1997 Income Tax Breakdown  
by Tax Type**

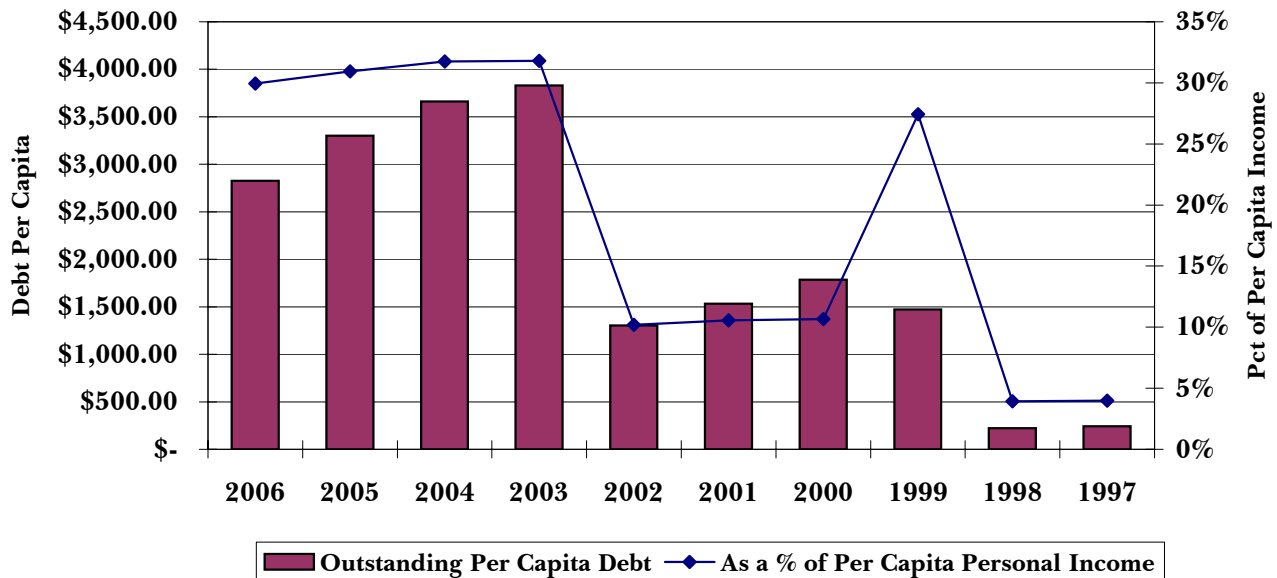


**VILLAGE OF NEW ALBANY, OHIO**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN YEARS**  
(\$000's omitted)

Fiscal Year	General Obligation Bonds	Capital Imprvmt Bonds	Capital Leases	OPWC/OWDA Loans	Total Debt	Percent of Per Capita Income	Total Debt Per Capita
2006	\$ 12,715.0	\$ 2,840.0	\$ 70.6	\$ 2,973.1	\$ 18,598.7	29.93%	\$2,824.83
2005	\$ 12,965.0	\$ 3,015.0	\$ 114.4	\$ 3,135.5	\$ 19,229.9	30.95%	\$3,300.13
2004	\$ 13,215.0	\$ 3,190.0	\$ 106.0	\$ 3,216.1	\$ 19,727.1	31.75%	\$3,660.62
2003	\$ 13,460.0	\$ 3,355.0	\$ 129.2	\$ 2,808.2	\$ 19,752.4	31.79%	\$3,830.96
2002	\$ -	\$ 3,505.0	\$ -	\$ 2,820.5	\$ 6,325.5	10.18%	\$1,302.07
2001	\$ -	\$ 3,655.0	\$ -	\$ 2,899.5	\$ 6,554.5	10.55%	\$1,532.50
2000	\$ -	\$ 3,805.0	\$ -	\$ 2,816.5	\$ 6,621.5	10.66%	\$1,784.29
1999	\$ -	\$ 3,945.0	\$ 88.4	\$ 536.5	\$ 4,569.9	27.42%	\$1,471.78
1998	\$ -	\$ -	\$ 88.1	\$ 565.4	\$ 653.4	3.92%	\$223.62
1997	\$ -	\$ -	\$ 87.8	\$ 577.9	\$ 665.7	3.99%	\$241.79

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

**Total Outstanding Debt Ratio Analysis  
2006 - 1997**

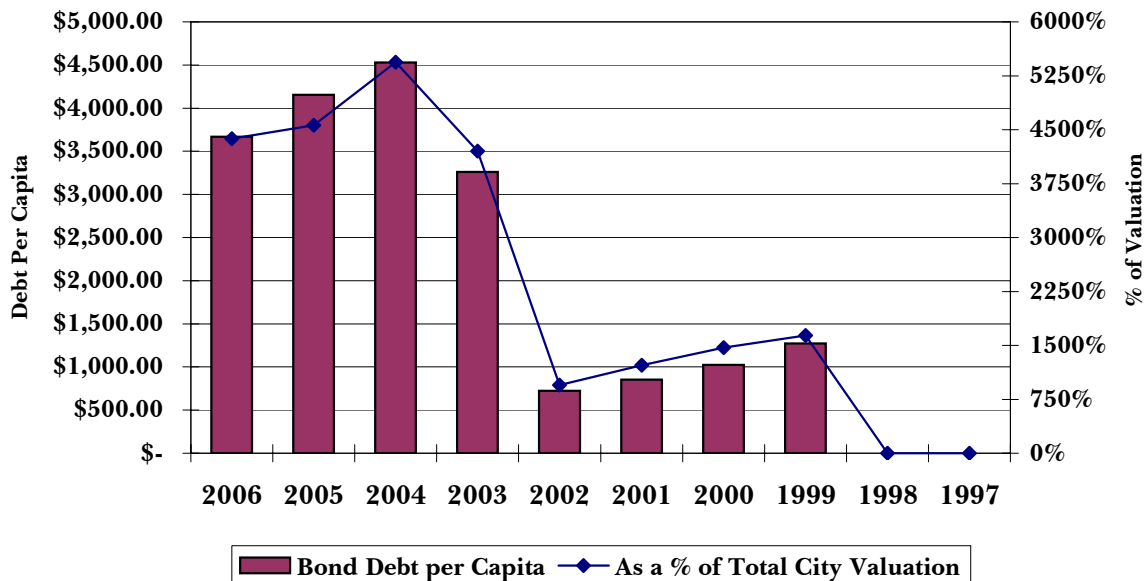


**VILLAGE OF NEW ALBANY, OHIO**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN YEARS**

Fiscal Year	General Bonded Debt Outstanding (\$000)				Percent of Actual Taxable Property Value	Per Capita
	Mortgage Revenue Bonds	General Obligation Bonds	General Obligation Notes	Total		
2006	\$ 12,715.0	\$ 2,840.0	\$ 8,606.0	\$ 24,161.0	4373.62%	\$3,669.65
2005	\$ 12,965.0	\$ 3,015.0	\$ 8,236.0	\$ 24,216.0	4562.67%	\$4,155.83
2004	\$ 13,215.0	\$ 3,190.0	\$ 8,000.0	\$ 24,405.0	5440.34%	\$4,528.67
2003	\$ 13,460.0	\$ 3,355.0	\$ -	\$ 16,815.0	4202.74%	\$3,261.25
2002	\$ -	\$ 3,505.0	\$ -	\$ 3,505.0	947.27%	\$721.49
2001	\$ -	\$ 3,655.0	\$ -	\$ 3,655.0	1224.87%	\$854.57
2000	\$ -	\$ 3,805.0	\$ -	\$ 3,805.0	1467.66%	\$1,025.33
1999	\$ -	\$ 3,945.0	\$ -	\$ 3,945.0	1636.66%	\$1,270.53
1998	\$ -	\$ -	\$ -	\$ -	0.00%	\$0.00
1997	\$ -	\$ -	\$ -	\$ -	0.00%	\$0.00

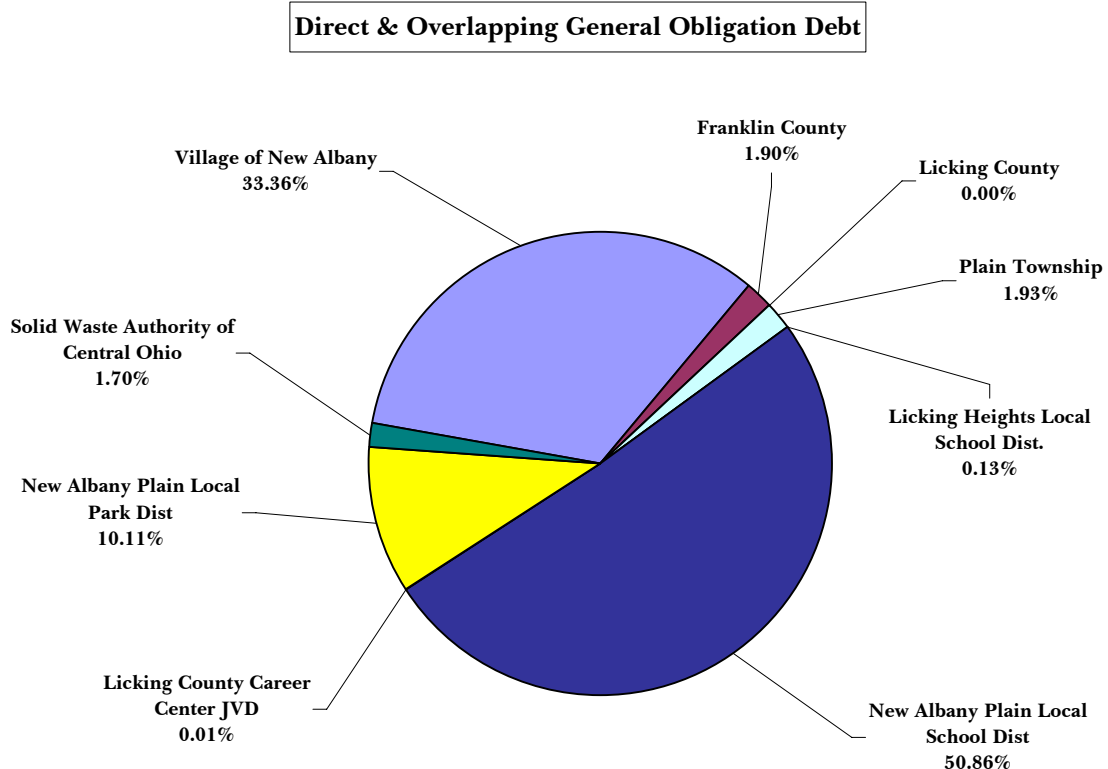
Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

**Total General Bonded Debt Outstanding  
2006-1997 Ratio Analysis**



**VILLAGE OF NEW ALBANY, OHIO**  
**COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT**  
**As of December 31, 2006**  
(\$000's omitted)

Governmental Unit	Assessed Valuation	Gross General Obligation	Percent Applicable to District	Amount Applicable to District
<b>Direct</b>				
Village of New Albany	\$552,426.3	\$30,044.7	100.00%	\$30,044.7
<b>Overlapping</b>				
Franklin County	\$29,700,337.3	\$92,135.0	1.86%	\$1,713.7
Licking County	\$2,762,131,370.0	17,521.3	0.02%	3.5
Plain Township	\$650,678.8	2,050.0	84.90%	1,740.4
Licking Heights Local School Dist.	\$290,750,670.5	59,534.0	0.19%	113.1
New Albany Plain Local School Dist	\$898,985.0	74,550.9	61.45%	45,811.5
Licking County Career Center JVD	\$2,762,131,370.0	31,750.0	0.02%	6.4
New Albany Plain Local Park Dist	\$910,392.7	15,010.0	60.68%	9,108.1
Solid Waste Authority of Central Ohio	\$30,861,803.0	<u>85,565.0</u>	<u>1.79%</u>	<u>1,531.6</u>
<b>Total Overlapping Debt</b>		<u><b>\$378,116.2</b></u>		<u><b>\$60,028.3</b></u>
<b>Total Direct &amp; Overlapping Debt</b>		<u><u><b>\$408,160.8</b></u></u>		<u><u><b>\$90,073.0</b></u></u>



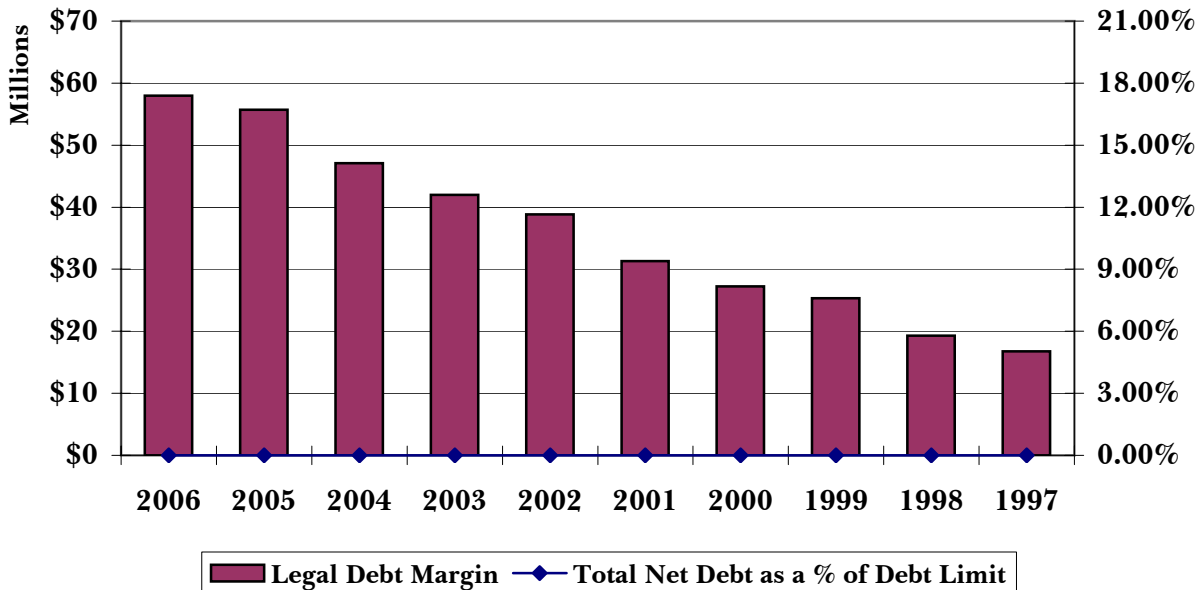


**VILLAGE OF NEW ALBANY, OHIO**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN YEARS**

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
2006	\$ 58,004,759	\$ -	\$ 4,782	\$ 58,009,541	0.00%
2005	\$ 55,727,857	\$ -	\$ -	\$ 55,727,857	0.00%
2004	\$ 47,102,312	\$ -	\$ -	\$ 47,102,312	0.00%
2003	\$ 42,010,088	\$ -	\$ -	\$ 42,010,088	0.00%
2002	\$ 38,850,976	\$ -	\$ 9,121	\$ 38,860,097	0.00%
2001	\$ 31,332,018	\$ -	\$ -	\$ 31,332,018	0.00%
2000	\$ 27,221,841	\$ -	\$ -	\$ 27,221,841	0.00%
1999	\$ 25,309,095	\$ -	\$ -	\$ 25,309,095	0.00%
1998	\$ 19,312,237	\$ -	\$ -	\$ 19,312,237	0.00%
1997	\$ 16,742,594	\$ -	\$ 574	\$ 16,743,168	0.00%

**Note:** Debt limit is calculated as assessed valuation multiplied by 10.5%. Currently all GO debt has a pledge clause that would exclude it from inclusion in the 'Total Net Debt Applicable to Limit'.

**Legal Debt Margin Analysis**  
**2006-1997**



**VILLAGE OF NEW ALBANY, OHIO**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population</b>	<b>Per Capita Income</b>	<b>Median Age</b>	<b>School Enrollment <sup>(4)</sup></b>	<b>Unemployment Rate <sup>(5)</sup></b>
<b>2006</b>	6,584 <sup>(1)</sup>	\$62,131 <sup>(2)</sup>	37.6 <sup>(2)</sup>	3,436	4.4%
<b>2005</b>	5,827 <sup>(1)</sup>	\$62,131 <sup>(2)</sup>	37.6 <sup>(2)</sup>	3,209	4.8%
<b>2004</b>	5,389 <sup>(1)</sup>	\$62,131 <sup>(2)</sup>	37.6 <sup>(2)</sup>	2,851	4.3%
<b>2003</b>	5,156 <sup>(1)</sup>	\$62,131 <sup>(2)</sup>	37.6 <sup>(2)</sup>	2,567	4.9%
<b>2002</b>	4,858 <sup>(1)</sup>	\$62,131 <sup>(2)</sup>	37.6 <sup>(2)</sup>	2,275	4.4%
<b>2001</b>	4,277 <sup>(1)</sup>	\$62,131 <sup>(2)</sup>	37.6 <sup>(2)</sup>	1,995	2.7%
<b>2000</b>	3,711 <sup>(2)</sup>	\$62,131 <sup>(2)</sup>	37.6 <sup>(2)</sup>	1,693	2.7%
<b>1999</b>	3,105 <sup>(3)</sup>	\$16,668 <sup>(3)</sup>	39.0 <sup>(3)</sup>	1,430	2.5%
<b>1998</b>	2,922 <sup>(3)</sup>	\$16,668 <sup>(3)</sup>	39.0 <sup>(3)</sup>	1,266	2.5%
<b>1997</b>	2,753 <sup>(3)</sup>	\$16,668 <sup>(3)</sup>	39.0 <sup>(3)</sup>	1,102	2.7%

**OTHER MISCELLANEOUS INFORMATION <sup>(6)</sup>**

Date of Incorporation	1856
Form of Government	Mayor/Council/Administrator
Population (as of 7/1/2006)	6,584

Area in square miles 11.43

**Village Acreage by class:**

Residential	3,723.7	53.9%
Agricultural	1,010.5	14.6%
Office	996.7	14.4%
Park	908.6	13.2%
Civic	179.1	2.6%
Commercial mixed-use	64.0	0.9%
Industrial	19.9	0.3%

**Facilities & Services**

Miles of streets	51.09
Number of street lights	998
Number of signalized intersections	11

**Sources:**

- (1) US Census 2005 population estimates
- (2) Federal 2000 decennial census
- (3) Federal 1990 decennial census
- (4) New Albany Plain Local Schools
- (5) Ohio Job & Family Services, Labor Market Information department. Rates are for Franklin County.
- (6) Village departments

**VILLAGE OF NEW ALBANY, OHIO  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

Employer	2006			1997		
	Payroll Tax Withholding	Rank	Percent of Total Withholding	Payroll Tax Withholding	Rank	Percent of Total Withholding
Abercrombie & Fitch Companies	\$ 3,980,527	1	38.40%	\$ -	NA	0.00%
Discover Financial Services	1,285,355	2	12.40%	-	NA	0.00%
Tween Brands	1,168,024	3	11.27%	-	NA	0.00%
Aetna Life Insurance	773,818	4	7.47%	-	NA	0.00%
New Albany Plain Local Schools	420,224	5	4.05%	47,869	2	8.88%
New Albany Surgical Hospital	204,289	6	1.97%	-	NA	0.00%
CVG Management Corp.	182,578	7	1.76%	-	NA	0.00%
MP Totalcare Supply	134,097	8	1.29%	-	NA	0.00%
JPMorgan Trust Company	103,718	9	1.00%	24,583	3	4.56%
Liberty Mutual Insurance Co.	96,005	10	0.93%	-	NA	0.00%
Duracell Inc.	-	NA	0.00%	78,835	1	14.62%
New Albany Country Club	63,435	13	0.61%	19,288	4	3.58%
New Albany Brewery, Inc.	37,634	NA	0.36%	16,806	5	3.12%
New Albany Company	23,627	NA	0.23%	16,024	6	2.97%
Leslie H. Wexner	60,005	15	0.58%	14,776	7	2.74%
Bobby Rahal, Inc.	1,080	NA	0.01%	12,575	8	2.33%
Limited Brands Store Ops.	27,480	NA	0.27%	10,650	9	1.98%
Wexner Foundation	20,570	NA	0.20%	8,308	10	1.54%
<b>Total of Top Ten</b>	<b>\$ 8,348,635</b>		<b>80.55%</b>	<b>\$ 249,714</b>		<b>46.33%</b>
<b>Total Withholdings - All Employers</b>	<b>\$ 10,365,067</b>			<b>\$ 539,042</b>		

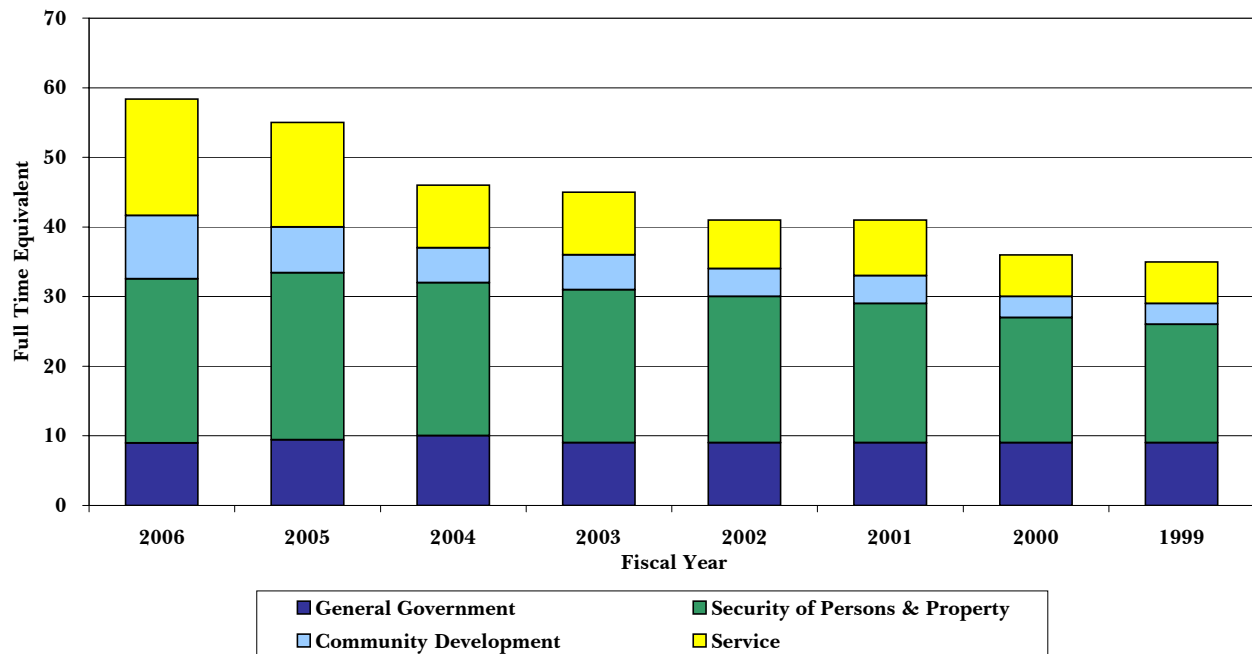
**Source:** Regional Income Tax Agency (RITA) records.  
'NA' indicates no data available for time period.

**VILLAGE OF NEW ALBANY, OHIO**  
**FULL TIME EQUIVALENT VILLAGE GOVERNMENT**  
**EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST EIGHT FISCAL YEARS**

Function/Program	2006	2005	2004	2003
<b>General government</b>	<b>8.974</b>	<b>9.425</b>	<b>10.000</b>	<b>9.000</b>
Administration	4.784	4.762	5.000	4.000
Finance	2.621	2.958	3.000	3.000
Mayor's Court	1.569	1.705	2.000	2.000
<b>Community Development</b>	<b>9.091</b>	<b>6.583</b>	<b>5.000</b>	<b>5.000</b>
Building & Zoning	5.654	4.955	-	-
Planning & Development	3.437	1.628	5.000	5.000
<b>Security of persons &amp; property</b>	<b>23.586</b>	<b>23.996</b>	<b>22.000</b>	<b>22.000</b>
Police	17.229	18.128	14.000	15.000
Communications/Civilians	6.357	5.868	8.000	7.000
Service	16.714	15.000	9.000	9.000
<b>Total Full-Time Equivalent (FTE)</b>	<b>58.365</b>	<b>55.004</b>	<b>46.000</b>	<b>45.000</b>

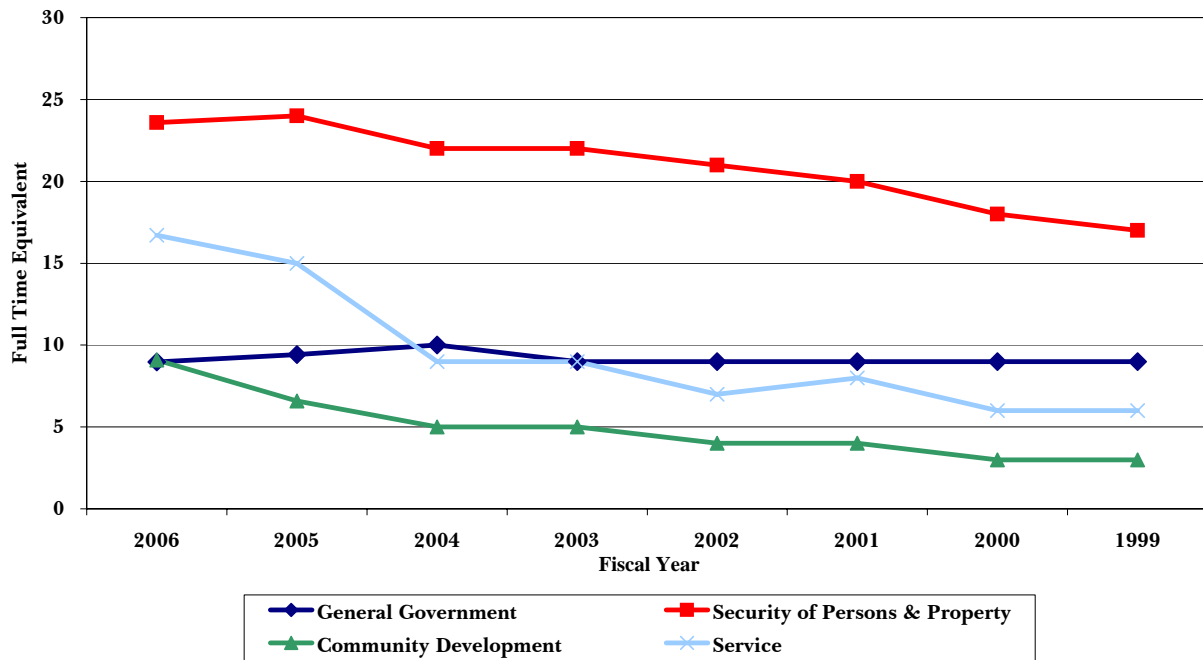
Source: City payroll systems

**Full-Time Equivalent Employees  
By Function 2006 - 1999**



2002	2001	2000	1999
<b>9.000</b>	<b>9.000</b>	<b>9.000</b>	<b>9.000</b>
4.000	4.000	4.000	4.000
3.000	3.000	3.000	3.000
2.000	2.000	2.000	2.000
<b>4.000</b>	<b>4.000</b>	<b>3.000</b>	<b>3.000</b>
-	-	-	-
4.000	4.000	3.000	3.000
<b>21.000</b>	<b>20.000</b>	<b>18.000</b>	<b>17.000</b>
15.000	14.000	13.000	12.000
6.000	6.000	5.000	5.000
7.000	8.000	6.000	6.000
<b>41.000</b>	<b>41.000</b>	<b>36.000</b>	<b>35.000</b>

**Full-Time Equivalent Employees  
By Function 2006 - 1999**

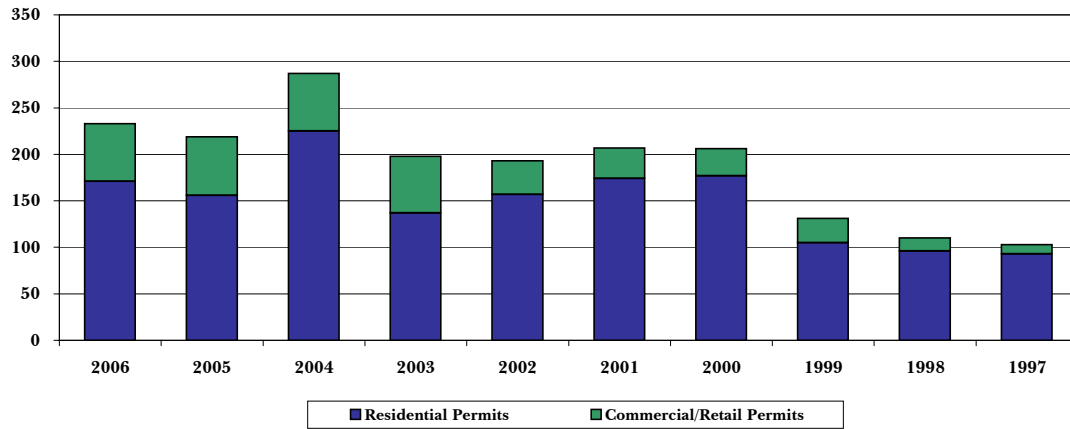


VILLAGE OF NEW ALBANY, OHIO  
CONSTRUCTION ACTIVITY  
LAST TEN FISCAL YEARS

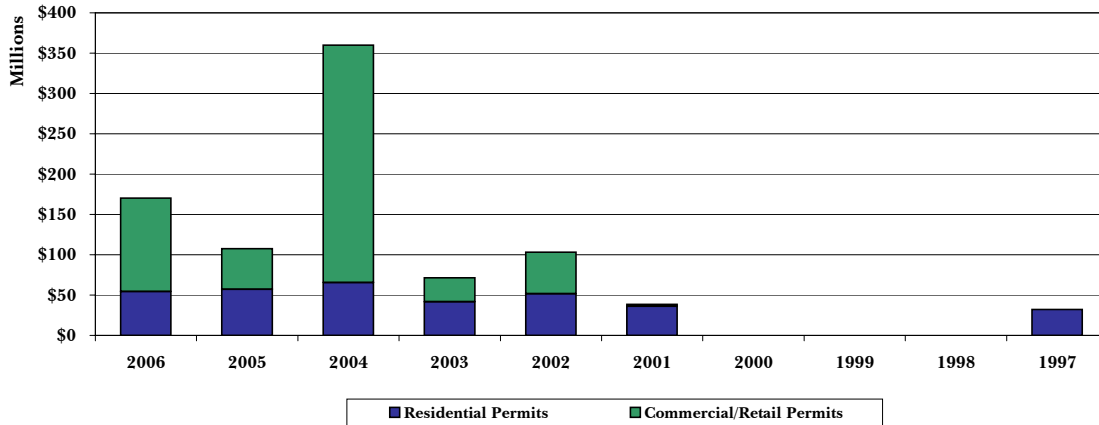
Fiscal Year	Residential			Commercial/Retail			Total		
	Permits	Total Value	Avg Value	Permits	Total Value	Avg Value	Permits	Total Value	Avg Value
2006	171	\$54,441,127	\$318,369	62	\$115,927,465	\$1,869,798	233	\$170,368,592	\$731,196
2005	156	\$57,286,718	\$367,223	63	\$50,117,171	\$795,511	219	\$107,403,889	\$490,429
2004	225	\$65,342,856	\$290,413	62	\$294,460,671	\$4,749,366	287	\$359,803,527	\$1,253,671
2003	137	\$41,680,207	\$304,235	61	\$29,808,819	\$488,669	198	\$71,489,026	\$361,056
2002	157	\$51,461,896	\$327,783	36	\$51,520,627	\$1,431,129	193	\$102,982,523	\$533,588
2001	174	\$36,037,565	\$207,112	33	\$2,357,728	\$71,446	207	\$38,395,293	\$185,485
2000	177	NA	NA	29	NA	NA	206	NA	NA
1999	105	NA	NA	26	NA	NA	131	NA	NA
1998	96	NA	NA	14	NA	NA	110	NA	NA
1997	93	\$32,056,374	\$344,692	10	\$0	\$0	103	\$32,056,374	\$311,227

Note: 'NA' indicates that data for the period is not available.

Number of Building Permits Issued  
2006 - 1997



Total Value of Building Permits Issued  
2006 - 1997





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**VILLAGE OF NEW ALBANY, OHIO**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

<b>Function/Program</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b>Police</b>				
Physical arrests	401	331	470	352
Parking citations	91	118	129	66
Traffic citations	2,464	1,738	2,105	2,014
<b>Fire</b>				
Medic/EMS Runs	982	1,025	963	873
Fire Runs	602	730	697	562
Operating Budget (\$millions)	\$2,916.8	NA	NA	NA
<b>Mayor's Court</b>				
Traffic Cases	1,847	1,398	1,518	1,611
Criminal Cases	89	88	151	106
<b>Service</b>				
Street resurfacing (miles)	0.000	0.000	2.530	0.690
Potholes repaired	200	100	150	10
<b>Building &amp; Zoning</b>				
Residential permits issued	171	156	225	137
Commercial permits issued	62	63	62	61
Board & Commission applications	92	NA	NA	NA
<b>Finance</b>				
Checks issued	2,234	2,196	1,947	1,880
Purchase orders issued	1,253	1,192	1,172	1,371
<b>School District</b>				
Total student enrollment	3,436	3,209	2,851	2,567
Total staff	462	418	391	386
Total certified staff	277	253	233	228
Average teacher/pupil ratio	12.404	12.684	12.236	11.259
<b>Library</b>				
Materials owned	116,664	117,589	107,207	73,011
Circulation volume	868,032	784,162	706,147	244,279
Visitors to Library	433,330	397,245	276,548	108,244

**Source:** Village Department Directors.  
New Albany Plain Local School Treasurer's Office  
Columbus Public Library, New Albany Branch

'NA' indicates that the data was not available  
for that specific time period.



<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>
285	420	416	410	438	393
NA	NA	NA	NA	NA	NA
2,197	2,998	2,472	1,862	2,282	2,301
733	838	739	694	687	633
482	517	519	458	450	343
NA	NA	NA	NA	NA	NA
2,155	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
157	174	177	105	96	93
36	33	29	26	14	10
NA	NA	NA	NA	NA	NA
1,853	1,725	1,588	NA	NA	NA
1,492	1,258	1,074	1,612	NA	NA
2,275	1,995	1,693	1,430	1,266	1,102
318	255	222	190	158	131
186	161	141	121	100	84
12.231	12.391	12.007	11.818	12.660	13.119
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA

**VILLAGE OF NEW ALBANY, OHIO**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b><u>Police</u></b>				
Stations	1	1	1	1
Cruisers	6	6	6	6
<b><u>Fire/Emergency Medical Services</u></b>				
Stations	1	1	1	1
Ambulance/Medic Vehicle	2	2	2	2
Fire Engines	2	2	2	2
Ladder Trucks	1	1	1	1
Staff Vehicles	3	3	3	3
<b><u>Sanitation/Service</u></b>				
Staff vehicles	4	3	2	2
Dump trucks/plow vehicles	6	5	5	5
Pick-up trucks & other vehicles	5	4	3	2
<b><u>Other Public Works</u></b>				
Streets & alleys (miles)	51.09	47.39	40.47	37.85
Streetlights	998	898	874	830
Bridges	16	16	14	11
Signalized intersections	11	9	8	8
<b><u>Parks &amp; Recreation</u></b>				
Number of parks	3	3	2	2
Park acreage	200	145	80	80
Shelter houses	4	3	1	1
Swimming pools	2	2	2	2
Tennis courts	7	7	2	2
Lighted baseball/softball fields	4	0	0	0
<b><u>Water</u></b>				
Water mains (miles)	57.04	53.45	47.69	44.59
Fire hydrants	891	805	787	748
<b><u>Sanitary/Storm Sewer System</u></b>				
Miles of sanitary sewers	58.02	54.64	48.85	45.75
Miles of storm sewers	59.56	54.70	46.24	42.82
Treatment plants (provided by City of Columbus)	0	0	0	0

**Source:** Village Department Directors.  
E.P. Ferris & Associates, Village Engineer  
Plain Township Fire Department  
New Albany Plain Local Joint Park District

'NA' indicates that the data was not available  
for that specific time period.

<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>
1	1	1	1	1	1
6	6	6	6	6	3
1	1	1	1	1	1
2	2	2	2	2	2
2	2	2	2	2	2
1	1	1	1	1	1
3	3	3	3	3	3
2	2	2	0	0	0
6	6	5	5	3	3
3	3	1	0	0	0
34.82	32.06	28.4	23.98	23.32	21.16
773	743	719	557	443	384
11	10	10	9	7	7
7	7	7	7	4	3
2	2	2	NA	NA	NA
80	80	80	NA	NA	NA
1	1	1	NA	NA	NA
1	1	1	1	1	1
0	0	0	0	0	0
0	0	0	0	0	0
41.87	39.01	35.61	31.04	30.29	28.11
712	689	672	592	564	492
42.11	38.98	35.44	31.85	30.68	27.16
39.32	36.02	29.28	23.74	23.06	20.79
0	0	0	0	0	0



END OF REPORT

**VILLAGE OF NEW ALBANY**  
Reports Issued Pursuant to  
*Government Auditing Standards*

For the year ended December 31, 2006

VILLAGE OF NEW ALBANY  
FRANKLIN COUNTY

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**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, 2006, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated June 27, 2007. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and responses as item 2006-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiency described above is a material weakness.

### **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 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 responses as item 2006-2.

We noted certain additional matters that we reported to management of the Village of New Albany in a separate letter dated June 27, 2007.

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Villages response and, accordingly, we express no opinion on it.

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 Richards LLC  
June 27, 2007



VILLAGE OF NEW ALBANY, OHIO  
FRANKLIN COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

DECEMBER 31, 2006

**2006-1 MATERIAL WEAKNESS – FINANCIAL STATEMENT PREPARATION**

In May of 2006, the American Institute of Certified Public Accountants (AICPA), the national professional organization for certified public accountants, issued its Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters Identified in an Audit*. This standard became effective for audits of financial statements for periods ending on or after December 15, 2006.

The AICPA establishes auditing standards generally accepted in the United States that certified public accountants and government auditors must follow in conducting audits of state and local governments. SAS No. 112 establishes standards, responsibilities and guidance for auditors during a financial statement audit engagement for identifying and evaluating a client's internal control over financial reporting. This new standard requires the audit to report *in writing* to management and the governing body any control deficiencies found during the audit that are considered significant deficiencies and/or material weaknesses. To this end, SAS No. 112 lists specific control deficiencies that should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control. One of those deficiencies, which are applicable to the Village, is included in the SAS related to audit adjustments and it states the following:

*Identification by the auditor of a material misstatement in the financial statements for the period under audit that was not initially identified by the entity's internal control (This includes misstatements involving estimation and judgment for which the auditor identifies likely material adjustments and corrections of the recorded amounts, which is a strong indicator of a material weakness even if management subsequently corrects the misstatement.)*

The compilation and presentation of materially correct financial statements and the related footnotes is the responsibility of management. This responsibility remains in tact even if management decides to outsource this function for efficiency purposes or any other reason.

In either case, it is important that control procedures are developed related to drafting financial statements and footnotes that enable management to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes. In addition, management should not rely on its auditor to perform this control procedure as auditors must remain independent.

Audit adjustments were proposed as a result of our audit. Prior to audit, each account or financial statement line item adjusted was reviewed by the consultant hired by the Village to compile the statements. However, our auditing procedures resulted in differences that were adjusted. This is an indicator the Village does not have sufficient control procedures in place related to financial reporting.

We recommend the Village implement control procedures related to financial reporting that enable management to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes.

**Official's Response**

The Village is working with its GAAP conversion consultants to develop and implement policies and procedures to address this issue. The first step will be for the consultant to provide a complete copy of the work papers to the Village prior to the filing of the financial statements. This step should provide the Village finance staff with the opportunity to review and identify any potential issues which might require an audit adjustment.

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

**SCHEDULE OF FINDINGS AND RESPONSES**

**DECEMBER 31, 2006**

**2006-2 NONCOMPLIANCE: EXPENDITURES EXCEEDED APPROPRIATIONS AND APPROPRIATIONS EXCEEDED ESTIMATED RESOURCES**

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 there from, 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."

The Village issued an original appropriation measure and five amendments throughout fiscal year 2006. However, the original, passed in April, and the final, passed in December, were the only measures submitted and approved by the County Budget Commission. Without the County certification, the amended appropriation measures issued between May and November and any expenditures of money in connection with the amendments were not valid.

As a result, at November 30, 2006, 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	Other Uses	\$ 3,095
General	Capital Outlay	51,910
General	Contractual Services	15,112
General	Debt Service	175,940
Windsor Tiff	Contractual Services	1,131
Law Enforcement / Education	Contractual Services	463
Bond Improvement	Contractual Services	5,881
Harlem/Thompson Issue II	Capital Outlay	190,360

At December 31, 2006 the Village's expenditures were within the final appropriation measure as the December supplemental measure was submitted and approved by the Budget Commission.

Although the Village submitted two amended certificates of estimated resources throughout the year to the County Budget Commission, because four of the appropriation measures were not submitted to the Budget Commission for approval, the following fund had appropriations in excess of total estimated resources as of November 30, 2006.

<u>Fund</u>	<u>Excess</u>
Bond Improvement Fund	\$ 532,848

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

**SCHEDULE OF FINDINGS AND RESPONSES**

**DECEMBER 31, 2006**

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 Budget Commission.

**Official's Response**

The previous Finance Director typically either did not file requests for revised certificates of estimated resources and appropriations with the Franklin County Budget Commission, or did not request them on a timely basis. Since November 2006, a process has been developed to prepare and file such requests on a timely basis. This process should eliminate this issue in the future.





**Mary Taylor, CPA**  
Auditor of State

VILLAGE OF NEW ALBANY

FRANKLIN COUNTY

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
AUGUST 9, 2007