

VILLAGE OF NEW ALBANY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2004

PREPARED BY:

CHERYL BUCY, DIRECTOR OF FINANCE

99 W. MAIN STREET
NEW ALBANY, OH 43054



**Auditor of State
Betty Montgomery**

Village Council
Village of New Albany
99 W. 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, 2004 through December 31, 2004. 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.

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

November 17, 2005

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VILLAGE OF NEW ALBANY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2004

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

Title Page	I 1-3
Table of Contents	I 4-7
Letter of Transmittal.....	I 8
List of Elected and Appointed Officials.....	I 9
Organizational Chart	

II. FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT.....	F 1-2
MANAGEMENT’S DISCUSSION AND ANALYSIS	F 3-15
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Assets	F 16
Statement of Activities.....	F 17
Fund Financial Statements:	
Balance Sheet - Governmental Funds	F 18
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	F 19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	F 20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	F 21
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non GAAP Budgetary Basis) - General Fund.....	F 22
Statement of Fiduciary Net Assets - Fiduciary Funds.....	F 23
Notes to the Basic Financial Statements	F 24-51

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

Combining Statements - Nonmajor Governmental Funds:

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) General Fund	F 52-54
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) Bond Improvement Fund	F 55
Fund Descriptions	F 56-57
Combining Balance Sheet - Nonmajor Governmental Funds	F 58
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	F 59
Combining Balance Sheet - Nonmajor Special Revenue Funds	F 60-61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	F 62-63
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Street Fund	F 64
Blacklick TIF	F 65
Mayor's Court Computer Fund	F 66
Alcohol Education Fund	F 67
Law Enforcement & Education Fund	F 68
COPS More Grant	F 69
Safety Town Fund	F 70
July 4 th Parade Fund	F 71
Alcohol Indigent Fund	F 72
Combining Balance Sheet - Nonmajor Capital Projects Funds	F 73-74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	F 75-76
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Capital Improvement Fund	F 77
Issue II Improvement Fund	F 78
Park Improvement Fund	F 79
Water & Sanitary Sewer Improvement	F 80
605/161 Issue II Fund	F 81
Harlem/Thompson Issue II Fund	F 82
Individual Fund Schedules - Agency Funds:	
Fund Description	F 83
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	F 84-85

III. STATISTICAL SECTION

Net Assets by Component – Current Fiscal Year.....	S 1
Changes in Net Assets – Current Fiscal Year.....	S 2
Fund Balances, Governmental Funds – Current Fiscal Year.....	S 3
Changes in Fund Balances, Governmental Funds - Current Fiscal Year	S 4
Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years	S 5
Direct and Overlapping Property Tax Rates - Last Ten Years	S 6
Principal Property Tax Payers - Current Year.....	S 7
Property Tax Levies and Collections - Last Ten Fiscal Years	S 8
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	S 9
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	S 10
Direct and Overlapping Governmental Activities Debt as of December 31, 2004	S 11
Legal Debt Margin Information - Last Ten Fiscal Years	S 12
Demographic and Economic Statistics - Last Ten Fiscal Years.....	S 13
Principal Employers - Current Year	S 14
Full Time Equivalent Village Government Employees by Function/Program - Last Six Fiscal Years.....	S 15
Operating Indicators by Function/Program - Last Ten Fiscal Years	S 16
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	S 17

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99 West Main Street
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October 25, 2005

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

The Comprehensive Annual Financial Report (CAFR) of the Village of New Albany (the "Village"), Ohio, for the fiscal year ended December 31, 2004, is submitted herewith. The report has been prepared for the citizens of New Albany, the elected officials, bondholders, the investment community, rating agencies, and all persons interested in the financial affairs of the Village. This report includes the Village's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB). State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements.

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

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

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

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

VILLAGE ORGANIZATION

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

There is a President-Pro-Tempore of Council who serves in the absence of the Mayor and five regular Council members.

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

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

FUND ACCOUNTING

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

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

Governmental funds:

- *General Fund* – The General Fund is the general operating fund of the Village. It is used to account for all financial resources traditionally associated with government that are not required to be accounted for in another fund.
- *Special Revenue Funds* – The special revenue funds are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. Village ordinances or Federal or State statutes specify the uses and limitations of each special revenue fund. During 2004, the Village had 10 (ten) special revenue funds.
- *Debt Service Funds* – The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. During 2004, the Village had one debt service fund.
- *Capital Projects Funds* – The capital projects funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. During 2004, the Village had 7 (seven) capital projects funds.
- *Permanent Funds* – Permanent funds are for the purpose of accounting for resources that are legally restricted to the extent that earnings, and not principal, may be used for purposes that support the reporting governments. During 2004, the Village had no permanent funds.

Proprietary funds:

- *Enterprise Funds* – The enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises; where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis to be financed or recovered primarily through user charges. During 2004, the Village had no enterprise funds.
- *Internal Service Funds* – The internal service funds are used to account for the financing of goods or services provided by one division or agency to other divisions or agencies of the government, generally on a cost reimbursement basis. During 2004, the Village had no internal service funds.

- *Private-Purpose Trust Funds* – The Private-purpose trust fund is used to account for any trust agreement under which principal and income benefit individuals, private organization, or other governments. During 2004, the Village had no private-purpose trust funds.
- *Agency Funds* – Agency funds are used to account for assets held by the government as an agent for individuals, private organization, other governments, and/or funds. The Village had 6 (six) agency funds during 2004.

ECONOMIC CONDITION AND OUTLOOK

The Village of New Albany is a fast growing community conveniently located along State Route 161 within 3 minutes of the I-270 outer belt in the northeast quadrant of the greater Columbus metropolitan area. The village is strategically located 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. Managed growth and business attraction are the two primary keys to the economic vitality of the village.

Residential Activity

According to the United States Census Bureau from 1980 to 2000, the population of the village increased from 409 to 3,711 (807%). The population explosion is managed by the creation and implementation of the Village 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. As of May 2005, over 1,472 residential units were zoned with at least one half of those planned for construction in 2005 or 2006. The amount of land still available and planned for residential use is substantial and will take at least twenty years to develop. The New Albany Plain Local school system continues to foster a residential demand in the community.

Commercial Activity

Despite the overall national economic recession and mediocre recovery, the commercial vacancy rate hovers at 8%.¹ This is significantly lower than the 18-22% average for central Ohio and adjacent communities. The Greater Columbus unemployment rate of 4.69% is lower than the State's rate of 5.9%.²

The economic activity in the village is anchored by the creation of three major economic opportunity zones (EOZ): Central College EOZ, Blacklick EOZ and Oak Grove EOZ. The village has aggressively taken the lead to partner with the land owner to provide the necessary backbone infrastructure resulting in over 900 acres of "ready to build" sites. The addition of the Blacklick EOZ resulted in the annexation of developable land spanning across the Franklin County boundaries into Licking County. The investment in infrastructure is complemented by comprehensive enterprise zone and community reinvestment area agreements to attract new businesses. To date, the campuses have realized over 2 million square feet of commercial development housing major businesses that include Abercrombie & Fitch, Novus (Discovercard), Aetna, The New Albany Company, MP TotalCare and Too Brands. The construction of the New Albany Surgical Hospital paved the way for the village to emerge as central Ohio's future premier specialized medical hub. The 90,000 square foot facility is home to the nation's top surgeons and focuses exclusively on the care and treatment of musculoskeletal disease.

Through the increase in population, strategic location and economic development initiatives, the Village of New Albany is poised for significant increases in business and residential growth.

¹ Grubb & Ellis Adena Realty Advisors.

² December 2004. Provided by Columbus Chamber of Commerce.

MAJOR CAPITAL IMPROVEMENT INITIATIVES

The State of Ohio Department of Transportation is in the process of reconstructing a major intersection/overpass project that will greatly increase traffic flows in and out of the Village of New Albany and the entire east side of Columbus. This project will impact the intersection of the 270 bypass as it intersects with State Route 161 and many other on and off ramps. This project is expected to be completed in November 2005.

The Village is now in the process of constructing two new buildings to house our Police Department and our Public Service Departments. The land for these two facilities has been purchased and the architects are preparing their plans. The bid process will begin in late summer of 2005 and we hope to have the new buildings constructed by late spring of 2006.

In 2004 the Village entered into an agreement with the Plain Local School District and Plain Township to build and operate a Performing Arts Center for the community. The Village contributed 40% of the construction cost of this facility, the School contributed 40%, and Plain Township contributed 20% to the project. This facility is expected to open in the Spring of 2007.

The Village of New Albany extends appreciation to the various elected officials, the City Manager, department heads, and employees responsible for contributing to the sound financial position of the Village. The Village acknowledges the efforts of the members of the Finance Department who contributed to the development of the CAFR.

Respectfully submitted,



Cheryl Bucy
Finance Director

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

ELECTED OFFICIALS:

Mayor

Nancy Ferguson

Village Council

Michael Mott, President Pro-Tempore

Glyde Marsh

Tammy Taneff

Colleen Briscoe

Steve Pleasnick

David Olmstead

APPOINTED OFFICIALS:

Administrator

Joseph Stefanov

Deputy Administrator

Debra Mecozzi

Chief of Police

Mark Chaney

Finance Director

Cheryl Bucy

Clerk of Council

Betty Bosko

Director of Public Service

Mark Nemeč

Community Development Director

Jennifer Chrysler

VILLAGE OF NEW ALBANY ORGANIZATIONAL CHART



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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, 2004, 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, 2004, and the respective changes in financial position, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3 to the basic financial statements, the Village has presented for the first time its financial statements in accordance with accounting principles generally accepted in the United States of America and has implemented GASB Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments."

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2005 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

Kennedy, Cottrell + Associates LLC

Kennedy, Cottrell + Associates
October 25, 2005

VILLAGE OF NEW ALBANY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

The management's discussion and analysis of the Village of New Albany (the "Village") financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2004. The intent of this discussion and analysis is to look at the Village's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Village's financial performance.

Financial Highlights

Key financial highlights for 2004 are as follows:

- The total net assets of the Village increased \$10,203,659.
- General revenues accounted for \$14,735,510 of total governmental activities revenue. Program specific revenues including charges for services, grants and contributions accounted for \$8,395,069 or 36.29% of total governmental activities revenue.
- The Village had \$12,926,920 in expenses related to governmental activities.
- The Village had three major funds consisting of the General fund, Bond Improvement fund and Economic Opportunity Fund.
- The general fund had revenues and other financing sources of \$8,214,515 in 2004. The expenditures and other financing uses of the general fund totaled \$6,611,629 in 2004. The net increase in fund balance for the general fund was \$1,602,886 or 40.45%.
- The bond improvement fund had revenues and other financing sources of \$210,850 in 2004. Expenditures in the bond improvement fund totaled \$1,093,044 in 2004. The net decrease in fund balance was \$882,194, resulting in an ending fund balance of \$10,487,903.
- The economic opportunity fund had revenues of \$4,984,761 in 2004. Expenditures in the economic opportunity fund totaled \$4,984,761 in 2004.
- General fund actual revenue at year-end was \$2,704 more than the final budgeted amount. Budgeted revenues increased by \$907,460 from the original estimate to the final budget.
- Final expenditures were \$1,209,911 less than the final appropriations for several reasons, including a dump truck purchase was delayed until the following year; a change in accounting for engineering inspections; and the Village's conservative spending. Budgeted expenditures increased by \$189,152 from the original appropriations.

VILLAGE OF NEW ALBANY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED

The Basic Financial Statements

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

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

Reporting the Village as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the Village to provide programs and activities, the view of the Village as a whole looks at all financial transactions and asks the question, "How did we do financially during 2004?" The statement of net assets and the statement of activities answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

The Village's statement of net assets and statement of activities can be found on pages 16-17 of this report.

Reporting the Village's Most Significant Funds

Fund Financial Statements

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

Fund financial reports provide detailed information about the Village's major funds. The Village uses many funds to account for a multitude of financial transactions. However, these fund financial statements focuses on the Village's most significant funds. The analysis of the Village's major governmental funds begins on page 18.

VILLAGE OF NEW ALBANY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

Governmental Funds

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

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

The Village maintains a multitude of individual governmental funds. The Village has segregated these funds into major funds and nonmajor funds. The Village's major governmental funds are the general fund, economic opportunity fund and bond improvement fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 18-22 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 23 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 24- 51 of this report.

Government-Wide Financial Analysis

This is the Village's first year for government-wide financial statements using the full accrual basis of accounting, therefore, a comparison with prior year is not available. A comparative analysis will be presented in future years when prior year information is available.

VILLAGE OF NEW ALBANY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED

The table below provides a summary of the Village's net assets for 2004:

	Net Assets
	Governmental Activities
<u>Assets</u>	
Current and other assets	\$ 31,926,820
Capital assets, net	12,518,438
Total assets	44,445,258
<u>Liabilities</u>	
Other liabilities	11,576,174
Long-term liabilities outstanding	19,580,816
Total liabilities	31,156,990
<u>Net Assets</u>	
Invested in capital assets, net of related debt	4,902,025
Restricted	13,226,524
Unrestricted	(4,840,281)
Total net assets	\$ 13,288,268

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2004, the Village's assets exceeded liabilities by \$13,288,268. At year-end, there was a deficit in unrestricted net assets of \$4,840,281.

Capital assets reported on the government-wide statements represent the largest portion of the Village's net assets. At year-end, capital assets represented 28.17% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment, vehicles and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2004, were \$4,902,025. 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, \$13,226,524, represents resources that are subject to external restriction on how they may be used.

VILLAGE OF NEW ALBANY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

The table below shows the changes in net assets for fiscal year 2004. Since this is the first year the Village has prepared financial statements following GASB Statement No. 34, revenue and expense comparisons to fiscal year 2003 are not available. A comparative analysis will be provided in future years when prior year information is available.

	Change in Net Assets
	<u>Governmental Activities</u>
Revenues	
Program revenues:	
Charges for services	\$ 1,695,729
Operating grants and contributions	303,393
Capital grants and contributions	<u>6,395,947</u>
Total program revenues	<u>8,395,069</u>
General revenues:	
Property taxes	746,233
Income taxes	13,341,411
Unrestricted grants and entitlements	218,124
Investment earnings	276,738
Payment in lieu of taxes	67,113
Miscellaneous	<u>85,891</u>
Total general revenues	<u>14,735,510</u>
Total revenues	<u>23,130,579</u>
Expenses:	
General government	2,268,897
Security of persons and property	2,049,174
Public health and welfare	71,340
Transportation	1,362,349
Community environment	421,899
Leisure time activity	9,914
Economic development	5,786,667
Interest and fiscal charges	<u>956,680</u>
Total expenses	<u>12,926,920</u>
Change in net assets	10,203,659
Net assets at beginning of year (restated)	<u>3,084,609</u>
Net assets at end of year	<u><u>\$ 13,288,268</u></u>

VILLAGE OF NEW ALBANY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED

Governmental Activities

Governmental activities net assets increased \$10,203,659 in 2004. This increase is a result of an increase in the municipal income taxes and infrastructure capital assets built by developers.

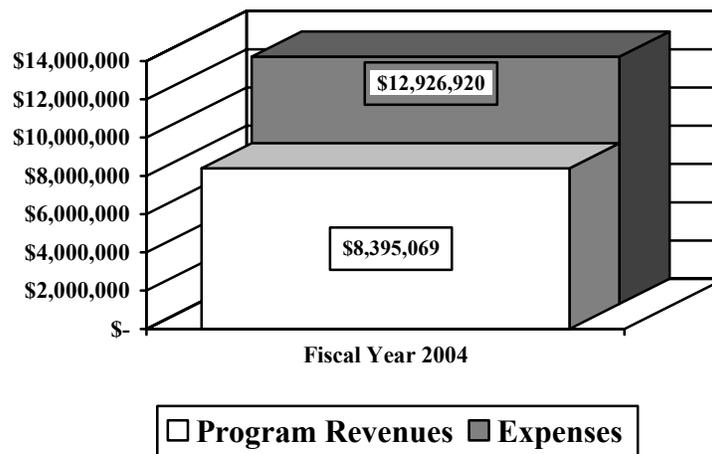
Security of persons and property, which primarily supports the operations of the police department, had expenses of \$2,049,174 which accounted for 15.85% of the total expenses of the Village. These expenses were partially funded by \$106,268 in direct charges to users of the services. General government expenses totaled \$2,268,897 which was partially funded by \$1,196,148 in direct charges to users of the services. Economic development expenses totaled \$5,786,667 which accounted for 44.76% of the total expenses of the Village.

The state and federal government contributed to the Village a total of \$303,393 in operating grants and contributions. The Village had \$6,395,947 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 \$14,735,510, and amounted to 63.71% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$14,087,644. 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 \$218,124.

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. Comparisons to 2003 have not been presented since they are not available.

Governmental Activities – Program Revenues vs. Total Expenses



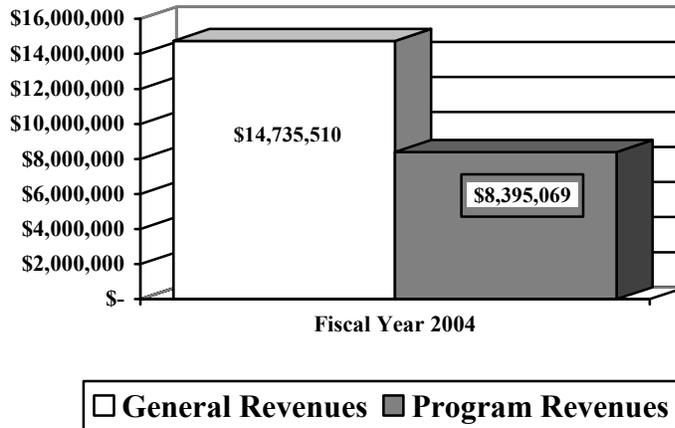
VILLAGE OF NEW ALBANY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED

Governmental Activities

	<u>Total Cost of Services 2004</u>	<u>Net Cost of Services 2004</u>
Program Expenses:		
General government	\$ 2,268,897	\$ 1,072,749
Security of persons and property	2,049,174	1,942,906
Public health and welfare	71,340	71,340
Transportation	1,362,349	(5,333,584)
Community environment	421,899	33,586
Leisure time activity	9,914	9,914
Economic development	5,786,667	5,786,667
Interest and fiscal charges	<u>956,680</u>	<u>948,273</u>
Total Expenses	<u>\$ 12,926,920</u>	<u>\$ 4,531,851</u>

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, leisure time activities, economic development and interest and fiscal charges. The net cost of services for transportation expenditures includes \$5,482,075 in infrastructure contributed to the Village by developers. In accordance with GASB Statement No. 34, capital contributions of infrastructure is a program revenue offsetting transportation program expenses which ultimately support the maintenance of the infrastructure.

Governmental Activities – General and Program Revenues



VILLAGE OF NEW ALBANY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
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 18 reported a combined fund balance of \$18,532,299 which is \$934,123 higher than last year's total of \$17,598,176 (as restated). The December 31, 2003 fund balances have been restated as described in Note 3 to the basic financial statements. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2004 for all major and nonmajor governmental funds.

	<u>Fund Balances</u> <u>12/31/04</u>	<u>Restated</u> <u>Fund Balances</u> <u>12/31/03</u>	<u>Increase</u> <u>(Decrease)</u>
Major funds:			
General	\$ 5,565,711	\$ 3,962,825	40.45%
Bond improvement	10,487,903	11,370,097	(7.76%)
Other nonmajor governmental funds	<u>2,478,685</u>	<u>2,265,254</u>	9.42%
Total	<u>\$ 18,532,299</u>	<u>\$ 17,598,176</u>	5.31%

General Fund

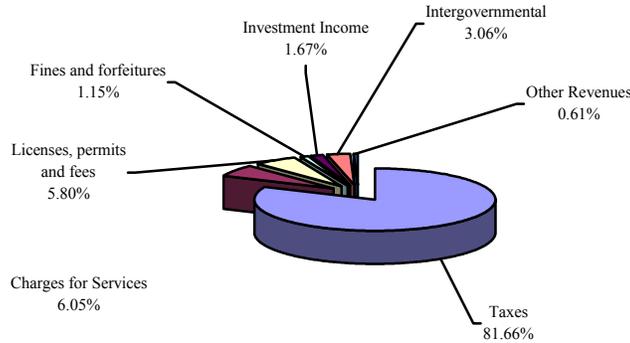
The Village's general fund balance increased \$1,602,886, primarily due to increases in income tax revenues. Since this is the first year the Village has prepared financial statements following generally accepted accounting principles (GAAP), revenue and expenditure comparisons to fiscal year 2003 are not available. A comparative analysis will be provided in future years when prior year information is available.

	<u>2004</u> <u>Amount</u>
<u>Revenues</u>	
Taxes	\$ 6,701,519
Charges for services	496,108
Licenses, permits and fees	476,088
Fines and forfeitures	94,330
Intergovernmental	250,908
Investment income	137,424
Other	<u>50,010</u>
Total	<u>\$ 8,206,387</u>

VILLAGE OF NEW ALBANY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED

Tax revenue represents 81.66% of all general fund revenue. Tax revenue increased due to an increase in income tax revenue due to an increase in the voted income tax percentage.

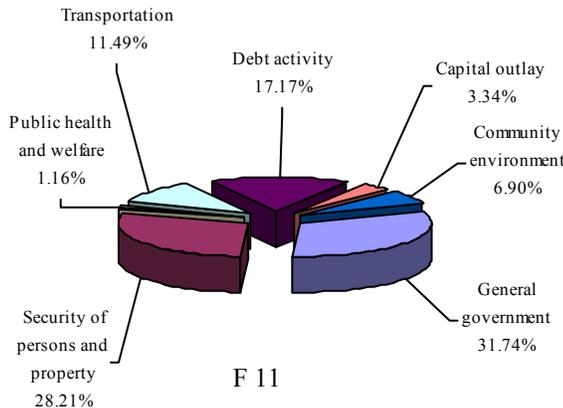
Revenues – Fiscal Year 2004



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

	2004 Amount
<u>Expenditures</u>	
General government	\$ 1,947,445
Security of persons and property	1,730,596
Public health and welfare	71,340
Transportation	704,711
Community environment	423,634
Capital outlay	204,678
Debt activity	1,053,225
Total	\$ 6,135,629

Expenditures - Fiscal Year 2004



VILLAGE OF NEW ALBANY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

Bond Improvement Fund

The Village's bond improvement fund, fund balance decreased \$882,194, primarily due to capital outlay expenditures. The bond improvement fund received investment income and premium on notes sold during fiscal year 2004.

Economic Opportunity Fund

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

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. In the general fund, the actual revenues came in \$2,704 higher than they were in the final budget and actual expenditures and other financing sources were \$1,209,911 less than the amount in the final budget. These variances are the result of several factors including the Village's conservative budgeting. Budgeted revenues increased \$907,460 from the original to the final budget due primarily to an increase in projected income tax revenue. Budgeted expenditures increased \$189,152 from the original to the final budget due primarily to anticipated increase in the cost of general government expenditures.

Capital Assets and Debt Administration

Capital Assets

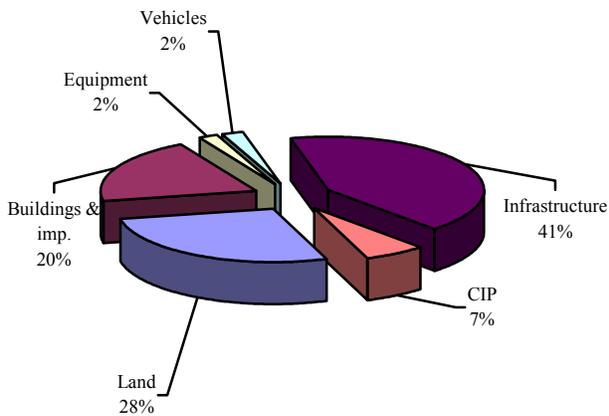
At the end of fiscal 2004, the Village had \$12,518,438 (net of accumulated depreciation) invested in land, buildings and improvements, improvements other than buildings, equipment, vehicles, infrastructure and construction in progress. The Village implemented GASB Statement No. 34 in fiscal year 2004; therefore the Village only reports infrastructure for the current fiscal year forward. The following table shows fiscal 2004 balances compared to 2003 (see note 9 to the basic financial statements):

	Capital Assets at December 31 (Net of Depreciation)	
	<u>2004</u>	<u>2003</u>
Land	\$ 3,442,572	\$ 368,419
Construction-in-progress	816,651	1,107,593
Buildings and improvements	2,520,253	2,576,896
Furniture and equipment	219,957	266,664
Vehicles	302,218	423,811
Infrastructure	<u>5,216,787</u>	<u>-</u>
Totals	<u>\$ 12,518,438</u>	<u>\$ 4,743,383</u>

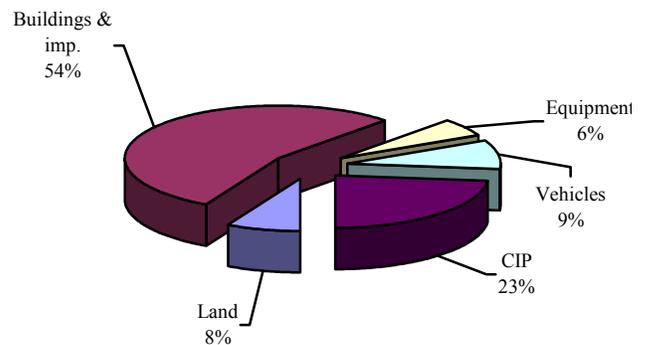
VILLAGE OF NEW ALBANY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED

The following graphs show the breakdown of governmental capital assets by category for 2004 and 2003.

**Capital Assets - Governmental Activities
2004**



Capital Assets - Governmental Activities 2003



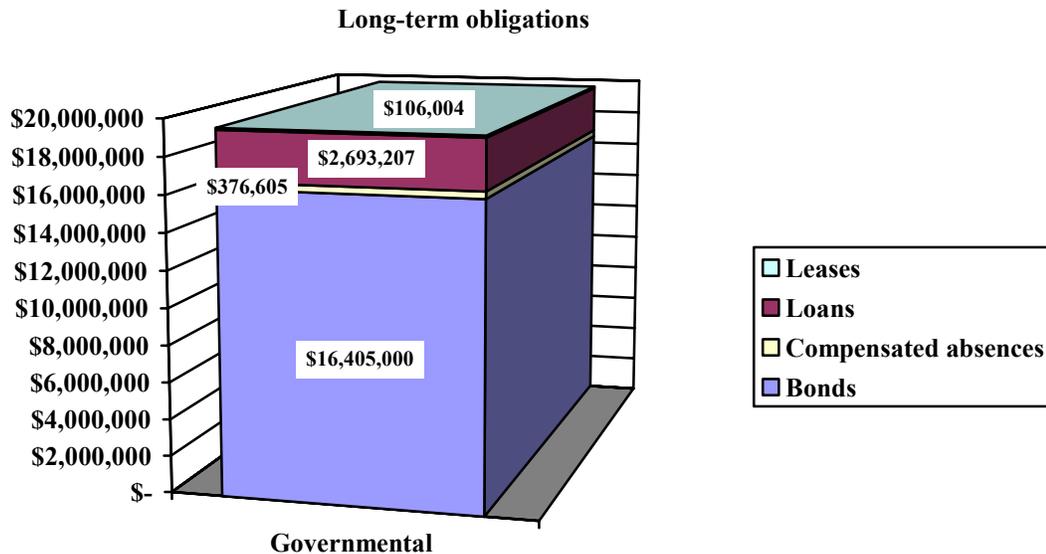
Debt Administration

The Village had the following long-term obligations outstanding at December 31, 2004 and 2003 (see note 12 to the basic financial statements):

	<u>2004</u>	<u>2003</u>
General obligation bonds	\$ 13,215,000	\$ 13,460,000
Capital improvement bonds	3,190,000	3,355,000
Compensated absences	376,605	333,910
Capital lease obligation payable	106,004	129,192
OWDA loans	<u>2,693,207</u>	<u>2,808,248</u>
Total long-term obligations	<u>\$ 19,580,816</u>	<u>\$ 20,086,350</u>

VILLAGE OF NEW ALBANY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED

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



Economic Conditions and Outlook

The Village of New Albany is a fast growing community conveniently located along State Route 161 within 3 minutes of the I-270 outer belt in the northeast quadrant of the greater Columbus metropolitan area. The Village is strategically located 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. Managed growth and business attraction are the two primary keys to the economic vitality of the village.

Residential Activity

According to the United States Census Bureau from 1980 to 2000, the population of the Village increased from 409 to 3,711 (807%). The population explosion is managed by the creation and implementation of the Village 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. As of May 2005, over 1,472 residential units were zoned with at least one half of those planned for construction in 2005 or 2006. The amount of land still available and planned for residential use is substantial and will take at least twenty years to develop. The New Albany Plain Local school system continues to foster a residential demand in the community.

VILLAGE OF NEW ALBANY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED

Commercial Activity

Despite the overall national economic recession and mediocre recovery, the commercial vacancy rate hovers at 8%.^a This is significantly lower than the 18-22% average for central Ohio and adjacent communities. The Greater Columbus unemployment rate of 4.69% is lower than the State's rate of 5.9%.^b

The economic activity in the village is anchored by the creation of three major economic opportunity zones (EOZ): Central College EOZ, Blacklick EOZ and Oak Grove EOZ accounted for in the economic opportunity fund. The village has aggressively taken the lead to partner with the land owner to provide the necessary infrastructure backbone resulting in over 900 acres of "ready to build" sites. The addition of the Blacklick EOZ resulted in the annexation of developable land spanning across the Franklin County boundaries into Licking County. The investment in infrastructure is complemented by comprehensive enterprise zone and CRA agreements to attract new businesses. To date, the campuses have realized over 2 million square feet of commercial development housing major businesses that include Abercrombie & Fitch, Novus (Discovercard), Aetna, The New Albany Company, MP TotalCare and Too Brands. The construction of the New Albany Surgical Hospital paved the way for the village to emerge as central Ohio's future premier specialized medical hub. The 90,000 square foot facility is home to the nation's top surgeons and focuses exclusively on the care and treatment of musculoskeletal disease.

Through the increase in population, strategic location and economic development initiatives, the Village of New Albany is poised for significant increases in business and residential growth.

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 Cheryl Bucy, Director of Finance, Village of New Albany, 99 W. Main Street, New Albany, Ohio 43054 or email at cbucy@villageofnewalbany.org.

^a Grubb & Ellis Adena Realty Advisors.

^b December 2004. Provided by Columbus Chamber of Commerce.

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BASIC
FINANCIAL STATEMENTS

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VILLAGE OF NEW ALBANY, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2004

	Governmental Activities
	<hr/>
Assets:	
Equity in pooled cash and cash equivalents.	\$ 12,474,713
Investments.	13,711,608
Receivables (net of allowances for uncollectibles):	
Income taxes	4,456,525
Property and other taxes	706,292
Accounts	6,981
Accrued interest	56,001
Due from other governments	478,425
Prepayments	31,484
Materials and supplies inventory.	4,791
Capital assets:	
Land and construction in progress.	4,159,223
Depreciable capital assets, net	8,359,215
Total capital assets.	<hr/> 12,518,438
Total assets.	<hr/> 44,445,258
Liabilities:	
Accounts payable.	130,691
Contracts payable.	417,380
Accrued wages and benefits	75,993
Due to other governments	2,110,759
Deferred revenue.	681,654
Accrued interest payable.	94,942
Note payable.	8,064,755
Long-term liabilities:	
Due within one year	698,096
Due in more than one year	18,882,720
Total liabilities	<hr/> 31,156,990
Net assets:	
Invested in capital assets, net of related debt	4,902,025
Restricted for:	
Capital projects.	12,804,731
Street construction and maintenance.	293,420
Safety programs.	92,466
Other purposes	35,907
Unrestricted.	<hr/> (4,840,281)
Total net assets	<hr/> <u>\$ 13,288,268</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW ALBANY, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

	Program Revenues				Net Revenue (Expense) and Change in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General government	\$ 2,268,897	\$ 1,196,148	\$ -	\$ -	\$ (1,072,749)
Security of persons and property	2,049,174	106,268	-	-	(1,942,906)
Public health and welfare	71,340	-	-	-	(71,340)
Transportation	1,362,349	5,000	294,986	6,395,947	5,333,584
Community environment	421,899	388,313	-	-	(33,586)
Leisure time activity	9,914	-	-	-	(9,914)
Economic development	5,786,667	-	-	-	(5,786,667)
Interest and fiscal charges	956,680	-	8,407	-	(948,273)
Total governmental activities	<u>12,926,920</u>	<u>1,695,729</u>	<u>303,393</u>	<u>6,395,947</u>	<u>(4,531,851)</u>
General Revenues:					
Property taxes levied for:					
General fund					746,233
Income taxes levied for:					
General fund					6,878,613
Special revenue					5,786,667
Capital projects					676,131
Grants and entitlements not restricted to specific programs					218,124
Investment earnings					276,738
Payment in lieu of taxes					67,113
Miscellaneous					85,891
Total general revenues					<u>14,735,510</u>
Change in net assets					10,203,659
Net assets at beginning of year (restated)					<u>3,084,609</u>
Net assets at end of year					<u>\$ 13,288,268</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW ALBANY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2004

	General	Bond Improvement Fund	Economic Opportunity Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	\$ 5,146,818	\$ 4,796,295	\$ -	\$ 2,531,600	\$ 12,474,713
Investments	-	13,711,608	-	-	13,711,608
Receivables (net of allowance for uncollectibles):					
Income taxes	2,303,662	-	1,938,147	214,716	4,456,525
Property and other taxes	706,292	-	-	-	706,292
Accounts	6,981	-	-	-	6,981
Accrued interest	56,001	-	-	-	56,001
Due from other governments	89,901	-	-	388,524	478,425
Prepayments	31,484	-	-	-	31,484
Materials and supplies inventory	4,791	-	-	-	4,791
Total assets	<u>\$ 8,345,930</u>	<u>\$ 18,507,903</u>	<u>\$ 1,938,147</u>	<u>\$ 3,134,840</u>	<u>\$ 31,926,820</u>
Liabilities:					
Accounts payable	\$ 100,102	\$ -	\$ -	\$ 30,589	\$ 130,691
Contracts payable	-	-	-	417,380	417,380
Accrued wages and benefits	75,993	-	-	-	75,993
Due to other governments	172,612	-	729,642	-	902,254
Accrued interest payable	-	20,000	-	-	20,000
Notes payable	-	8,000,000	-	-	8,000,000
Deferred revenue	2,431,512	-	1,208,505	208,186	3,848,203
Total liabilities	<u>2,780,219</u>	<u>8,020,000</u>	<u>1,938,147</u>	<u>656,155</u>	<u>13,394,521</u>
Fund Balances:					
Reserved for encumbrances	108,145	2,742,000	-	42,388	2,892,533
Reserved for prepayments	31,484	-	-	-	31,484
Reserved for materials and supplies inventory	4,791	-	-	-	4,791
Unreserved, undesignated, reported in:					
General fund	5,421,291	-	-	-	5,421,291
Special revenue funds	-	-	-	336,453	336,453
Capital projects funds	-	7,745,903	-	2,099,844	9,845,747
Total fund balances	<u>5,565,711</u>	<u>10,487,903</u>	<u>-</u>	<u>2,478,685</u>	<u>18,532,299</u>
Total liabilities and fund balances	<u>\$ 8,345,930</u>	<u>\$ 18,507,903</u>	<u>\$ 1,938,147</u>	<u>\$ 3,134,840</u>	<u>\$ 31,926,820</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW ALBANY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2004

Total governmental fund balances		\$ 18,532,299
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		12,518,438
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes	24,638	
Income taxes	3,011,266	
Intergovernmental revenues	104,688	
Accrued interest	25,957	
Total		3,166,549
Unamortized premiums on note issuance is not recognized in the funds.		(64,755)
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	74,942	
General obligation bonds	16,405,000	
OWDA loans	2,693,207	
Compensated absences	376,605	
Intergovernmental payable	1,208,505	
Capital lease payable	106,004	
		(20,864,263)
Net assets of governmental activities		\$ 13,288,268

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, 2004

	<u>General</u>	<u>Bond Improvement Fund</u>	<u>Economic Opportunity Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Income taxes	\$ 5,957,758	\$ -	\$ 4,984,761	\$ 523,994	\$ 11,466,513
Property and other taxes	743,761	-	-	-	743,761
Charges for services	496,108	-	-	10,800	506,908
Licenses and permits	476,088	-	-	606,254	1,082,342
Fines and forfeitures	94,330	-	-	12,149	106,479
Intergovernmental	250,908	-	-	922,755	1,173,663
Payment in lieu of taxes	-	-	-	67,113	67,113
Investment income	137,424	144,711	-	-	282,135
Other	50,010	-	-	315,881	365,891
Total revenues	<u>8,206,387</u>	<u>144,711</u>	<u>4,984,761</u>	<u>2,458,946</u>	<u>15,794,805</u>
Expenditures:					
Current:					
General government	1,947,445	-	-	3,000	1,950,445
Security of persons and property	1,730,596	-	-	21,375	1,751,971
Public health and welfare	71,340	-	-	-	71,340
Transportation	704,711	-	-	227,430	932,141
Community environment	423,634	-	-	-	423,634
Leisure time activity	-	-	-	9,914	9,914
Economic development	-	-	4,984,761	-	4,984,761
Capital outlay	204,678	1,073,044	-	2,016,590	3,294,312
Debt service:					
Principal retirement	441,316	-	-	115,041	556,357
Interest and fiscal charges	611,909	20,000	-	328,165	960,074
Total expenditures	<u>6,135,629</u>	<u>1,093,044</u>	<u>4,984,761</u>	<u>2,721,515</u>	<u>14,934,949</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,070,758</u>	<u>(948,333)</u>	<u>-</u>	<u>(262,569)</u>	<u>859,856</u>
Other financing sources (uses):					
Capital lease transaction	8,128	-	-	-	8,128
Premium on notes sold	-	66,139	-	-	66,139
Transfers in	-	-	-	926,200	926,200
Transfers out	(476,000)	-	-	(450,200)	(926,200)
Total other financing sources (uses)	<u>(467,872)</u>	<u>66,139</u>	<u>-</u>	<u>476,000</u>	<u>74,267</u>
Net change in fund balances	1,602,886	(882,194)	-	213,431	934,123
Fund balances at beginning of year (restated)	<u>3,962,825</u>	<u>11,370,097</u>	<u>-</u>	<u>2,265,254</u>	<u>17,598,176</u>
Fund balances at end of year	<u>\$ 5,565,711</u>	<u>\$ 10,487,903</u>	<u>\$ -</u>	<u>\$ 2,478,685</u>	<u>\$ 18,532,299</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW ALBANY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

Net change in fund balances - total governmental funds \$ 934,123

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

Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$8,230,910) exceeded depreciation expense (\$455,955) in the current period. 7,774,955

Premiums on note issuances are recognized as revenues in the governmental funds, however, they are amortized over the life of the issuance on the statement of activities. (64,755)

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

Taxes	1,877,370	
Intergovernmental revenue	(18,274)	
Interest	(5,397)	
Total		1,853,699

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. 556,357

In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due. 2,010

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	(42,696)	
Intergovernmental payable	(801,906)	
Total		(844,602)

Capital leases provide current financial resources to governmental funds, but issuing debt increases long-term liabilities on the statement of net assets. (8,128)

Change in net assets of governmental activities \$ 10,203,659

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, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Income taxes	\$ 5,005,569	\$ 5,545,144	\$ 5,653,008	\$ 107,864
Property and other taxes	658,578	743,761	743,761	-
Charges for services	439,289	539,973	496,108	(43,865)
Licenses and permits.	420,868	538,000	475,305	(62,695)
Fines and forfeitures.	83,526	96,500	94,330	(2,170)
Intergovernmental	250,465	282,862	282,861	(1)
Investment income	134,203	145,500	151,561	6,061
Other	44,282	52,500	50,010	(2,490)
Total revenues.	<u>7,036,780</u>	<u>7,944,240</u>	<u>7,946,944</u>	<u>2,704</u>
Expenditures:				
Current:				
General government	2,661,414	2,830,124	2,091,460	738,664
Security of persons and property	1,936,779	1,936,779	1,722,812	213,967
Public health and welfare.	71,340	71,340	71,340	-
Transportation	779,596	800,038	738,538	61,500
Community environment	475,452	475,452	428,659	46,793
Capital outlay.	405,510	405,510	392,877	12,633
Debt service:				
Principal retirement	410,000	410,000	410,000	-
Interest and fiscal charges	741,738	741,738	605,384	136,354
Total expenditures	<u>7,481,829</u>	<u>7,670,981</u>	<u>6,461,070</u>	<u>1,209,911</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(445,049)</u>	<u>273,259</u>	<u>1,485,874</u>	<u>1,212,615</u>
Other financing uses:				
Transfers out	<u>(382,000)</u>	<u>(476,000)</u>	<u>(476,000)</u>	<u>-</u>
Total other financing uses.	<u>(382,000)</u>	<u>(476,000)</u>	<u>(476,000)</u>	<u>-</u>
Net change in fund balance	(827,049)	(202,741)	1,009,874	1,212,615
Fund balance at beginning of year (restated). . .	3,531,081	3,531,081	3,531,081	-
Prior year encumbrances appropriated.	<u>297,773</u>	<u>297,773</u>	<u>297,773</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,001,805</u>	<u>\$ 3,626,113</u>	<u>\$ 4,838,728</u>	<u>\$ 1,212,615</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW ALBANY, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2004

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 1,114,205
Total assets.	<u>1,114,205</u>
Liabilities:	
Accounts payable.	17,068
Deposits held and due to others.	<u>1,097,137</u>
Total liabilities	<u>\$ 1,114,205</u>

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, 2004

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, 2004

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

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

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

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

New Albany – Plain Local Joint Park District

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

B. Basis of Presentation - Fund Accounting

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

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

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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

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

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

C. Fund Accounting

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

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

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

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

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

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

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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

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

D. Measurement Focus

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

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

E. Basis of Accounting

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

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

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

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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

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

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2004, but which were levied to finance year 2005 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. During fiscal year 2004, the Economic Opportunity major special revenue fund was not budgeted, as this fund was reclassified from an agency fund (see Note 3) where a budget was not required. This fund will be budgeted in the next fiscal year.

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, 2004

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 2004.

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 2004, investments were limited to nonnegotiable certificates of deposit, federal agency securities, a money market account, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio).

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

The Village has invested funds in STAR Ohio during fiscal 2004. 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, 2004.

VILLAGE OF NEW ALBANY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. During fiscal 2004, interest revenue credited to the general fund amounted to \$137,424 which includes \$82,316 assigned from other Village funds.

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

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

H. Inventories of Materials and Supplies

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

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

Inventory consists of expendable supplies held for consumption.

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Village's capitalization threshold is \$5,000 for all capital assets. The Village chose not to retroactively report infrastructure in accordance with Phase III implementation of GASB 34. The Village's infrastructure consists of curbs, sidewalks, and streets constructed or improved during fiscal year 2004. 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.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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

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:

Description	Governmental Activities <u>Estimated Lives</u>
Buildings and improvements	25 - 50 years
Equipment	6 - 10 years
Vehicles	5 years
Infrastructure	20 - 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.

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.

VILLAGE OF NEW ALBANY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

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

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, 2004, 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 Balances

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

N. Interfund Activity

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

O. Fund Balance Reserves

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

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

P. Estimates

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

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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

Q. Net Assets

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

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

R. Extraordinary and Special Items

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Changes in Accounting Principle

For the fiscal year ended December 31, 2004, the Village has presented for the first time its basic financial statements in accordance with generally accepted accounting principles (GAAP). In conjunction with this presentation, the Village has converted its governmental funds to the modified accrual basis of accounting. This conversion required certain adjustments be recorded at December 31, 2003 to cash fund balances as previously reported to reflect the prior years effect of adopting these new accounting principles. In addition, a fund previously reported as an agency fund is now reported as a special revenue fund. The restatement to the opening balances is as follows:

	Cash Fund Balance <u>at December 31, 2003</u>	<u>Adjustments</u>	<u>Restated Fund Balance/ Fund Equity January 1, 2004</u>
Governmental Funds:			
General	\$ 3,827,183	\$ 135,642	\$ 3,962,825
Special Revenue	380,931	(791)	380,140
Capital Projects	<u>13,232,887</u>	<u>22,324</u>	<u>13,255,211</u>
Total governmental funds	<u>17,441,001</u>	<u>157,175</u>	<u>17,598,176</u>

GAAP creates new basic financial statements for reporting on the Village's financial activities. The basic financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements show the Village's programs for governmental activities. The beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at December 31, 2003, caused by the conversion to the accrual basis of accounting.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

As stated previously, GAAP requires governmental funds to be presented as either major or nonmajor funds. The restated fund balances of the governmental funds are classified as follows for reporting on the government-wide financial statements:

	Major	Nonmajor	Total
Governmental Funds:			
General	\$ 3,962,825	\$ -	\$ 3,962,825
Special Revenue	-	380,140	380,140
Capital Projects	11,370,097	1,885,114	13,255,211
Total governmental fund balance	\$ 15,332,922	\$ 2,265,254	\$ 17,598,176

The transition from governmental fund balance to net assets of the governmental activities is presented as follows:

	Total
Adjusted fund balance, December 31, 2003	\$ 17,598,176
GASB 34 adjustments:	
Long-term (deferred) assets	1,312,850
Capital assets	4,743,483
Long-term liabilities	(20,569,900)
Governmental activities net assets, December 31, 2003	\$ 3,084,609

Fiduciary Activities - Agency funds do not report fund balances; therefore no transition is required to restate the beginning fund equity to net assets.

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS

Monies held by the Village are classified by State statute into three categories:

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Village Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must 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.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

Interim monies may be deposited or invested in the following:

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 Treasury Asset Reserve of Ohio investment pool (STAR Ohio);
7. High grade commercial paper for a period not to exceed 180 days in an amount not to exceed twenty-five percent of the 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 of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this state, as to which there is no default of principal, interest or coupons;
3. Obligations of the Village.

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 moneys deposited with the institution.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the 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 finance director 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".

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

Deposits: At year-end, the carrying amount of the Village's deposits was \$6,886,865 and the bank balance was \$6,966,685. Of the bank balance:

1. \$107,551 was covered by federal depository insurance; and
2. \$6,859,134 was uninsured and uncollateralized as defined by GASB even though it was covered by collateral held by third party trustees pursuant to Section 135.81, Ohio Revised Code, in single institution collateral pools securing all public funds on deposit with specific depository institutions. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the Village to a successful claim by the FDIC.

Investments: The Village's investments are required to be categorized to give an indication of the level of risk assumed by the Village at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Village or its agent in the Village's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Village's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the Village's name. STAR Ohio and money market accounts are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Category 3	Reported Amount	Fair Value
Federal agency securities	<u>\$ 13,711,608</u>	\$ 13,711,608	\$ 13,711,608
Investment in STAR Ohio		114,086	114,086
Money market account		6,587,667	6,587,667
Total investments		\$ 20,413,361	\$ 20,413,361

The classification of cash and cash equivalents on the financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting".

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

A reconciliation between the classifications of cash and cash equivalents on the financial statements (per GASB Statement No. 9) and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Deposits	Investments
GASB Statement No. 9	\$ 13,588,918	\$13,711,608
Investments of the cash management pool:		
Investment in STAR Ohio	(114,086)	114,086
Money market account	(6,587,667)	6,587,667
Cash on hand	(300)	-
GASB Statement No. 3	\$ 6,886,865	\$20,413,361

NOTE 5 - INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2004, consisted of the following, as reported in the fund financial statements:

	Transfers From		
<u>Transfers to</u>	<u>General</u>	<u>Nonmajor Projects</u>	<u>Total</u>
Nonmajor Special Revenue	\$ 4,000	\$ -	\$ 4,000
Nonmajor Capital Projects	472,000	450,200	922,200
	\$ 476,000	\$ 450,200	\$ 926,200

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.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the Village. Real property taxes and public utility taxes are levied after October 1 on the assessed value as of the prior January 1, the tax lien date. Assessed values are established by state law at 35 percent of appraised market value, as established by the County Auditor. All real property is required to be revalued every six years. The last revaluation was completed in 2000. Real property taxes are payable annually or semiannually. The first payment for 2004 was due December 31, with the remainder payable June 20.

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

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

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

The Franklin County Treasurer collects property taxes on behalf of all taxing districts in Franklin County, including the Village. The Franklin County Auditor periodically remits to the Village its portion of the taxes collected. The full rate for all Village operations for the year ended December 31, 2004, was \$1.94 per \$1,000.00 of assessed value. The assessed values of real and tangible personal property, upon which taxes for 2004 were collected, are as follows:

<u>Category</u>	<u>Assessed Value</u>
Residential	\$ 367,882,280
Commercial	50,865,140
Industrial	<u>1,598,640</u>
Total assessed valuation	<u>\$ 420,346,060</u>

Accrued taxes receivable represent delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable and unpaid as of December 31, 2004. 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 2004 operations. Accordingly, the receivable is offset by a credit to "Deferred Revenue."

VILLAGE OF NEW ALBANY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

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 2004 was \$11,466,513.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2004, 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, 2004, as well as intended to finance fiscal 2004 operations.

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

Governmental Activities:

Income taxes	\$4,456,525
Real and other taxes	706,292
Accounts	6,981
Accrued interest	56,001
Due from other governments	<u>478,425</u>
Total	<u>\$5,704,224</u>

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

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 9 - CAPITAL ASSETS

- A. Under GASB Statement No. 34, the Village has elected not to retroactively report governmental infrastructure assets. Only governmental infrastructure capital assets acquired or constructed in 2004 are reflected in the basic financial statements for the fiscal year ended December 31, 2004.

Capital asset activity for the year ended December 31, 2004, was as follows:

<u>Governmental Activities:</u>	Balance <u>1/1/04</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/04</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 368,419	\$ 3,074,153	\$ -	\$ 3,442,572
Construction in progress	<u>1,107,693</u>	<u>816,651</u>	<u>(1,107,693)</u>	<u>816,651</u>
Total capital assets, not being depreciated	<u>1,476,112</u>	<u>3,890,804</u>	<u>(1,107,693)</u>	<u>4,259,223</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	2,832,146	-	-	2,832,146
Equipment	446,049	17,010	-	463,059
Vehicles	719,162	18,841	-	738,003
Infrastructure	<u>-</u>	<u>5,411,948</u>	<u>-</u>	<u>5,411,948</u>
Total capital assets, being depreciated	<u>3,997,357</u>	<u>5,447,799</u>	<u>-</u>	<u>9,445,156</u>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	(255,250)	(56,643)	-	(311,893)
Equipment	(179,385)	(63,717)	-	(243,102)
Vehicles	(295,351)	(140,434)	-	(435,785)
Infrastructure	<u>-</u>	<u>(195,161)</u>	<u>-</u>	<u>(195,161)</u>
Total accumulated depreciation	<u>(729,986)</u>	<u>(455,955)</u>	<u>-</u>	<u>(1,185,941)</u>
Total capital assets, being depreciated, net	<u>3,267,371</u>	<u>4,991,844</u>	<u>-</u>	<u>8,259,215</u>
Governmental activities capital assets, net	<u>\$ 4,743,483</u>	<u>\$ 8,882,648</u>	<u>\$ (1,107,693)</u>	<u>\$ 12,518,438</u>

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 9 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

General government	\$ 79,031
Security of persons and property	64,540
Transportation	<u>312,384</u>
Total depreciation expense - governmental activities	<u>\$ 455,955</u>

NOTE 10 - CAPITALIZED LEASES - LESSEE DISCLOSURE

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

The terms of the lease agreements provide an option to purchase the equipment. These leases meet the criteria of a capital lease as defined by Financial Accounting Standards Board (FASB) Statement No. 13 "Accounting for Leases" which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital lease payments have been reclassified and are reflected as debt service expenditures in the general fund in the fund financial statements. General capital assets acquired by lease have been capitalized in the amount of \$169,879. This amount is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2004:

<u>Year Ending</u> <u>December 31</u>	<u>Equipment</u>
2005	\$ 37,841
2006	37,841
2007	37,842
2008	<u>2,917</u>
Total minimum lease payments	116,441
Less: amount representing interest	<u>(10,437)</u>
Present value of future minimum lease payments	<u>\$ 106,004</u>

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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, 2004, the liability for unpaid compensated absences was \$376,605 for the entire Village, which is reported as a fund liability and/or on the government-wide financial statements as applicable.

NOTE 12 - LONG-TERM OBLIGATIONS

A. During fiscal year 2004, the following changes occurred in governmental activities long-term obligations:

	Interest Rate	Maturity Date	Original Issue Amount	Balance 12/31/03	Additions	Reductions	Balance 12/31/04	Amounts Due in One Year
<u>Governmental Activities:</u>								
<u>General obligation bonds:</u>								
Series 2003								
Capital Improvement	4.99%	2033	\$13,460,000	\$13,460,000	\$ -	\$(245,000)	\$13,215,000	\$ 250,000
<u>Capital Improvement bonds:</u>								
Municipal Building	variable	2018	4,080,000	<u>3,355,000</u>	-	<u>(165,000)</u>	<u>3,190,000</u>	<u>175,000</u>
Total - bonds				<u>16,815,000</u>	-	<u>(410,000)</u>	<u>16,405,000</u>	<u>425,000</u>
<u>OWDA Loans:</u>								
OWDA Loan 2977								
Bevelhymer/Cederbrook Waterlines	6.72%	2015	431,843	444,853	-	(26,895)	417,958	28,702
OWDA Loan 3189								
Elevated Storage Tank	5.77%	2020	1,700,314	630,966	-	(22,991)	607,975	24,421
OWDA Loan 2163								
Central College/Kitzmilller Waterlines	6.13%	2020	619,644	<u>1,732,429</u>	-	<u>(65,155)</u>	<u>1,667,274</u>	<u>68,969</u>
Total loans				<u>2,808,248</u>	-	<u>(115,041)</u>	<u>2,693,207</u>	<u>122,092</u>
<u>Other long-term obligations:</u>								
Compensated absences				333,910	169,282	(126,587)	376,605	118,226
Capital lease obligation				<u>129,192</u>	<u>8,128</u>	<u>(31,316)</u>	<u>106,004</u>	<u>32,778</u>
Total other long-term obligations				<u>463,102</u>	<u>177,410</u>	<u>(157,903)</u>	<u>482,609</u>	<u>151,004</u>
Total governmental activities long-term obligations				<u>\$20,086,350</u>	<u>\$ 177,410</u>	<u>\$ (682,944)</u>	<u>\$19,580,816</u>	<u>\$ 698,096</u>

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

Compensated absences reported in the “long-term liabilities” account will be paid from the fund from which the employee’s salaries are paid. Capital lease obligations will be paid from the general fund.

- B.** As of December 31, 2004, the Village’s overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$27,731,336. The following is a summary of the Village’s future annual debt service requirements to maturity for the general obligation bonds payable:

Year Ending <u>December 31</u>	Principal on <u>Bonds</u>	Interest on <u>Bonds</u>	<u>Total</u>
2005	\$ 250,000	\$ 615,373	\$ 865,373
2006	250,000	610,372	860,372
2007	250,000	604,747	854,747
2008	260,000	597,872	857,872
2009	270,000	590,072	860,072
2010 - 2014	1,525,000	2,793,900	4,318,900
2015 - 2019	1,875,000	2,430,542	4,305,542
2020 - 2024	2,405,000	1,905,250	4,310,250
2025 - 2029	3,075,000	1,240,000	4,315,000
2030 - 2033	<u>3,055,000</u>	<u>391,000</u>	<u>3,446,000</u>
Total	<u>\$13,215,000</u>	<u>\$ 11,779,128</u>	<u>\$24,994,128</u>

- C.** The following is a summary of the Village’s future annual debt service requirements to maturity for the capital improvement bonds payable:

Year Ending <u>December 31</u>	Principal on <u>Bonds</u>	Interest on <u>Bonds</u>	<u>Total</u>
2005	\$ 175,000	\$ 193,575	\$ 368,575
2006	175,000	186,925	361,925
2007	185,000	180,100	365,100
2008	200,000	172,793	372,793
2009	200,000	111,992	311,992
2010 - 2014	1,140,000	424,123	1,564,123
2015 - 2018	<u>1,115,000</u>	<u>135,612</u>	<u>1,250,612</u>
Total	<u>\$3,190,000</u>	<u>\$1,405,120</u>	<u>\$4,595,120</u>

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

D. The following is a summary of the Village's future annual debt service requirements to maturity for the OWDA Loans payable:

Year Ending December 31	OWDA Loan #2977			OWDA Loan #3189			OWDA Loan #2163		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2005	\$ 28,702	\$ 28,087	\$ 56,789	\$ 24,422	\$ 36,900	\$ 61,322	\$ 68,969	\$ 95,221	\$ 164,190
2006	30,631	26,158	56,789	25,942	35,380	61,322	73,006	91,184	164,190
2007	32,689	24,100	56,789	27,556	33,766	61,322	77,279	86,911	164,190
2008	34,886	21,903	56,789	29,271	32,051	61,322	81,802	82,388	164,190
2009	37,230	19,559	56,789	31,093	30,229	61,322	86,590	77,600	164,190
2010 - 2014	227,214	56,728	283,942	187,017	119,592	306,609	515,175	305,773	820,948
2015 - 2019	26,606	1,788	28,394	252,926	53,683	306,609	684,661	136,287	820,948
2020	-	-	-	29,748	911	30,659	79,792	2,302	82,094
Total	<u>\$ 417,958</u>	<u>\$ 178,323</u>	<u>\$ 596,281</u>	<u>\$ 607,975</u>	<u>\$ 342,512</u>	<u>\$ 950,487</u>	<u>\$ 1,667,274</u>	<u>\$ 877,666</u>	<u>\$ 2,544,940</u>

NOTE 13 - NOTES PAYABLE

On December 22, 2004, the Village issued \$8,000,000 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, 2004, follows:

	Outstanding 12/31/2003	Issued	Retired	Outstanding 12/31/2004
Governmental Activities:				
Capital Facilities				
Note - 3.00%	\$ -	\$ 8,000,000	\$ -	\$ 8,000,000
Add: Unamortized premium on notes				64,755
Total on Statement of Net Assets				<u>\$ 8,064,755</u>

The notes are backed by the full faith and credit of the Village of New Albany and mature on December 15, 2005.

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, 2004

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 September 1, 2003 and after, the Plan pays the lesser of 5% or \$25,000 for casualty losses up to the coverage limit and the lesser of 5% or \$50,000 for property losses up to the coverage limit. The individual members are only responsible for their self-retention (deductible) amounts, which vary from Member to Member.

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

	<u>2004</u>	<u>2003</u>
Assets	\$ 6,685,522	\$ 5,402,167
Liabilities	<u>(2,227,808)</u>	<u>(1,871,123)</u>
Members' Equity	<u>\$ 4,457,714</u>	<u>\$ 3,531,044</u>

B. Health, Dental, Vision and Life Insurance

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

C. Workers' Compensation

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

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 15 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

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

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) 222-6705.

For the year ended December 31, 2004, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5% of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1% of their annual covered salary; members in public safety contributed 9%. The Village's contribution rate for pension benefits for 2004 was 13.55%, except for those plan members in law enforcement or public safety. For those classifications, the Village's pension contributions were 16.7% of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2004, 2003, and 2002 were \$197,992, \$165,392, and \$139,399, respectively; 73.30% has been contributed for 2004 and 100% has been contributed for 2003 and 2002. The Village and plan members did not make any contributions to the member-directed plan for 2004.

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.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan members are required to contribute 10.0% of their annual covered salary to fund pension obligations while the Village is required to contribute 19.5% for police officers. Contributions are authorized by State statute. The Village's contributions to the fund for the police were \$149,065 for the fiscal year ended December 31, 2004, and \$139,280 and \$125,238 for the years ended December 31, 2003 and December 31, 2002 respectively. The full amount has been contributed for 2003 and 2002. 72.85% for police has been contributed for 2004 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 2004 local government employer contribution rate was 13.55% of covered payroll (16.70% for public safety and law enforcement); 4.00% of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8.00%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.3% based on additional annual pay increases. Health care premiums were assumed to increase 4.00% annually.

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

The number of active contributing participants in the traditional and combined plans was 369,885. Actual employer contributions for 2004 which were used to fund postemployment benefits were \$59,179. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2003 (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

In December 2001, the Board adopted the Health Care "Choices" Plan. The Choices Plan will be offered to all persons newly hired in an OPERS covered position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices will incorporate a cafeteria approach, offering a broader range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 16 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

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

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

B. Ohio Police and Fire Pension Fund

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

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

The Village's actual contributions for 2004 that were used to fund postemployment benefits was \$59,179 for police. The OP&F's total health care expense for the year ended December 31, 2003 (the latest information available) was \$150,853,148, which was net of member contributions of \$17,207,506. The number of OP&F participants eligible to receive health care benefits as of December 31, 2003 (the latest information available), was 13,662 for police and 10,474 for firefighters.

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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.

Net Change in Fund Balance

	<u>General</u>
Budget basis	\$ 1,009,874
Net adjustment for revenue accruals	259,443
Net adjustment for expenditure accruals	38
Net adjustment for other sources/uses	8,128
Adjustment for encumbrances	<u>325,403</u>
GAAP basis	<u>\$ 1,602,886</u>

NOTE 18 – PLEDGED REVENUES

A. Allocation of Pledged Revenues

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

VILLAGE OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 18 – PLEDGED REVENUES – (Continued)

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.

During fiscal year 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%, and the final stated maturity date is February 1, 2025. The amount of principal outstanding on the bonds at December 31, 2004 was \$16,100,000.

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

During fiscal year 2004, the total amount of pledged revenues paid to the Authority was \$2,704,876, or 25 percent of total income tax receipts, and principal and interest payments on bonds were \$600,000 and \$211,971, respectively.

C. New Albany – Plain Local School District

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

VILLAGE OF NEW ALBANY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 18 – PLEDGED REVENUES – (Continued)

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 2004, the total amount of pledged revenues paid to the School District was \$1,911,887, or 17.7 percent of total income tax receipts.

NOTE 19 - CONTINGENCIES

A. Grants

The Village receives significant financial assistance from numerous federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Village at December 31, 2004.

B. Litigation

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

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Income taxes	\$ 5,545,144	\$ 5,653,008	\$ 107,864
Property and other taxes	743,761	743,761	-
Charges for services	539,973	496,108	(43,865)
Licenses and permits	538,000	475,305	(62,695)
Fines and forfeitures	96,500	94,330	(2,170)
Intergovernmental	282,862	282,861	(1)
Investment income	145,500	151,561	6,061
Other	52,500	50,010	(2,490)
Total revenues	<u>7,944,240</u>	<u>7,946,944</u>	<u>2,704</u>
Expenditures:			
Current:			
General government:			
Village administrator			
Personal services	314,866	271,906	42,960
Travel/transportation	7,500	12,939	(5,439)
Contractual services	2,260	14,214	(11,954)
Materials and supplies.	86,721	20,889	65,832
Total village administrator.	<u>411,347</u>	<u>319,948</u>	<u>91,399</u>
Finance department			
Personal services	202,820	188,631	14,189
Travel/transportation	4,504	3,460	1,044
Contractual services	24,015	24,449	(434)
Materials and supplies.	18,381	12,041	6,340
Total finance department.	<u>249,720</u>	<u>228,581</u>	<u>21,139</u>
Village council			
Personal services	131,990	122,837	9,153
Travel/transportation	-	1,118	(1,118)
Contractual services	36,750	8,681	28,069
Materials and supplies.	27,396	40,202	(12,806)
Total village council.	<u>196,136</u>	<u>172,838</u>	<u>23,298</u>
Mayor's court			
Personal services	107,000	86,504	20,496
Travel/transportation	1,000	1,652	(652)
Contractual services	112,081	65,472	46,609
Materials and supplies.	17,798	5,768	12,030
Total mayor's court.	<u>237,879</u>	<u>159,396</u>	<u>78,483</u>
Village engineer			
Contractual services	801,184	378,968	422,216
Total village engineer.	<u>801,184</u>	<u>378,968</u>	<u>422,216</u>
Village attorney			
Contractual services	169,653	168,291	1,362
Total village attorney.	<u>169,653</u>	<u>168,291</u>	<u>1,362</u>

Continued

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Village planner			
Contractual services	193,078	175,000	18,078
Total village planner.	<u>193,078</u>	<u>175,000</u>	<u>18,078</u>
Lands and buildings			
Contractual services	285,590	244,045	41,545
Materials and supplies.	25,261	2,714	22,547
Total lands and buildings.	<u>310,851</u>	<u>246,759</u>	<u>64,092</u>
Other charges			
Contractual services	260,276	241,679	18,597
Total other charges.	<u>260,276</u>	<u>241,679</u>	<u>18,597</u>
Total general government.	<u>2,830,124</u>	<u>2,091,460</u>	<u>738,664</u>
Security of persons and property:			
Police			
Personal services	1,646,868	1,484,449	162,419
Travel/transportation	31,176	20,490	10,686
Contractual services	54,350	46,108	8,242
Materials and supplies.	153,851	121,231	32,620
Total police.	<u>1,886,245</u>	<u>1,672,278</u>	<u>213,967</u>
Land and buildings			
Contractual services	50,534	50,534	-
Total land and buildings.	<u>50,534</u>	<u>50,534</u>	<u>-</u>
Total security of persons and property .	<u>1,936,779</u>	<u>1,722,812</u>	<u>213,967</u>
Public health and welfare:			
Other charges			
Contractual services	71,340	71,340	-
Total other charges.	<u>71,340</u>	<u>71,340</u>	<u>-</u>
Total public health and welfare	<u>71,340</u>	<u>71,340</u>	<u>-</u>
Transportation			
Public services			
Personal services	538,078	525,391	12,687
Travel/transportation	2,982	9,982	(7,000)
Contractual services	25,788	64,794	(39,006)
Materials and supplies.	233,190	138,371	94,819
Total public services	<u>800,038</u>	<u>738,538</u>	<u>61,500</u>
Total transportation	<u>800,038</u>	<u>738,538</u>	<u>61,500</u>

Continued

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Community environment:			
Community development			
Personal services	\$ 323,172	\$ 315,697	\$ 7,475
Travel/transportation	8,287	2,967	5,320
Contractual services	93,380	91,812	1,568
Materials and supplies.	50,613	18,183	32,430
Total community development	<u>475,452</u>	<u>428,659</u>	<u>46,793</u>
Total community environment	<u>475,452</u>	<u>428,659</u>	<u>46,793</u>
Capital outlay			
General government.	32,168	25,386	6,782
Security of persons and property	106,783	101,979	4,804
Transportation	266,559	265,512	1,047
Total capital outlay.	<u>405,510</u>	<u>392,877</u>	<u>12,633</u>
Total capital outlay	<u>405,510</u>	<u>392,877</u>	<u>12,633</u>
Debt service:			
Principal retirement.	410,000	410,000	-
Interest and fiscal charges	741,738	605,384	136,354
Total debt service	<u>1,151,738</u>	<u>1,015,384</u>	<u>136,354</u>
Total expenditures	<u>7,670,981</u>	<u>6,461,070</u>	<u>1,209,911</u>
Excess of revenues over expenditures.	<u>273,259</u>	<u>1,485,874</u>	<u>1,212,615</u>
Other financing uses:			
Transfers out	<u>(476,000)</u>	<u>(476,000)</u>	<u>-</u>
Total other financing uses	<u>(476,000)</u>	<u>(476,000)</u>	<u>-</u>
Net change in fund balance.	(202,741)	1,009,874	1,212,615
Fund balance at beginning of year	3,531,081	3,531,081	-
Prior year encumbrances appropriated	297,773	297,773	-
Fund balance at end of year	<u>\$ 3,626,113</u>	<u>\$ 4,838,728</u>	<u>\$ 1,212,615</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BOND IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$ 109,069	\$ 144,711	\$ 35,642
Total revenues.	<u>109,069</u>	<u>144,711</u>	<u>35,642</u>
Expenditures:			
Capital outlay	<u>3,915,000</u>	<u>3,817,055</u>	<u>97,945</u>
Total expenditures.	<u>3,915,000</u>	<u>3,817,055</u>	<u>97,945</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(3,805,931)</u>	<u>(3,672,344)</u>	<u>133,587</u>
Other financing sources:			
Premium on notes	1,384	66,139	64,755
Note issuance	<u>8,000,000</u>	<u>8,000,000</u>	<u>-</u>
Total other financing sources.	<u>8,001,384</u>	<u>8,066,139</u>	<u>64,755</u>
Net change in fund balance.	4,195,453	4,393,795	198,342
Fund balance at beginning of year	10,207,109	10,207,109	-
Prior year encumbrances appropriated	<u>1,165,000</u>	<u>1,165,000</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 15,567,562</u>	<u>\$ 15,765,904</u>	<u>\$ 198,342</u>

VILLAGE OF NEW ALBANY, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

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

Street Fund

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

Blacklick TIF

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

Mayor's Court Computer Fund

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

Alcohol Education Fund

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

Law Enforcement and Education Fund

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

COPS More Grant

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.

July 4th Parade Fund

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

Alcohol Indigent Fund

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

VILLAGE OF NEW ALBANY, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Capital Projects Funds

The capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary fund types. Following is a description of all capital project funds:

Capital Improvement Fund

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

Issue II Improvement Fund

To account for projects funded by Issue II monies.

Park Improvement Fund

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

Water & Sanitary Sewer Improvement Fund

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

605/161 Issue II Fund

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

Harlem / Thompson Issue II Fund

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

VILLAGE OF NEW ALBANY, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 360,403	\$ 2,171,197	\$ 2,531,600
Receivables (net of allowances of uncollectibles):			-
Income taxes	-	214,716	214,716
Due from other governments.	91,979	296,545	388,524
Total assets	<u>\$ 452,382</u>	<u>\$ 2,682,458</u>	<u>\$ 3,134,840</u>
Liabilities:			
Accounts payable	\$ 30,589	\$ -	\$ 30,589
Contracts payable	-	417,380	417,380
Deferred revenue.	45,452	162,734	208,186
Total liabilities	<u>76,041</u>	<u>580,114</u>	<u>656,155</u>
Fund Balances:			
Fund balances:			
Reserved for encumbrances	39,888	2,500	42,388
Unreserved, undesignated, reported in:			
Special revenue funds	336,453	-	336,453
Capital projects funds	-	2,099,844	2,099,844
Total fund balances	<u>376,341</u>	<u>2,102,344</u>	<u>2,478,685</u>
Total liabilities and fund equity	<u>\$ 452,382</u>	<u>\$ 2,682,458</u>	<u>\$ 3,134,840</u>

VILLAGE OF NEW ALBANY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Municipal income taxes	\$ -	\$ 523,994	\$ 523,994
Charges for services	10,800	-	10,800
Licenses and permits	-	606,254	606,254
Fines and forfeitures	12,149	-	12,149
Intergovernmental	288,883	633,872	922,755
Payment in lieu of taxes	67,113	-	67,113
Other	35,881	280,000	315,881
	<u>414,826</u>	<u>2,044,120</u>	<u>2,458,946</u>
Total revenues			
Expenditures:			
Current:			
General government:			
Security of persons and property	3,000	-	3,000
Transportation	21,375	-	21,375
Leisure time activity	227,430	-	227,430
Capital outlay	9,914	-	9,914
Debt service:			
Principal retirement	-	2,016,590	2,016,590
Interest and fiscal charges	160,906	115,041	328,165
	<u>422,625</u>	<u>2,298,890</u>	<u>2,721,515</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	(7,799)	(254,770)	(262,569)
Other financing sources (uses):			
Transfers in	4,000	922,200	926,200
Transfers out	-	(450,200)	(450,200)
	<u>4,000</u>	<u>472,000</u>	<u>476,000</u>
Total other financing sources (uses)			
Net change in fund balances	(3,799)	217,230	213,431
Fund balances at beginning of year	<u>380,140</u>	<u>1,885,114</u>	<u>2,265,254</u>
Fund balances at end of year	<u>\$ 376,341</u>	<u>\$ 2,102,344</u>	<u>\$ 2,478,685</u>

VILLAGE OF NEW ALBANY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2004

	Street Fund	Blacklick TIF	Mayor's Court Computer Fund	Alcohol Education Fund
Assets:				
Equity in pooled cash and cash equivalents.	\$ 232,904	\$ 11,949	\$ 17,977	\$ 2,510
Due from other governments	91,105	874	-	-
Total assets	\$ 324,009	\$ 12,823	\$ 17,977	\$ 2,510
Liabilities:				
Accounts payable	\$ 30,589	\$ -	\$ -	\$ -
Deferred revenue.	44,578	874	-	-
Total liabilities	75,167	874	-	-
Fund Balances:				
Reserved for encumbrances	36,835	-	-	-
Unreserved:				
Undesignated.	212,007	11,949	17,977	2,510
Total fund balances	248,842	11,949	17,977	2,510
Total liabilities and fund equity.	\$ 324,009	\$ 12,823	\$ 17,977	\$ 2,510

<u>Law Enforcement & Education Fund</u>	<u>COPS More Grant</u>	<u>Safety Town Fund</u>	<u>July 4th Parade Fund</u>	<u>Alcohol Indigent Fund</u>	<u>Totals</u>
\$ 1,253	\$ 68,399	\$ 24,067	\$ 669	\$ 675	\$ 360,403
-	-	-	-	-	91,979
<u>\$ 1,253</u>	<u>\$ 68,399</u>	<u>\$ 24,067</u>	<u>\$ 669</u>	<u>\$ 675</u>	<u>\$ 452,382</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,589
-	-	-	-	-	45,452
-	-	-	-	-	76,041
-	-	3,053	-	-	39,888
1,253	68,399	21,014	669	675	336,453
<u>1,253</u>	<u>68,399</u>	<u>24,067</u>	<u>669</u>	<u>675</u>	<u>376,341</u>
<u>\$ 1,253</u>	<u>\$ 68,399</u>	<u>\$ 24,067</u>	<u>\$ 669</u>	<u>\$ 675</u>	<u>\$ 452,382</u>

VILLAGE OF NEW ALBANY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Street Fund</u>	<u>Blacklick TIF</u>	<u>Mayor's Court Computer Fund</u>	<u>Alcohol Education Fund</u>
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	11,084	710
Intergovernmental	281,350	7,533	-	-
Payment in lieu of taxes	-	67,113	-	-
Other	3,542	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	284,892	74,646	11,084	710
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
General government	-	-	3,000	-
Security of persons and property	-	-	-	-
Transportation	227,430	-	-	-
Leisure time activity	-	-	-	-
Debt service:				
Interest and fiscal charges	-	160,906	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	227,430	160,906	3,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	57,462	(86,260)	8,084	710
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses):				
Transfers in	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	57,462	(86,260)	8,084	710
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	191,380	98,209	9,893	1,800
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at end of year	<u>\$ 248,842</u>	<u>\$ 11,949</u>	<u>\$ 17,977</u>	<u>\$ 2,510</u>

<u>Law Enforcement & Education Fund</u>	<u>COPS More Grant</u>	<u>Safety Town Fund</u>	<u>July 4th Parade Fund</u>	<u>Alcohol Indigent Fund</u>	<u>Totals</u>
\$ -	\$ -	\$ 10,800	\$ -	\$ -	\$ 10,800
355	-	-	-	-	12,149
-	-	-	-	-	288,883
-	-	-	-	-	67,113
-	-	30,200	2,139	-	35,881
<u>355</u>	<u>-</u>	<u>41,000</u>	<u>2,139</u>	<u>-</u>	<u>414,826</u>
-	-	-	-	-	3,000
-	4,442	16,933	-	-	21,375
-	-	-	-	-	227,430
-	-	-	9,914	-	9,914
-	-	-	-	-	160,906
-	4,442	16,933	9,914	-	422,625
<u>355</u>	<u>(4,442)</u>	<u>24,067</u>	<u>(7,775)</u>	<u>-</u>	<u>(7,799)</u>
-	-	-	4,000	-	4,000
-	-	-	4,000	-	4,000
355	(4,442)	24,067	(3,775)	-	(3,799)
<u>898</u>	<u>72,841</u>	<u>-</u>	<u>4,444</u>	<u>675</u>	<u>380,140</u>
<u>\$ 1,253</u>	<u>\$ 68,399</u>	<u>\$ 24,067</u>	<u>\$ 669</u>	<u>\$ 675</u>	<u>\$ 376,341</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 285,041	\$ 283,327	\$ (1,714)
Other.	2,985	3,542	557
Total revenues.	<u>288,026</u>	<u>286,869</u>	<u>(1,157)</u>
Expenditures:			
Transportation			
Contractual services	9,000	-	9,000
Materials and supplies.	132,641	102,476	30,165
Capital outlay	291,356	204,963	86,393
Total expenditures	<u>432,997</u>	<u>307,439</u>	<u>125,558</u>
Net change in fund balance.	(144,971)	(20,570)	124,401
Fund balance at beginning of year	123,045	123,045	-
Prior year encumbrances appropriated . .	<u>68,997</u>	<u>68,997</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 47,071</u>	<u>\$ 171,472</u>	<u>\$ 124,401</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BLACKLICK TIF
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 7,533	\$ 7,533	\$ -
Special assessments	67,113	67,113	-
Total revenues.	<u>74,646</u>	<u>74,646</u>	<u>-</u>
Expenditures:			
Debt service			
Interest and fiscal charges.	162,626	160,906	1,720
Total expenditures	<u>162,626</u>	<u>160,906</u>	<u>1,720</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(87,980)</u>	<u>(86,260)</u>	<u>1,720</u>
Net change in fund balance.	(87,980)	(86,260)	1,720
Fund balance at beginning of year	<u>98,209</u>	<u>98,209</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 10,229</u>	<u>\$ 11,949</u>	<u>\$ 1,720</u>

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, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 11,469	\$ 11,464	\$ (5)
Total revenues	<u>11,469</u>	<u>11,464</u>	<u>(5)</u>
Expenditures:			
General government			
Materials and supplies.	<u>3,418</u>	<u>3,000</u>	<u>418</u>
Total expenditures	<u>3,418</u>	<u>3,000</u>	<u>418</u>
Net change in fund balance.	8,051	8,464	413
Fund balance at beginning of year	9,095	9,095	-
Prior year encumbrances appropriated . .	<u>418</u>	<u>418</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 17,564</u>	<u>\$ 17,977</u>	<u>\$ 413</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALCOHOL EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 635	\$ 760	\$ 125
Total revenues	635	760	125
Expenditures:			
Security of persons and property			
Materials and supplies.	256	-	256
Total expenditures	256	-	256
Excess (deficiency) of revenues over (under) expenditures	379	760	381
Net change in fund balance.	379	760	381
Fund balance at beginning of year	1,494	1,494	-
Prior year encumbrances appropriated . .	256	256	-
Fund balance at end of year.	\$ 2,129	\$ 2,510	\$ 381

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT & EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 4,500	\$ 355	\$ (4,145)
Total revenues	<u>4,500</u>	<u>355</u>	<u>(4,145)</u>
Expenditures:			
Security of persons and property			
Materials and supplies.	4,500	-	4,500
Total expenditures	<u>4,500</u>	<u>-</u>	<u>4,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>355</u>	<u>355</u>
Net change in fund balance.	-	355	355
Fund balance at beginning of year	<u>898</u>	<u>898</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 898</u>	<u>\$ 1,253</u>	<u>\$ 355</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COPS MORE GRANT
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Security of persons and property			
Materials and supplies	\$ 4,442	\$ 4,442	\$ -
Total expenditures	<u>4,442</u>	<u>4,442</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,442)</u>	<u>(4,442)</u>	<u>-</u>
Net change in fund balance	(4,442)	(4,442)	-
Fund balance at beginning of year	68,398	68,398	
Prior year encumbrances appropriated	<u>4,443</u>	<u>4,443</u>	<u>-</u>
Fund balance at end of year	<u>\$ 68,399</u>	<u>\$ 68,399</u>	<u>\$ -</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SAFETY TOWN FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for services	\$ 8,400	\$ 10,800	\$ 2,400
Other	30,200	30,200	-
Total revenues	<u>38,600</u>	<u>41,000</u>	<u>2,400</u>
Expenditures:			
Security of persons and property			
Materials and supplies.	27,500	16,933	10,567
Total expenditures	<u>27,500</u>	<u>16,933</u>	<u>10,567</u>
Net change in fund balance.	11,100	24,067	12,967
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 11,100</u>	<u>\$ 24,067</u>	<u>\$ 12,967</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
JULY 4TH PARADE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other	\$ 2,139	\$ 2,139	\$ -
Total revenues.	<u>2,139</u>	<u>2,139</u>	<u>-</u>
Expenditures:			
Leisure time activity			
Materials and supplies.	11,700	10,473	1,227
Total expenditures	<u>11,700</u>	<u>10,473</u>	<u>1,227</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(9,561)</u>	<u>(8,334)</u>	<u>1,227</u>
Other financing sources (uses):			
Transfers in.	4,000	4,000	-
Total other financing sources (uses)	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Net change in fund balance.	(5,561)	(4,334)	1,227
Fund balance at beginning of year	4,403	4,403	-
Prior year encumbrances appropriated . .	600	600	-
Fund balance at end of year.	<u>\$ (558)</u>	<u>\$ 669</u>	<u>\$ 1,227</u>

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, 2004

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

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VILLAGE OF NEW ALBANY, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2004

	<u>Capital Improvement</u>	<u>Issue II Improvement</u>	<u>Park Improvement</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 174,461	\$ 312,606	\$ 132,388
Receivables (net of allowances of uncollectibles):			
Income taxes.	170,303	-	44,413
Due from other governments	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets.	<u>\$ 344,764</u>	<u>\$ 312,606</u>	<u>\$ 176,801</u>
Liabilities:			
Contracts payable	\$ -	\$ -	\$ -
Deferred revenue.	126,985	-	35,749
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>126,985</u>	<u>-</u>	<u>35,749</u>
Fund Balances:			
Reserved for encumbrances.	-	-	2,500
Unreserved, undesignated, reported in:			
Capital projects funds	217,779	312,606	138,552
Total fund balances	<u>217,779</u>	<u>312,606</u>	<u>141,052</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund equity.	<u>\$ 344,764</u>	<u>\$ 312,606</u>	<u>\$ 176,801</u>

<u>Water & Sanitary Sewer Improvement</u>	<u>605/161 Issue II Fund</u>	<u>Harlem/Thompson Issue II Fund</u>	<u>Total</u>
\$ 1,141,575	\$ 335,587	\$ 74,580	\$ 2,171,197
-	-	-	214,716
-	296,545	-	296,545
<u>\$ 1,141,575</u>	<u>\$ 632,132</u>	<u>\$ 74,580</u>	<u>\$ 2,682,458</u>
\$ -	\$ 417,380	\$ -	\$ 417,380
-	-	-	162,734
-	417,380	-	580,114
-	-	-	2,500
1,141,575	214,752	74,580	2,099,844
<u>1,141,575</u>	<u>214,752</u>	<u>74,580</u>	<u>2,102,344</u>
<u>\$ 1,141,575</u>	<u>\$ 632,132</u>	<u>\$ 74,580</u>	<u>\$ 2,682,458</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, 2004

	Capital Improvement	Issue II Improvement	Park Improvement
Revenues:			
Income tax	\$ 436,661	\$ -	\$ 87,333
Licenses and permits	74,810	-	32,550
Intergovernmental	-	49,074	-
Other	45,000	-	125,000
Total revenues	556,471	49,074	244,883
 Expenditures:			
Capital outlay	737,134	49,074	271,975
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	737,134	49,074	271,975
Excess (deficiency) of revenues over (under) expenditures.	(180,663)	-	(27,092)
 Other financing sources (uses):			
Transfers in	382,200	-	-
Transfers out	(450,200)	-	-
Total other financing sources (uses)	(68,000)	-	-
Net change in fund balances	(248,663)	-	(27,092)
Fund balances at beginning of year.	466,442	312,606	168,144
Fund balances at end of year	\$ 217,779	\$ 312,606	\$ 141,052

<u>Water & Sanitary Sewer Improvement</u>	<u>605/161 Issue II Fund</u>	<u>Harlem/Thompson Issue II Fund</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 523,994
498,894	-	-	606,254
-	543,218	41,580	633,872
-	-	110,000	280,000
<u>498,894</u>	<u>543,218</u>	<u>151,580</u>	<u>2,044,120</u>
12,941	868,466	77,000	2,016,590
115,041	-	-	115,041
<u>167,259</u>	<u>-</u>	<u>-</u>	<u>167,259</u>
<u>295,241</u>	<u>868,466</u>	<u>77,000</u>	<u>2,298,890</u>
<u>203,653</u>	<u>(325,248)</u>	<u>74,580</u>	<u>(254,770)</u>
-	540,000	-	922,200
-	-	-	(450,200)
-	<u>540,000</u>	-	<u>472,000</u>
203,653	214,752	74,580	217,230
<u>937,922</u>	<u>-</u>	<u>-</u>	<u>1,885,114</u>
<u>\$ 1,141,575</u>	<u>\$ 214,752</u>	<u>\$ 74,580</u>	<u>\$ 2,102,344</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Income taxes	\$ 491,000	\$ 414,038	\$ (76,962)
Licenses and permits	74,961	74,810	(151)
Other	110,000	45,000	(65,000)
Total revenues.	<u>675,961</u>	<u>533,848</u>	<u>(142,113)</u>
Expenditures:			
Capital outlay	1,094,808	737,547	357,261
Total expenditures.	<u>1,094,808</u>	<u>737,547</u>	<u>357,261</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(418,847)</u>	<u>(203,699)</u>	<u>215,148</u>
Other financing sources (uses):			
Transfers in.	525,000	382,000	(143,000)
Transfers out.	(450,000)	(450,000)	-
Total other financing sources (uses)	<u>75,000</u>	<u>(68,000)</u>	<u>(143,000)</u>
Net change in fund balance.	(343,847)	(271,699)	72,148
Fund balance at beginning of year	127,673	127,673	-
Prior year encumbrances appropriated	<u>318,488</u>	<u>318,488</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 102,314</u>	<u>\$ 174,462</u>	<u>\$ 72,148</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ISSUE II IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 49,074	\$ 49,074	\$ -
Total revenues.	<u>49,074</u>	<u>49,074</u>	<u>-</u>
Expenditures:			
Capital outlay	<u>51,549</u>	<u>49,074</u>	<u>2,475</u>
Total expenditures.	<u>51,549</u>	<u>49,074</u>	<u>2,475</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(2,475)</u>	<u>-</u>	<u>2,475</u>
Net change in fund balance.	(2,475)	-	2,475
Fund balance at beginning of year	292,675	292,675	-
Prior year encumbrances appropriated	<u>19,931</u>	<u>19,931</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 310,131</u>	<u>\$ 312,606</u>	<u>\$ 2,475</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARK IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Income tax	\$ 82,381	\$ 82,808	\$ 427
Licenses and permits	32,550	32,550	-
Other	125,000	125,000	-
Total revenues.	<u>239,931</u>	<u>240,358</u>	<u>427</u>
Expenditures:			
Capital outlay	329,754	272,059	57,695
Total expenditures.	<u>329,754</u>	<u>272,059</u>	<u>57,695</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(89,823)</u>	<u>(31,701)</u>	<u>58,122</u>
Net change in fund balance.	(89,823)	(31,701)	58,122
Fund balance at beginning of year	132,441	132,441	-
Prior year encumbrances appropriated . .	<u>31,647</u>	<u>31,647</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 74,265</u>	<u>\$ 132,387</u>	<u>\$ 58,122</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER & SANITARY SEWER IMPROVEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses and permits	\$ 502,018	\$ 498,894	\$ (3,124)
Total revenues.	<u>502,018</u>	<u>498,894</u>	<u>(3,124)</u>
Expenditures:			
Capital outlay	17,639	12,941	4,698
Debt service			
Principal retirement.	117,353	115,041	2,312
Interest and fiscal charges.	<u>191,022</u>	<u>167,259</u>	<u>23,763</u>
Total expenditures.	<u>326,014</u>	<u>295,241</u>	<u>30,773</u>
Net change in fund balance.	176,004	203,653	27,649
Fund balance at beginning of year	920,283	920,283	-
Prior year encumbrances appropriated . .	<u>17,639</u>	<u>17,639</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,113,926</u>	<u>\$ 1,141,575</u>	<u>\$ 27,649</u>

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, 2004

	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 850,000	\$ 246,673	\$ (603,327)
Total revenues.	<u>850,000</u>	<u>246,673</u>	<u>(603,327)</u>
Expenditures:			
Capital outlay	<u>1,106,558</u>	<u>451,086</u>	<u>655,472</u>
Total expenditures.	<u>1,106,558</u>	<u>451,086</u>	<u>655,472</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(256,558)</u>	<u>(204,413)</u>	<u>52,145</u>
Other financing sources:			
Transfers in.	<u>540,000</u>	<u>540,000</u>	<u>-</u>
Total other financing sources	<u>540,000</u>	<u>540,000</u>	<u>-</u>
Net change in fund balance.	283,442	335,587	52,145
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 283,442</u>	<u>\$ 335,587</u>	<u>\$ 52,145</u>

VILLAGE OF NEW ALBANY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HARLEM/THOMPSON ISSUE II FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 151,580	\$ 41,580	\$ (110,000)
Other	-	110,000	110,000
Total revenues.	<u>151,580</u>	<u>151,580</u>	<u>-</u>
Expenditures:			
Capital outlay	<u>110,000</u>	<u>77,000</u>	<u>33,000</u>
Total expenditures.	<u>110,000</u>	<u>77,000</u>	<u>33,000</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>41,580</u>	<u>74,580</u>	<u>33,000</u>
Net change in fund balance.	41,580	74,580	33,000
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 41,580</u>	<u>\$ 74,580</u>	<u>\$ 33,000</u>

VILLAGE OF NEW ALBANY, OHIO

COMBINING STATEMENTS - NONMAJOR FIDUCIARY FUNDS

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

Agency Funds

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

Columbus Agency Fund

Subdivision Development Fund

Builder's Escrow Fund

Board of Building Standards

Mayor's Court

Columbus Annexation Fund

VILLAGE OF NEW ALBANY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Balance</u> <u>1/1/2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2004</u>
Columbus Agency Fund				
Assets:				
Equity in pooled cash and cash equivalents	\$ 73,951	\$ 72,797	\$ -	\$ 146,748
Total assets.	<u>\$ 73,951</u>	<u>\$ 72,797</u>	<u>\$ -</u>	<u>\$ 146,748</u>
Liabilities:				
Deposits held and due to others	\$ 73,951	\$ 72,797	\$ -	\$ 146,748
Total liabilities	<u>\$ 73,951</u>	<u>\$ 72,797</u>	<u>\$ -</u>	<u>\$ 146,748</u>
Subdivision Development Fund				
Assets:				
Equity in pooled cash and cash equivalents	\$ 507,554	-	\$ 188,904	\$ 318,650
Total assets.	<u>\$ 507,554</u>	<u>\$ -</u>	<u>\$ 188,904</u>	<u>\$ 318,650</u>
Liabilities:				
Accounts payable	\$ -	\$ 17,068	\$ -	\$ 17,068
Deposits held and due to others	507,554	-	205,972	301,582
Total liabilities	<u>\$ 507,554</u>	<u>\$ 17,068</u>	<u>\$ 205,972</u>	<u>\$ 318,650</u>
Builder's Escrow Fund				
Assets:				
Equity in pooled cash and cash equivalents	\$ 354,480	\$ 331,275	\$ 45,000	\$ 640,755
Total assets.	<u>\$ 354,480</u>	<u>\$ 331,275</u>	<u>\$ 45,000</u>	<u>\$ 640,755</u>
Liabilities:				
Deposits held and due to others	\$ 354,480	\$ 331,275	\$ 45,000	\$ 640,755
Total liabilities	<u>\$ 354,480</u>	<u>\$ 331,275</u>	<u>\$ 45,000</u>	<u>\$ 640,755</u>
Board of Building Standards				
Assets:				
Equity in pooled cash and cash equivalents	\$ 878	\$ -	\$ 283	\$ 595
Total assets.	<u>\$ 878</u>	<u>\$ -</u>	<u>\$ 283</u>	<u>\$ 595</u>
Liabilities:				
Deposits held and due to others	\$ 878	\$ -	\$ 283	\$ 595
Total liabilities	<u>\$ 878</u>	<u>\$ -</u>	<u>\$ 283</u>	<u>\$ 595</u>

- - continued

VILLAGE OF NEW ALBANY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2004

Mayor's Court

Assets:

Equity in pooled cash and cash equivalents	\$ (16,758)	\$ 40,973	\$ 16,758	\$ 7,457
Total assets.	<u>\$ (16,758)</u>	<u>\$ 40,973</u>	<u>\$ 16,758</u>	<u>\$ 7,457</u>

Liabilities:

Deposits held and due to others	\$ (16,758)	\$ 40,973	\$ 16,758	\$ 7,457
Total liabilities	<u>\$ (16,758)</u>	<u>\$ 40,973</u>	<u>\$ 16,758</u>	<u>\$ 7,457</u>

Columbus Annexation Fund

Assets:

Equity in pooled cash and cash equivalents	\$ -	\$ 151,580	\$ 151,580	\$ -
Total assets.	<u>\$ -</u>	<u>\$ 151,580</u>	<u>\$ 151,580</u>	<u>\$ -</u>

Liabilities:

Deposits held and due to others	\$ -	\$ 151,580	\$ 151,580	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 151,580</u>	<u>\$ 151,580</u>	<u>\$ -</u>

Total Agency Funds

Assets:

Equity in pooled cash and cash equivalents	\$ 920,105	\$ 596,625	\$ 402,525	\$ 1,114,205
Total assets.	<u>\$ 920,105</u>	<u>\$ 596,625</u>	<u>\$ 402,525</u>	<u>\$ 1,114,205</u>

Liabilities:

Accounts payable	\$ -	\$ 17,068	\$ -	\$ 17,068
Deposits held and due to others	920,105	596,625	419,593	1,097,137
Total liabilities	<u>\$ 920,105</u>	<u>\$ 613,693</u>	<u>\$ 419,593</u>	<u>\$ 1,114,205</u>

STATISTICAL SECTION

VILLAGE OF NEW ALBANY, OHIO
STATISTICAL SECTION

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

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

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

VILLAGE OF NEW ALBANY, OHIO

NET ASSETS BY COMPONENT
CURRENT FISCAL YEAR
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year
	2004
Governmental activities	
Invested in capital assets, net of related debt	\$ 4,902,025
Restricted	13,226,524
Unrestricted	(4,840,281)
Total governmental activities net assets	<u>\$ 13,288,268</u>

VILLAGE OF NEW ALBANY, OHIO

CHANGES IN NET ASSETS
CURRENT FISCAL YEAR
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year 2004
Expenses	
Governmental activities:	
General government	\$ 2,268,897
Security of persons and property	2,049,174
Public health and welfare	71,340
Transportation	1,362,349
Community environment	421,899
Leisure time activity	9,914
Economic development	5,786,667
Interest and fiscal charges	956,680
Total governmental activities expenses	12,926,920
Program Revenues	
Governmental activities:	
Charges for services:	
General government	\$ 1,196,148
Security of persons and property	106,268
Transportation	5,000
Community environment	388,313
Operating grants and contributions	
Transportation	294,986
Interest and fiscal charges	8,407
Capital grants and contributions	
Transportation	6,395,947
Total governmental program revenues	8,395,069
Net (Expense)/Revenue	
Governmental activities	\$ (4,531,851)
General Revenues and Other Changes in Net Assets	
Governmental activities:	
Taxes	
Property taxes	\$ 746,233
Income taxes	13,341,411
Unrestricted grants and contributions	218,124
Investment earnings	276,738
Payment in lieu of taxes	67,113
Miscellaneous	85,891
Total governmental activities	14,735,510
Change in Net Assets	
Governmental activities	\$ 10,203,659

VILLAGE OF NEW ALBANY, OHIO

FUND BALANCES, GOVERNMENTAL FUNDS
CURRENT FISCAL YEAR
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year
	2004
General Fund	
Reserved	\$ 144,420
Unreserved	5,421,291
	<hr/>
Total general fund	\$ 5,565,711
	<hr/>
All Other Governmental Funds	
Reserved	\$ 2,784,388
Unreserved, reported in:	
Special revenue funds	336,453
Capital projects funds	9,845,747
	<hr/>
Total all other governmental funds	\$ 12,966,588
	<hr/>

VILLAGE OF NEW ALBANY, OHIO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
CURRENT FISCAL YEAR
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year 2004
Revenues	
Income taxes	\$ 11,466,513
Property and other taxes	743,761
Charges for services	506,908
Licenses and permits	1,082,342
Fines and forfeitures	106,479
Intergovernmental	1,173,663
Payments in lieu of taxes	67,113
Investment income	282,135
Other	365,891
Total revenues	15,794,805
Expenditures	
Current:	
General government	1,950,445
Security of persons and property	1,751,971
Public health and welfare	71,340
Transportation	932,141
Community environment	423,634
Leisure time activity	9,914
Economic development	4,984,761
Capital outlay	3,294,312
Debt service:	
Principal retirement	556,357
Interest and fiscal charges	960,074
Total expenditures	14,934,949
Excess of revenues over (under) expenditures	859,856
Other Financing Sources (Uses)	
Capital lease transaction	8,128
Premium on notes sold	66,139
Transfers in	926,200
Transfers out	(926,200)
Total other financing sources	74,267
Net change in fund balances	\$ 934,123
Debt service as a percentage of noncapital expenditures	13.03%

VILLAGE OF NEW ALBANY, OHIO

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

Fiscal Year Ended December 31,	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2004	\$ 370,080,360	\$ 50,865,140	\$ 1,598,640	\$ 2,198,080	\$ 420,346,060	\$ 1.94
2003	344,535,760	37,251,620	1,442,750	2,238,360	380,991,770	1.94
2002	316,291,760	35,420,270	1,442,750	2,283,600	350,871,180	1.73
2001	255,334,550	25,859,690	1,233,560	3,101,340	279,326,460	1.72
2000	228,235,900	20,521,230	1,116,870	1,805,600	248,068,400	1.23
1999	215,444,070	15,085,440	1,015,660	3,022,040	228,523,130	1.57
1998	165,641,120	8,920,810	709,020	2,708,580	172,562,370	1.70
1997	141,570,300	8,321,160	645,640	3,010,270	147,526,830	1.71
1996	122,237,880	7,116,350	628,840	855,150	129,127,920	1.95
1995	90,798,440	7,203,810	604,270	1,540,300	97,066,220	1.95

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

VILLAGE OF NEW ALBANY, OHIO

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

Fiscal Year	Village Direct Rate		Overlapping Rates					Total
	Basic Rate	New Albany-Plain Local School District	Plain Township	Eastland-Fairfield Career and Technical Center	New Albany - Plain Park District and Columbus Public Library	Franklin County		
2004	\$ 1.94	\$ 58.10	\$ 11.42	\$ 2.00	\$ 4.07	\$ 18.44	\$ 95.97	
2003	1.94	59.19	11.17	2.00	3.47	17.64	95.41	
2002	1.73	50.17	11.69	2.00	2.95	17.64	86.18	
2001	1.72	52.03	11.80	2.00	2.95	17.64	88.14	
2000	1.23	52.17	12.35	2.00	2.95	17.64	88.34	
1999	1.57	47.46	9.31	2.00	2.20	17.64	80.18	
1998	1.70	49.34	9.34	2.00	2.20	17.54	82.12	
1997	1.71	50.45	9.42	1.20	2.20	15.22	80.20	
1996	1.95	39.08	9.21	1.20	2.20	15.12	68.76	
1995	1.95	39.54	9.16	1.20	2.20	14.82	68.87	

Source: Franklin County Auditor's Office

VILLAGE OF NEW ALBANY, OHIO
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR

2004

<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Abercrombie & Fitch	\$ 29,795,220	1	7.09%
Leslie H. Wexner	18,469,878	2	4.39%
Discover Financial Services	17,009,720	3	4.05%
New Albany Company, LP	14,111,875	4	3.36%
Too Brands, Inc.	7,500,325	5	1.78%
Duke Realty	4,153,660	6	0.99%
Robert W. Rahal	2,169,580	7	0.52%
Total	<u>\$ 93,210,258</u>		<u>22.18%</u>

Information from 1995 is not available

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

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2004	\$ 686,401	\$ 676,272	98.52%
2003	562,355	562,261	99.98%
2002	453,169	440,243	97.15%
2001	449,252	427,709	95.20%
2000	334,756	334,197	99.83%
1999	395,981	402,909	101.75%
1998	314,352	311,025	98.94%
1997	273,272	289,959	106.11%
1996	266,445	261,588	98.18%
1995	206,503	204,190	98.88%

VILLAGE OF NEW ALBANY, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Improvement Bonds	Capital Leases	OWDA Loans			
2004	\$ 13,215,000	\$ 3,190,000	\$ 106,004	\$ 2,693,207	\$ 19,204,211	5.76%	\$ 3,898
2003	13,460,000	3,355,000	129,192	2,808,248	19,752,440	6.40%	4,225
2002	-	3,505,000	-	2,820,477	6,325,477	2.27%	1,463
2001	-	3,655,000	-	2,899,497	6,554,497	2.49%	1,587
2000	-	3,805,000	-	2,816,489	6,621,489	2.87%	1,784
1999	-	3,945,000	88,354	536,529	4,569,883	2.56%	1,360
1998	-	-	88,072	565,356	653,428	0.45%	211
1997	-	-	87,789	577,868	665,657	0.60%	248
1996	-	-	42,832	595,097	637,929	0.81%	283
1995	-	-	-	614,936	614,936	1.01%	293

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

VILLAGE OF NEW ALBANY, OHIO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Capital Improvement Bonds	Total		
2004	\$ 13,215,000	\$ 3,190,000	\$ 16,405,000	3.90%	\$ 3,330
2003	13,460,000	3,355,000	16,815,000	4.41%	3,597
2002	-	3,505,000	3,505,000	1.00%	811
2001	-	3,655,000	3,655,000	1.31%	885
2000	-	3,805,000	3,805,000	1.53%	1,025
1999	-	3,945,000	3,945,000	1.73%	1,174
1998	-	-	-	0.00%	-
1997	-	-	-	0.00%	-
1996	-	-	-	0.00%	-
1995	-	-	-	0.00%	-

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

VILLAGE OF NEW ALBANY, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2004

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
New Albany Village	\$ 11,190,000	100.00%	\$ 11,190,000
Plain Local School District	84,529,709	59.00%	49,872,528
Franklin County	127,225,000	1.61%	2,048,323
Licking County	9,079,620	0.03%	2,724
Plain Township	2,644,998	82.89%	2,192,439
New Albany/Plain Park District	15,904,990	58.66%	9,329,867
Johnstown-Monroe Local School District	75,000	0.04%	30
Licking Heights Local School District	61,954,032	0.29%	179,667
Licking County Career Center Joint Vocational S. D.	31,970,000	0.03%	<u>9,591</u>
Subtotal, overlapping debt			\$ 74,825,168
City direct debt			<u>19,204,211</u>
Total direct and overlapping debt			<u>\$ 94,029,379</u>

Sources: Ohio Municipal Advisory Council

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

VILLAGE OF NEW ALBANY, OHIO

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Debt Service Available Balance	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2004	\$ 44,136,336	\$ 16,405,000	\$ -	\$ 27,731,336	37.17%
2003	40,004,136	16,815,000	-	23,189,136	42.03%
2002	36,841,474	3,505,000	9,121	33,345,595	9.51%
2001	29,329,278	3,655,000	-	25,674,278	12.46%
2000	26,047,182	3,805,000	-	22,242,182	14.61%
1999	23,994,929	3,945,000	-	20,049,929	16.44%
1998	18,119,049	-	-	18,119,049	0.00%
1997	15,490,317	-	574	15,490,891	0.00%
1996	13,558,432	-	-	13,558,432	0.00%
1995	10,191,953	-	-	10,191,953	0.00%

VILLAGE OF NEW ALBANY, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age</u>	<u>Education Level in Years of Schooling</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rates</u>		
							<u>Franklin County</u>	<u>Ohio</u>	<u>United States</u>
2004	4,927	\$ 333,290,782	\$ 67,646	37.6	12+	2,877	4.9%	5.7%	5.1%
2003	4,675	308,832,074	66,060	37.6	12+	2,592	4.0%	5.5%	5.7%
2002	4,323	279,158,197	64,575	37.6	12+	2,292	3.9%	5.3%	6.0%
2001	4,131	263,336,403	63,746	37.6	12+	1,993	3.1%	4.8%	5.8%
2000	3,711	230,568,141	62,131	37.6	12+	1,700	2.1%	3.9%	4.0%
1999	3,361	178,582,030	53,134	39.5	12	1,446	2.1%	4.0%	4.1%
1998	3,100	145,948,000	47,080	39.5	12	1,289	2.5%	4.3%	4.5%
1997	2,688	110,407,933	41,074	39.5	12	1,105	2.7%	4.6%	4.9%
1996	2,253	78,905,490	35,022	39.5	12	955	3.1%	4.9%	5.4%
1995	2,098	60,864,197	29,011	40	12	876	3.3%	4.8%	5.6%

(1) Mid-Ohio Regional Planning Commission

(2) U. S. Census Bureau

(3) Plain Local School Treasurer

VILLAGE OF NEW ALBANY, OHIO

PRINCIPAL EMPLOYERS
CURRENT YEAR

Employer	2004		
	Employees	Rank	Percentage of Total Village Employment
Discover Financial Services	1,963	1	21.00%
Abercrombie & Fitch	1,585	2	17.00%
Aetna Life Insurance	973	3	10.00%
New Albany Plain Local Schools	440	4	5.00%
Too Brands, Inc.	419	5	4.00%
MP Totalcare Supply, Inc.	223	6	2.00%
New Albany Surgical Hospital	183	7	2.00%
Village of New Albany	50	8	>1.00%
Orthopedic & Neurological Consultants	42	9	>1.00%
MRS Associates, Inc.	26	10	>1.00%
Total	5,904		61.00%

Note: Information from 1995 was not available

VILLAGE OF NEW ALBANY ,OHIO

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

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

Note: Information before 1999 was not available

VILLAGE OF NEW ALBANY, OHIO

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Police										
Physical arrests	470	352	285	420	416	410	438	393	365	N/A
Parking violations	2,105	2,014	2,197	2,998	2,472	1,862	2,282	2,301	2,475	N/A
Other public works										
Street resurfacing (miles)	2.53	0.69	-	-	-	-	-	-	-	-
Potholes repaired	150	10	-	-	-	-	-	-	-	-

Note: Information for 1995 was not available

VILLAGE OF NEW ALBANY, OHIO

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	6	6	6	6	6	6	6	3	3	3

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

Report Issued Pursuant to

Government Auditing Standards

For the year ended December 31, 2004



**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, 2004, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated October 25, 2005. As discussed in Note 3 to the basic financial statements, the Village has presented for the first time its financial statements in accordance with accounting principles generally accepted in the United States of America and has implemented GASB Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

However, we noted certain matters that we reported to management of the Village in a separate letter dated October 25, 2005.

Village of New Albany, Ohio
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*.
Page 2

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

Kennedy, Cottrell + Associates LLC

Kennedy, Cottrell + Associates
October 25, 2005



**Auditor of State
Betty Montgomery**

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VILLAGE OF NEW ALBANY

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 1, 2005**