

NEW ISSUE BOOK-ENTRY FORM ONLY

Rating: Moody's: Aa2
See "RATINGS" herein.

In the opinion of Bricker & Eckler LLP, Bond Counsel, under existing law, assuming continuing compliance with certain covenants and the accuracy of certain representations, (i) interest on the Series 2010A Bonds is excluded from gross income for federal income tax purposes; (ii) interest on the Series 2010A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code of 1986, as amended (the "Code"); (iii) interest on the Series 2010B Bonds is not excluded from gross income for federal income tax purposes; (iv) interest on and any profit made on the sale, exchange or other disposition of the Series 2010A Bonds and the Series 2010B Bonds is exempt from taxes levied by the State of Ohio and its political subdivisions; and (v) interest on the Series 2010A Bonds may be subject to certain federal income taxes imposed on certain corporations. The Village has designated the Series 2010A Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.



OFFICIAL STATEMENT
VILLAGE OF NEW ALBANY, OHIO

\$5,850,000
Various Purpose Bonds, Series 2010A
(General Obligation – Limited Tax)
(Tax-Exempt)

\$4,820,000
Infrastructure Improvement Bonds, Series 2010B
(General Obligation – Limited Tax)
(Federally Taxable – Build America Bonds – Direct Payment)

Dated: Date of Delivery

Due: December 1, as shown on the inside cover

The Series 2010A Bonds and the Series 2010B Bonds (collectively, the "Bonds") are unvoted general obligation debt of the Village of New Albany, Ohio (the "Village"). The full faith, credit and revenue of the Village are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE VILLAGE'S GENERAL OBLIGATION DEBT" herein.

Interest on the Bonds will be payable at the respective rates shown on the inside cover herein on June 1 and December 1 of each year, beginning June 1, 2010, to the Bondholders of record as of the record dates described in the Bond Legislation (as defined herein).

Principal of the Bonds will be payable at the designated office of The Huntington National Bank, Columbus, Ohio, as registrar, paying agent, and transfer agent for the Bonds.

The Bonds will be issuable as fully registered bonds without coupons in the denominations set forth herein. The Bonds will be issuable under a book-entry-only method and registered in the name of The Depository Trust Company ("DTC") or its nominee. There will be no physical delivery of the Bonds to the ultimate purchasers. The Underwriter has satisfied the requirements of DTC for the Bonds to be eligible for its book-entry services. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Series 2010A Bonds are not subject to redemption prior to stated maturity. The Series 2010B Bonds maturing on December 1, 2025 and December 1, 2029 are subject to mandatory sinking fund redemption prior to maturity. The Series 2010B Bonds will be subject to extraordinary optional redemption prior to stated maturity. The Series 2010B Bonds maturing on or after December 1, 2020 will be subject to optional redemption prior to stated maturity, as set forth herein. See "THE BONDS – Redemption Provisions" herein.

The Village has irrevocably designated the Series 2010B Bonds as "Build America Bonds" under Section 54AA of the Code and has irrevocably elected under Section 54AA(g) to treat the Series 2010B Bonds as "qualified bonds" under Section 54AA(g) of the Code and to receive a direct payment from the United States Department of the Treasury equal to 35% of the stated interest paid on the Series 2010B Bonds as provided in Section 6431 of the Code. See "THE BONDS – Designation of Series 2010B Bonds as Build America Bonds" herein.

The Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale and to withdrawal or modification of the offer without notice.

Certain legal matters relating to the issuance of the Bonds are subject to the approving opinion of Bricker & Eckler LLP, Columbus, Ohio, Bond Counsel to the Village. See "LEGAL MATTERS" and "TAX MATTERS" herein.

This cover page contains certain information for general reference only. It is not a summary of the provisions of the Bonds. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision about the Bonds.

This Official Statement has been prepared by the Village in connection with the original offering for sale by it of the Bonds. It is expected that delivery of the Bonds in definitive form will be made through DTC on or about February 9, 2010. The date of this Official Statement is January 26, 2010, and the information herein speaks only as of that date.

George K. Baum & Company

VILLAGE OF NEW ALBANY, OHIO

\$5,850,000
Various Purpose Bonds, Series 2010A
(General Obligation – Limited Tax)
(Tax-Exempt)

\$4,820,000
Infrastructure Improvement Bonds, Series 2010B
(General Obligation – Limited Tax)
(Federally Taxable – Build America Bonds – Direct Payment)

\$5,850,000
SERIES 2010A BONDS

SERIAL BONDS

Year (December 1)	Principal Maturing	Interest Rate	Yield	CUSIP [†]
2010	\$630,000	2.000%	0.750%	641840 CR2
2011	700,000	2.000	1.150	641840 CS0
2012	710,000	2.000	1.300	641840 CT8
2013	725,000	2.000	1.500	641840 CU5
2014	745,000	2.250	1.950	641840 CV3
2015	760,000	2.750	2.300	641840 CW1
2016	780,000	3.000	2.650	641840 CX9
2017	500,000	3.250	2.950	641840 CY7
2018	300,000	3.500	3.200	641840 CZ4

\$4,820,000
SERIES 2010B BONDS

SERIAL BONDS

Year (December 1)	Principal Maturing	Interest Rate	Yield	CUSIP [†]
2017	\$300,000	4.400%	4.400%	641840 DA8
2018	315,000	4.550	4.550	641840 DD2
2019	325,000	4.700	4.700	641840 DE0
2020	330,000	4.800	4.800	641840 DF7
2021	340,000	5.000	5.000	641840 DG5

TERM BONDS

Year (December 1)	Principal Maturing	Interest Rate	Yield	CUSIP [†]
2025	\$1,490,000	5.550%	5.550%	641840 DB6
2029	1,720,000	6.000	6.000	641840 DC4

The Series 2010B Bonds maturing on December 1, 2025 and December 1, 2029 are subject to mandatory sinking fund redemption prior to stated maturity. (See “THE BONDS – Redemption Provisions – Mandatory Sinking Fund Redemption” herein.)

[†] The Village is not responsible for the use of the CUSIP numbers referenced herein nor is any representation made by the Village as to their correctness; such CUSIP numbers are included solely for the convenience of the readers of the Official Statement.

VILLAGE OF NEW ALBANY, OHIO

\$5,850,000
Various Purpose Bonds, Series 2010A
(General Obligation – Limited Tax)
(Tax-Exempt)

\$4,820,000
Infrastructure Improvement Bonds, Series 2010B
(General Obligation – Limited Tax)
(Federally Taxable – Build America Bonds – Direct Payment)

VILLAGE COUNCIL

Nancy I. Ferguson
Mayor

Colleen H. Briscoe
Council Member

Edward J. Fellows
Council Member

Dr. Glyde A. Marsh
Council Member

Stephen G. Pleasnick
Council Member

Sloan T. Spaulding
Council Member

Christopher A. Wolfe
Council Member

VILLAGE ADMINISTRATION

Joseph F. Stefanov
Village Administrator

James M. Nicholson
Director of Finance

Debra K. Mecozzi
Deputy Village Administrator

Betty J. Bosko
Village Clerk

Mitchell H. Banchevsky
Village Attorney

PROFESSIONAL SERVICES

George K. Baum & Company
Underwriter

Bricker & Eckler LLP
Bond Counsel

The Arbitrage Group, Inc.
Escrow Verification Agent

The Huntington National Bank
Paying Agent/Bond Registrar/Escrow Trustee

REGARDING THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the Village of New Albany, Ohio (the “Village”) identified on the Cover hereof. No person has been authorized by the Village to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been given or authorized by the Village. Statements contained in this Official Statement that involve estimates, forecasts, or matters of opinion, whether or not expressly described herein, are intended solely as such and are not to be construed as representations of facts.

The information set forth herein has been obtained from the Village and other sources that are believed to be reliable for purposes of this Official Statement. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions or that they will be realized. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village since the date hereof.

Certain information in this Official Statement is attributed to the Ohio Municipal Advisory Council (“OMAC”). OMAC compiles information from official and other sources. OMAC believes the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guarantee its accuracy. OMAC has not reviewed this Official Statement to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

UPON ISSUANCE, THE BONDS WILL NOT BE REGISTERED BY THE VILLAGE UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAW OF ANY STATE, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. THE BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, NOR HAS ANY OTHER FEDERAL, STATE, MUNICIPAL OR OTHER GOVERNMENTAL ENTITY OR AGENCY, EXCEPT THE VILLAGE COUNCIL OF THE VILLAGE, PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE BONDS FOR SALE. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF, THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER HEREOF AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

INVESTMENT CONSIDERATIONS

General

The Bonds, like all obligations of state and local governments, are subject to changes in value due to changes in the condition of the market for taxable and tax-exempt obligations or changes in the financial position of the Village.

It is possible under certain market conditions, or if the financial condition of the Village should change, that the market price of the Bonds could be adversely affected. With regard to the risk involved in a downward revision or withdrawal of one or more of the ratings for the Bonds shown on the Cover hereof, see "RATINGS" herein.

With regard to the risk involved in a loss of the exclusion from gross income for purposes of federal income taxation of interest payable on the Series 2010A Bonds, see "TAX MATTERS" herein.

Prospective purchasers of the Bonds should consult their own tax advisors prior to any purchase of the Bonds as to the impact of the Internal Revenue Code of 1986, as amended (the "Code"), upon their acquisition, holding or disposition of the Bonds.

Prepayments of Principal

The Bonds allow the Village to prepay certain maturities of the principal of the Bonds without penalty. (See "THE BONDS – Redemption Provisions – Optional Redemption" and "– Extraordinary Optional Redemption" herein.) If such Bonds were to be prepaid before scheduled maturity, the investor would not receive the anticipated yield through the scheduled maturity date. In such a prepayment situation there is no guarantee that the investor could reinvest the proceeds and receive a comparable yield for the period remaining until the scheduled maturity of the Bonds. The investor, therefore, may receive a lower total return for the period beginning on the date of purchase through the scheduled date of maturity than anticipated.

[Balance of Page Intentionally Left Blank]

BOND ISSUE SUMMARY

The information contained in this Bond Issue Summary is qualified in its entirety by the entire Official Statement, which should be reviewed in its entirety by potential investors.

Issuer:	Village of New Albany, Ohio
Issues:	\$5,850,000 Various Purpose Bonds, Series 2010A (General Obligation – Limited Tax) (Tax-Exempt) (the “Series 2010A Bonds”) \$4,820,000 Infrastructure Improvement Bonds, Series 2010B (General Obligation – Limited Tax) (Federally Taxable – Build America Bonds – Direct Payment) (the “Series 2010B Bonds”)
Dated Date:	Date of Delivery
Interest Payment Dates:	Interest on the Bonds will be paid each June 1 and December 1, beginning June 1, 2010.
Principal Payment Dates:	<i>Series 2010A Bonds:</i> December 1, 2010 through December 1, 2018, inclusive. <i>Series 2010B Bonds:</i> December 1, 2017 through December 1, 2029, inclusive.
Redemption:	The Series 2010A Bonds are not subject to redemption prior to stated maturity. (See “THE BONDS – Redemption Provisions” herein.) The Series 2010B Bonds maturing on December 1, 2025 and December 1, 2029 are subject to mandatory sinking fund redemption prior to stated maturity. (See “THE BONDS – Redemption Provisions – Mandatory Sinking Fund Redemption” herein.) The Series 2010B Bonds maturing on or after December 1, 2020 are subject to redemption at the option of the Village, either in whole or in part, in such order of maturity as the Village shall determine, on any date on or after December 1, 2019, at a redemption price equal to 100% of the principal amount redeemed plus, in each case, accrued interest to the date fixed for redemption. (See “THE BONDS – Redemption Provisions – Optional Redemption” herein.) The Series 2010B Bonds are subject to extraordinary optional redemption prior to stated maturity in the event that the United States Department of the Treasury (the “Treasury”) should cease, or announce its intention to cease, making full payment of the direct payment provided for in Section 6431 of the Code, which direct payment is equal to 35% of the stated interest paid on the Series 2010B Bonds. (See “THE BONDS – Redemption Provisions – Extraordinary Optional Redemption” herein.)
Purpose:	The Series 2010A Bonds are being issued for the purposes of (i) constructing public infrastructure improvements including but not limited to roads, streets, underground utilities, waterlines, sewers, and related capital improvements and all necessary appurtenances thereto, (ii) advance refunding a portion of the Village’s Land Acquisition Notes, Series 2009, dated August 4, 2009, and (iii) advance refunding a portion of the Village’s Capital Improvement Bonds, Series 1999, dated February 1, 1999. The Series 2010B Bonds are being issued for the purpose of constructing public infrastructure improvements including but not limited to roads, streets, underground utilities, waterlines, sewers, and related capital improvements and all necessary appurtenances thereto. (See “THE BONDS – Authorization and Purpose” herein.)
Security:	The Bonds will be unvoted general obligation debt of the Village. The Bonds will contain a pledge of the full faith and credit of the Village for the payment of the principal of and interest on the Bonds when due.
Credit Rating:	The Village has applied for a rating of the Bonds from Moody’s Investors Service, Inc., which has rated the Bonds “Aa2”. (See “RATINGS” herein.)

Tax Matters:	In the opinion of Bond Counsel, under existing law and assuming compliance with certain covenants, (i) interest on the Series 2010A Bonds is excluded from gross income for federal income tax purposes; (ii) interest on the Series 2010A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations under the Code, (iii) interest on the Series 2010B Bonds is <u>not</u> excluded from gross income for federal income tax purposes; (iv) interest on and any profit made on the sale, exchange or other disposition of the Bonds is exempt from taxes levied by the State of Ohio and its political subdivisions; and (v) interest on the Series 2010A Bonds may be subject to certain federal income taxes imposed on certain corporations. (See “TAX MATTERS” herein.)
Build America Bonds:	The Village expects to irrevocably designate the Series 2010B Bonds as Build America Bonds under Section 54AA of the Code and to elect under Section 54AA(g) to receive a direct payment from the Treasury equal to 35% of the stated interest paid on the Series 2010B Bonds as provided in Section 6431 of the Code. (See “THE BONDS – Designation of Series 2010B Bonds as Build America Bonds” herein.)
Bank Qualification:	The Village has designated the Series 2010A Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.
Legal Opinion:	Bricker & Eckler LLP, Columbus, Ohio
Underwriter:	George K. Baum & Company, Columbus, Ohio
Bond Registrar, Paying Agent and Escrow Trustee:	The Huntington National Bank, Columbus, Ohio
Escrow Verification Agent:	The Arbitrage Group, Inc., Houston, Texas
Book-Entry-Only System:	The Bonds are being issued as fully registered Bonds in book-entry form only and book-entry interests therein will be available for purchase in amounts of \$5,000 and integral multiples thereof. Owners of book-entry interests will not receive physical delivery of bond certificates. DTC or its nominee will receive all payments with respect to the Bonds from the Paying Agent and Registrar. DTC is required by its rules and procedures to remit such payments to its participants for subsequent disbursement to owners of the book-entry interests.
Delivery and Payment:	It is expected that delivery of the Bonds in definitive form will be made through DTC on or about February 9, 2010. The Bonds will be released to the Underwriter against payment in federal funds.
Village Official:	Questions concerning the Official Statement should be directed to James M. Nicholson, Director of Finance, 99 W. Main Street, P.O. Box 188, New Albany, Ohio 43054. Telephone: (614) 855-3913. Email: jnicholson@villageofnewalbany.org.

[Balance of Page Intentionally Left Blank]

TABLE OF CONTENTS

	<u>Page</u>
REGARDING THIS OFFICIAL STATEMENT	ii
INVESTMENT CONSIDERATIONS	iii
General	iii
Prepayments of Principal	iii
BOND ISSUE SUMMARY	iv
INTRODUCTORY STATEMENT	1
DEFINITIONS	2
THE BONDS	3
Authorization and Purpose	3
Form and Terms	4
Designation of Series 2010B Bonds as Build America Bonds	4
Redemption Provisions	4
ESTIMATED SOURCES AND USES OF FUNDS	6
SECURITY AND SOURCES OF PAYMENT FOR THE VILLAGE’S GENERAL OBLIGATION	
DEBT	6
Security for the Bonds	6
Municipal Bankruptcy	7
UNDERWRITING	7
RATINGS	8
LITIGATION	8
LEGAL MATTERS	9
TAX MATTERS	9
General	9
Tax Matters Relating to Build America Bonds	10
Original Issue Discount	10
Amortizable Bond Premium	11
BOOK-ENTRY-ONLY SYSTEM	12
Revision of Book-Entry-Only System - Replacement Bonds	14
VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS	14
TRANSCRIPT AND CLOSING DOCUMENTS	14
CONTINUING DISCLOSURE	15
CONCLUDING STATEMENT	15
APPENDIX A	A-1
THE VILLAGE OF NEW ALBANY	A-1
GENERAL INFORMATION	A-1
Introduction	A-1
Map of Geographic Area	A-3
Village Government	A-4
Village Employees	A-5
Pension Obligations	A-5
Village Facilities	A-6
Village Services	A-6
POPULATION, EMPLOYMENT, AND ECONOMY	A-7
Population	A-7
Employment and Income	A-7

Building Permit Values	A-8
Ad Valorem Taxes and Assessed Valuation.....	A-12
Delinquency Procedures.....	A-13
State Reimbursement of Property Tax Revenues.....	A-14
Real Property Values.....	A-16
Historic Growth in Assessed Valuation.....	A-16
Largest Taxpayers	A-17
Property Tax Rate Calculations	A-18
Property Tax Revenues	A-18
Budgeting, Tax Levy and Appropriations Procedure.....	A-19
Investment of Funds	A-19
Income Tax Revenues	A-19
VILLAGE DEBT AND DEBT LIMITATIONS.....	A-21
Statutory Debt Limitations	A-21
Bond Anticipation Notes.....	A-23
Village Debt Currently Outstanding	A-24
Debt Service Requirements.....	A-25
Overlapping Subdivision Indebtedness	A-26
Outstanding Special Obligations.....	A-27
Leases and Other Long Term Obligations.....	A-27
Village Insurance.....	A-27
Future Financings	A-28
FINANCES OF THE VILLAGE	A-28
Financial Reports and Audits.....	A-28
General Fund Revenue Sources	A-29
APPENDIX B – Financial Statements for the Fiscal Year 2008	B-1
APPENDIX C – Form of Approving Legal Opinion of Bricker & Eckler LLP.....	C-1
APPENDIX D – Sample Closing Certificates	D-1
APPENDIX E – Sample Continuing Disclosure Certificate.....	E-1

[Balance of Page Intentionally Left Blank]

[THIS PAGE INTENTIONALLY LEFT BLANK]

VILLAGE OF NEW ALBANY, OHIO

\$5,850,000
Various Purpose Bonds, Series 2010A
(General Obligation – Limited Tax)
(Tax-Exempt)

\$4,820,000
Infrastructure Improvement Bonds, Series 2010B
(General Obligation – Limited Tax)
(Federally Taxable – Build America Bonds – Direct Payment)

INTRODUCTORY STATEMENT

This Official Statement has been prepared by the Village in connection with the original issuance and sale by the Village of the Bonds identified on the Cover.

All financial and other information presented herein has been provided by the Village from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the Village. No representation is made that past experience, as might be shown by such financial and other information, will necessarily continue or be repeated in the future.

Certain statements contained in this Official Statement, including, without limitation, statements containing the words “believes,” “anticipates,” “expects” and words of similar import, involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Village to be materially different from any future results, performance or achievements expressed or implied by such statements. Such factors include, among others, general economic conditions, demographic changes, and existing government regulations and changes in, or the failure to comply with, government regulations. Certain of these factors are discussed in more detail elsewhere in this Official Statement. Given these uncertainties, readers of this Official Statement and investors are cautioned not to place undue reliance on such forward-looking statements.

This Official Statement should be considered in its entirety and no subject discussed should be considered less important than any other subject by reason of its location in the text. Reference should be made to laws, reports or documents referred to for more complete information regarding their contents.

References herein to provisions of Ohio law, whether codified in the Ohio Revised Code or uncodified, the Ohio Constitution, or federal law, are references to such provisions as they presently exist. Provisions of the Ohio law and the Ohio Constitution and federal law may in the future, and from time to time, be amended, repealed or supplemented.

Additional information relating to the financial condition of the Village may be obtained by contacting its Director of Finance, James M. Nicholson, 99 W. Main Street, P.O. Box 188, New Albany, Ohio 43054. Telephone: (614) 855-3913. Email: jnicholson@villageofnewalbany.org.

[Balance of Page Intentionally Left Blank]

DEFINITIONS

The following capitalized terms, as used in this Official Statement and the Appendices attached hereto, have the following meanings unless otherwise indicated:

“Annual Report” means any annual report provided by the Village referred to in this Official Statement and any appendix hereto, and includes any Comprehensive Annual Financial Report of the Village.

“Bankruptcy Code” means Title 11 of the United States Code.

“Bond Counsel” means Bricker & Eckler LLP, Columbus, Ohio.

“Bond Registrar” means The Huntington National Bank, Columbus, Ohio.

“Charter” means the Charter of the Village.

“Code” means the Internal Revenue Code of 1986, as amended.

“Council” means the Village Council of the Village.

“County” means Franklin County, Ohio or Licking County, Ohio, as applicable.

“County Auditor” means the County Auditor of the County.

“Cover” means the cover page and the inside cover of this Official Statement.

“Director of Finance” means the Director of Finance of the Village.

“Escrow Trustee” means The Huntington National Bank, Columbus, Ohio.

“MSA” means the Columbus Metropolitan Statistical Area, as defined by the United States Office of Management and Budget.

“OMAC” means the Ohio Municipal Advisory Council, a data clearing house organization supported by investment banking firms active in Ohio.

“Refunded Bonds” means, collectively, the Refunded 1999 Bonds and the Refunded 2009 Note.

“Refunded 1999 Bonds” means \$2,255,000 in aggregate principal amount of the Village’s Capital Improvement Bonds, Series 1999 (General Obligation – Limited Tax), dated February 1, 1999, maturing on December 1, 2010, December 1, 2011, December 1, 2014, and December 1, 2018.

“Refunded 2009 Note” means \$1,500,000 in aggregate principal amount of the Village’s Land Acquisition Notes, Series 2009, dated August 4, 2009, maturing on August 3, 2010.

“State” or **“Ohio”** means the State of Ohio.

“State Auditor” means Auditor of the State.

“Tax Commissioner” means the Tax Commissioner of the State.

“Tax-Exempt Bonds” means Bonds the interest on which is excludible from gross income for purposes of federal income taxation.

“Underwriter” means George K. Baum & Company.

“Village” means the Village of New Albany, Ohio.

THE BONDS

Authorization and Purpose

The Bonds are authorized by (i) Ordinance No. O-46-2009, passed by the Council on November 17, 2009, (ii) Ordinance No. O-47-2009, passed by the Council on November 17, 2009, and (iii) Ordinance No. O-50-2009, passed by the Council on November 17, 2009, as amended by Ordinance No. O-06-2010, passed by the Council on January 19, 2010 (collectively, the “Bond Legislation”).

The Bonds are issued in conformity with Ohio Revised Code Chapter 133, and are, therefore, lawful investments for banks, savings and loan associations, credit union share guaranty corporations, trust companies, trustees, fiduciaries, insurance companies, including domestic for life and domestic not for life, trustees or other officers having charge of sinking and bond retirement or other funds of the State, subdivisions and taxing districts, the Commissioners of the Sinking Fund of the State, the Administrator of Workers’ Compensation, the State teachers, public employees, and school employees retirement systems, and the police and firemen’s disability and pension fund, and are eligible as security for the repayment of the deposit of public moneys.

The Series 2010A Bonds are limited tax general obligation bonds issued for the purposes of (i) constructing public infrastructure improvements including but not limited to roads, streets, underground utilities, waterlines, sewers, and related capital improvements and all necessary appurtenances thereto, (ii) advance refunding the Refunded 2009 Note, which Refunded 2009 Note was issued for the purpose of acquiring one or more parcels of real property for parkland, recreation or other public use with related site improvements and necessary appurtenances thereto, and (iii) advance refunding the Refunded 1999 Bonds, which Refunded 1999 Bonds were issued for the purpose of paying costs associated with the 1999 Capital Improvement Program including acquisition of land and construction of a Village Hall with related furnishings, equipment, and site improvements, improving Market Street by constructing infrastructure, streetscape, and related improvements, and improving Swickard Park by constructing an entranceway, parking lot, gazebo, and related facilities.

The Series 2010B Bonds are limited tax general obligation bonds issued for the purpose of constructing public infrastructure improvements including but not limited to roads, streets, underground utilities, waterlines, sewers, and related capital improvements and all necessary appurtenances thereto.

A portion of the proceeds of the Series 2010A Bonds will be deposited with the Village to pay the costs of constructing certain public infrastructure improvements including but not limited to roads, streets, underground utilities, waterlines, sewers, and related capital improvements and all necessary appurtenances thereto as described in Ordinance No. O-46-2009. The remaining proceeds of the Series 2010A Bonds will be deposited in an escrow fund (the “Escrow Fund”) within the Village’s bond retirement fund and will be used to advance refund the Refunded Bonds as described in Ordinance Nos. O-47-2009, O-50-2009, and O-06-2010. The Escrow Fund will be held by The Huntington National Bank, as Escrow Trustee. Monies in the Escrow Fund will be invested in direct obligations of the United States of America and applied by the Escrow Trustee (i) to retire the Refunded 2009 Note on August 3, 2010, the date on which the Refunded 2009 Note is scheduled to mature, and (ii) to retire the Refunded 1999 Bonds on June 1, 2010, the earliest call date for such Refunded 1999 Bonds. The proceeds of the Series 2010B Bonds will be deposited with the Village to pay the costs of constructing certain public infrastructure improvements including but not limited to roads, streets, underground utilities, waterlines, sewers, and related capital improvements and all necessary appurtenances thereto as described in Ordinance No. O-46-2009.

The final maturity of the Series 2010A Bonds cannot exceed 25 years from the date of issuance, cannot extend beyond the original maximum maturity of the Refunded 2009 Note, and cannot extend beyond the original maximum maturity of the Refunded 1999 Bonds. The final maturity of the Series 2010B Bonds cannot exceed 25 years from the date of issuance.

Form and Terms

The Bonds will be issued in fully registered form and will bear interest from their dated date until maturity or earlier redemption, at the rates per annum as set forth on the Cover hereof, payable on June 1 and December 1 of each year, and will mature on December 1 in the years as indicated on the Cover of this Official Statement. The Bonds will be issued in denominations of \$5,000 or any integral multiple thereof; provided, that so long as the Bonds shall be in book-entry form and held by a depository, each Bond will be of a single maturity, and will be numbered as determined by the Director of Finance.

Principal of the Bonds will be payable at maturity, in lawful money of the United States of America, at the designated office of The Huntington National Bank, Columbus, Ohio, which has been designated by the Council as the bond registrar, paying agent, and transfer agent for the Bonds (the “Bond Registrar”). Interest on the Bonds will be payable to the person whose name appears as the registered holder thereof on the registration records maintained by the Bond Registrar, on the respective Record Date (15th day next preceding an interest payment date) by check mailed to such registered holder at the address of such registered holder as it appears on the registration records. No deduction shall be made for exchange, collection, or service charges.

Designation of Series 2010B Bonds as Build America Bonds

The Village has irrevocably designated the Series 2010B Bonds as Build America Bonds under Section 54AA of the Code and has irrevocably elected to treat the Series 2010B Bonds as “qualified bonds” under Section 54AA(g) of the Code and to receive payments directly from the United States Department of the Treasury (the “Treasury”) equal to 35% of the stated interest paid on the Series 2010B Bonds as provided in Section 6431 of the Code.

Redemption Provisions

The Series 2010A Bonds are not subject to redemption prior to stated maturity. The Series 2010B Bonds are subject to redemption prior to stated maturity as described herein.

Mandatory Sinking Fund Redemption

The Series 2010B Bonds maturing on December 1, 2025 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

<u>Year</u>	<u>Principal Amount to Be Redeemed</u>
2022	\$355,000
2023	365,000
2024	380,000

The remaining principal amount of such bonds (\$390,000) will mature at stated maturity on December 1, 2025.

The Series 2010B Bonds maturing on December 1, 2029 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

<u>Year</u>	<u>Principal Amount to Be Redeemed</u>
2026	\$405,000
2027	420,000
2028	440,000

The remaining principal amount of such bonds (\$455,000) will mature at stated maturity on December 1, 2029.

Optional Redemption

The Series 2010B Bonds maturing on or after December 1, 2020 are subject to redemption at the option of the Village, either in whole or in part, in such order of maturity as the Village shall determine, on any date on or after December 1, 2019, at a redemption price equal to 100% of the principal amount redeemed plus, in each case, accrued interest to the date fixed for redemption.

Extraordinary Optional Redemption

The Series 2010B Bonds are subject to redemption at the option of the Village, either in whole or in part, in such order of maturity as the Village shall determine, on any date at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the date fixed for redemption, in the event that the Treasury should cease, or announce its intention to cease, making direct payments equal to 35% of the stated interest paid on the Series 2010B Bonds as provided in Section 6431 of the Code.

Redemption Procedures

When partial redemption is authorized, the Bonds or portions thereof will be selected by lot within a maturity in such manner as the Bond Registrar may determine, provided, however, that the portion of any such Bond so selected will be in the amount of \$5,000 or any integral multiple thereof.

The notice of the call for redemption of Bonds shall identify (i) by designation, letters, numbers or other distinguishing marks, such Bonds or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption, and (iv) the place or places where the amounts due upon redemption are payable. From and after the specified redemption date, interest on such Bonds (or portions thereof) called for redemption shall cease to accrue. Such notice shall be sent by first class mail to each such registered holder at the address shown in the Bond registration records at least 30 days prior to the redemption date. Failure to receive such notice or any defect therein shall not affect the validity of the proceedings for the redemption of any such Bond.

[Balance of Page Intentionally Left Blank]

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Bonds, other than accrued interest, if any (which will be deposited in the Village's bond retirement fund and used to pay interest on the Bonds), will be applied as follows:

Sources	
Par value of Series 2010A Bonds	\$ 5,850,000.00
Plus: net original issue premium	106,821.60
Par value of Series 2010B Bonds	4,820,000.00
Total Sources	<u>\$ 10,776,821.60</u>
Uses	
Deposit to Project Fund	\$ 6,700,000.00
Deposit to Escrow Fund	
SLGS Purchase for Refunded 2009 Note	1,499,281.00
SLGS Purchase for Refunded 1999 Bonds	2,329,089.08
Deposit to Bond Retirement Fund	2,901.52
Costs of Issuance*	245,550.00
Total Uses	<u>\$ 10,776,821.60</u>

* Includes Underwriter's compensation, rating fees, printing and distribution costs, legal fees, escrow fees, verification agent fees, and miscellaneous expenses.

SECURITY AND SOURCES OF PAYMENT FOR THE VILLAGE'S GENERAL OBLIGATION DEBT

Security for the Bonds

The Bonds are secured by a pledge of the full faith and credit of the Village. This pledge includes all of the funds of the Village, except those prohibited from use by the Ohio Constitution, Ohio or federal law or specifically limited to another use, such as tax levies specifically voted for another purpose and certain utility revenues. A similar pledge is made in each ordinance authorizing the Village's voted and unvoted general obligation bonds and notes. (See APPENDIX A under "VILLAGE DEBT AND DEBT LIMITATIONS" herein).

The Bonds are unvoted general obligation debt of the Village, payable as described herein, subject to Chapter 9 of the Bankruptcy Code and other laws affecting creditors' rights. The basic security for payment of debt service on the Bonds is the requirement that the Village levy ad valorem taxes within the ten-mill limitation (which limitation is further described in APPENDIX A under "VILLAGE DEBT AND DEBT LIMITATIONS"). Such taxes are limited as to rate and amount to the extent necessary to pay the debt service anticipated to become due on the Bonds, and to the extent that such debt service is not paid from other sources.

The Village has covenanted, pursuant to Ohio Revised Code Section 133.05(B)(7), to appropriate annually from lawfully available income taxes, and to continue to levy and collect municipal income taxes adequate to produce, amounts necessary to meet the debt charges on the Bonds until full payment is made.

Direct payments received by the Village from the Treasury due to the issuance of the Series 2010 Bonds as "Build America Bonds" are not pledged as security for the payment of debt service on the Bonds.

In addition to the right of individual bondholders to sue upon their particular Bonds, State law authorizes the holders of not less than 10% in principal amount of the Bonds to bring mandamus or other actions to enforce all contractual or other rights of the bondholders, including the right to require the Village to levy, collect and apply the taxes to pay debt service on the Bonds, and in the case of any default in payment of debt service on the Bonds to bring an action to require the Village to account as if it were the trustee of an express trust for the bondholders or to enjoin any acts that may be unlawful or in violation of bondholder rights.

Municipal Bankruptcy

An Ohio municipality may file for bankruptcy under Chapter 9 of the Bankruptcy Code if it meets certain prerequisites under both federal and State law. Section 109(c) of the Bankruptcy Code sets forth the requirements for a State political subdivision to file for bankruptcy protection. In addition to requiring the municipality to be insolvent¹, the municipality must be specifically authorized, in its capacity as a municipality or by name, to be a debtor under such chapter by State law, or by a governmental officer or organization empowered by State law to authorize such entity to be a debtor under such chapter.² With regard to State law, Ohio Revised Code Section 133.36 requires that a political subdivision which desires to file bankruptcy seek and obtain permission of the Tax Commissioner.

The foregoing federal and State laws also permit an Ohio county to initiate Chapter 9 proceedings which, because a county collects certain revenues on behalf of a municipality (particularly ad valorem property taxes), may adversely affect the financial condition of such municipality.

UNDERWRITING

George K. Baum & Company (the “Underwriter”) has agreed, pursuant to the Bond Purchase Agreement (the “Bond Purchase Agreement”) with the Village dated January 26, 2010, to purchase all, but not less than all, of (i) the Series 2010A Bonds at a purchase price of \$5,809,575.60, which is equal to the par amount of the Series 2010A Bonds (\$5,850,000.00), plus net original issue premium (\$106,821.60), less Underwriter’s discount (\$147,246.00), plus accrued interest, if any, and (ii) the Series 2010B Bonds at a purchase price of \$4,807,196.00, which is equal to the par amount of the Series 2010B Bonds (\$4,820,000.00), less Underwriter’s discount (\$12,804.00), plus accrued interest, if any.

The Underwriter is purchasing the Bonds as originally issued for purpose of resale. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers (including dealer banks and dealers depositing the Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriter), and others at prices lower than the public offering prices noted on the Cover. The initial offering prices of the Bonds may be changed, from time to time, by the Underwriter.

The Series 2010A Bonds will be initially offered for resale at a price calculated to produce a premium equal to \$106,821.60. Such premium will be used to pay a portion of the Underwriter’s compensation (\$160,050.00) and to pay a portion of certain other costs of issuance of the Bonds, including financial advisor fees, rating fees, printing and distribution costs, legal fees, and other miscellaneous expenses.

¹ 11 U.S.C. Section 101(32)(C) requires that in order to be “insolvent” a municipality must not be paying its debts as they come due.

² See 11 U.S.C. Section 109(c)(2).

The obligation of the Underwriter to accept delivery of the Bonds is subject to various conditions of the Bond Purchase Agreement. The Underwriter is obligated to purchase all of the Bonds if any of the Bonds are purchased.

RATINGS

As noted on the cover page, the Village has applied for a rating of the Bonds from Moody's Investors Service, Inc. ("Moody's"), which has rated the Bonds "Aa2." No application for a rating has been made to any other rating agency.

Each such rating reflects only the views of such rating agency. Any explanation of the significance of the rating may only be obtained from such rating agency at Moody's Investors Service, Inc., 7 World Trade Center, New York, New York 10007, telephone (212) 553-0300.

The Village furnished to Moody's certain information and materials, some of which may not have been included in this Official Statement, relating to the Bonds and the Village. Generally, rating agencies base their ratings on such information and materials, as well as investigation, studies and assumptions by the rating agency. Such ratings are not recommendations to buy, sell or hold the Bonds.

There can be no assurance that a rating, when assigned, will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating agency if, in the rating agency's judgment, circumstances so warrant. In addition, the Village currently expects to provide to Moody's (but assumes no obligation to furnish to the Underwriter or the holders from time to time of the Bonds) further information and materials that it or they may request. However, the Village does not obligate itself hereby to furnish such information and materials to Moody's or any other rating agency, and it may issue unrated bonds and notes from time to time. Failure by the Village to furnish such information and materials, or the issuance of unrated bonds or notes, may result in the suspension or withdrawal of a rating agency's rating on the Bonds. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the marketability or market price of the Bonds.

LITIGATION

To the knowledge of the appropriate Village officials, no litigation or administrative action or proceeding is pending or threatened restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, or the levy and collection of taxes to pay the debt service on the Bonds, or contesting or questioning the proceedings and authority under which the Bonds have been authorized and under which the Bonds are to be issued, sold, executed, and delivered, or the validity of the Bonds. A no-litigation certificate to such effect in the form attached hereto as APPENDIX D will be delivered by the Village to the Underwriter at the time of original delivery of the Bonds to such Underwriter.

In common with other municipalities, the Village from time to time receives notices of claims for money damages. In the opinion of officials of the Village, any such claims outstanding, regardless of their merit, are claims subject to certain statutory-prescribed immunity or are not in excess of the Village's insurance coverage.

The Village is at this time a party to various other legal proceedings seeking damages or injunctive relief and generally incidental to its operations. These proceedings are unrelated to the Bonds or the security therefor. The ultimate disposition of such proceedings is not presently determinable, but will not, in the opinion of the Village Attorney, have a material adverse effect on the Bonds or the security therefor.

LEGAL MATTERS

Legal matters incident to the issuance of the Bonds and with regard to the excludability of the interest on the Series 2010A Bonds and the Series 2010B Bonds from gross income for federal income tax purposes (see “TAX MATTERS” herein) are subject to the approving opinion of Bricker & Eckler LLP, Bond Counsel to the Village. A signed copy of that opinion will be delivered to the Underwriter at the time of original delivery. Assuming no change in applicable law prior to the date of delivery of such opinion, the opinion will be substantially in the form attached hereto as APPENDIX C. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of the Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referred to in the opinion subsequent to the date thereof.

While Bond Counsel has participated in the preparation of portions of this Official Statement, it has not been engaged to confirm or verify, and expresses and will express no opinion as to the accuracy, completeness or fairness of any of the statements in this Official Statement, including its appendices (other than APPENDIX C), or in any other reports, financial information, offering or disclosure documents or other information pertaining to the Village or the Bonds that may be prepared or made available by the Village or others to the holders of the Bonds or others.

TAX MATTERS

General

In the opinion of Bricker & Eckler LLP, Bond Counsel, under existing law, (i) interest on the Series 2010A Bonds is excluded from gross income for federal income tax purposes under Section 103(a) of the Code; and (ii) for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), the interest on the Series 2010A Bonds is taken into account in determining adjusted current earnings. In the opinion of Bricker & Eckler LLP, Bond Counsel, under existing law, interest on the Series 2010B Bonds is **not** excluded from gross income for federal income tax purposes under Section 103(a) of the Code.

The Bonds, the interest thereon, and the transfer, and any profit made on the sale or other disposition, thereof are exempt from taxes levied by the State and its political subdivisions. For purposes of this paragraph, “taxes” means any direct or indirect taxes, including income, ad valorem, transfer, and excise taxes, the commercial activity tax and the corporate franchise tax measured by net income of a corporation, but “taxes” does not mean or include: (i) the corporate franchise tax measured by net worth of a corporation; (ii) the estate tax; (iii) the taxes levied on insurance companies and dealers in intangibles pursuant to Ohio Revised Code Chapter 5725; and (iv) the tax on shares of and capital employed by dealers in intangibles pursuant to Ohio Revised Code Section 5707.03. Bond Counsel will express no opinion and make no representation regarding other federal, state or local income tax consequences resulting from the receipt or accrual of interest on the Bonds.

The Bonds are not “private activity bonds” as defined in Section 141(a) of the Code.

The Village has designated the Series 2010A Bonds as “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code, and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Code), a deduction is allowed for 80% of that portion of such financial institution’s interest expense allocable to interest on the Series 2010A Bonds.

The opinion of Bond Counsel on tax matters will be based on and will assume the accuracy of certain representations and certifications made by the Village and its officials, and the compliance with certain covenants of the Village, to be contained in the transcript of proceedings and which are intended

to evidence and assure the foregoing, including that the Series 2010A Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel has not and will not independently verify the accuracy of such certifications and representations. Certain taxpayers may have certain adverse federal income tax consequences as a result of owning the Bonds.

Tax Matters Relating to Tax-Exempt Bonds

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations in order for the interest to be and continue to be so excluded from the date of issuance. Noncompliance with these requirements could cause the interest on the Series 2010A Bonds to be included in gross income for federal income tax purposes and thus to be subject to regular federal income tax retroactively to the date of their issuance. The Director of Finance has covenanted to take such actions that may be required of him for the interest on the Series 2010A Bonds to be and remain excluded from gross income for federal income tax purposes, and not to take any actions which would adversely affect that exclusion.

Under the Code, interest on the Series 2010A Bonds may be subject to a branch profits tax imposed on certain foreign corporations doing business in the United States of America and a tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes can have certain adverse federal income tax consequences on items of income or deductions for certain taxpayers, including among them financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, and those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations and individuals otherwise eligible for the earned income credit. The applicability and extent of these or other tax consequences will depend upon the particular tax status or other items of income and expenses of the holders of the Series 2010A Bonds. Bond Counsel will express no opinion and make no representation regarding such consequences.

Tax Matters Relating to Build America Bonds

The Village has irrevocably designated the Series 2010B Bonds as Build America Bonds under Section 54AA of the Code and has irrevocably elected to treat the Series 2010B Bonds as “qualified bonds” under Section 54AA(g) of the Code. (See “THE BONDS – Designation of Series 2010B Bonds as Build America Bonds” herein.)

Original Issue Discount

Certain of the Bonds may be sold to the public at a price of less than 100% of their face amount (the “Discount Bonds”). The following information, which has not been included in the opinion of Bond Counsel, may be helpful to prospective purchasers of the Discount Bonds.

Under present federal income tax law, original issue discount (*i.e.*, the difference between the issue price, as hereinafter defined, of a Discount Bond and the stated redemption price at maturity of such Discount Bond) is treated as accruing (accreted) over the term of such Discount Bond. The issue price is the price at which a substantial amount of the Discount Bonds are sold to the public (excluding bond house, brokers or similar persons acting in the capacity of underwriters or wholesalers). In general, the amount of original issue discount which is to be accreted in each “accretion period” will equal (i) the

issue price of that Discount Bond, increased by the amount of original issue discount which has been accreted in all prior accretion periods, multiplied by (ii) the initial offering yield of that Discount Bond reflected on the inside cover page of this Official Statement (determined on the basis of compounding at the close of each accretion period and properly adjusted for the length of the accretion period), minus, with respect to the Bonds, interest actually paid during such accretion period. For these purposes, “accretion period” means a six-month period (or shorter period from the date the Discount Bond was issued) which ends on a day in the calendar year corresponding to the maturity date of that Discount Bond or the date six months before such maturity date. The amount of original issue discount so accreted in a particular accretion period will be considered to accrete ratably on each day of the accretion period.

With respect to any Series 2010A Bonds that are Discount Bonds (“Series 2010A Discount Bonds”), such accreted amount is used for purposes of determining the adjusted basis for federal income tax purposes of the holder of such Discount Bond but is not included in such holder’s gross income for federal income tax purposes. Consequently, a purchaser who buys a Series 2010A Discount Bond in the initial offering at the issue price and holds such Series 2010A Discount Bond to its maturity would not realize any gain or loss for federal income tax purposes upon payment of the stated redemption price of that Series 2010A Discount Bond at maturity.

With respect to any Series 2010B Bonds that are Discount Bonds (“Series 2010B Discount Bonds”), such accreted amount constitutes interest income to the holder of such Series 2010B Discount Bonds and is included in gross income of the holder and added to the such holder’s adjusted basis for federal income tax purposes.

Amortizable Bond Premium

Certain of the Bonds may be sold at issue prices greater than the principal amount payable at maturity or earlier call date (the “Premium Bonds”). The following information, which has not been included in the opinion of Bond Counsel, may be helpful to prospective purchasers of the Premium Bonds.

Premium Bonds will be considered to be issuable with amortizable bond premium (the “Bond Premium”). A taxpayer who acquires a Premium Bond in the initial public offering will be required to adjust his or her basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. The amount of amortizable Bond Premium will be computed on the basis of the taxpayer’s yield to maturity with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth at Section 171(b) of the Code.

With respect to Series 2010A Bonds that are Premium Bonds (“Series 2010A Premium Bonds”), no income tax deduction for the amount of amortizable Bond Premium will be allowed to a holder pursuant in Section 171(a)(2) of the Code, but such holder may reduce their basis in the Series 2010A Bonds by the amount of such amortizable Bond Premium. The amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Series 2010A Premium Bonds. A purchaser of a Series 2010A Premium Bond at its issue price in the initial public offering who holds that Premium Bond to maturity will realize no gain or loss upon the retirement of such Premium Bond.

With respect to Series 2010B Bonds that are Premium Bonds (“Series 2010B Premium Bonds”), a holder of a Series 2010B Premium Bond may use the amortizable Bond Premium as an offset to any interest payment received in respect to such Series 2010B Premium Bond, however, any portion of such amortizable Bond Premium in excess of such interest is not deductible from gross income as an itemized

deduction. Special rules governing the treatment of Bond Premium, which are applicable to dealers in tax-exempt securities, are found at Section 75 of the Code.

PROSPECTIVE PURCHASERS OF THE DISCOUNT OR PREMIUM BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, SALE, TRANSFER, REDEMPTION, PAYMENT, OR OTHER DISPOSITION OF THE DISCOUNT OR PREMIUM BONDS, INCLUDING, WITHOUT LIMITATION, MODIFICATIONS TO THE METHOD FOR AMORTIZING PREMIUM FOR CERTAIN SUBSEQUENT PURCHASERS, AND INCLUDING THE EFFECT OF ANY APPLICABLE STATE OR LOCAL INCOME TAX LAWS.

THE FOREGOING DISCUSSION OF TAX MATTERS WAS NOT INTENDED OR WRITTEN BY BOND COUNSEL TO BE USED FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON AN OWNER OF SERIES 2010B BONDS, BUT WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE SERIES 2010B BONDS. EACH PROSPECTIVE PURCHASER OF SERIES 2010B BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS FOR ADVICE REGARDING THE PURCHASE OF SUCH SERIES 2010B BONDS.

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from DTC and the Village takes no responsibility for the completeness or accuracy thereof. The Village cannot and does not give any assurances that DTC, Direct Participants or Indirect Participants will distribute to the Beneficial Owners (each as hereinafter defined) (a) payments of interest, principal, or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its partnership nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, Direct Participants or Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned

subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bonds. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village or the Bond Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Bond Registrar, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or the Bond Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Revision of Book-Entry-Only System - Replacement Bonds

The Bond Legislation provides for issuance of fully registered Bonds (the "Replacement Bonds") directly to owners other than DTC or its nominee only if DTC determines not to continue to act as security depository of the Bonds. In such event, the Village may in its discretion establish a securities depository/book-entry relationship with another qualified securities depository. If the Village does not or is unable to do so, and after appropriate notice to DTC, the Village's Bond Registrar will authenticate and deliver fully registered Replacement Bonds, in the denominations of \$5,000 or any multiple thereof, to or at the direction of and, if the event is not the result of Village action or inaction, at the expense (including printing costs) of, any persons requesting such issuance. Replacement Bonds may be transferred, registered and assigned only in the registration books of the Village's Bond Registrar.

VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS

Upon delivery of the Series 2010A Bonds, The Arbitrage Group, Inc. (the "Verification Agent") will deliver reports on the arithmetical accuracy of certain computations contained in schedules provided to them by the Underwriter on behalf of the Village relating to (a) computation of forecasted receipts of principal and interest on the securities held in the Escrow Fund to refund the Refunded Bonds, and (b) computation of the yields on the Series 2010A Bonds and the securities held in the Escrow Fund to refund the Refunded Bonds.

Such computations will be based solely on assumptions and information supplied by the Underwriter on behalf of the Village, and the Verification Agent has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information on which such computations are based. Accordingly, the Verification Agent has not expressed an opinion on the data used, the reasonableness of the assumptions, or the ability to achieve the forecasted outcome.

TRANSCRIPT AND CLOSING DOCUMENTS

A complete transcript of proceedings for the Bonds, including an appropriate no-litigation certificate (described above under "LITIGATION"), will be delivered by the Village when the Bonds are delivered by the Village to the Underwriter. The Village will at that time also provide to the Underwriter a certificate of the Director of Finance, in the form attached hereto as APPENDIX D, relating to the accuracy and completeness of this Official Statement.

CONTINUING DISCLOSURE

The Village has agreed for the benefit of the holders and beneficial owners of the Bonds to provide annual financial and operating information in its Annual Report, not later than September 1 of each year, and to provide notices of certain events, if material. Concurrently with the delivery of the Bonds, the Village will deliver a certificate of the Director of Finance, in the form attached hereto as APPENDIX E, describing the nature of the information to be provided, the persons and entities to whom such information will be provided and the times at which such information will be provided. The Village's failure to comply with any undertaking contained in the Disclosure Certificate will not constitute an event of default with respect to the Bonds. The Village has never failed to comply in all material respects with the undertakings contained in continuing disclosure certificates delivered by the Village in connection with notes or bonds heretofore offered by the Village.

The Disclosure Certificate is being executed by the Village to assist the Underwriter in complying with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission. Specifically, the Village agrees to provide the Annual Report to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format, if required, and to provide notice of the enumerated events to the MSRB in an electronic format, if required.

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. Information herein has been derived by the Village from official and other sources and is believed by the Village to be reliable, but information other than that obtained from official records of the Village has not been independently confirmed or verified by the Village and its accuracy is not guaranteed.

Neither this Official Statement, nor any statement which may have been made orally or in writing, is to be construed as or as part of a contract with the original purchasers or holders of the Bonds. This Official Statement has been duly prepared and delivered by the Village, and executed for and on behalf of the Village by its Village Administrator and Director of Finance.

VILLAGE OF NEW ALBANY, OHIO

By: /s/ Joseph F. Stefanov
Village Administrator

By: /s/ James M. Nicholson
Director of Finance

[THIS PAGE INTENTIONALLY LEFT BLANK]

THE VILLAGE OF NEW ALBANY

GENERAL INFORMATION

Introduction

The Village covers an area of approximately 11.43 square miles. The Village is located within Franklin and Licking Counties, Ohio and within the Columbus Metropolitan Statistical Area (“MSA”), comprised of eight counties (Delaware, Fairfield, Franklin, Licking, Madison, Morrow, Pickaway, and Union) located in Central Ohio. In 2008, the U.S. Census Bureau estimated the Village’s population at 7,088 people. The Village was founded in 1837 and incorporated in 1856.

The Village has experienced tremendous growth since 1988, at which time it had a population of 414 residents, and an incorporated area of approximately one square mile. These dramatic developments coupled with extensive civic improvements have made the Village a focal point in the development of greater Columbus. Residents of the Village benefit from easy access to major destinations throughout the central Ohio area. A vast roadway arterial system connects the Village to central Ohio’s premier commercial and entertainment complexes. Port Columbus International Airport is only fifteen minutes from the Village.

Within commuting distance are several public and private two-year and four-year colleges and universities providing a wide range of educational facilities and opportunities. These include The Ohio State University, Columbus State Community College, Capital University and Otterbein College.

Located in the Village is the Mount Carmel New Albany Surgical Hospital, a specialty hospital focused on inpatient and outpatient orthopedic, neurologic and musculoskeletal care. The hospital features technologically advanced treatments combined with a unique caring philosophy tailored for each patient. Village residents also have access to a wellness center, operated jointly by the School District and Mt. Carmel Hospital, located on the school campus adjacent to the elementary school.

The Village has a branch of the Columbus Public Library located in a recently constructed facility located in the heart of the Village known as the Village Center. The New Albany Plain Local Joint Park District operates several parks in and around the Village. Included within one such park is a wetland area which provides educational opportunities for students and residents in the community.

[Balance of Page Intentionally Left Blank]

According to information supplied by the Ohio Municipal Advisory Council (OMAC), the Village contains portions of the assessed valuation of other subdivisions, as shown below:

Overlapping Subdivisions
Village of New Albany

Subdivision	Percent of Subdivision's Assessed Valuation within the Village	Percent of Village's Assessed Valuation within the Subdivision
Franklin County	2.01	98.71
Licking County	0.20	1.29
Plain Township	84.85	98.70
Jersey Township	8.25	1.30
New Albany-Plain Local School District	62.16	98.66
Licking Heights Local School District	1.41	1.27
Johnstown Monroe Local School District	0.04	0.04
Columbus City School District	0.01	0.03
Eastland-Fairfield JVS	7.56	98.66
C-TEC JVS	0.19	1.29
SWACO	1.93	100.00
New Albany-Plain Local Joint Park District	61.03	100.00

Source: Ohio Municipal Advisory Council

[Balance of Page Intentionally Left Blank]

Map of Geographic Area



Village Government

The Village is governed by and operates under a charter form of government, which was originally adopted on November 3, 1992. The voters adopted the current charter on July 12, 1999. The Charter provides for a Mayor-Council-Administrator form of government. The Village is also subject to some general laws applicable to all villages. Under the Ohio Constitution, the Village may exercise all powers of local self-government, and police powers to the extent not in conflict with applicable general laws.

Legislative authority is vested in a seven-member Council, all of whom are elected at-large and for four-year terms. The Council fixes compensation of Village officials and employees, and enacts ordinances and resolutions relating to the Village services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the Mayor, who is elected at-large for a four-year term and also serves as the Village's ceremonial and official chief executive. The Charter establishes certain administrative departments; the Council may establish divisions of those departments, and additional departments.

The Council appoints the Village Administrator who serves as the chief administrator and law enforcement officer of the Village. The Village Administrator appoints the Director of Finance and Director of Law, subject to the consent of Council. All other directors are appointed by, and serve at the pleasure of, the Village Administrator.

Village Officials

The principal elected and appointed officials of the Village are listed below. All elected officials serve part-time.

Elected Village Officials Village of New Albany, Ohio

Office	Name	Years in Office	Term Ending	Vocation in Private Life
Mayor	Nancy I. Ferguson	11	12/31/2011	Attorney
Council Member	Colleen H. Briscoe	13	12/31/2013	Attorney
Council Member	Edward J. Fellows	4	12/31/2013	Sales
Council Member	Dr. Glyde A. Marsh	16	12/31/2013	Professor (retired)
Council Member	Stephen G. Pleasnick	12	12/31/2011	Consultant
Council Member	Sloan P. Spaulding	-	12/31/2013	Attorney
Council Member	Christopher A. Wolfe	2	12/31/2011	Businessman

Source: Village of New Albany, Ohio

[Balance of Page Intentionally Left Blank]

Appointed Village Officials
Village of New Albany, Ohio

Office	Name	Years in Position
Village Administrator	Joseph F. Stefanov	9
Deputy Administrator	Debra K. Mecozzi	13
Director of Finance	James M. Nicholson	3
Chief of Police	Mark A. Chaney	11
Development Director	Jennifer A. Chrysler	4
Director of Public Service	Mark A. Nemec	9
Director of Law	Mitchell H. Banchevsky	10*
Clerk of Council	Betty J. Bosko	13

Source: Village of New Albany, Ohio

* The Village contracts with the Schottenstein Zox & Dunn Co., LPA for the provision of legal services.

Village Employees

The Village has 61 full-time and 5 part-time employees. The number of full-time employees has increased by 15 since December 31, 2004. A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining. However, the Village currently has no collective bargaining units.

The Council by ordinance establishes salaries, wages and other economic benefits for Village employees, the terms of which generally are the products of negotiations with representatives of the employees or bargaining unit. Increases in economic benefits have been provided on an annual basis, and have typically run in the 2-4% range.

In the Village's judgment, its employee relations have been and are good.

The Village provides medical, dental, vision, life and disability to its full-time employees. The Village is a member of the Central Ohio Healthcare Consortium (COHCC), a partially self-funded medical insurance pool comprised of six other local municipalities.

Pension Obligations

All full-time employees of the Village are covered by the Ohio Public Employees Retirement System (OPERS) or the Ohio Police and Fire (OP&F) Pension Fund.

The Ohio Revised Code provides statutory authority for member and employer contributions to OPERS. For 2008, member and contribution rates were consistent across all three OPERS plans. The 2008 member contribution rates were 10.00% for members in State and local classifications. None of the Village's public safety and law enforcement members participated in OPERS. The Village's contribution rate for 2008 was 14.00%. For 2008, a portion equal to 7.00% of covered payroll was allocated to fund the post-employment health care plan. The Village's contribution rate for pension benefits for 2008 was 7.00%. The Village's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2008, 2007, and 2006 were \$173,129, \$179,068, and \$196,506, respectively; 91.44% has been contributed for 2008 and 100% has been contributed for 2007 and 2006.

Benefit provisions for the OP&F Pension Fund are established by the Ohio General Assembly and are codified in Ohio Revised Code Chapter 742. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Plan members are required to contribute 10.0% of their annual covered salary, while the Village is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2008, the portion of the Village's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The Village's required contributions for pension obligations to OP&F for police officers was \$143,317 for the year ended December 31, 2008, \$101,741 for the year ended December 31, 2007 and \$115,102 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 92.37% has been contributed for police for 2008.

These pension funds are regulated by the laws of the State of Ohio, and changes in law may change the Village's contribution rates.

Under the Consolidated Omnibus Reconciliation Act of 1985 (P.L. 99-272), public employers including the Village are subject to mandatory Medicare (hospital insurance tax of FICA tax) contributions of 1.45% of each covered employee's wage base. Covered employees include all employees (with limited exceptions) hired after March 31, 1986.

Village Facilities

The Village currently operates three primary municipal government facilities. The Municipal Building located at 99 W. Main Street was built in 2001 and houses the Administrative, Finance, Council and Building/Zoning functions. The Service Facility was constructed in 2006 and is located at 7800 Bevelhymer Road. A newly constructed police facility was dedicated in May 2007 and is located at 50 Village Hall Road.

Village Services

Water service within the Village is provided by the City of Columbus Division of Water & Sewer, and is purchased directly by residential and commercial consumers. Sewage collection and disposal is provided by the City of Columbus Division of Water & Sewer. Electricity is obtained from American Electric Power, and natural gas is supplied by Columbia Gas of Ohio. Fire protection is provided by the Plain Township Fire Department. Trash collection is provided by Rumpke Hauling, and trash from the Village is sent to the Solid Waste Authority of Central Ohio (SWACO).

[Balance of Page Intentionally Left Blank]

POPULATION, EMPLOYMENT, AND ECONOMY

Population

Recent U.S. Census data shows that the population in the Village, County, and MSA has been:

Year	Village	County	MSA
1970	513	833,249	1,149,372
1980	409	869,126	1,243,827
1990	1,621	961,437	1,405,168
2000	3,711	1,068,978	1,612,694
2008*	7,088	1,129,067	Not Available

* Estimate as of July 1, 2008.

U.S. Census figures from 2000 show the following breakdown by age groups of the population of the Village:

Under	5	5-19	20-34	35-44	45-54	55-64	65+	Total
	315	972	383	776	653	333	279	3,711

Employment and Income

The following table shows comparative average monthly employment and unemployment statistics for the indicated periods.

Year	Employed in		Unemployment Rate			
	County	MSA	County	MSA	State	U.S.
2005	568,600	874,900	5.2%	5.2%	6.2%	5.5%
2006	581,100	894,200	4.7	4.7	5.9	5.1
2007	591,300	911,800	4.7	4.7	5.6	4.6
2008	591,600	912,200	5.5	5.5	6.5	5.8
2009						
Jan.	567,500	875,000	7.3	7.6	8.8	7.6
Feb.	567,400	874,800	7.7	7.9	9.5	8.1
Mar.	566,300	873,200	7.8	8.1	9.7	8.5
Apr.	568,000	875,800	8.1	8.2	10.2	8.9
May	572,000	882,000	8.2	8.3	10.8	9.4
Jun.	574,700	886,100	9.0	9.1	11.1	9.5
Jul.	576,300	888,600	9.2	9.3	11.2	9.4
Aug.	574,600	886,000	8.8	8.8	10.8	9.7
Sep.	566,900	874,000	8.2	8.2	10.1	9.8
Oct.	570,200	879,200	8.4	8.4	10.5	10.2
Nov.	572,800	883,100	8.4	8.5	10.6	10.0

Source: Ohio Department of Job and Family Services, Bureau of Labor Market Information.

The following manufacturing and nonmanufacturing employers (private and public) have the largest work forces within the Village (as of January 2007):

Employer	Nature of Activity or Business	Approximate Number of Employees
NOVUS/Discover Services, Inc.	Financial Services	3,000
Abercrombie & Fitch Trading Co.	Clothing Retailer	2,290
AETNA Life Insurance	Insurance	800
Tween Brands, Inc.	Clothing Retailer	475
New Albany-Plain Local School District	Education	197
New Albany Surgical Hospital	Hospital Services	175
New Albany Country Club	Golf Course and County Club	100
Chase Management Corporation	Financial Services	80
New Albany Links Golf Course	Golf Course	70
Village of New Albany	Government	66
Best Plumbing Limited	Plumbing Service	50
Plain Township	Government	10

Sources: 2006 Harris Ohio Industrial Directory in cooperation with the Ohio Department of Development; Finance Director, Village of New Albany.

According to the Ohio Department of Taxation, the average federal adjusted gross income for residents of the New Albany-Plain Local School District (which overlaps the Village) filing Ohio personal income tax returns for calendar year 2007 was \$161,581, compared to the averages of \$68,321 for all Ohio school districts and \$74,390 for all districts in Franklin County.

Building Permit Values

The Village's growth is reflected, in part, by the degree of building activity in the Village. The following is U.S. Census information concerning housing in the Village, with comparative Franklin County and State of Ohio statistics.

	2000 Median Value of Owner-Occupied Homes	% Constructed Prior to 1940	Number of Housing Units		% Change
			1990	2000	
Village	\$452,900	2.7%	633	1,424	+124.9%
Franklin County	116,200	12.4	405,418	471,016	+16.1
State of Ohio	103,700	22.5	4,371,945	4,783,051	+9.4

[Balance of Page Intentionally Left Blank]

The number and value of all building permits (including commercial, industrial, residential and public, and both remodeling and new construction) issued by the Village in recent years were:

Year	Number	Value
2001	207	\$ 38,395,293
2002	193	102,982,523
2003	198	71,489,026
2004	287	359,803,527
2005	219	107,403,889
2006	233	170,368,592
2007	154	94,688,716
2008	99	24,869,047

Source: Village of New Albany, Ohio, Department of Economic Development

Growth and Economic Development

The Village of New Albany is an extremely unique entity in many respects. While technically still a Village (with a U.S. Census 2000 population of 3,711), the Village plans, develops and operates like many larger cities. According to the Mid-Ohio Regional Planning Commission population estimates, the current estimated population is over 6,600, and represents a population growth rate of 125% since 1997. This accelerated rate of growth presents a myriad of challenges such as developing long-term infrastructure planning and determining the optimal funding of such improvements. Careful planning and analysis will continue to be required in order to balance the demands placed by continued growth with the need for a stabilized funding source.

Strategically located along the newly improved and expanded State Route 161, the Village is within three minutes of the 1-270 outerbelt in the northeast quadrant of the greater Columbus metropolitan area. All of the major transportation amenities are a short distance away: 15 minutes from Port Columbus International Airport and 20 minutes from downtown Columbus. The intersection of U.S. Route 62 enhances the internal transportation system and provides for easy accessibility for residents and employers.

According to the Mid-Ohio Regional Planning Commission population estimates, the Village's population for 2009 is 6,601. The New Albany Community Development Department estimates that the population for 2009 is 7,208 based on the number of households and occupancy permits issued. The Village's Strategic Land Use Plan estimates that the population of the Village at build out is 18,000-22,000 residents. Despite the overall downturn in the housing market, the Village issued building permits for the construction of 58 new homes in 2008. The maximum density of residential development in the Village is maintained at 1.17 units per acre. The average family size in the Village is 3.3 members and the median age is 37.6 years. The average price for a single family residential home is \$452,900 and the average household income is \$102,180. Approximately 55% of the population over the age of 25 has earned a Bachelor's Degree or higher.

In 2006, the Village created nine (9) new Tax Increment Financing Districts. The projected net present value of the TIF Districts is \$23 million. The funds are required to be used to pay for public infrastructure projects, such as road improvements and trail connections.

Commercial Activity

Governor Strickland's recent visit to the Village to announce 245 new jobs at Aetna U.S. Healthcare's New Albany facility illustrates the importance of the New Albany Business Park not just locally, but to the entire state of Ohio. Before Aetna arrived in 1998 as one of the first recruits to the New Albany Business Park, it took imagination to envision anything but thousands of acres of open land. Today the park, the largest planned campus in Ohio and the only campus served by three major highway interchanges, has grown to 5.6 million square feet of commercial space representing \$800 million in private investment and 8,400 jobs.

These numbers reflect the Village's status as a small village doing very big things. Momentum and reinvestment from past successes continues to fuel interest in the Village even in a down economy. In partnership with the state of Ohio, Aetna was convinced that expansion in Ohio, and in the Village, was in their best interest when there were at least two viable alternative sites outside the state of Ohio. This deal creates 245 new jobs for central Ohioans and keeps more than 1,000 current jobs here for several more years.

In addition to Aetna, Nationwide Mutual Insurance Company, PharmaForce, Residential Finance Corporation, and Travel Solutions have committed to the New Albany Business Park in the last year. These five new development projects represent more than \$207 million in private investment and 755 new jobs. The Village has been aggressive in luring new jobs to help offset some of the job losses from current businesses in the park. These jobs are crucial to our ability to maintain services to every resident during this economic uncertainty.

Commercial Activity – Research & Information District

In 2006, the Village adopted the economic development component of the Strategic Plan. The plan recommendations included the following:

- Position the Village as a prime market for the next generation of technology companies emerging in the 21st century economy through investments in technology infrastructure.
- Diversify the economic base and grow the business park where possible.

In 2008, the Village rezoned 128 acres of ground from residential to commercial use. At the same time, the Village also updated the Strategic Plan to identify the newly zoned area, the Central College campus with existing tenants like Discover Financial Services and Aetna U.S. Healthcare, and the unincorporated ground to the east and north of the Souder East area as the New Albany Research & Information (R&I) District. The R&I District is a 627 acre commercial development area with 261 acres of that ground formerly zoned or classified as residential. At build out, the R&I District will eliminate over 500 housing units from the New Albany Plain Local School District, create 6.2 million square feet of commercial development, add 6,000 jobs and generate approximately \$5.4 million in annual revenue for the community.

Commercial Activity – Business Park - Phase II

In 2008, the Village rezoned 531 acres of ground located east of the business park from agricultural to commercial. The rezoning included the expansion of the EOZ, the creation of a new Community Reinvestment Area and TIF District. The area is enhanced by the recently completed multi-million interchange system constructed by the Ohio Department of Transportation. Infrastructure investments to create “shovel-ready” and “technology-ready” sites are expected to cost the Village approximately \$4–6 million. This area will be the next phase of our business park, allowing the Village

to market to companies with unique space or location needs. In time, this area is expected to generate as much as 5.3 million square feet of commercial space, \$500 million in private investment, and 8,000 new jobs, providing the Village with millions of dollars annually for enhanced services.

Commercial Activity – Technology-Ready Sites

In 2008, the Village completed construction on the final leg of technology infrastructure: Blue Albany Networks. The Village's state-of-the-art Blue Albany Networks is a prime example of investing in public infrastructure assets to attract companies with advanced technology requirements. This enhanced fiber network, the only one of its kind in the United States, can affordably connect tenants in the New Albany Business Park to technology networks and research institutions around the globe, creating communications opportunities for small and medium businesses that have never before been available to any company, and not just in the Village, but nationwide.

Commercial Activity – Small Business Development

The Village recently leveraged \$1.5 million in grants from Ohio's Third Frontier program to team with TechColumbus, central Ohio's technology engine, to create the New Albany Business Development Center (NABDC). This center, which is located in the business park, allows start-up companies and small businesses to enjoy nearby amenities while sharing resources in a very professional environment, creating synergies among the companies and consultants sharing space. The location also provides a venue for other critical offsite business development resources, such as local banking, accounting, legal and marketing services. Added support will be provided by the New Albany Chamber of Commerce, Platform Labs, ActionCoach, the Small Business Development Center (SBDC) and Ohio TechAngels. The New Albany TechStart Program has already attracted two start-up companies to the NABDC.

Commercial Activity – Incentives

As a result of the partnership between the New Albany Plain Local School District, the Village has been able to offer a competitive real property tax abatement package that provides for up to fifteen (15) years of property tax abatement for up to 100%. This partnership generated \$21.3 million for our local schools from the park's inception through 2009. Also during this past decade, Village officials have rezoned more than 500 acres within the New Albany Plain Local School District from residential to commercial use, eliminating more than 1,400 homes in the district.

Quality of Life

Thoughtful, innovative planning is reflected in everything from our pedestrian-friendly Village Center to our nationally-ranked school system located within a 200-acre learning campus, our community wellness facility and our world class performing arts center. The New Albany Business Park is designed to protect and preserve many of the area's natural features and open spaces. Each site is connected to the 24-mile leisure trail system.

This balanced atmosphere provides employees with quality of life choices and contributes to the overall health and productivity of the business. From housing and education to culture and leisure, master planning with attention to the details that define quality of life has led to New Albany's ranking among the nation's best in *Town & Country* magazine and Central Ohio's best in *Columbus Monthly*.

VILLAGE TAX BASE

Ad Valorem Taxes and Assessed Valuation

Overview

For property taxation purposes, assessment of real property is performed on a calendar year basis by the elected County Auditor subject to supervision by the Tax Commissioner, and assessment of public utility property and tangible personal property is performed by the Tax Commissioner. Property taxes are billed and collected by the County Treasurer of the County (the “County Treasurer”).

Taxes collected from real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the same calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before December 31 of that calendar year, and at the tax rates determined in the preceding year. Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of that second year preceding the tax collection year.

Real Property

The “assessed valuation” of real property is fixed at 35% of true value and is determined pursuant to rules of the Tax Commissioner, except that real property devoted exclusively to agricultural use is assessed at not more than 35% of its current agricultural use value. Beginning in 2008, certain elderly or disabled resident homeowners may receive a flat \$25,000 property tax exemption on the market value of their homestead.

Ohio law requires the County Auditor, subject to supervision by the Tax Commissioner, to adjust the true value of taxable real property every six years to reflect current fair market values. This “sexennial reappraisal” is done by individual appraisal of properties. In the third year following a sexennial reappraisal, the County Auditor, again subject to supervision by the Tax Commissioner, performs a “triennial update” to adjust the value of taxable real property to reflect true values. The triennial update is done without individual appraisal of properties, but with reference to a sales-assessment ratio over the three-year period.

[Balance of Page Intentionally Left Blank]

Personal Property

In 2005, the State accelerated its phase-out of the tangible personal property tax. The assessment percentages on tangible personal property under the phase-out are displayed in the following table:

Tax Year	2005	2006	2007	2008	2009	2010	2011
Inventory	23%	18.75%	12.5%	6.25%	0%	0%	0%
Machinery, equipment, and all other business tangible	25%	18.75%	12.5%	6.25%	0%	0%	0%
Local telephone company property placed into use after 1995 and all long distance and cellular property	25%	25%	20%	15%	10%	5%	0%
Telephone company legacy property	67%	46%	20%	15%	10%	5%	0%

Source: Ohio Department of Taxation

After 2011, tangible personal property will not be subject to tax.

Public utility tangible personal property – tangible personal property of electric utilities not used for transmission and distribution and all tangible personal property of gas utilities – was not included in the phase-out created by the State. All public utility tangible personal property is assessed at 25% of its true value.

The State currently reimburses municipalities for tax losses resulting from the phase-out of the tangible personal property tax. (See “VILLAGE TAX BASE – State Reimbursement of Property Tax Revenues”.)

Delinquency Procedures

The following is a general description of property tax delinquency procedures under State law. The implementation of these procedures may vary in practice among Ohio counties.

If real estate taxes and special assessments are not paid in the year in which they are due, they are to be certified by the County Auditor’s office as delinquent. A list of current delinquent properties is then to be published in a newspaper of general circulation in the County. If the delinquent taxes and special assessments are not paid within one year after such certification, the properties are then also to be certified as delinquent to the Prosecuting Attorney of the County (the “County Prosecuting Attorney”). Five percent (5%) of all certified delinquent taxes and assessments collected by the County Treasurer is deposited into a special fund to be divided between the County Treasurer and the County Prosecuting Attorney and used solely for the collection of delinquent real property taxes and assessments.

If the property owner so requests, a payment plan may be arranged with the County Treasurer. If such a payment plan is not adhered to or none is arranged, foreclosure proceedings may be initiated by the County. Ohio law also provides for notice by publication and mass foreclosure proceedings and sales after two years’ delinquency.

If personal property taxes are not paid at the time they are due, they are to be certified by the County Auditor’s office as delinquent. Annually on December 1, one copy of the list of delinquent taxes

is given to the County Treasurer, who is required to prepare and mail a bill for the taxes to the property owner. A second copy of the list is to be published in a newspaper of general circulation in the County. A third copy of the list is to be provided to the County Recorder, at which time it becomes a notice of lien for the taxes on the real and personal property of the property owner.

If the property owner so requests, a payment plan may be arranged with the County Treasurer for delinquent personal property taxes.

In collecting the delinquent personal property taxes, the County Treasurer may employ collectors. The County Treasurer may also collect the taxes by civil suit in the county court of common pleas, or may seize property of the taxpayer and, after notice, sell the property at public sale.

Proceeds from foreclosure sales of delinquent property become part of the current collection and are distributed as current collections to the taxing or assessing subdivisions in the County.

State Reimbursement of Property Tax Revenues

Rollback and Homestead Exemption Reimbursement

The State reimburses taxing districts, including municipalities, for decreased tax revenues due to (a) the 10% reduction or “rollback” in non-commercial property taxes, (b) the 2-1/2% reduction applicable to owner-occupied housing, and (c) the flat, \$25,000 reduction in taxable value applicable to certain elderly or disabled homeowners. Such reimbursements are subject to repeal or revision by the State.

Public Utility Property and Tangible Personal Property Tax Loss Reimbursement*

In tax year 2001, changes took effect which reduced the assessment percentages applicable to electric generation and natural gas tangible personal property, thereby reducing the amount of tangible public utility property tax revenue collected by taxing districts. In order to replace the taxes no longer received due to the lower assessment percentages, State consumption taxes on electricity and natural gas were enacted in 1999 and 2000, respectively.

The State also reimburses certain taxing districts for the loss of tax revenues due to the phase-out of the tax on general business tangible personal property, and on the tangible personal property belonging to telephone, telegraph, and interexchange companies (see “VILLAGE TAX BASE – Ad Valorem Taxes and Assessed Valuation – Personal Property” hereinabove). In order to replace a portion of the lost revenue, a commercial activity tax was enacted in 2005 and is imposed on gross receipts, including receipts of services, in the State.

State reimbursement for the loss of public utility property tax revenues and tangible personal property tax revenues (the “Property Tax Loss Reimbursement”) applies to levies that were in effect for the collection of tangible personal property taxes for Tax Year 2004, Tax Year 2005, and any levies first collected in Tax Year 2006 that were approved by voters prior to September 1, 2005 (“Qualifying Levies”).

The Property Tax Loss Reimbursement uses Tax Year 2004 as a base year to calculate the amount of property tax revenue lost from the tangible personal property phase-out in each subsequent tax year. Fixed-rate levies are reimbursed as a percentage of the sum of qualified levies times the Tax Year

* This section only provides a brief summary of the State’s Tangible Personal Property Tax Loss Reimbursement procedures. Please see the Department of Taxation’s website at http://tax.ohio.gov/divisions/personal_property/PPT_low_changes_070303.stm for further information.

2004 valuation of tangible personal property (the “Base Year Amount”), reduced by any revenue collected by the taxing district prior to the full elimination of the tangible personal property tax, according to the table below:

**Property Tax Loss Reimbursement Revenue due Local Government
Taxing Districts as a Percentage of the Base Year Amount –
Fixed-Rate Levies**

Tax Year	Inventory	Manufacturing Machinery & Equipment	Telephone Company Property	All Other Property
2006	106.5%	100.0%	100.0%	100.0%
2007	95.6	100.0	180.0	100.0
2008	84.8	100.0	60.0	100.0
2009	73.9	100.0	100.0	100.0
2010	73.9	100.0	100.0	100.0
2011	60.9	82.4	100.0	82.4
2012	47.8	64.7	87.5	64.7
2013	39.1	52.9	75.0	52.9
2014	30.4	41.2	62.5	41.2
2015	21.8	29.4	50.0	29.4
2016	13.0	17.6	37.5	17.6
2017	4.3	5.9	25.0	5.9
2018	0.0	0.0	12.5	0.0

Note: **Bold** type indicates years in which the tangible personal property tax is collected for the identified category at a reduced assessment percentage.

In years in which the tangible personal property tax is levied at a reduced assessment percentage, the Property Tax Loss Reimbursement paid by the State is equal to the Base Year Amount times the percentage identified in the table above, less the property taxes collected based on the reduced assessment values. In other years, the State reimburses local governments 100% of the Base Year Amount Revenue identified in the table above.

The Property Tax Loss Reimbursement operates in a different manner with respect to voted debt levies. Under existing levy law, a drop in valuation triggers an increase in tax rates for fixed-sum levies (such as a voted debt levy). The Property Tax Loss Reimbursement with respect to Qualifying Levies that are of a fixed sum (“Qualified Fixed-Sum Levies”) serves to limit such increase to taxpayers resulting from the tangible personal property phase-out to one-half mill. If the aggregate millage of a municipality’s Qualified Fixed-Sum Levies times the decrease in assessed valuation resulting from the tangible personal property phase-out exceeds one-half mill of total assessed valuation in the tax year being considered (the “One-Half Mill Threshold”), the State will reimburse the municipality 100% of the amount in excess of the One-Half Mill Threshold until the debt is retired.

Unvoted (inside) debt levies will be fully reimbursed at the Base Year Amount through tax year 2017, as long as the inside millage continues to be levied for debt purposes. No reimbursement will be made for unvoted debt levies after tax year 2017.

Real Property Values

The following table classifies the Village's taxable property according to use:

Assessed Valuation
Village of New Albany, Ohio
(2009 Collection Year)

Property Classification	Amount	Percent of Total Assessed Valuation
Real Estate ¹	\$571,338,060	97.62%
Personal Property ²	10,637,171	1.82%
Public Utility	3,243,150	0.56%
Total Assessed Valuation	\$585,218,381	100.00%

Source: Ohio Municipal Advisory Council

Historic Growth in Assessed Valuation
Village of New Albany, Ohio

Tax Collection Year	Real Estate Assessed Valuation	Real Estate Increase Over Prior Year	Personal Property Assessed Valuation	Personal Property Increase Over Prior Year	Total Assessed Valuation	Total Assessed Valuation Increase Over Prior Year
2000	\$234,567,210	31.79%	\$ 2,744,394	5.06%	\$240,702,704	30.86%
2001	251,679,600	7.30	4,442,577	61.88	259,241,107	7.70
2002	285,529,140	13.45	10,372,168	133.47	298,391,928	15.10
2003 ³	355,438,380	24.48	10,544,367	1.66	370,010,377	24.00
2004	385,468,490	8.45	12,332,585	16.96	402,019,775	8.65
2005	424,742,220	10.19	21,060,716	70.77	450,079,076	11.95
2006 ⁴	513,720,260	20.95	18,871,008	-10.4	536,686,518	19.24
2007	539,662,040	5.05	15,915,759	-15.66	559,455,059	4.24
2008	546,807,820	1.32	14,505,389	-8.86	564,420,769	0.89
2009 ³	571,338,060	4.49	10,637,171	-26.67	585,218,381	3.68

Source: Ohio Municipal Advisory Council

¹ Real property taxes collected in a calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. Real property is assessed at 35% of market value and reappraised every six years, with triennial updates every three years.

² Tangible personal property taxes collected in a calendar year are levied in the same calendar year, on assessed values during and at the close of the most recent fiscal year of the taxpayer (ending on or before March 30 of said calendar year) at tax rates determined in the preceding year.

³ Year of triennial update.

⁴ Year of sexennial reappraisal.

Largest Taxpayers

The following tables list the largest real estate and public utility taxpayers in the Village. Percentages of total assessed valuation are based on a total assessed valuation of \$585,218,381 for the 2009 collection year.

Largest Taxpayers Village of New Albany, Ohio (2009 Collection Year)

Real Estate Taxpayers

Name	Type of Business	Assessed Valuation	Percent of Village's Total Assessed Valuation
Leslie H. Wexner	Individual	\$20,187,470	3.45%
New Albany Company LP	Real Estate Development	15,386,260	2.63
New Albany Co. LLC	Real Estate Development	11,383,230	1.95
Abercrombie & Fitch	Retail – Clothing	7,213,400	1.23
New Albany Company LLC	Real Estate Development	5,181,100	0.89
Tween Brands Service Co.	Retail – Clothing	5,178,440	0.88
M/I Homes of Central Ohio	Home Builder	4,098,480	0.70
HHD & B LLC	Business	3,500,000	0.60
Smith Mill Ventures LLC	Real Estate Development	3,245,200	0.55
Discover Financial	Financial Services	2,686,330	0.46

Public Utility Taxpayers

Name	Type of Business	Assessed Valuation	Percent of Village's Total Assessed Valuation
Columbus Southern Power	Public Utility	\$2,676,510	0.46%

Source: Franklin County Auditor

[Balance of Page Intentionally Left Blank]

Property Tax Rate Calculations

State law has a “reduction factor” mechanism that is intended to negate increases in taxes resulting from increases in the true value of real property due solely to inflation. Legislation implementing a 1980 constitutional amendment classifies real property as either (1) residential and agricultural or (2) all other real property, and provides for tax reduction factors to be separately computed for and applied to each class.

Statutory procedures limit the amount realized by each taxing subdivision from real property taxation, by the application of a tax reduction factor, to the amount realized from those taxes in the preceding year plus: (i) the proceeds of any new taxes (other than renewals) approved by the electors, calculated to produce an amount equal to the amount that would have been realized if those taxes had been levied in the preceding year, and (ii) amounts realized from new and existing taxes on the assessed valuation of real property added to the tax duplicate since the preceding year. Such limitations are expressly inapplicable to amounts realized from taxes levied at a rate required to produce a specified amount, such as for debt service charges, and from taxes levied inside the ten-mill limitation or any applicable municipal charter tax rate limitation.

A reduction factor is computed for each separate levy that is subject to the limitation. A resulting “effective tax rate” reflects the aggregate of those reductions, and is the rate at which real property taxes are in fact collected. Real property tax amounts are further reduced by an additional 10% (12-1/2% in the case of certain owner-occupied residential property) or a flat, \$25,000 reduction in taxable value applicable to certain elderly or disabled resident homeowners.

Property Tax Revenues

The following table shows historical property tax levies and collections for the Village since 2001.

Historical Property Tax Collections Village of New Albany, Ohio

Tax Collection Year	Taxes Levied	Taxes Collected*	Collection Rate	Change in Collection Rate from Previous Year
2001	\$ 334,755	\$ 334,197	99.83%	-1.81%
2002	555,830	427,709	76.95	-22.92
2003	653,060	643,472	98.53	28.05
2004	806,561	789,613	97.90	-0.64
2005	880,567	834,617	94.78	-3.18
2006	1,053,820	1,014,582	96.28	1.58
2007	1,137,330	1,089,051	95.76	-0.54
2008	1,185,147	1,155,615	97.51	1.83

* Includes rollbacks reimbursed by the State and delinquent taxes, but does not include payments in lieu of taxes associated with TIF districts.
Source: Franklin County Auditor

Budgeting, Tax Levy and Appropriations Procedure

The Ohio Revised Code contains detailed provisions regarding Village budgeting, tax levy and appropriation procedures. These procedures involve review by County officials at several steps.

Village budgeting for a fiscal year (which is the calendar year) formally begins with the preparation of a tax budget by the Franklin County Budget Commission, which is comprised of the County Auditor, County Treasurer and County Prosecuting Attorney (the “Budget Commission”). Among other items, the tax budget must show the amounts required for debt service, the estimated receipts for payment from sources other than ad valorem property taxes and the net amount for which an ad valorem property tax levy must be made. The tax budget then is presented for review by the Budget Commission. The Budget Commission holds a public hearing, reviews the budget, and issues a Certificate of Estimated Resources by September 1, which certificate is the basis for Village appropriations and expenditures for the coming fiscal year.

Upon approval of the tax budget and issuance of the Certificate of Estimated Resources, the Budget Commission certifies its actions to the Council together with the approved tax rates. Thereafter, the Council levies the approved taxes and certifies them to the proper County officials. The approved and certified tax rates are reflected in the tax bills sent to property owners during the collection year. Real property taxes are payable on a calendar year basis, generally in two installments with the first due usually in February and the second due in July or later.

Appropriation measures may be amended or supplemented during the fiscal year. Annual appropriations may not exceed the Budget Commission’s official estimates of resources. The County Auditor must certify that the Council’s appropriation measures, including any supplements or amendments, do not appropriate moneys in excess of the amount set forth in the latest of those official estimates.

Investment of Funds

According to the Director of Finance, all moneys of the Village, including specifically moneys in the general fund, the bond retirement fund, and all project funds containing proceeds of any debt issuances of the Village (including the Bonds), are presently or will be invested in accordance with the requirements of Ohio law, and in particular Ohio Revised Code Chapter 135 (the “Uniform Depository Act”).

Cash balances of the Village’s funds are pooled and invested in investments maturing within five 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 financial statements as “equity in pooled cash, cash equivalents and investments”. During Fiscal Year 2008, investments were limited to federal agency securities, a U.S. Government money market account, a repurchase agreement, negotiable certificates of deposit and investments in the State Treasury Asset Reserve of Ohio, an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes.

Complete detail of the current investment practices of the Village can be found in the Village’s most recent audited financial statements (see APPENDIX B to the Official Statement).

Income Tax Revenues

The Ohio Revised Code authorizes municipal corporations to levy a tax on income at a uniform rate. No municipal corporation is authorized to levy a municipal income tax in excess of one percent

(1%) per annum without obtaining the approval of at least a majority of its electors voting on the question at an election held in accordance with applicable Ohio law. The Village's income tax is imposed on wages, salaries, commissions, and other compensation of individuals and on net profits of businesses and professions received within the Village. Military pay or allowances, income of religious, charitable, or educational institutions (to the extent derived from tax-exempt property or activities), net profits of public utilities (except for long-distance telephone companies), and interest and dividends are exempt from municipal income tax.

The Village's income tax rate is currently 2.0% and will remain in effect for a continuing period of time or until reduced or terminated by an action of Village Council or at an election initiated by the electors of the Village. Income tax receipts, after payment of collection expenses, have been allocated by the Village Council as follows: 10% are dedicated to capital expenditures; 88% are deposited in the General Fund; and 2% are dedicated to park improvements.

Revenues derived from the income tax collections in the Village over the last ten years are as follows:

Historical Income Tax Revenues
Village of New Albany, Ohio

Year	Income Tax Revenues	Percent Change
1999	\$2,422,937	N/A
2000	3,022,408	24.74%
2001	4,496,118	48.76%
2002	5,723,950	27.31%
2003	7,651,024	33.67%
2004	9,968,864	30.29%
2005	14,095,604	41.40%
2006	14,671,225	4.08%
2007	18,966,137	29.27%
2008	20,971,051	10.57%
2009	15,334,008	-26.88%

Source: Village of New Albany, Ohio

Residents are currently permitted a 100% credit against their Village income tax liability of amounts paid as municipal income tax on the same income to another municipal corporation up to a municipal income tax imposed by the other municipal corporation at a rate up to 2.0%.

Based on employer payments of corporate and withheld personal income taxes, the following employers each contributed more than 5% of the Village income taxes collected in 2008:

Employer	Nature of Business
Abercrombie & Fitch Companies	Retail clothing
Tween Brands	Retail clothing
Discover Financial Services	Financial services
Aetna Life Insurance	Financial services

VILLAGE DEBT AND DEBT LIMITATIONS

Statutory Debt Limitations

The Village may issue voted general obligation bonds and notes issued in anticipation thereof, pursuant to a vote of the electors of the Village. Ad valorem taxes, without limitation as to amount or rate, assessed to pay debt service on voted bonds are authorized by the electors at the same time they authorize issuance of the bonds. Such voted debt is subject to the direct debt limitations but is not subject to the indirect debt limitation. (See “Direct Debt Limitations” below). Voted obligations may also be issued by certain overlapping subdivisions.

General obligation bonds, such as the Bonds, and notes issued in anticipation thereof, may also be issued by the Village (and certain overlapping political subdivisions, such as Franklin County and the New Albany-Plain Local School District) without a vote of the electors. Unvoted debt is subject to both the direct and indirect debt limitations. (See “Direct Debt Limitations” and “Indirect Debt Limitation” below.)

The following descriptions of the statutory and constitutional debt and ad valorem property tax limitations apply to the Village’s presently outstanding and projected bond and note indebtedness, and certain other long term financial obligations of the Village.

Direct Debt Limitations

Ohio Revised Code Section 133.05 provides that, exclusive of certain “exempt debt” (discussed below), the net principal amount of unvoted general obligation debt of the Village may not exceed five and one-half percent (5.5%) of the total value of all property in the Village as listed and assessed for taxation. Ohio Revised Code Section 133.05 also provides that the net principal amount of both voted and unvoted general obligation debt of the Village may not exceed ten and one-half percent (10.5%) of the total value of all property in the Village as listed and assessed for taxation. These two limitations, referred to as “the direct debt limitations”, may be amended from time to time by the Ohio General Assembly.

Ohio law provides that certain forms of municipal debt are exempt from the direct debt limitations (“exempt debt”). Exempt debt includes, among others, general obligation debt, to the extent that such debt is “self-supporting” (that is, revenues from the facilities financed are sufficient to pay applicable operating and maintenance expenses and related debt service and other requirements); bonds issued in anticipation of the collection of special assessments; revenue bonds; notes issued in anticipation of the collection of current revenues or in anticipation of the proceeds of a specific tax levy; notes issued for certain emergency purposes; and bonds issued to pay final judgments. Notes issued in anticipation of such bonds are also exempt from the direct debt limitations.

In calculating debt subject to the direct debt limitations, the amount of money in a Village’s bond retirement fund allocable to the principal amount of non-exempt debt is deducted from gross non-exempt debt.

Without consideration of money in the Village’s bond retirement fund, and based on the currently applicable assessed valuation of \$585,218,381:

- (a) The total voted and unvoted non-exempt debt that the Village could issue subject to the 10-1/2% limitation described above, is \$61,447,930. The total Village non-exempt debt which will be outstanding after delivery of the Bonds is \$0, leaving a borrowing capacity of \$61,447,930 within the limitation for combined voted and unvoted non-exempt debt; and
- (b) The total unvoted non-exempt debt that the Village could issue subject to the 5-1/2% limitation is \$32,187,011. The total Village unvoted outstanding non-exempt debt after delivery

of the Bonds is \$0, leaving a borrowing capacity of \$32,187,011 within the 5-1/2% limitation for unvoted non-exempt debt.

Indirect Debt Limitation

Unvoted general obligation bonds and bond anticipation notes cannot be issued by the Village unless the tax required to be imposed on taxable property in the Village for the payment of the debt service on (a) such bonds (or the bonds in anticipation of which notes are issued), and (b) all outstanding unvoted general obligation bonds (including bonds in anticipation of which notes are issued) of the combination of overlapping taxing subdivisions in the Village resulting in the highest tax rate required for such debt service, in any one year, is ten mills or less per \$1.00 of assessed valuation. This indirect debt limitation, the product of which is commonly referred to as the “ten-mill limitation”, is imposed by a combination of the provisions of Article XII, Sections 2 and 11 of the Ohio Constitution and Ohio Revised Code Section 5705.02.

The ten-mill limitation is the maximum aggregate millage for all purposes that may be levied on any single piece of property by all overlapping taxing subdivisions without a vote of the electors. The ten mills which may be levied without a vote of the electors is in fact levied, collected and allocated among the Village and its overlapping taxing subdivisions for general fund purposes pursuant to a statutory formula.

This “inside” millage allocated to each overlapping taxing subdivision is required by present Ohio law to be used first for the payment of debt service on unvoted general obligation debt of the subdivision, unless provision has been made for its payment from other sources. The balance of the millage is available for other purposes of the subdivision. Thus, to the extent this inside millage is required for debt service of a taxing subdivision (which may exceed the formula allocation to that subdivision), the amount that would otherwise be available to that subdivision or to other such overlapping subdivisions for general fund purposes is reduced.

A political subdivision’s allocation of inside millage can be exceeded only in the event it is required for the payment of debt service on its unvoted general obligation debt and, in that case, the inside millage allocated to the other overlapping subdivisions would be reduced proportionally to bring the aggregate levies of inside millage down to ten mills.

In case of notes issued in anticipation of the issuance of unvoted general obligation bonds, the highest annual debt service estimated for the bonds anticipated by the notes is used to calculate the millage required.

Revenue bonds and notes and mortgage revenue bonds are not included in debt subject to the ten-mill limitation since they are not general obligations of the Village, and neither the general revenue nor the full faith and credit of the Village are pledged for their payment.

The ten-mill limitation applies to all unvoted general obligation debt even if debt service on some of such debt is expected to be paid in fact from special assessments, utility earnings or other sources.

In calculating whether or not unvoted debt to be issued by the Village is within the ten-mill limitation, it is necessary to determine the total outstanding debt service requirements within the ten-mill limitation of all the taxing subdivisions overlapping the Village.

[Balance of Page Intentionally Left Blank]

Analysis of Outstanding Non-Exempt Debt
Village of New Albany, Ohio

A. Total Debt Outstanding:		\$31,435,000
B. Exempt Debt:		
Special Assessment Bonds	\$	0
Special Assessment Notes		0
Income Tax Pledged Bonds	31,435,000	
Income Tax Pledged Notes		0
Self Supporting Enterprise Bonds		0
Self Supporting Enterprise Notes		0
Other	<u>0</u>	
Total Exempt Debt	\$31,435,000	
C. Total Non-Exempt Debt: (A minus B)		\$0

Source: Village of New Albany, Ohio

Security for Outstanding Non-Exempt Debt
Village of New Albany, Ohio

	Unlimited Tax	Limited Tax	Total
Notes	\$0	\$ 0	\$ 0
Bonds	0	0	0
Total	\$0	\$0	\$0

Source: Village of New Albany, Ohio

Bond Anticipation Notes

Under Ohio law, notes, including renewal notes, issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes, except that the maximum maturity for notes issued in anticipation of general obligation bonds payable from special assessments is approximately five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to, and payable not later than, principal maturities that would have been required if bonds had been issued at the expiration of the initial five year period.

The Refunded 2009 Note is in the form of general obligation bond anticipation notes, but will be advance refunded by the Series 2010A Bonds.

Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes, the proceeds of the sale of the bonds anticipated by such notes, from other available funds of the Village, or from a combination of these sources.

The ability of the Village to retire its outstanding bond anticipation notes from the proceeds of the sale of either renewal notes or bonds will be dependent upon the marketability of such renewal notes or bonds under market conditions then prevailing. Under present Ohio law, there is no ceiling on the annual interest rate permitted on general obligation notes and bonds of municipalities.

Village Debt Currently Outstanding

After issuance of the Bonds, the Village will have the following issues of general obligation bonds and notes outstanding (excluding the Refunded Bonds to be refunded by the Bonds):

Outstanding General Obligation Debt Village of New Albany, Ohio

Issue	Dated Date	Final Maturity	Balance Outstanding
Various Purpose Bonds, Series 2003	09/01/2003	12/01/2033	\$11,935,000
Capital Facilities Bonds, Series 2007	07/31/2007	12/01/2027	\$8,830,000
Series 2010A Bonds	02/09/2010	12/01/2018	\$5,850,000
Series 2010B Bonds	02/09/2010	12/01/2029	\$4,820,000
Total			<u>\$31,435,000</u>

Source: Village of New Albany, Ohio.

[Balance of Page Intentionally Left Blank]

Debt Service Requirements

The following schedule presents the Village's actual debt service requirements for general obligation debt currently outstanding and the Bonds (excluding the Refunded Bonds to be refunded by the Bonds):

Debt Service Requirements

Village of New Albany

Calendar Year	Outstanding Obligations		The Bonds		Total Debt Service
	Principal	Interest	Principal	Interest	
2010	\$ 405,000.00	\$973,335.00	\$630,000.00	\$328,220.17	\$2,336,555.17
2011	660,000.00	958,535.00	700,000.00	392,055.00	2,710,590.00
2012	625,000.00	932,135.00	710,000.00	378,055.00	2,645,190.00
2013	705,000.00	903,885.00	725,000.00	363,855.00	2,697,740.00
2014	740,000.00	874,898.00	745,000.00	349,355.00	2,709,253.00
2015	765,000.00	844,968.00	760,000.00	332,592.50	2,702,561.50
2016	790,000.00	813,156.00	780,000.00	311,692.50	2,694,849.50
2017	835,000.00	776,631.00	800,000.00	288,292.50	2,699,924.50
2018	875,000.00	737,394.00	615,000.00	258,842.50	2,486,237.50
2019	915,000.00	695,056.00	325,000.00	234,010.00	2,169,066.00
2020	955,000.00	653,681.00	330,000.00	218,735.00	2,157,416.00
2021	1,000,000.00	605,931.00	340,000.00	202,895.00	2,148,826.00
2022	1,050,000.00	560,019.00	355,000.00	185,895.00	2,150,914.00
2023	1,100,000.00	511,081.00	365,000.00	166,192.50	2,142,274.50
2024	1,150,000.00	459,800.00	380,000.00	145,935.00	2,135,735.00
2025	1,215,000.00	406,175.00	390,000.00	124,845.00	2,136,020.00
2026	1,275,000.00	345,425.00	405,000.00	103,200.00	2,128,625.00
2027	1,330,000.00	281,675.00	420,000.00	78,900.00	2,110,575.00
2028	645,000.00	218,750.00	440,000.00	53,700.00	1,357,450.00
2029	675,000.00	186,500.00	455,000.00	27,300.00	1,343,800.00
2030	710,000.00	152,750.00			862,750.00
2031	745,000.00	117,250.00			862,250.00
2032	780,000.00	80,000.00			860,000.00
2033	820,000.00	41,000.00			861,000.00
Total	\$20,765,000.00	\$13,130,030.00	\$10,670,000.00	\$4,544,567.67	\$49,109,598.67

Source: Ohio Municipal Advisory Council and the Village of New Albany, Ohio

No bonds have been authorized by the electors that have not yet been issued.

The Village is not and has not been in default in the payment of debt service on any of its general obligation bonds or notes.

[Balance of Page Intentionally Left Blank]

Overlapping Subdivision Indebtedness

In addition to the Village, other political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the Village. The estimated outstanding bonded indebtedness of such political subdivisions (as of January 26, 2010 and excluding debt that is payable primarily from special assessments, enterprise revenues, or is otherwise self-supporting) is as follows:

Overlapping Subdivisions and Debt Village of New Albany, Ohio

Overlapping Units	Estimated Outstanding Debt	Percent Applicable to Village	Estimated Amount of Overlapping Debt
Franklin County	\$240,920,000	2.01%	\$ 4,842,492
Licking County	7,590,138	0.20	15,180
Plain Township	1,674,998	84.85	1,421,236
New Albany-Plain Local School District	77,047,038	62.16	47,892,439
Licking Heights Local School District	54,194,017	1.41	764,136
Eastland-Fairfield JVS	450,000	7.56	34,020
C-TEC JVS	26,865,000	0.19	51,044
New Albany Plain Local Joint Park District	13,694,998	61.03	8,358,057
Solid Waste Auth. of Central OH	19,975,000	1.93	385,518
Total			\$63,764,122

Source: Ohio Municipal Advisory Council

The following table shows the per capita debt of the residents in the Village based upon the U.S. Census Bureau's 2008 estimate of 7,088 people residing in the Village, the above overlapping indebtedness figures, and the Village's general obligation debt shown above, including the Bonds:

Village Debt, per capita	\$4,434.96
Overlapping Debt, per capita	8,996.07
Total Debt, per capita	\$13,431.03

Source: Ohio Municipal Advisory Council and Village of New Albany, Ohio

[Balance of Page Intentionally Left Blank]

Outstanding Special Obligations

The Village currently has three outstanding loans issued by the Ohio Public Works Commission (OPWC). The maturity date, interest rate, original issue amount, and amount outstanding as of December 31, 2008 for these loans are as follows:

OPWC Loan	Maturity Date	Interest Rate	Original Issue Amount	Amount Outstanding
CT06G – Thompson/Harlem Road	2026	0%	\$98,000	\$87,750
CT66G – Intersection Improvements for SR 161	2025	0%	\$338,000	\$270,405
CC12E – US 62/Dublin-Granville Intersection	2011	0%	\$240,000	\$73,203

The Village currently has three outstanding loans issued by the Ohio Water Development Authority (OWDA). The maturity date, interest rate, original issue amount, and amount outstanding as of December 31, 2008 for these loans are as follows:

OWDA Loan	Maturity Date	Interest Rate	Original Issue Amount	Amount Outstanding
2977 – Bevelhymer/Cederbrook Waterlines	2015	6.72%	\$614,938	\$291,051
3189 – Central College/Kitzmilller Waterlines	2020	6.13%	\$701,331	\$500,785
2163 – Elevated Storage Tank	2020	5.77%	\$1,933,380	\$1,366,219

Leases and Other Long Term Obligations

As of December 31, 2008, the Village has four outstanding capital lease obligations for the following vehicles and equipment: a street sweeper, a bucket truck, a sewer jet vacuum, and copier equipment. Capital assets, acquired by lease, have been capitalized in the amount of \$479,490, including \$357,118 on vehicles and \$122,372 in equipment. Accumulated depreciation on capital lease items totals \$57,179.

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, 2008:

Year Ending December 31	Vehicles and Equipment
2009	\$ 108,297
2010	96,058
2011	90,527
2012	<u>56,006</u>
Total Minimum Lease Payments	350,888
Less: Amount Representing Interest	<u>(37,006)</u>
Present Value of Future Minimum Lease Payments	<u>\$313,882</u>

Village Insurance

The Village maintains a variety of liability insurance coverages with varying deductibles. The liability insurance on Village vehicles has a combined single limit bodily injury and property damage coverage in the amount of \$5,000,000 per occurrence. The Village also carries public official and employee liability insurance coverage with a \$7,000,000 limit of liability (with \$1,000 retention) for each loss.

The Village currently carries real property and contents casualty insurance in the amount of \$15,412,947, with a deductible of \$1,000.

State law provides immunity for political subdivisions such as the Village from liability in damages. The immunity covers injury, death, or loss to persons or property allegedly caused by an act or omission of such political subdivisions or their employees in connection with governmental and proprietary functions, as defined in State statutes. The statutes have no effect on any liability imposed by federal law or other federal cause of action. Pursuant to Ohio law, there are, however, five areas in which a political subdivision may be held liable for such loss. These include the negligent operation of a motor vehicle by employees engaged within the scope of their employment and authority; negligent performance of proprietary functions; negligent failure to keep public roads in repair, and other negligent failure to remove obstructions from public roads; negligence of employees due to physical defects within or upon the grounds of buildings used in the performance of governmental functions, excluding jails, juvenile detention workhouses and other detention facilities; and liability specifically imposed by statute. Ohio law also imposes a two-year statute of limitations and puts limits on the damages which may be recovered from such political subdivisions. No punitive or exemplary damages can be recovered, and any insurance benefits are deducted from any award against a political subdivision. Although there is no limitation with respect to compensatory damages representing a person's economic loss, there is a \$250,000 per person ceiling on the compensatory damage that represents a person's non-economic loss in cases other than wrongful death, in which case there is no maximum limitation.

Future Financings

The Village has an active and ongoing capital improvement program to address infrastructure needs associated with continuing growth. Future projects will be financed from a variety of sources including: funds on hand, OPWC and OWDA grants and loans, federal stimulus funding as a result of the American Recovery and Reinvestment Act of 2009, and the issuance of general and special obligation bonds and notes of the Village.

FINANCES OF THE VILLAGE

Financial Reports and Audits

The Village's fiscal year is the calendar year. The Village maintains its accounts, appropriations and other fiscal records in accordance with the procedures established and prescribed by the Auditor of the State of Ohio (the "Auditor"). The Auditor is charged by Ohio law with the responsibility of auditing the financial statements of each taxing subdivision and most agencies and public institutions.

A financial report for each fiscal year is required to be filed with the Auditor pursuant to Ohio Revised Code Section 117.38. Such reports are required to be submitted to the Auditor within ninety days of the close of each fiscal year. At the time of filing of such report, the Finance Director is required to publish certain portions of the report in a newspaper published within the Village or, if there is no such newspaper, a newspaper of general circulation within the Village. The Village's reports have been filed by the required time. The most recent review of the Village's audited financial statements was completed by the Auditor through the fiscal year ending December 31, 2008.

Village receipts and expenditures are compiled on a cash basis, pursuant to accounting procedures prescribed by the Auditor which are generally applicable to all Ohio political subdivisions. Beginning with Fiscal Year 2004, the records of these cash receipts and expenditures have been converted for reporting purposes to a modified accrual basis of accounting for governmental funds and an accrual basis for proprietary funds. These accounting procedures conform to generally accepted accounting principles

as prescribed by the Governmental Accounting Standards Board (“GASB”) including, most recently, GASB Statement 34. Those principles, among other things, provide for a modified accrual basis of accounting for the general fund, all special revenue funds and the debt service (bond retirement) fund and for a full accrual basis of accounting for all other funds, and for the preparation for each fund of balance sheets, statements of revenues and expenditures, and statements showing changes in fund balances.

Audits are made by the Auditor, or by certified public accountants at the direction of the Auditor, pursuant to Ohio law and under certain federal program requirements. No other independent examination or audit of the Village’s financial records is made. The most recent audit of the Village’s accounts was completed by Julian & Grube, Inc., an independent accounting firm, through Fiscal Year 2008. The Financial Statements of the Village for Fiscal Year 2008 (set forth as APPENDIX B to the Official Statement) have been audited by Julian & Grube, Inc. as stated in their report appearing in those statements. No material findings, citations or items for adjustment, or material weaknesses in internal controls, were noted as part of the audit.

The Village has issued a Comprehensive Annual Financial Report (“CAFR”), including Financial Statements, for each of the Fiscal Years 2004, 2005, 2006, 2007, and 2008. The CAFRs for 2004, 2005, 2006 and 2007 were awarded the Government Finance Officers Association’s (GFOA) Certificate of Achievement for Excellence in Financial Reporting, which is awarded to those governmental agencies that comply with the GFOA reporting standards. The GFOA has not yet released the results of the 2008 CAFR review, although the Village believes it will meet the requirements to qualify for the award. The Village has not yet submitted its 2009 CAFR to the GFOA for consideration.

See “FINANCES OF THE VILLAGE – General Fund Revenue Sources” for an unaudited comparative cash basis summary, prepared by the Village, of General Fund receipts and expenditures for the last five Fiscal Years and estimated for Fiscal Year 2009. See APPENDIX B to the Official Statement for the audited Financial Statements of the Village for Fiscal Year 2008.

Audited financial statements of the Village are public records, no consent to their inclusion is required, and no bring-down procedures have been undertaken by the Auditor or its designees since their date.

General Fund Revenue Sources

The General Fund is the main operating fund of the Village. It is the fund from which most of the Village’s expenditures are paid. The Village derives most of its revenues from a tax on real and tangible personal property, a municipal income tax, the local government fund, estate taxes and fees for services. The local government fund includes moneys derived from portions of state general revenue fund taxes that are earmarked for distribution to local governmental units and the rollback reimbursement (see “VILLAGE TAX BASE – Ad Valorem Taxes and Assessed Valuation – Real Property” in this APPENDIX A). These programs are subject to repeal or modification by the State Legislature.

The General Fund had 2007 and 2008 ending cash balances of \$6,014,635 and \$6,928,542, respectively. The table on the following page, entitled “Comparative Cash Basis Summary of General Fund Receipts and Expenditures for Fiscal Years 2004 through 2008 and Estimated Fiscal Year 2009” sets forth the major revenue sources of and expenditures from the Village’s General Fund and provides an estimate of the 2009 financial projections for the General Fund. Additional information can be found in the Comprehensive Annual Financial Report of the Village for the year ending December 31, 2008 found in APPENDIX B to the Official Statement.

**Comparative Cash Basis Summary of General Fund Receipts and Expenditures
for Fiscal Years 2004 through 2008 and Estimated Fiscal Year 2009**

	2004	2005	2006	2007	2008	ESTIMATED 2009
BEGINNING BALANCE	\$4,334,736	\$5,671,969	\$5,605,179	\$3,933,571	\$6,014,635	\$6,928,542
RECEIPTS						
Local Taxes	6,434,576	7,505,490	8,131,934	9,384,762	10,028,874	8,537,826
Intergovernmental	235,629	380,727	123,333	473,048	405,346	230,927
Charges for Services	481,117	517,109	295,125	264,450	206,935	212,502
Fines, Licenses and Permits	600,710	594,608	643,246	535,785	373,421	279,978
Miscellaneous	164,061	296,794	540,881	609,615	542,798	319,124
Other Sources	32,804	35,232	72,750	34,812	139,316	369,151
Transfers In	0	0	0	250,000	0	0
TOTAL REVENUES	\$7,948,898	\$9,329,960	\$9,807,268	\$11,552,472	\$11,696,690	\$9,949,508
EXPENDITURES						
Security of Persons & Property	\$1,760,489	\$1,942,979	\$2,153,715	\$2,293,329	\$2,641,702	\$2,751,104
Community Environment	409,098	665,896	924,521	975,043	1,180,778	1,275,418
Leisure Time Activities	300,864	288,426	388,653	-	-	-
Transportation	777,988	1,152,310	1,683,583	1,635,211	2,259,654	2,014,753
General Government	1,759,496	2,353,048	2,497,627	2,797,777	3,248,429	3,283,649
Debt Service	1,015,384	1,152,339	1,169,498	1,167,048	0	0
Other Uses	112,347	133,754	61,277	0	0	0
Transfers Out	476,000	1,708,000	2,600,000	603,000	1,452,220	1,031,366
TOTAL EXPENDITURES	\$6,611,665	\$9,396,750	\$11,478,874	\$9,471,408	\$10,782,783	\$10,356,290
ENDING BALANCE	\$5,671,969	\$5,605,179	\$3,933,571	\$6,014,635	\$6,928,542	\$6,521,760

[Balance of Page Intentionally Left Blank]

**VILLAGE OF NEW ALBANY, OHIO
FINANCIAL STATEMENTS FOR FISCAL YEAR 2008**



Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Members of Council and Mayor
Village of New Albany
99 W. Main Street
New Albany, Ohio 43054

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, as of and for the year ended December 31, 2008, which collectively comprise the Village of New Albany's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of New Albany'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 the Comptroller General of the United States' *Government Auditing Standards*. 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 the 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 of New Albany, Franklin County, Ohio, as of December 31, 2008 and the respective changes in financial position and the respective budgetary comparison for the general fund and major special revenue funds: economic opportunity and Windsor TIF for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2009, on our consideration of the Village of New Albany's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Members of Council and Mayor
Village of New Albany

The management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required 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 of New Albany's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Julian & Grube, Inc.
June 5, 2009

VILLAGE OF NEW ALBANY, OHIO

STATEMENT OF NET ASSETS

DECEMBER 31, 2008

	Governmental Activities
<u>ASSETS</u>	
Equity in pooled cash, cash equivalents and investments	\$ 18,183,754
Receivables (net of allowances for uncollectibles):	
Income taxes	5,484,208
Property and other taxes	1,013,248
Accounts	106,074
Accrued interest	110,971
Due from other governments	2,757,307
Prepayments	86,956
Materials and supplies inventory	255,626
Unamortized bond issuance costs	179,328
Equity interest in the performing arts center	5,218,511
Capital assets:	
Land and construction in progress	42,345,848
Depreciable capital assets, net	41,763,151
Total capital assets	84,108,999
Total Assets	\$ 117,504,982
<u>LIABILITIES</u>	
Accounts payable	\$ 423,926
Contracts payable	582,587
Retainage payable	220,116
Accrued wages and benefits	37,521
Due to other governments	3,793,616
Unearned revenue	972,275
Accrued interest payable	115,336
Note payable	2,360,000
Long-term liabilities:	
Due within one year	1,102,456
Due in more than one year	26,727,885
Total Liabilities	\$ 36,335,718
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	\$ 68,138,137
Restricted for:	
Debt service	48,469
Capital projects	6,217,025
Street construction and maintenance	343,600
Safety programs	105,822
Economic development programs	213,930
Tax increment financing programs	2,601,748
Other purposes	18,822
Unrestricted	3,481,711
Total Net Assets	\$ 81,169,264

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW ALBANY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

	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	\$ 3,860,168	\$ 476,921	\$ 205,055	\$ -	\$ (3,178,192)
Security of persons and property	2,848,328	116,059	20,830	-	(2,711,439)
Transportation	3,758,501	-	292,086	2,101,854	(1,364,561)
Community environment	1,474,946	251,810	-	-	(1,223,136)
Leisure time activity	14,763	-	1,315	-	(13,448)
Economic development	12,873,950	-	990,886	-	(11,883,064)
Interest and fiscal charges	1,282,215	-	-	-	(1,282,215)
Total Governmental Activities	\$ 26,112,871	\$ 844,790	\$ 1,510,172	\$ 2,101,854	\$ (21,656,055)
 General Revenues:					
<i>Property taxes levied for:</i>					
General fund					\$ 956,335
<i>Income taxes levied for:</i>					
General fund					8,982,022
Special revenue					10,384,349
Capital projects					1,260,248
Grants and entitlements not restricted to specific programs					588,752
Investment earnings					406,533
Payment in lieu of taxes					2,092,914
Miscellaneous					170,531
					\$ 24,841,684
Special item - contribution of equity interest in performing arts center					5,311,462
Change in Net Assets					\$ 8,497,091
Net Assets at Beginning of Year					72,672,173
Net Assets At End of Year					\$ 81,169,264

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW ALBANY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	General	Economic Opportunity Fund	Windsor TIF Fund	Bond Improvement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Equity in pooled cash, cash equivalents and investments	\$ 7,068,751	\$ 1,251,659	\$ 427,066	\$ 64,254	\$ 9,372,024	\$ 18,183,754
<i>Receivables (net of allowance for uncollectibles):</i>						
Income taxes	2,666,494	2,449,886	-	-	367,828	5,484,208
Property and other taxes	1,013,248	-	-	-	-	1,013,248
Accounts	105,709	-	-	-	365	106,074
Accrued interest	51,812	-	3,130	-	56,029	110,971
Due from other governments	152,935	-	2,399,263	-	205,109	2,757,307
Prepayments	86,956	-	-	-	-	86,956
Materials and supplies inventory	255,626	-	-	-	-	255,626
Total Assets	\$ 11,401,531	\$ 3,701,545	\$ 2,829,459	\$ 64,254	\$ 10,001,355	\$ 27,998,144
LIABILITIES						
Accounts payable	\$ 401,430	\$ -	\$ -	\$ -	\$ 22,496	\$ 423,926
Contracts payable	-	-	-	-	582,587	582,587
Retainage payable	-	-	-	-	220,116	220,116
Accrued wages and benefits	37,521	-	-	-	-	37,521
Due to other governments	89,546	2,392,952	-	-	2,525	2,485,023
Accrued interest payable	-	-	-	23,827	-	23,827
Notes payable	-	-	-	2,360,000	-	2,360,000
Deferred revenue	1,943,419	1,308,593	2,401,380	-	387,118	6,040,510
Unearned revenue	972,275	-	-	-	-	972,275
Total Liabilities	\$ 3,444,191	\$ 3,701,545	\$ 2,401,380	\$ 2,383,827	\$ 1,214,842	\$ 13,145,785
FUND BALANCES						
Reserved for encumbrances	541,197	-	-	-	1,916,282	2,457,479
Reserved for prepayments	86,956	-	-	-	-	86,956
Reserved for debt service	-	-	-	-	139,972	139,972
Reserved for materials & supplies	255,626	-	-	-	-	255,626
<i>Unreserved, undesignated (deficit) reported in:</i>						
General fund	7,073,561	-	-	-	-	7,073,561
Special revenue funds	-	-	428,079	-	2,651,369	3,079,448
Capital projects funds	-	-	-	(2,319,573)	4,078,890	1,759,317
Total Fund Balances	\$ 7,957,340	\$ -	\$ 428,079	\$ (2,319,573)	\$ 8,786,513	\$ 14,852,359
Total Liabilities & Fund Balances	\$ 11,401,531	\$ 3,701,545	\$ 2,829,459	\$ 64,254	\$ 10,001,355	\$ 27,998,144

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, 2008

Total Governmental Fund Balances **\$ 14,852,359**

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 84,108,999

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

Property taxes	\$	40,973
Income taxes		3,304,757
Intergovernmental		2,619,705
Accrued interest		75,075
		6,040,510

Total Long-Term Assets 6,040,510

The equity interest in the performing arts center is not a functional resource and therefore is not reported in the funds. 5,218,511

Unamortized premiums on bond issuance are not recognized in the funds. (16,725)

Unamortized bond issuance costs are not recognized in the funds. 179,328

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	\$	(91,509)
General obligation bonds		(23,590,000)
OWDA loans		(2,158,055)
OPWC loans		(996,980)
Compensated absences		(754,699)
Intergovernmental payable		(1,308,593)
Capital lease payable		(313,882)
		(29,213,718)

Total Long-Term Liabilities (29,213,718)

Net Assets of Governmental Activities **\$ 81,169,264**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW ALBANY, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	General	Economic Opportunity Fund	Windsor TIF Fund	Bond Improvement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Income taxes	\$ 8,795,372	\$ 10,528,481	\$ -	\$ -	\$ 1,258,407	\$ 20,582,260
Property and other taxes	964,890	-	-	-	-	964,890
Charges for services	230,989	-	-	-	199,179	430,168
Licenses and permits	257,458	-	-	-	48,460	305,918
Fines and forfeitures	118,015	-	-	-	8,275	126,290
Intergovernmental	494,771	-	56,436	-	1,579,431	2,130,638
Payment in lieu of taxes	-	-	478,820	-	2,092,914	2,571,734
Investment income	395,996	-	22,172	3,485	426,874	848,527
Contributions	-	-	-	-	990,886	990,886
Donations	-	-	-	-	25,950	25,950
Other	170,531	-	-	-	65	170,596
Total Revenues	\$ 11,428,022	\$ 10,528,481	\$ 557,428	\$ 3,485	\$ 6,630,441	\$ 29,147,857
EXPENDITURES						
<i>Current:</i>						
General government	\$ 3,065,501	\$ -	\$ 99,766	\$ -	\$ 179,385	\$ 3,344,652
Security of persons and property	2,498,333	-	-	-	12,020	2,510,353
Transportation	1,654,870	-	-	-	44,692	1,699,562
Community environment	1,219,071	-	-	-	31,650	1,250,721
Leisure time activity	-	-	-	-	2,816	2,816
Economic development	-	10,631,081	-	1,850,000	537,001	13,018,082
Capital outlay	667,036	-	-	498,179	5,585,338	6,750,553
<i>Debt service:</i>						
Principal retirement	104,989	-	-	-	829,626	934,615
Interest and fiscal charges	11,757	-	-	10,181	1,253,247	1,275,185
Total Expenditures	\$ 9,221,557	\$ 10,631,081	\$ 99,766	\$ 2,358,360	\$ 8,475,775	\$ 30,786,539
Excess (deficiency) of revenues over (under) expenditures	2,206,465	(102,600)	457,662	(2,354,875)	(1,845,334)	(1,638,682)
OTHER FINANCING SOURCES/(USES)						
OPWC loans issued	\$ -	\$ -	\$ -	\$ -	\$ 319,615	\$ 319,615
Capital lease transaction	283,184	-	-	-	-	283,184
Transfers in	-	-	-	-	3,490,654	3,490,654
Transfers out	(1,452,220)	-	(474,038)	(114,790)	(1,449,606)	(3,490,654)
Total Other Financing Sources/(Uses)	\$ (1,169,036)	\$ -	\$ (474,038)	\$ (114,790)	\$ 2,360,663	\$ 602,799
NET CHANGE IN FUND BALANCES	\$ 1,037,429	\$ (102,600)	\$ (16,376)	\$ (2,469,665)	\$ 515,329	\$ (1,035,883)
Fund balances at beginning of year	6,919,911	102,600	444,455	150,092	8,271,184	15,888,242
FUND BALANCES (DEFICIT) AT END OF YEAR	\$ 7,957,340	\$ -	\$ 428,079	\$ (2,319,573)	\$ 8,786,513	\$ 14,852,359

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, 2008**

Net Change in Fund Balances - Total Governmental Funds **\$ (1,035,883)**

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

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

Capital outlays	\$	5,978,733	
Depreciation expense		(2,265,003)	
Total			3,713,730

The net effect of various miscellaneous transactions involving capital assets is to increase net assets. The Village received \$552,872 in capital contributions and recorded (\$6,750) related to disposals. 546,122

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

Income taxes	\$	44,359	
Delinquent property taxes		(8,555)	
Fines and forfeitures		(1,956)	
Payment in lieu of taxes		(478,820)	
Intergovernmental revenue		(5,224)	
Investment income		47,967	
Total			(402,229)

The equity interest in the performing arts center does not provide current financial resources and is not report in the funds. 5,218,511

Repayments of bond, loan and capital lease principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities on the statement of net assets. 934,615

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	\$	(12,078)	
Intergovernmental payable		144,132	
Total			132,054

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in more interest being reported on the statement of activities.

Decrease in accrued interest payable	\$	1,566	
Amortization of bond issue costs		(9,480)	
Amortization of bond premiums		884	
Total			(7,030)

The issuances of loans and capital leases are recognized as other financing sources in the governmental funds, however, in the statement of activities they are not reported as revenues as they increase liabilities on the statement of net assets. (602,799)

Change in Net Assets of Governmental Activities **\$ 8,497,091**

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Income taxes	\$ 8,924,557	\$ 8,924,557	\$ 9,004,423	\$ 79,866
Property and other taxes	968,615	968,615	965,290	(3,325)
Charges for services	289,350	289,350	206,935	(82,415)
Licenses and permits	467,500	467,500	256,324	(211,176)
Fines and forfeitures	108,000	108,000	117,097	9,097
Intergovernmental	355,175	355,175	464,509	109,334
Investment income	300,000	300,000	524,898	224,898
Other	22,231	62,106	157,502	95,396
Total Revenues	\$ 11,435,428	\$ 11,475,303	\$ 11,696,978	\$ 221,675
<u>EXPENDITURES</u>				
<i>Current:</i>				
General government	\$ 4,002,821	\$ 4,090,399	\$ 3,561,035	\$ 529,364
Security of persons and property	2,533,425	2,683,439	2,585,740	97,699
Transportation	1,967,496	2,275,103	2,059,597	215,506
Community environment	1,542,414	1,565,942	1,431,159	134,783
Capital outlay	936,841	755,043	638,221	116,822
Total Expenditures	\$ 10,982,997	\$ 11,369,926	\$ 10,275,752	\$ 1,094,174
Excess of revenues over expenditures	452,431	105,377	1,421,226	1,315,849
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	\$ (1,363,220)	\$ (1,452,220)	\$ (1,452,220)	\$ -
Total Other Financing Sources (Uses)	\$ (1,363,220)	\$ (1,452,220)	\$ (1,452,220)	\$ -
NET CHANGE IN FUND BALANCES	\$ (910,789)	\$ (1,346,843)	\$ (30,994)	\$ 1,315,849
Fund balances at beginning of year	5,127,091	5,127,091	5,127,091	-
Prior year encumbrances appropriated	889,775	889,775	889,775	-
FUND BALANCES AT END OF YEAR	\$ 5,106,077	\$ 4,670,023	\$ 5,985,872	\$ 1,315,849

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW ALBANY, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ECONOMIC OPPORTUNITY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Income taxes	\$ 8,824,823	\$ 10,537,823	\$ 10,762,731	\$ 224,908
Total Revenues	\$ 8,824,823	\$ 10,537,823	\$ 10,762,731	\$ 224,908
<u>EXPENDITURES</u>				
<i>Current:</i>				
Economic development	\$ 9,030,023	\$ 10,743,023	\$ 10,062,056	\$ 680,967
Total Expenditures	\$ 9,030,023	\$ 10,743,023	\$ 10,062,056	\$ 680,967
NET CHANGE IN FUND BALANCE	\$ (205,200)	\$ (205,200)	\$ 700,675	\$ 905,875
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	205,200	205,200	205,200	-
FUND BALANCES AT END OF YEAR	\$ -	\$ -	\$ 905,875	\$ 905,875

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)

WINDSOR TIF FUND

FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 25,741	\$ 25,741	\$ 56,436	\$ 30,695
Payment in lieu of taxes	482,175	482,175	478,820	(3,355)
Investment income	-	-	12,705	12,705
Total Revenues	\$ 507,916	\$ 507,916	\$ 547,961	\$ 40,045
EXPENDITURES				
<i>Current:</i>				
General government	\$ 106,000	\$ 108,000	\$ 99,766	\$ 8,234
Total Expenditures	\$ 106,000	\$ 108,000	\$ 99,766	\$ 8,234
Excess of revenues over expenditures	401,916	399,916	448,195	48,279
OTHER FINANCING USES				
Transfers out	\$ (474,038)	\$ (474,038)	\$ (474,038)	-
Total Other Financing Uses	(474,038)	(474,038)	(474,038)	-
NET CHANGE IN FUND BALANCE	\$ (72,122)	\$ (74,122)	\$ (25,843)	\$ 48,279
Fund Balance at Beginning of Year	444,455	444,455	444,455	-
FUND BALANCE AT END OF YEAR	\$ 372,333	\$ 370,333	\$ 418,612	\$ 48,279

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW ALBANY, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2008

	<u>Agency</u>
<u>ASSETS</u>	
Equity in pooled cash, cash equivalents and investments	\$ 1,179,306
Total Assets	<u>\$ 1,179,306</u>
<u>LIABILITIES</u>	
Deposits held and due to others	\$ 1,179,306
Total Liabilities	<u>\$ 1,179,306</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

[THIS PAGE INTENTIONALLY LEFT BLANK]

**FORM OF APPROVING LEGAL OPINION
OF BRICKER & ECKLER LLP**

February 9, 2010

George K. Baum & Company
Columbus, Ohio

We have acted as bond counsel to the Village of New Albany, Ohio (the "Village") in connection with the issuance by the Village of its \$5,850,000 Various Purpose Bonds, Series 2010A (General Obligation – Limited Tax) (Tax-Exempt), dated February 9, 2010 (the "Series 2010A Bonds") and its \$4,820,000 Infrastructure Improvement Bonds, Series 2010B (General Obligation – Limited Tax) (Federally Taxable – Build America Bonds – Direct Payment), dated February 9, 2010 (the "Series 2010B Bonds," and together with the Series 2010A Bonds, the "Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized and executed by the Village, and are valid and binding general obligations of the Village.
2. The Bonds are secured by the pledge of the full faith and credit of the Village for the payment thereof and by the pledge of the Village to levy ad valorem taxes inside the ten mill limitation of Article XII, Section 2 of the Constitution of the State of Ohio, upon all property on the general tax lists and duplicates of the Village, in an amount sufficient to pay the principal of and interest on the Bonds when due.
3. The interest on the Series 2010A Bonds is excluded from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended ("Code"). The interest on the Series 2010A Bonds is not treated as an item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations, such interest is taken into account in determining adjusted current earnings. The opinions set forth in the preceding sentences are subject to the condition that the Village comply with all requirements of the Code, that must be satisfied subsequent to the issuance of the Series 2010A Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Village has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Series 2010A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2010A Bonds.

4. Interest on the Series 2010B Bonds is **not** excludable from gross income for federal income tax purposes. The Village has irrevocably elected to apply the provisions of Section 54AA of the Code to the Series 2010B Bonds, and it has further elected under Section 54AA(g) of the Code to treat the Series 2010B Bonds as “qualified bonds”.
5. The Bonds, the interest on the Bonds and the transfer, and any profit made on the sale or other disposition, of the Bonds are exempt from taxes levied by the State of Ohio and its political subdivisions. For purposes of this paragraph, “taxes” means any direct or indirect taxes, including income, ad valorem, transfer, and excise taxes, the commercial activity tax, and the corporate franchise tax measured by net income of a corporation, but “taxes” does not mean or include: (i) the corporate franchise tax measured by net worth of a corporation; (ii) the estate tax; (iii) the taxes levied on insurance companies and dealers in intangibles pursuant to Ohio Revised Code Chapter 5725; and (iv) the tax on shares of and capital employed by dealers in intangibles pursuant to Ohio Revised Code Section 5707.03.

The Village has designated the Series 2010A Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

Although we have participated in the preparation of portions of the Official Statement dated January 26, 2010, relating to the Bonds, we have not been engaged to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement) and we express no opinion and make no representation relating thereto (excepting only the matters set forth as our opinion in the Official Statement). Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

Please be advised that the rights of the holders of the Bonds and the enforceability thereof are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. We bring to your attention the fact that our legal opinions are an expression of our professional judgment and are not a guarantee of a result.

SAMPLE CLOSING CERTIFICATE

Village of New Albany, Ohio

\$5,850,000
Various Purpose Bonds, Series 2010A
(General Obligation – Limited Tax)
(Tax-Exempt)

\$4,820,000
Infrastructure Improvement Bonds, Series 2010B
(General Obligation – Limited Tax)
(Federally Taxable – Build America Bonds – Direct Payment)

To: George K. Baum & Company

It is my understanding that, in considering whether to purchase the above-captioned obligations, you have relied on the Official Statement for such obligations dated January 26, 2010 (the “Official Statement”), which Official Statement was prepared and executed by and for the Village of New Albany, Ohio (the “Village”) under the direction of the Village Council.

In connection with your reliance as stated above, I hereby certify that:

1. I have reviewed the Official Statement and have made such investigation and inquiries as I deemed necessary in the circumstances;
2. The statements and information contained in the Official Statement are correct and complete in all material respects, and they do not omit any statement or information necessary in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading or incomplete in any material respect; and
3. To the best of my knowledge, since the date of the Official Statement, nothing has occurred which has caused, or which might reasonably be expected to cause, a material adverse change in the condition or prospects of the Village.

Date: February 9, 2010

Director of Finance
Village of New Albany, Ohio

SAMPLE CLOSING CERTIFICATE

Village of New Albany, Ohio

\$5,850,000
Various Purpose Bonds, Series 2010A
(General Obligation – Limited Tax)
(Tax-Exempt)

\$4,820,000
Infrastructure Improvement Bonds, Series 2010B
(General Obligation – Limited Tax)
(Federally Taxable – Build America Bonds – Direct Payment)

To: George K. Baum & Company

It is my understanding that, in considering whether to purchase the above-captioned obligations, you have relied on the Official Statement for such obligations dated January 26, 2010 (the “Official Statement”), which Official Statement was prepared and executed by and for the Village of New Albany, Ohio (the “Village”) under the direction of the Village Council.

In connection with your reliance as stated above, I hereby certify that:

1. I have reviewed the section of the Official Statement captioned “LITIGATION” and have made such investigation and inquiries as I deemed necessary in the circumstances;
2. The statements and information contained in the section of the Official Statement captioned “LITIGATION” are correct and complete in all material respects, and they do not omit any statement or information necessary in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading or incomplete in any material respect; and
3. To the best of my knowledge, since the date of the Official Statement, nothing has occurred which has caused, or which might reasonably be expected to cause, a material adverse change in the condition or prospects of the Village.

Date: February 9, 2010

Village Attorney
Village of New Albany, Ohio

SAMPLE CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Director of Finance of the Village of New Albany, Ohio (the “Village”) pursuant to the ordinances of the Village Council of the Village authorizing the issuance and sale of its \$5,850,000 Various Purpose Bonds, Series 2010A (General Obligation – Limited Tax) (Tax-Exempt), dated February 9, 2010 (the “Series 2010A Bonds”) and its \$4,820,000 Infrastructure Improvement Bonds, Series 2010B (General Obligation – Limited Tax) (Federally Taxable – Build America Bonds – Direct Payment), dated February 9, 2010 (the “Series 2010B Bonds,” and together with the Series 2010A Bonds, the “Obligations”). The Village covenants and agrees as follows:

Section 1. Definitions. The following capitalized terms shall have the following meanings:

“Annual Report” means any Annual Report provided by the Village referred to in this Official Statement and any appendix hereto.

“EMMA” shall mean the Electronic Municipal Market Access system of the MSRB for use in the collection and dissemination of information, which system the SEC has stated to be consistent with its Rule 15c2-12. Currently, the following is the website address for EMMA: emma.msrb.org.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board, located at:

1150 18th Street, NW, Suite 400
Washington, D.C. 20036-3816
Phone: (202) 223-9347
Fax: (202) 872-0347
Internet: www.msrb.org

“Official Statement” shall mean the Official Statement prepared in connection with the sale of the Obligations.

“Participating Underwriter” shall mean any of the original underwriters of the Obligations required to comply with the Rule in connection with the offering of the Obligations.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the United States Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Tax-Exempt Status” shall mean that interest on the Series 2010A Bonds is excluded from gross income for federal income tax purposes, whether or not such item is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Village for the benefit of the holders and beneficial owners of the Obligations and in order to assist the Participating Underwriter in complying with the Rule.

Section 3. Provision of Annual Reports.

- (a) The Village shall, not later than September 1 of each year, commencing September 1, 2010, provide to the MSRB in an electronic format as prescribed by the MSRB an Annual Report for the fiscal year of the Village which ended on the previous December 31st, which Annual Report shall be consistent with the requirements of Section 4 of this Disclosure Certificate. The Village shall furnish an Annual Report to any person requesting the same. Requests for Annual Reports shall be made to James M. Nicholson, Director of Finance, 99 W. Main Street, P.O. Box 188, New Albany, Ohio 43054. Telephone: (614) 855-3913.
- (b) If the Village fails to provide an Annual Report to the MSRB by the date set forth in subsection (a) of this Section 3, the Village shall send in a timely manner to the MSRB notice of such failure, which shall include a statement as to the date by which the Village anticipates that the Annual Report will be provided to the MSRB.

Section 4. Contents of the Annual Report.

- (a) The Annual Report shall contain or incorporate by reference the following:
 - (1) Financial Statements of the Village.
 - (2) Fiscal year-end data for the table entitled "Largest Taxpayers" contained in the Official Statement under the caption "VILLAGE TAX BASE".
 - (3) Fiscal year-end data for the table entitled "Historical Income Tax Revenues" contained in the Official Statement under the caption "VILLAGE TAX BASE".
 - (4) Fiscal year-end data for the table entitled "Comparative Cash Basis Summary of General Fund Receipts and Expenditures" contained in the Official Statement under the caption "FINANCES OF THE VILLAGE".
 - (5) Fiscal year-end data for the table entitled "Historical Property Tax Collections" contained in the Official Statement under the caption "FINANCES OF THE VILLAGE".

All or any of the items listed above may be incorporated by specific reference from other documents which have previously been provided to the MSRB or to the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. If this Village prepares a Comprehensive Annual Financial Report ("CAFR") that includes each of the items listed above, the Village may designate the CAFR as the Annual Report.

- (b) The Financial Statements of the Village to be included in the Annual Report shall be initially prepared in accordance with generally accepted accounting principles and shall be accompanied by a report of the Auditor of the State of Ohio, or, if applicable, the independent certified public accountants who audited the financial statements; provided, however, if such report is not available to the Village at the time of providing the Annual Report to the MSRB as provided in Section 3 of this Disclosure Certificate, the Village will provide such report to the MSRB as provided in Section 3 of this Disclosure Certificate as soon as it is available.

Section 5. Reporting of Significant Events. The Village shall provide in a timely manner to the MSRB notice of any of the following events with respect to the Obligations, if material:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;
- (f) Adverse tax opinions or events affecting the Tax-Exempt Status of the Series 2010A Bonds;
- (g) Modifications to rights of holders of the Obligations;
- (h) Calls for redemption of the Obligations, other than calls pursuant to the mandatory sinking fund provisions of the Obligations, if any;
- (i) Defeasances;
- (j) Release, substitution or sale of property securing repayment of the Obligations; and
- (k) Rating changes.

Section 6. Means of Reporting Information. The Village shall provide information to the MSRB's EMMA disclosure service as prescribed by the MSRB. As of the date hereof, submissions must be by electronic submission in an electronic portable document format ("PDF") that shall have a word-search function permitting a user to search the document.

The Village is authorized to transmit information to the MSRB by whatever means are mutually acceptable to the Village and the MSRB.

Section 7. Termination of Reporting Obligation. The Village's obligation under this Disclosure Certificate shall terminate upon the defeasance, redemption or payment in full of all of the Obligations.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Village may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the Village has received an opinion of counsel knowledgeable in federal securities laws to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Village from disseminating any other information (using the means of dissemination set forth in this Disclosure Certificate or any other means of communication) or including any other information in any Annual Report or providing notice of occurrence of events, in addition to that which is required by this Disclosure Certificate. If the Village chooses to include any information in an Annual

Report or provide notice of occurrence of events which are not Listed Events in addition to that which is specifically required by this Disclosure Certificate, the Village shall have no obligation to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default; Remedies. Failure of the Village to perform any of its undertakings contained in this Disclosure Certificate shall not constitute an event of default with respect to the Obligations. The exclusive remedy for any such failure shall be enforcement of the Village's obligations to so perform by actions or proceedings taken in accordance with Ohio Revised Code Sections 133.25(B)(4)(b) or 133.25(C)(1).

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Village, the Participating Underwriter and the holders of the Obligations, and shall create no rights in any other person or entity.

Date: February 9, 2010

VILLAGE OF NEW ALBANY, OHIO

By: _____

Title: Director of Finance



Printed by: ImageMaster, Inc.