

**CITY OF UPPER ARLINGTON  
FRANKLIN COUNTY, OHIO**

*Supplemental Report*

DECEMBER 31, 2004

**CATHE ARMSTRONG, FINANCE DIRECTOR**





**Auditor of State  
Betty Montgomery**

Members of Council and Mayor  
City of Upper Arlington  
3600 Tremont Rd.  
Upper Arlington, OH 43221

We have reviewed the Independent Auditor's Report of the City of Upper Arlington, Franklin County, prepared by Julian & Grube, Inc., for the audit period January 1, 2004 to December 31, 2004. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Upper Arlington is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

June 29, 2005

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**CITY OF UPPER ARLINGTON  
FRANKLIN COUNTY, OHIO**

TABLE OF CONTENTS

Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed  
in Accordance With *Government Auditing Standards* ..... 1 - 2

# JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

333 County Line Road West  
Suite A  
Westerville, OH 43082

Telephone 614.846.1899  
Facsimile 614.846.2799

## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

Members of Council and Mayor  
City of Upper Arlington  
3600 Tremont Road  
Upper Arlington, OH 43221

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Upper Arlington, Franklin County, as of and for the year ended December 31, 2004, which collectively comprise the City of Upper Arlington’s basic financial statements and have issued our report thereon dated May 20, 2005. As disclosed in Note 13 to the financial statements, the City had prior period adjustments to properly state its accounts payables and capital assets at June 30, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Upper Arlington’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting, that do not require inclusion in this report, that we have reported to the management of the City of Upper Arlington in a separate letter dated May 20, 2005.

Members of Council and Mayor  
City of Upper Arlington

Compliance and Other Matters

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

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.  
May 20, 2005





CITY OF | **UPPER  
ARLINGTON**  
**OHIO**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004**



**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2004**

**ISSUED BY:**

**CITY OF UPPER ARLINGTON, OHIO  
FINANCE DEPARTMENT**

**Catherine M. Armstrong, CPA, CGFM  
*Director***

**Debra K. Miller, CPA  
*Finance Administrator***

**Scott D. Gill, CPA  
*Tax Administrator***

**Mary S. Davis  
*Examiner***

**Barbara K. Podnar  
*Purchasing Administrator***

**Laura A. Lynde  
*Purchasing Assistant***

**Teresa L. Kennedy  
*Management Assistant***

**Craig McClarren  
*Fiscal Technician***

**Karen Elifritz  
*Payroll Administrator***



CITY OF | **UPPER ARLINGTON**

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**CITY OF UPPER ARLINGTON, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 For The Fiscal Year Ended December 31, 2004**

**Introductory Section**

	<u>Page</u>
Table of Contents .....	i
Letter of Transmittal .....	v
Certificate of Achievement for Excellence in Financial Reporting .....	xi
Organizational Chart .....	xii
List of City Officials .....	xiii

**Financial Section**

Independent Auditors' Report .....	1
<b>A. Required Supplementary Information – MD&amp;A</b>	
Management's Discussion & Analysis .....	5
<b>B. Basic Financial Statements</b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Assets .....	19
Statement of Activities .....	20
<b>Fund Financial Statements:</b>	
<b>Governmental Fund Financial Statements:</b>	
Balance Sheet .....	22
Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds.....	25
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities .....	29
<b>Proprietary Fund Financial Statements:</b>	
Statement of Net Assets .....	30
Statement of Revenues, Expenses, and Changes in Fund Net Assets .....	32
Statement of Cash Flows .....	34
<b>Fiduciary Fund Financial Statement:</b>	
Statement of Fiduciary Assets and Liabilities .....	38

**CITY OF UPPER ARLINGTON, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 For The Fiscal Year Ended December 31, 2004**

**Notes to the Basic Financial Statements:**

1. Summary of Significant Accounting Policies .....	39
2. Cash and Investments .....	46
3. Receivables.....	49
4. Capital Assets .....	50
5. Interfund Transactions .....	52
6. Long-term Liabilities .....	53
7. Risk Management .....	57
8. Joint Operating Agreement.....	58
9. Subsequent Event.....	58
10. Contingent Liabilities.....	58
11. Other Postemployment Benefits .....	58
12. Retirement Benefits .....	60
13. Restatement.....	61

**C. Required Supplementary Information Other Than MD&A**

**Budgetary Information**

Budgetary Comparison Schedules (Non-GAAP Budgetary Basis) .....	64
Notes to the Required Supplementary Information .....	66

**D. Other Supplementary Information – Description of All Funds 69**

**E. Other Supplementary Information – Budgetary Comparison Schedules (Non-GAAP Budgetary Basis)**

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – All Nonmajor General Fund Accounts .....	76
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – All Nonmajor Special Revenue Funds .....	82
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – All Debt Funds .....	91
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – All Capital Project Funds .....	92
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – All Enterprise Funds .....	96
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – All Internal Service Funds .....	100

**F. Other Supplementary Information – Combining Financial Statements**

**Nonmajor Governmental Funds**

Combining Balance Sheet .....	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .	106

**CITY OF UPPER ARLINGTON, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 For The Fiscal Year Ended December 31, 2004**

**Fiduciary Funds**

Combining Statement of Fiduciary Assets and Liabilities .....	110
Combining Statement of Changes in Assets and Liabilities .....	112

**G. Capital Assets Used in the Operation of Governmental Funds**

Assets by Source – Governmental Funds .....	115
Assets by Function and Activity – Governmental Funds .....	116
Assets – Schedule of Changes – Governmental Funds .....	118

**Statistical Section**

Net Assets by Component – Last Two Fiscal Years (Table 1) .....	121
Changes in Net Assets – Last Two Fiscal Years (Table 2) .....	122
Governmental Activities Tax Revenue by Source – Last Two Fiscal Years (Table 3).....	124
Principal Revenue Payers (Table 4) .....	125
Fund Balances of Governmental Funds – Last 10 Fiscal Years (Table 5) .....	126
Changes in Fund Balances of Governmental Funds – Last 10 Fiscal Years (Table 6) .....	128
Governmental Activities Tax Revenue by Source – Last 10 Fiscal Years (Table 7) .....	130
Principal Employers – (Table 8) .....	131
Assessed Value and Estimated Actual Value of Taxable Property – Last 10 Fiscal Years – (Table 9) .....	132
Property Tax Rates Direct and Overlapping Governments – Last 10 Fiscal Years (Table 10) .....	134
Property Tax Levies and Collection – Last 10 Fiscal Years – (Table 11) .....	136
Ratios of Outstanding Debt by Type – Last 10 Fiscal Years (Table 12) .....	137
Ratios of General Bonded Debt Outstanding – Last 10 Fiscal Years (Table 13) .....	138
Direct and Overlapping Governmental Activities Debt (Table 14) .....	139
Legal Debt Margin Information (Table 15) .....	140
Demographic and Economic Statistics (Table 16) .....	142
Full-time Equivalent City Government Employees by Function – Last 10 Fiscal Years (Table 17) .....	143
Overlapping Indicators by Function – Last 10 Fiscal Years (Table 18) .....	144



CITY OF | **UPPER ARLINGTON**

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May 20, 2005

To the Honorable Clark P. Pritchett Jr. and Members of City Council,  
And Citizens of the City of Upper Arlington:

The Comprehensive Annual Financial Report (CAFR) of the City of Upper Arlington, Ohio (City), for the fiscal year ended December 31, 2004, is submitted herewith. The report has a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

### **Contents of the Report**

This report is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and in conformance with standards of financial reporting in the United States of America as established by the Governmental Accounting Standards Board (GASB) using guidelines as recommended by the Government Finance Officers Association of the United States and Canada (GFOA). Based on these guidelines, the report consists of three sections:

1. Introductory section, including the letter of transmittal of the City Manager and the Finance Director, organizational chart and list of city officials.
2. Financial section, including the completed financial statements of the City accompanied by our independent auditor's opinion, management discussion and analysis and other schedules.
3. Statistical section, including tables of unaudited data depicting the financial history of the City for the last ten years where available, information of other governmental units overlapping the City, and other selected financial and demographic information.

The City's Finance Department is responsible for management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the accuracy of the data presented and the completeness and fairness of the presentation. To provide a reasonable basis for making these representations, management of the City of Upper Arlington has implemented a comprehensive internal control structure, which meets the objectives of management.

In developing and revising the City's accounting and reporting control systems, consideration is given to the adequacy of internal controls to provide reasonable but not absolute assurance regarding:

- The safeguarding of assets from loss, theft, or misuse and
- Reliability of financial records for preparing the City's financial statements in conformity with GAAP and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

- The cost of a control should not exceed the benefits likely to be derived, and
- The evaluation of costs and benefits requires estimates and judgments by management.

As management, we believe the data presented is accurate in all material aspects and that all disclosures necessary to enable the reader to acquire the maximum understanding of the City's financial activity have been included.

Members of City Council have oversight responsibilities for the selection of the independent certified public accountant, and meets with the independent auditor to review the audit results. The City Council also has oversight responsibility over significant financial matters of the City. Trimble, Julian & Grube, Inc., a licensed certified public accounting firm, has audited the City's financial statements. The objective of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2004, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2004, are fairly presented in conformity with (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

The City of Upper Arlington was organized on February 8, 1941 and is a home-rule, Municipal Corporation under the laws of the State of Ohio. The City covers nine square miles which is located just northwest of Downtown Columbus. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, public service, parks and recreations, community development, health and sanitation.

As required by GAAP, the accompanying financial statements include all the organizations, activities and functions in which the City (primary government) and its component units exercise financial accountability. The component unit discussed below is included in the City's reporting entity because of the significance of its operations and/or financial relationship with the City.

*Blended Component Unit* – a 12-member board governs the Community Improvement Corporation (CIC) of Upper Arlington. For financial reporting purposes, the CIC is reported as if it were part of the City's operations because its purpose is to assist the City in the revitalization and enhancement of property within the City. The CIC is reported as a nonmajor special revenue fund.

The annual budget serves as the foundation for the City's financial planning and control. The City complies with the requirements of the Ohio Revised Code in the adoption of the budget. Appropriations for the operation of various City departments are established through the passage of an ordinance by City Council. Budgetary control is facilitated through the maintenance of an encumbrance system for purchase orders, and through the use of the City's automated financial

system. The council is required to hold public hearings on the proposed budget and to adopt the budget by no later than December 31, the close of the City's fiscal year.

The appropriated budget is prepared by fund, function (e.g., public safety), department (e.g., police) and line item (personal services). The City Council may pass supplemental appropriations at any time by ordinance. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. The general fund and major special revenue fund are presented in the required supplementary section, beginning on page 65. For governmental funds, other than the general fund and major special revenue funds, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 78.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

**Local economy.** Central Ohio is an economically stable metropolitan area with a diverse economy. The unemployment rate for the Columbus area (Upper Arlington is a first-tier suburb) is currently 5.0 percent, which is an increase from a rate of 4.9 percent a year ago. This compares favorably to the state's average unemployment rate of 5.7 percent and the national average rate of 5.7 percent.

Many cities in Central Ohio, including the City of Upper Arlington, continually look at revitalizing non-performing areas with economic development activities.

The City requested a Market Analysis for Retail and Office Uses in 2004 to affirm the economic development direction the City was taking. This Market Analysis provided a unique historical perspective, interesting facts about the community and the region, as well as support for mixed-use redevelopment. The report states that Upper Arlington is served by a glut of retail space both within and surrounding its boundaries. Likewise, Central Ohio's super-regional retail concentrations such as Polaris and Easton not only attract Upper Arlington shoppers but they reduce the number of regional shoppers willing to patronize local businesses. In contrast, the City has one of the lowest office vacancy rates in the region. With successful projects already occurring, it is anticipated that the City can support approximately 30,000 square feet per year of new, smaller-scale office space integrated into lively mixed-use environments for the foreseeable future. Some of the 2004 economic development highlights include:

- ❖ Arlington Falls, LLC completed construction of the first of five proposed office condominium buildings available for purchase, totaling 68,000 square feet. Phase I was fully occupied by year's end, with Phase II scheduled to begin early in 2005.
- ❖ Upper Arlington is set to become four acres larger in 2005, following many months of work to annex commercial property from the Pizza Hut at North Star and Lane Avenue east to the Fiesta Center Phase 1 on the south side of Lane Avenue. Along with several new businesses, the Kingsdale Gynecologic Associates, Inc. will be welcomed back to the community as a result of the annexation.
- ❖ The City granted a non-school tax increment financing incentive to First Community Village to support its \$40 million expansion.

**Long-term financial planning.** The City of Upper Arlington's Master Plan, adopted in 2001, serves as the community's vision for its future, comprehensively addressing a wide range of goals and considerations within the areas of land use, housing, community facilities and appearance, economic development, transportation and infrastructure, and implementation. The Master Plan's ultimate goal is to preserve and enhance the community's quality of life, while assuring fiscal stability over the long term. Built into the Master Plan are several implementation strategies

designed to keep the document alive and evolving over a 10-year period, at which time a major review and update will occur. As such, a Master Plan Annual Report is produced each spring to review recent accomplishments and to make update recommendations.

A significant portion of the City's role in reinvesting in Upper Arlington is to protect and enhance those investments already made as the community grew and took shape over the course of many decades – our underground and surface infrastructure, public facilities and parks. The City remains committed to improving its aging infrastructure through its Capital Improvement Program (CIP). The CIP maintains a 7-year funding of \$5 million annually through 2011.

The City assumed ownership of the community's three outdoor pools in February 2003. The pools were previously managed by the Parks and Recreation Department but held in a Pool Trust by the Upper Arlington School District. Assuming ownership enabled the City to begin taking a long-term look at how best to approach renovation and maintenance needs for these aging but popular facilities. A major reconstruction project began in the fall of 2004 to change the existing Hasting Pool into a water park that will now have the name Reed Road Water Park opening in the summer of 2005. The City will undertake another extensive public visioning process, comprised of city hall and town meetings, surveys; and other outreach efforts to encourage community input on how the City should proceed on the next swimming pool.

**Relevant financial policies.** A debt policy was adopted on September 8, 2003 to establish conditions for the use of debt and to create policies that minimize the City's debt service and issuance costs, retain the highest credit rating and maintain full and complete financial disclosure and reporting.

Ohio state law had some major changes with their municipal income tax. The changes involved included: uniform definition of net profits based on adjusted federal taxable income; expanded definition of intangible income; uniform definition of withholding base; and uniform annual return due date of April 15th. These income tax changes become effective for taxable years beginning on or after January 1, 2004.

The City's Procurement Code was updated effective July 28, 2004 to include new purchasing limits, language simplification, and clarifying certain items.

Seeking to maintain and enhance our emergency services, equipment and facilities, in July 2004 the Fire Division began implementation of an Emergency Medical Services Transport Billing Program that utilizes existing Medicare and insurance monies. By year's end the program had brought in approximately \$190,000, with a minimum of \$450,000 anticipated annually.

**Major initiatives.** A push to enact smoke-free legislation across Central Ohio communities, in an effort to protect the health of workers, resulted in City Council's consideration and adoption of a Clean Indoor Air Ordinance was effective February 1, 2005.

The City approved two separate tax incentive financing funds (TIF) named the Chelsea Tax Increment Fund and Horizon Tax Increment Fund in 2004 for infrastructure improvements due to economic development.

### **Awards and Acknowledgements**

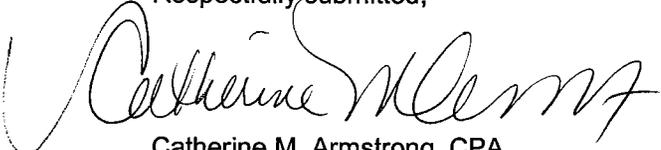
The Government Finance Officers Association of the United States and Canada (GFOA) awarded the 17<sup>th</sup> consecutive Certificate of Achievement for Excellence in Financial Reporting to the City of Upper Arlington for its comprehensive annual report for the fiscal year ended December 31, 2003.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report could not have been accomplished without the efficient and dedicated efforts of the entire Staff of the Finance Department. We wish to express our appreciation to everyone who contributed to its preparation.

Respectfully submitted,



Catherine M. Armstrong, CPA  
Finance Director



Virginia L. Barney  
City Manager



CITY OF | **UPPER ARLINGTON**

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# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Upper Arlington,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2003

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



*Nancy L. Zjella*

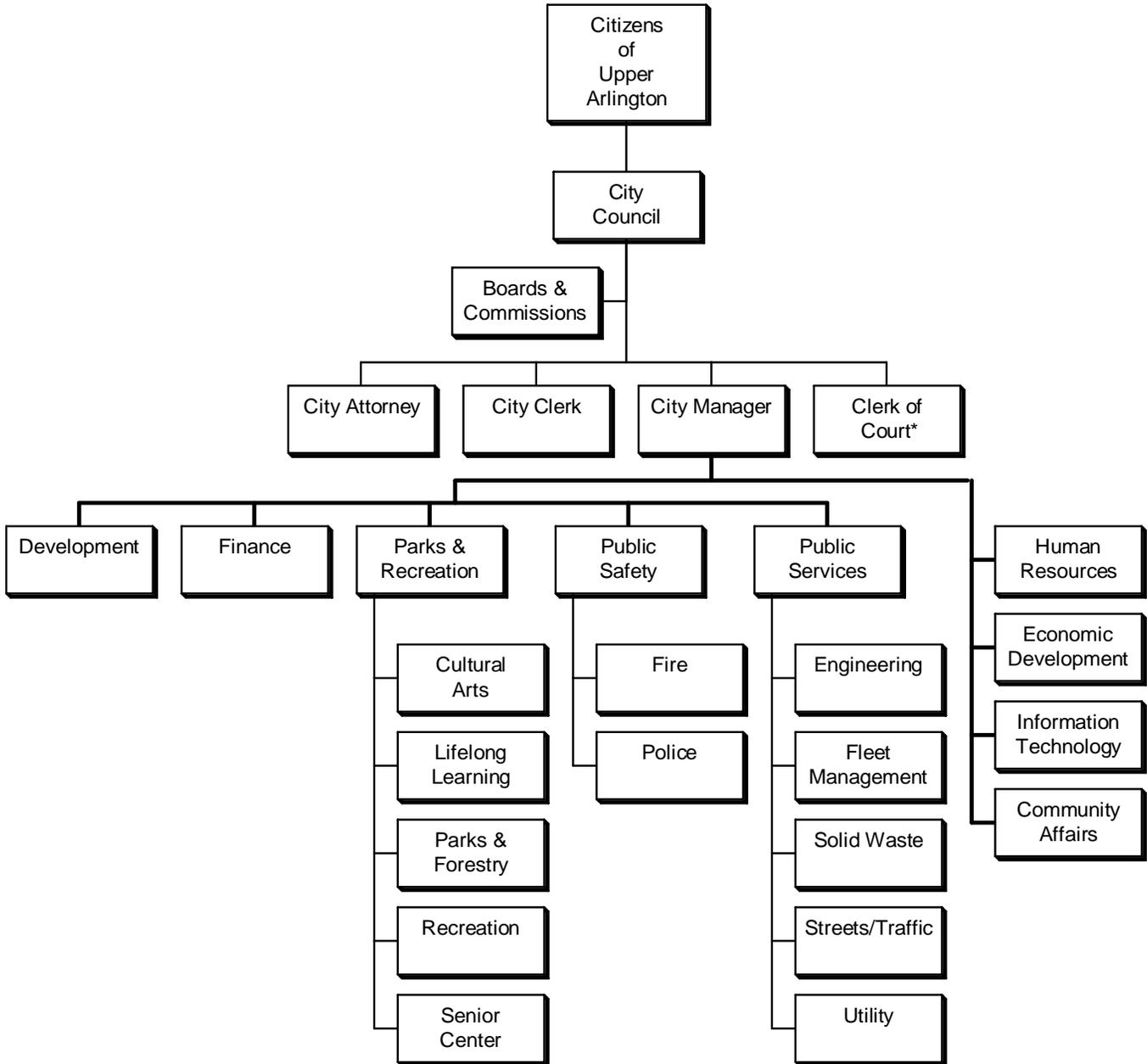
President

*Jeffrey R. Emer*

Executive Director



# Organizational Chart



\*Appointed by Mayor

**CITY OF UPPER ARLINGTON, OHIO**  
**LIST OF CITY OFFICIALS**  
**December 31, 2004**

**City Council**

President/Mayor	Clark P. Pritchett Jr.
Vice President/Vice Mayor	James R. Winfree
Council Member	Edward F. Seidel Jr.
Council Member	Linda S. Mauger
Council Member	Timothy S. Rankin
Council Member	Jeffrey A. Kurz
Council Member	Mary Ann Krauss

**Appointed Officials**

City Manager	Virginia L. Barney
City Attorney	Jeanine Amid
City Clerk	Margie Carvour
Clerk of Court	Cynthia J. Bitter

**Executive Staff**

Assistant City Manager	Gerald Smith
Development Director	Dean Sivinski
Finance Director	Catherine M. Armstrong
Fire Division Chief	Mitchell Ross
Parks and Recreation Director	Joseph T. Valentino
Police Division Chief	Dwight A. Holcomb
Public Services Director	Larry Helscel



CITY OF | **UPPER ARLINGTON**

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CITY OF | **UPPER**  
**ARLINGTON**

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# JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

333 County Line Road West  
Suite A  
Westerville, Ohio 43082

Telephone 614.846.1899  
Facsimile 614.846.2799

## Independent Auditor's Report

Members of Council and Mayor  
City of Upper Arlington  
3600 Tremont Road  
Upper Arlington, OH 43221

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Upper Arlington, Franklin County, Ohio, (the "City"), as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Upper Arlington's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As disclosed in Note 13 to the financial statements, the City had prior period adjustments to properly state its accounts payables and capital assets at June 30, 2003.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Upper Arlington, Ohio, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof 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 May 20, 2005, on our consideration of the City of Upper Arlington'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.

City of Upper Arlington  
May 20, 2005  
Page Two

The management's discussion and analysis and budgetary comparison information on pages 5 through 17 and 64 through 67, are not a required part of the basic financial statements but are 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 City of Upper Arlington's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The relevant supplementary information, such as the combining and individual nonmajor funds financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The relevant supplementary information, such as 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.*

Julian & Grube, Inc.  
May 20, 2005

**A. REQUIRED SUPPLEMENTARY INFORMATION – MD&A**



CITY OF | **UPPER ARLINGTON**

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## **City of Upper Arlington, Ohio Management's Discussion and Analysis**

As management of the City of Upper Arlington (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Upper Arlington for the fiscal year ended December 31, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found at the front of this report.

### **Financial Highlights**

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$77,488,915 (net assets). Of this amount, \$25,792,118 (unrestricted net assets) may be used to meet the government's ongoing governmental activities obligations and \$5,488,737 (unrestricted net assets) may be used to meet the business-type activities obligations to citizens and creditors.
- The City's total net assets increased by \$1,395,561 or 1.8%.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$42,935,227, a decrease of \$6,756,208 in comparison with the prior year. Approximately 85.3% of this total amount, \$36,622,610, is available for spending at the City's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$22,180,096, or 86.6% of the total general fund expenditures.
- The City's total net debt increased by \$2,226,199 (7.5 percent) during the current fiscal year due to the issuance of \$3,972,000 in general obligation one-year note for planned capital improvements.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. As discussed in note 13 to the basic financial statements, the City restated the 2003 Management's Discussion and Analysis.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad view of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows for future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities). The governmental activities of the City include general government, public service, public safety, development, health and parks and recreation. The business-type activities of the City include five enterprise activities: a sanitary sewer system, a storm water system, a water management system, solid waste collection and three swimming pool facilities.

The government-wide financial statements include not only the City itself (known as the primary government), but also the Upper Arlington Community Improvement Corporation (CIC), a blended component unit. Complete financial statements of the CIC may be obtained from the City's Finance Department at 3600 Tremont Road, Upper Arlington, Ohio 43221.

The government-wide financial statements can be found on pages 19-21 of this report.

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

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

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

The City of Upper Arlington maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Street Maintenance and Repair Fund, Bonded Improvement Fund and the Estate Tax Fund, all of which are considered major funds. Data from the other 14 governmental funds are combined into a single, aggregated presentation.

Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the supplemental section of this report.

The basic governmental fund financial statements can be found on pages 22 – 29 of this report.

**Proprietary funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sanitary sewer, storm sewer, swimming pool and solid waste collection operations. *Internal service* funds are an accounting device used to accumulate and allocate costs internally among the City's various functions such as employee benefits. The City maintains one internal service fund. The services provided by these funds benefit both the governmental and the business-type functions.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water, sanitary sewer, storm water, and swimming pool fund, which are considered to be major funds of the City, as well as the nonmajor fund, the solid waste collection operations. Additionally, the internal service fund is presented in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 30 – 37 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 38 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 39 – 61 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City. Required supplementary information can be found on pages 64 – 67 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and nonmajor business-type funds are presented immediately following the other supplemental information. Combining and individual fund statements and schedules can be found on pages 76 – 119 of this report.

<b>City of Upper Arlington</b>						
<b>Net Assets</b>						
(in thousands)						
	Governmental activities		Business-type activities		Total	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Current and other assets	\$ 58,800	\$ 65,899	\$ 6,746	\$ 3,788	\$ 65,546	\$ 69,687
Capital assets	<u>40,533</u>	<u>35,415</u>	<u>17,513</u>	<u>16,142</u>	<u>58,046</u>	<u>51,557</u>
Total assets	<u>\$ 99,333</u>	<u>\$ 101,314</u>	<u>\$ 24,259</u>	<u>\$ 19,930</u>	<u>\$ 123,592</u>	<u>\$ 121,244</u>
Long-term liabilities outstanding	\$ 29,261	\$ 26,300	\$ 5,236	\$ 5,809	\$ 34,497	\$ 32,109
Other liabilities	<u>10,533</u>	<u>12,545</u>	<u>1,074</u>	<u>497</u>	<u>11,607</u>	<u>13,042</u>
Total liabilities	<u>\$ 39,794</u>	<u>\$ 38,845</u>	<u>\$ 6,310</u>	<u>\$ 6,306</u>	<u>\$ 46,104</u>	<u>\$ 45,151</u>
<b>Net assets:</b>						
Invested in capital assets, net of related debt	\$ 19,898	\$ 19,045	\$ 12,460	\$ 10,539	\$ 32,358	\$ 29,584
Restricted	13,849	12,382			13,849	12,382
Unrestricted	<u>25,792</u>	<u>31,042</u>	<u>5,489</u>	<u>3,085</u>	<u>31,281</u>	<u>34,127</u>
Total net assets	<u>\$ 59,539</u>	<u>\$ 62,469</u>	<u>\$ 17,949</u>	<u>\$ 13,624</u>	<u>\$ 77,488</u>	<u>\$ 76,093</u>

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's assets exceed liabilities by \$77,488,915 at the close of the most recent year.

A large portion of the City's net assets (42 percent) reflects its investment in capital assets (e.g. land, buildings, improvements other than buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding plus any significant unspent bond proceeds. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

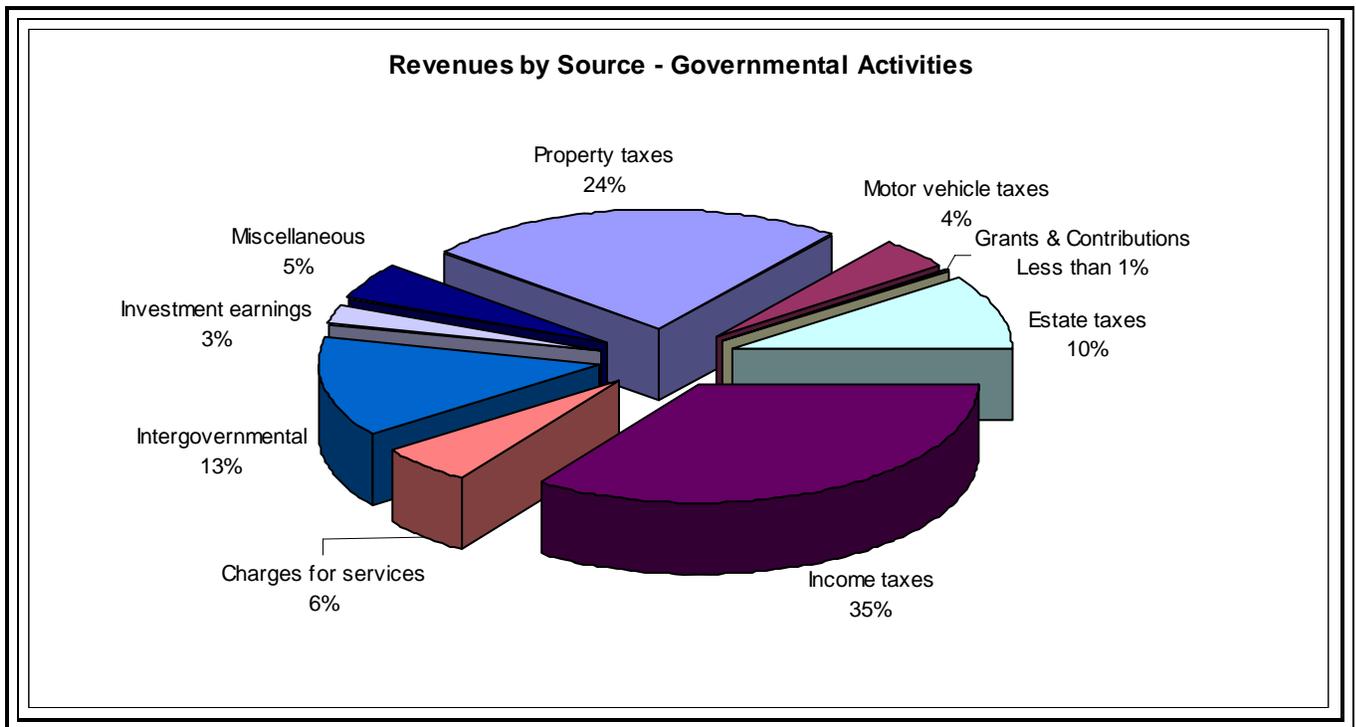
An additional portion of the City's net asset (18 percent) represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net assets (\$31,280,855) may be used to meet the government's on-going obligations to citizens and creditors. It is important to note that although the total unrestricted net assets is \$31,280,855; the unrestricted net assets of the City's business-type activities (\$5,488,737) may not be used to fund governmental activities.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

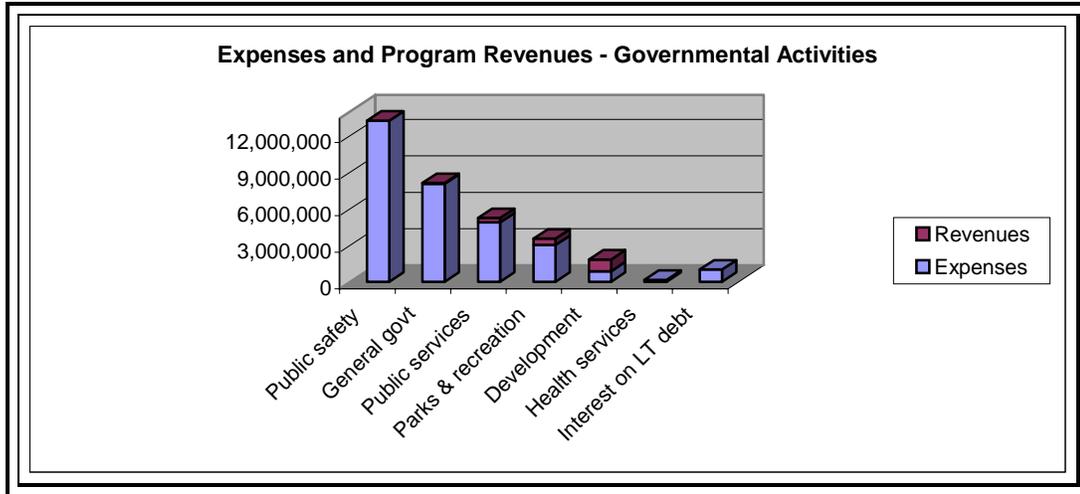
- The decrease in governmental activities total assets was due primarily to the current year transfer of approximately \$3.9 million to the Swimming Pool enterprise fund for construction on the Reed Road Water Park.

- ❑ The increase in governmental activities total liabilities was due to the issuance of the \$4 million in general obligation notes for general capital improvements and \$.5 million installment loan for HVAC refurbishment, offset by the repayment of existing debt outstanding.
- ❑ The increase in business-type activities total assets was due primarily to the transfer of the funds for the aforementioned swimming pool.
- ❑ The business-type activities liabilities increased due to outstanding accounts payable liabilities relating to the swimming pool construction offset by the continued repayment of long-term debt.

**Governmental activities.** Governmental net assets decreased by \$2,930,271. This decrease is primarily related to the transfer of monies from the general fund (governmental type fund) to the swimming pool fund (business type fund). The following charts illustrate both the 2004 revenues and expenses for governmental activities.



The increase in the general government cost are due to non routine maintenance repairs that didn't qualify for capitalization under the City's capitalization policy as well as capital contributions of \$610,335 to the City's enterprise funds.

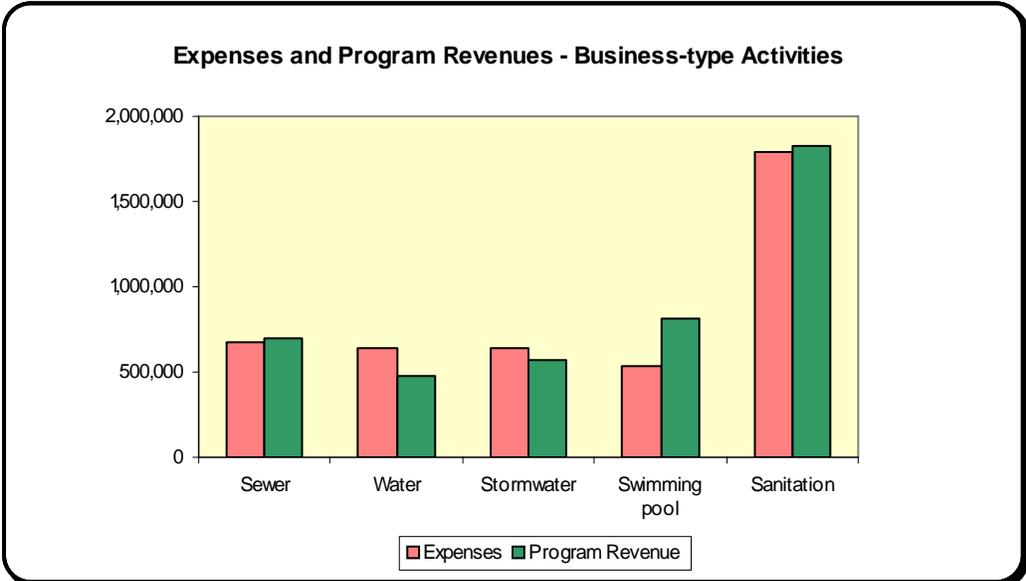
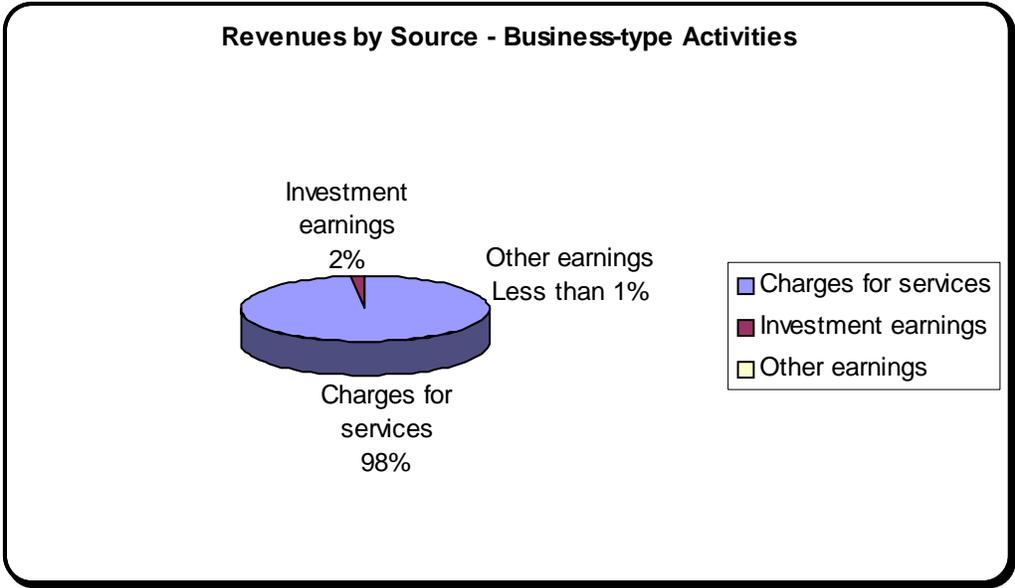


**City of Upper Arlington  
Statement of Activities**

	<u>Governmental Activities</u>		<u>Business – Type Activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
<b>Revenues:</b>						
<i>Program revenues:</i>						
Charges for services	\$ 1,863,701	\$ 1,589,686	\$ 3,775,671	\$ 3,240,735	\$ 5,639,372	\$ 4,830,421
Operating grants & contributions	70,268	83,754			70,268	83,754
Capital grants & contributions		119,360	610,335		610,335	119,360
<i>General revenues:</i>						
Income taxes	11,109,476	12,579,912			11,109,476	12,579,912
Estate taxes	3,286,609	1,581,365			3,286,609	1,581,365
Property taxes	7,881,492	7,350,424			7,881,492	7,350,424
Intergovernmental	4,369,018	4,008,330			4,369,018	4,008,330
Investment earnings	855,211	1,096,574	75,333	91,524	930,544	1,188,098
Motor Vehicle taxes	1,411,065	1,635,749			1,411,065	1,635,749
Other miscellaneous revenues	1,577,602	1,598,529		4,168	1,577,602	1,602,697
<b>Total revenues</b>	<b>32,424,442</b>	<b>31,643,683</b>	<b>4,461,339</b>	<b>3,336,427</b>	<b>36,885,781</b>	<b>34,980,110</b>
<b>Expenses:</b>						
Public safety	13,226,883	12,172,146			13,226,883	12,172,146
General government	8,044,789	6,910,301			8,044,789	6,910,301
Public services	4,867,828	4,317,064			4,867,828	4,317,064
Parks and recreation	3,021,736	2,896,774			3,021,736	2,896,774
Community development	870,076	723,649			870,076	723,649
Health services	167,136	157,354			167,136	157,354
Interest on long-term debt	1,005,873	976,772			1,005,873	976,772
Water Surcharge			643,225	340,856	643,225	340,856
Sewer Surcharge			670,939	718,114	670,939	718,114
Stormwater			642,924	685,759	642,924	685,759
Swimming pools			539,115	555,090	539,115	555,090
Sanitation			1,789,696	1,687,663	1,788,797	1,687,663
<b>Total expenses</b>	<b>31,204,321</b>	<b>28,154,060</b>	<b>4,285,899</b>	<b>3,987,482</b>	<b>35,490,220</b>	<b>32,141,542</b>
Increase (decrease) in net assets before transfers	1,220,121	3,489,623	175,440	(651,055)	1,395,561	2,838,568
Transfers	(4,150,392)	(2,272,814)	4,150,392	2,272,814		
Increase (decrease) in net assets	(2,930,271)	1,216,809	4,325,832	1,621,759	1,395,561	2,838,568
Net assets ---- January 1 <sup>st</sup> as restated	62,469,758	61,252,949	13,623,596	12,001,837	76,093,354	73,254,786
<b>Net assets---- December 31<sup>st</sup>,</b>	<b>\$ 59,539,487</b>	<b>\$ 62,469,758</b>	<b>\$ 17,949,428</b>	<b>\$13,623,596</b>	<b>\$ 77,488,915</b>	<b>\$ 76,093,354</b>

**Business-type activities.** Business-type activities increased the City net assets by \$4,325,832. Key elements in this increase are as follows.

- The transfer of monies for the swimming pools as discussed in the City's government activities (\$3.9 million).
- The capital contributions from governmental sources to enterprise funds in the amount of \$610,335.



## Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$42,935,227, a decrease of \$6,756,208 over the prior year. Approximately 85% of this total amount (\$36,622,610) constitutes *unreserved fund balance*, which is available for spending at the City's discretion. The remainder of fund balance is reserved. It has already been committed to liquidate contracts and purchase orders for the prior period (\$4,843,589), risk management utilization (\$405,156), or for capital equipment and inventory (\$1,063,872).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unreserved fund balance of the general fund was \$22,180,096, while total fund balance was \$24,109,033. **The unreserved fund balance of the General Fund has budgeted plans and internal designations, which are not legal restrictions of fund, balance and therefore not reflected in the basic financial statements.** Some of the budgeted plans and internal designations include economic development plans and future capital improvement plans.

The fund balance, of the City's general fund, decreased by \$4,059,564 during the current fiscal year. The key factors in this decrease are as follows:

- ❑ Transfers to other funds in the amount of \$7,459,060 (including the one time capital improvement transfer to the Swimming Pools fund for \$3.9 million) for on-going assistance to other funds, off-set by
- ❑ An increase in monies from operations of \$2,897,455.

The fund balance of the City's street maintenance and repair fund decreased by \$89,535. The key factor in this decrease was higher road salt costs and associated labor costs due to early winter snowstorms in December 2004.

The fund balance, of the City's bonded improvement fund, decreased by \$3,876,810 during the fiscal year. This decrease fund balance was the use of the funds for capital improvements.

The estate tax fund balance increased \$120,899. The major factor in this increase was the transfer from the general fund of \$479,502 offset by the use of funds for capital improvements.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the business-type activities of the government-wide financial statements, but in more detail.

Unrestricted net assets at the end of the year amounted to \$86,539 for Water Surcharge Fund, \$192,780 for the Sewer Surcharge Fund, \$2,890,980 for the Stormwater Fund, \$2,527,518 for the Swimming Pools Fund and \$(209,080) for the Solid Waste Fund. The change in net assets was \$(33,927), \$138,771, \$1,721, \$4,183,133, and \$36,134 respectively. Other factors concerning the finances of these funds have already been addressed in the discussion the City's business-type activities.

**Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2004, amounts to \$58,046,633 net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was 15.8%, a 19.3% increase for governmental activities and a 8.5% increase for business-type activities.

**Major capital asset events during the current fiscal year included the following:**

- **Construction/Reconstruction** – The City continued its strategy of capital improvements for its aging infrastructure. Engineering and studies for projects that have begun or will begin in future years included: Squirrel Blend Storm study; Lane Avenue Sanitary Sewer Study; and the Tremont Road Sanitary Sewer Study.

**Construction-in-progress infrastructure projects included:** Beaumont Road reconstruction; Lane Road and NW bike paths; Riverside and Henderson Road reconstruction; Zollinger Road reconstruction; Harford/Essex Road reconstruction; and the Eastcleft/Wickliffe storm water lines.

**Completed infrastructure projects included:** Arterial streetlights; Final phase of the ADA curb ramps; Asbury Drive storm water lines; Riverside Drive South storm water lines; and the South Dorchester storm water lines.

- Additionally the city began construction on the Reed Road Water Park set to open in June 2005.
- **Restatement** – The City restated the previous amount reported as Net Capital Assets due to inadvertently included certain assets in both its calculation of construction in progress as well as infrastructure assets in the previous year. This restatement is as follows:

<b>Governmental Net Capital Assets, as previously reported</b>	\$	35,414,801
Capital Asset Restatement		(1,446,285)
 <b>Governmental Net Capital Assets, as restated at January 1, 2004</b>	 \$	 <u><u>33,968,516</u></u>

**City of Upper Arlington's Capital Assets  
(net of accumulated depreciation)**

	Governmental activities		Business-type activities		Total	
	2004	2003	2004	2003	2004	2003
Land	\$ 3,138,957	\$ 3,138,957	\$ 1,236,573	\$ 1,236,573	\$ 4,375,530	\$ 4,375,530
Building	1,457,238	1,540,982	90,122	94,994	1,547,360	1,635,976
Improvements	837,920	824,828	400,959	410,759	1,238,879	1,235,587
Machinery and equipment	3,843,389	4,295,550	733,088	742,797	4,576,477	5,038,347
Infrastructure	18,882,158	14,367,226	13,142,985	13,656,720	32,025,143	28,023,946
Construction in progress	12,373,602	9,800,973	1,909,642		14,283,244	9,800,973
<b>Total</b>	<b>\$40,533,264</b>	<b>\$33,968,516</b>	<b>\$17,513,369</b>	<b>\$16,141,843</b>	<b>\$ 58,046,633</b>	<b>\$ 50,110,359</b>

Additional information on the City's capital assets can be found in note 4 on pages 50 - 51 of this report.

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$24,875,917. This debt is backed by the full faith and credit of the City. The City does not have any revenue bonds.

**City of Upper Arlington's Outstanding Bonded General Obligation Debt**

	Governmental Activities		Business-type Activities		Total	
	<u>2003</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
General						
Obligation Bonds	\$ 22,385,370	\$ 24,046,434	\$ 2,490,547	\$ 2,839,482	\$ 24,875,917	\$ 26,885,916
<b>Total</b>	<b>\$ 22,385,370</b>	<b>\$ 24,046,434</b>	<b>\$ 2,490,547</b>	<b>\$ 2,839,482</b>	<b>\$ 24,875,917</b>	<b>\$ 26,885,916</b>

During the current fiscal year, the City's total bonded debt decreased by \$2,009,999 or 7.5%.

The City received an upgrade to "Aa1" (previously Aa2) rating from Moody's for general obligation debt. Moody's Investor's Service upgrade made the City one of just nine Ohio communities to have achieved this distinction.

The City is within all of its legal debt limitations. The Ohio Revised Code provides that the net debt (as defined in the Ohio Revised Code) of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of the property. The statutory limitations on debt are measured by the ratio of net debt to tax valuation and expressed in terms of a percentage. The current debt limitation for the City is \$136,134,317, which is significantly greater than the City's outstanding general obligation debt.

The City adopted the debt policy in September 2003. This document assisted the City in concluding it should issue bonds by the close of 2003 to support the City's Capital Improvement Program. In 2004, the City issued a bond anticipation note in the amount of \$3,972,000 for capital improvements. This note was renewed in January of 2005. The City intends to bond this note in 2006.

Additional information on the City's long-term debt can be found in note 6 on pages 53 - 56 of this report.

### **General Fund Budgetary Highlights**

In 2004, the City amended the 2004 general fund budget by an increase of \$8,660,392. The major factor in this increase was the \$3,906,000 transfer to the swimming pool fund to assist in the building of the Reed Road Water Park. Other factors included: new grant revenue, the estate tax transfers of excess revenues over \$2.1 million and the 27<sup>th</sup> pay period. The City pays employees bi-weekly or 26 times per year. In 2004, the budget increased to accommodate a 27<sup>th</sup> pay, as every 11 years the calendar has an additional "Friday".

### **Economic Factors and Next Year's Budgets and Rates**

- ❑ The unemployment rate for the Columbus area (Upper Arlington is a first-tier suburb) is currently 5.0 percent, which is an increase from a rate of 4.9 percent a year ago. This compares favorably to the state's average unemployment rate of 5.7 percent and the national average rate of 5.7 percent.
- ❑ The personal income per capita for Franklin County is \$38,116. This compares favorably to the state's personal income per capita of \$29,944 and the national average rate of \$31,632.
- ❑ Sunny 95, a local radio station, expanded its facility in October 2004, a project that represents \$3 million in retained payroll, with more than \$1.8 million additional payroll anticipated.
- ❑ Professional Planning Consultants took up residence at Horizons Drive, bringing over \$ 2 million in annual payroll to the City.
- ❑ The Development Department issued 406 residential and commercial permits in 2004, with a total construction value of approximately \$84.5 million. The continued high level of home renovations speaks to residents continued confidence in the City as a stable and desirable residential community.
- ❑ The City does not have a permanent source of revenue to fund capital infrastructure maintenance or improvements. The City has committed through the budgeting process to a seven-year infrastructure improvement plan of approximately \$5,000,000 a year or a total infrastructure improvement plan of \$35,000,000. Issuing debt and utilizing unrestricted fund balances are the planned funding sources for this infrastructure improvement plan.
- ❑ Seeking to maintain and enhance our emergency services, equipment and facilities, in July 2004 the Fire Division began implementation of an Emergency Medical Services Transport Billings Program that taps into existing Medicare and insurance monies. By years' end the program had brought in approximately \$190,000, with a minimum of \$450,000 anticipated annually.

All of these factors were considered in preparing the City's Budget for the 2005 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund decreased \$2,145,892 to a fund balance of \$22,180,096. The City has appropriated \$27,880,567 for spending in the 2005 fiscal year budget, which includes the 2005 budgeted revenues.

**Street Construction Maintenance and Repair Fund Budgetary Highlights (Major Special Revenue Fund)**

- The differences between the original budget and the final amended budget was \$66,104 in order to appropriate additional monies for the 2004 negotiated union agreement and additional salt needs due to heavy snowfall.

**Other Budgetary Highlights**

**Rate changes:** The Enterprise Funds are self-supporting and therefore each fund's revenues need to cover the expenses generated by their activity. The swimming pool membership and entrance fees were raised in 2005 in response to the pools visioning process and the feedback from residents on how they would like the aging pools to evolve into updated water recreation parks with the first water park to open in June 2005. The Solid Waste rates were discussed and council has requested a focus group be formed to study the current collection method. The Water Surcharge and Sewer Surcharge rates continue to be a discussion point, but no action has been taken at this time. Additionally, the Development and Parks and Recreation Department charge for licenses, fees and certain services in the Governmental Funds and those rates were increased at varying percentages for program expenses.

The insurance premium charged for the employee benefit funds was raised 7.5% for medical and dental premiums to cover increased costs. The worker's compensation premium was raised by 12.4% to also cover increased costs. The Ohio Public Employee Retirement System (OPERS) contribution rate for employers will increase over the next three years as follows:

	Current Rate	<u>2006</u>	<u>2007</u>	<u>2008</u>
Full-time employee	22.05%	22.70%	23.35%	24.00%
Part-time employee	8.50%	9.00%	9.50%	10.00%

**Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 3600 Tremont Road, Upper Arlington, Ohio, 43221. This report is also available on the City's website at [www.ua-ohio.net](http://www.ua-ohio.net).

## **B. BASIC FINANCIAL STATEMENTS**

**City of Upper Arlington, Ohio**  
**Statement of Net Assets**  
December 31, 2004

<b>ASSETS</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Cash, cash equivalents and investments	\$ 40,571,464	\$ 6,548,885	\$ 47,120,349
Accounts receivable (net of allowance for uncollectibles)	17,926,506	212,145	18,138,651
Inventories	192,633		192,633
Deferred charges	94,308		94,308
Internal Balances	15,314	(15,314)	-
Capital assets:			
Land	3,138,957	1,236,573	4,375,530
Construction in progress	12,373,602	1,909,642	14,283,244
Other capital assets, net of accumulated depreciation	25,020,705	14,367,154	39,387,859
Total assets	<u>\$ 99,333,489</u>	<u>\$ 24,259,085</u>	<u>\$ 123,592,574</u>
 <b>LIABILITIES</b>			
Accounts payable	\$ 1,771,030	\$ 967,172	\$ 2,738,202
Accrued liabilities	532,902	39,591	572,493
Deferred revenue	8,228,587	66,494	8,295,081
Noncurrent liabilities:			
Due within one year			
Accrued vacation and sick leave	405,098	39,923	445,021
Installment loan payable	195,425		195,425
Ohio Public Works Commission Loans - current		208,229	208,229
Bonds payable, net - current	1,626,034	360,970	1,987,004
Due in more than one year:			
Accrued vacation and sick leave	1,740,076	143,799	1,883,875
Installment loan payable	404,755		404,755
Ohio Public Works Commission Loans		2,353,902	2,353,902
Bonds & notes payable, net	24,890,095	2,129,577	27,019,672
Total liabilities	<u>39,794,002</u>	<u>6,309,657</u>	<u>46,103,659</u>
 <b>NET ASSETS</b>			
Invested in capital assets, net of related debt	19,897,962	12,460,691	32,358,653
Restricted for:			
Capital Projects	11,375,582		11,375,582
Debt Service	932,106		932,106
Special revenues	1,541,719		1,541,719
Unrestricted	25,792,118	5,488,737	31,280,855
Total net assets	<u>\$ 59,539,487</u>	<u>\$ 17,949,428</u>	<u>\$ 77,488,915</u>

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

**City of Upper Arlington, Ohio**  
Statement of Activities  
For the Year Ended December 31, 2004

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Public Safety	\$ 13,226,883	\$ 7,980	\$ 6,777	
General Government	8,044,789	67,813	994	
Public Services	4,867,828	320,694	51,962	
Parks and Recreation	3,021,736	503,343	10,535	
Community Development	870,076	963,871		
Health Services	167,136			
Interest on long-term debt	1,005,873			
Total governmental activities	<u>31,204,321</u>	<u>1,863,701</u>	<u>70,268</u>	<u>-</u>
Business-type activities:				
Water Surcharge	643,225	323,738		\$ 153,060
Sewer Surcharge	670,939	628,936		68,882
Stormwater	642,924	554,837		16,880
Swimming Pools	539,115	444,735		371,513
Solid Waste	1,789,696	1,823,425		-
Total business-type activities	<u>4,285,899</u>	<u>3,775,671</u>	<u>-</u>	<u>610,335</u>
Total government	<u>\$ 35,490,220</u>	<u>\$ 5,639,372</u>	<u>\$ 70,268</u>	<u>\$ 610,335</u>

General revenues:  
Income taxes  
Property taxes  
Estate taxes  
Motor vehicle taxes  
Intergovernmental  
Unrestricted investment earnings  
Miscellaneous

Transfers  
Total general revenues and transfers  
Changes in net assets  
Net assets - beginning, as restated (note 13)  
Net assets - ending

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

**Net (Expense) Revenue and  
Changes in Net Assets**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$	(13,212,126)		\$ (13,212,126)
	(7,975,982)		(7,975,982)
	(4,495,172)		(4,495,172)
	(2,507,858)		(2,507,858)
	93,795		93,795
	(167,136)		(167,136)
	(1,005,873)		(1,005,873)
	<u>(29,270,352)</u>		<u>(29,270,352)</u>
		\$ (166,427)	(166,427)
		26,879	26,879
		(71,207)	(71,207)
		277,133	277,133
		33,729	33,729
		<u>100,107</u>	<u>100,107</u>
	<u>(29,270,352)</u>	<u>100,107</u>	<u>(29,170,245)</u>
	11,109,476		11,109,476
	7,781,443		7,781,443
	3,286,609		3,286,609
	1,411,065		1,411,065
	4,469,067		4,469,067
	855,211	75,333	930,544
	1,577,602		1,577,602
	<u>(4,150,392)</u>	4,150,392	-
	<u>26,340,081</u>	<u>4,225,725</u>	<u>30,565,806</u>
	(2,930,271)	4,325,832	1,395,561
	62,469,758	13,623,596	76,093,354
\$	<u>59,539,487</u>	<u>17,949,428</u>	\$ <u>77,488,915</u>

**City of Upper Arlington, Ohio**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2004**

<b>ASSETS</b>	<b><u>General</u></b>	<b><u>Street Maintenance and Repair</u></b>
Cash, cash equivalents and investments	\$ 21,627,901	\$ 523,856
Receivables (net of allowance for uncollectibles)	15,231,223	706,640
Inventories	115,839	76,794
Total assets	<u>\$ 36,974,963</u>	<u>\$ 1,307,290</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	364,038	65,906
Due to other funds	122,040	9,359
Deferred revenue	11,616,853	507,029
Accrued Liabilities	414,741	26,833
Accrued Vacation & Sick Leave Liability	348,258	56,840
Total liabilities	<u>\$ 12,865,930</u>	<u>\$ 665,967</u>
Fund balances:		
Reserved for:		
Encumbrances	536,703	28,082
Capital equipment	871,239	
Inventory	115,839	76,794
Self-Insurance	405,156	
Unreserved, reported in:		
General fund	22,180,096	
Special revenue funds		536,447
Capital project funds		
Debt service funds		
Total fund balances	<u>24,109,033</u>	<u>641,323</u>
Total liabilities and fund balances	<u>\$ 36,974,963</u>	<u>\$ 1,307,290</u>

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

<b>Bonded Improvement</b>	<b>Estate Tax</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 6,829,732	\$ 8,420,344 83,150	\$ 3,049,421 1,905,493	\$ 40,451,254 17,926,506 192,633
<u>\$ 6,829,732</u>	<u>\$ 8,503,494</u>	<u>\$ 4,954,914</u>	<u>\$ 58,570,393</u>
848,725	19,925	205,224 289 1,026,411 2,695	1,503,818 131,688 13,150,293 444,269 405,098
<u>\$ 848,725</u>	<u>\$ 19,925</u>	<u>\$ 1,234,619</u>	<u>\$ 15,635,166</u>
3,111,708	658,412	508,684	4,843,589 871,239 192,633 405,156 22,180,096
2,869,299	7,825,157	707,174 1,578,006 926,431	1,243,621 12,272,462 926,431
<u>5,981,007</u>	<u>8,483,569</u>	<u>3,720,295</u>	<u>42,935,227</u>
<u>\$ 6,829,732</u>	<u>\$ 8,503,494</u>	<u>\$ 4,954,914</u>	<u>\$ 58,570,393</u>



CITY OF | **UPPER ARLINGTON**

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**City of Upper Arlington, Ohio**  
 Reconciliation of the Balance Sheet to the Statement  
 of Net Assets - Governmental Funds  
 December 31, 2004

Total Governmental Fund Balances	\$	42,935,227
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not functional resources and therefore are not reported in the funds.		40,533,264
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes		137,411
Income taxes		1,848,718
Estate taxes		998,545
Intergovernmental revenues		1,937,032
Deferred charges		94,308
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.		
Interest payable		(88,633)
Accrued vacation and sick leave		(1,740,076)
Installment loan payable		(600,180)
Bonds and Notes payable		(26,419,212)
Premium on bonds, net		(96,917)
Net Assets of Governmental Activities	<u>\$</u>	<u>59,539,487</u>

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

**City of Upper Arlington, Ohio**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2004

<b>REVENUES</b>	<b><u>General</u></b>	<b><u>Street Maintenance and Repair</u></b>
Taxes:		
Property	\$ 6,864,340	
Income	12,077,043	
Estate	2,562,502	
Motor Fuel		\$ 1,372,625
Intergovernmental	3,600,049	
Licenses and permits	702,968	
Charges for services	761,645	
Fines and forfeits	384,386	
Investment earnings	613,151	18,242
Net increase in fair value of investments	(150,859)	(4,813)
Miscellaneous	1,092,039	7,853
Total revenues	<u>28,507,264</u>	<u>1,393,907</u>
 <b>EXPENDITURES</b>		
Current:		
Public Safety	12,713,960	
General Government	5,946,530	
Public Services	2,146,390	1,483,442
Parks and Recreation	2,436,217	
Community Development	854,938	
Health Services		
Debt service:		
Principal	96,271	
Interest	7,976	
Note issuance costs		
Capital outlay:		
Capital outlay	1,407,527	
Total expenditures	<u>25,609,809</u>	<u>1,483,442</u>
Excess (deficiency) of revenues over (under) expenditures	2,897,455	(89,535)
 <b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in		
Transfers out		
Proceeds from installment loan	(7,459,060)	
Proceeds from issuance of notes	500,000	
Premium from issuance of notes		
Proceeds from sale of capital assets	2,041	
Total other financing sources and uses	<u>(6,957,019)</u>	<u>-</u>
Net change in fund balances	(4,059,564)	(89,535)
 Fund balances -- January 1, as restated (Note 13)		
	28,168,597	730,858
Fund balances -- December 31	<u>\$ 24,109,033</u>	<u>\$ 641,323</u>

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

<u>Bonded Improvement</u>	<u>Estate Tax</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
		\$ 904,253	\$ 7,768,593
			12,077,043
			2,562,502
			1,372,625
		927,341	4,527,390
			702,968
		377,657	1,139,302
		29,176	413,562
\$ 140,352	\$ 305,153	14,630	1,091,528
	(77,361)	(3,284)	(236,317)
2,529		18,164	1,120,585
<u>142,881</u>	<u>227,792</u>	<u>2,267,937</u>	<u>32,539,781</u>
		8,724	12,722,684
		98,961	6,045,491
		17,899	3,647,731
		354,456	2,790,673
			854,938
		167,136	167,136
		1,661,064	1,757,335
		958,657	966,633
15,361			15,361
<u>8,010,966</u>	<u>586,395</u>	<u>753,859</u>	<u>10,758,747</u>
<u>8,026,327</u>	<u>586,395</u>	<u>4,020,756</u>	<u>39,726,729</u>
(7,883,446)	(358,603)	(1,752,819)	(7,186,948)
	479,502	2,919,058	3,398,560
		(80,000)	(7,539,060)
			500,000
3,972,000			3,972,000
34,636			34,636
		62,563	64,604
<u>4,006,636</u>	<u>479,502</u>	<u>2,901,621</u>	<u>430,740</u>
<u>(3,876,810)</u>	<u>120,899</u>	<u>1,148,802</u>	<u>(6,756,208)</u>
9,857,817	8,362,670	2,571,493	49,691,435
<u>\$ 5,981,007</u>	<u>\$ 8,483,569</u>	<u>\$ 3,720,295</u>	<u>\$ 42,935,227</u>



CITY OF | **UPPER ARLINGTON**

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**City of Upper Arlington, Ohio**  
 Reconciliation of the Statement of Revenues, Expenditures, and  
 Changes in Fund Balances of Governmental Funds  
 To the Statement of Activities  
 For the Year Ended December 31, 2004

Amounts reported for governmental activities in the statement of activities (page 21 - 22) are different because:

Net change in fund balances --- total government funds (page 27)	\$ (6,756,208)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those activities is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	6,565,030
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The amount is the net effect of the reversal of prior year items against current year accruals.	(180,225)
The issuance of long-term debt (e.g. bonds, notes, and loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(2,773,180)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	214,312
Change in net assets of governmental activities (page 21)	<u>\$ (2,930,271)</u>

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

**City of Upper Arlington, Ohio**  
**Statement of Net Assets**  
**Proprietary Funds**  
**December 31, 2004**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Major Funds</b>		
	<b>Water Surcharge</b>	<b>Sewer Surcharge</b>	<b>Stormwater</b>
<b>ASSETS</b>			
Current assets:			
Cash, cash equivalents and investments	\$ 34,989	\$ 121,166	\$ 2,931,962
Accounts receivable (net of allowance for uncollectibles)	58,991	109,537	42,489
Due from other funds			
Total current assets	<u>93,980</u>	<u>230,703</u>	<u>2,974,451</u>
Noncurrent assets:			
Capital assets:			
Land	514		
Buildings			
Improvements	238,244		
Infrastructure	8,418,973	8,664,490	10,134,019
Machinery and equipment	69,989	447,342	247,396
Construction in progress	153,060	38,882	31,376
Less accumulated depreciation	<u>(3,738,592)</u>	<u>(4,603,291)</u>	<u>(6,448,598)</u>
Total capital assets (net of accumulated depreciation)	<u>5,142,188</u>	<u>4,547,423</u>	<u>3,964,193</u>
Total noncurrent assets	<u>5,142,188</u>	<u>4,547,423</u>	<u>3,964,193</u>
Total assets	<u>\$ 5,236,168</u>	<u>\$ 4,778,126</u>	<u>\$ 6,938,644</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 3,574	\$ 1,206	\$ 17,082
Due to other funds	601	2,507	1,768
Deferred revenue			
Accrued liabilities	1,640	6,385	5,846
Accrued vacation and sick leave			
Ohio Public Works Commission Loans - current	85,971	122,258	
General obligation bonds - current	113,778	109,672	137,520
Total current liabilities	<u>205,564</u>	<u>242,028</u>	<u>162,216</u>
Noncurrent liabilities:			
Accrued vacation and sick leave	1,626	27,825	58,775
General obligation bonds payable (net of unamortized discounts)	118,408	217,529	1,793,640
Ohio Public Works Commission Loans	990,677	1,363,225	
Total noncurrent liabilities	<u>1,110,711</u>	<u>1,608,579</u>	<u>1,852,415</u>
Total liabilities	<u>1,316,275</u>	<u>1,850,607</u>	<u>2,014,631</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	3,833,354	2,734,739	2,033,033
Unrestricted	86,539	192,780	2,890,980
Total net assets	<u>\$ 3,919,893</u>	<u>\$ 2,927,519</u>	<u>\$ 4,924,013</u>

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

**Business-type Activities - Enterprise Funds**

<b>Major Fund Swimming Pools</b>	<b>Nonmajor Fund Solid Waste</b>	<b>Total</b>	<b>Governmental Activities Internal Service Fund Employee Benefits</b>
\$ 3,346,586	\$ 114,182	\$ 6,548,885	\$ 120,210
	1,128	212,145	
<u>3,346,586</u>	<u>115,310</u>	<u>6,761,030</u>	<u>147,002</u>
			<u>267,212</u>
1,236,059		1,236,573	
	219,218	219,218	
424,513		662,757	
		27,217,482	
25,717	1,500,235	2,290,679	
1,686,324		1,909,642	
(29,812)	(1,202,689)	(16,022,982)	
<u>3,342,801</u>	<u>516,764</u>	<u>17,513,369</u>	
<u>3,342,801</u>	<u>516,764</u>	<u>17,513,369</u>	<u>-</u>
<u>\$ 6,689,387</u>	<u>\$ 632,074</u>	<u>\$ 24,274,399</u>	<u>\$ 267,212</u>
\$ 818,700	\$ 126,610	\$ 967,172	\$ 267,212
	10,438	15,314	
	66,494	66,494	
368	25,352	39,591	
	39,923	39,923	
		208,229	
		360,970	
<u>819,068</u>	<u>268,817</u>	<u>1,697,693</u>	<u>267,212</u>
	55,573	143,799	
		2,129,577	
		2,353,902	
-	55,573	4,627,278	-
<u>819,068</u>	<u>324,390</u>	<u>6,324,971</u>	<u>267,212</u>
3,342,801	516,764	12,460,691	
2,527,518	(209,080)	5,488,737	
<u>\$ 5,870,319</u>	<u>\$ 307,684</u>	<u>\$ 17,949,428</u>	<u>\$ -</u>

**City of Upper Arlington, Ohio**  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2004

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Major Funds</b>		
	<b>Water Surcharge</b>	<b>Sewer Surcharge</b>	<b>Stormwater</b>
Operating revenues:			
Charges for sales and services:			
Charges for services	\$ 323,738	\$ 628,936	\$ 554,837
Total operating revenues	<u>323,738</u>	<u>628,936</u>	<u>554,837</u>
Operating expenses:			
Personal services	63,125	272,523	234,719
Materials and supplies	354,229	122,048	88,570
Self-insurance			
Disposal fees			
Depreciation	175,568	201,302	226,302
Total operating expenses	<u>592,922</u>	<u>595,873</u>	<u>549,591</u>
Operating income (loss)	<u>(269,184)</u>	<u>33,063</u>	<u>5,246</u>
Nonoperating revenues (expenses):			
Investment earnings			72,928
Interest expense	(50,303)	(75,066)	(93,333)
Total nonoperating revenue (expenses)	<u>(50,303)</u>	<u>(75,066)</u>	<u>(20,405)</u>
Income (loss) before contributions and transfers	(319,487)	(42,003)	(15,159)
Capital contributions	153,060	68,882	16,880
Transfers in	132,500	111,892	
Change in net assets	<u>(33,927)</u>	<u>138,771</u>	<u>1,721</u>
Total net assets -- January 1	3,953,820	2,788,748	4,922,292
Total net assets -- December 31	<u>\$ 3,919,893</u>	<u>\$ 2,927,519</u>	<u>\$ 4,924,013</u>

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

<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities Internal Service Fund Employee Benefits</b>
<b>Major Fund Swimming Pools</b>	<b>Nonmajor Fund Solid Waste</b>	<b>Total</b>	
\$ 444,735	\$ 1,823,425	\$ 3,775,671	\$ 2,659,989
444,735	1,823,425	3,775,671	2,659,989
341,069	1,218,278	2,129,714	
185,031	176,504	926,382	
	234,857	234,857	2,659,989
13,015	160,057	776,244	
539,115	1,789,696	4,067,197	2,659,989
(94,380)	33,729	(291,526)	-
	2,405	75,333	
		(218,702)	
-	2,405	(143,369)	-
(94,380)	36,134	(434,895)	-
371,513		610,335	
3,906,000		4,150,392	
4,183,133	36,134	4,325,832	-
1,687,186	271,550	13,623,596	
\$ 5,870,319	\$ 307,684	\$ 17,949,428	\$ -

**City of Upper Arlington, Ohio**  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2004

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Major Funds</b>		
	<b>Water Surcharge</b>	<b>Sewer Surcharge</b>	<b>Stormwater</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 315,187	\$ 613,905	\$ 536,878
Payments to suppliers	(358,134)	(131,807)	(87,099)
Payments to employees	(64,799)	(276,629)	(206,125)
Net cash provided (used) by operating activities	<u>(107,746)</u>	<u>205,469</u>	<u>243,654</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer from other funds	<u>132,500</u>	<u>102,000</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	132,500	102,000	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES</b>			
Purchases of capital assets	(29,607)	(54,089)	(59,807)
Principal paid on capital debt	(193,093)	(225,655)	(131,560)
Interest paid on capital debt	(50,303)	(75,066)	(93,333)
Net cash provided (used) by capital and related financial activities	<u>(273,003)</u>	<u>(354,810)</u>	<u>(284,700)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends received			77,474
Net increase (decrease) in cash and cash equivalents	(248,249)	(47,341)	36,428
Cash and cash equivalents, January 1	<u>283,238</u>	<u>168,507</u>	<u>2,895,534</u>
Cash and cash equivalents, December 31	<u>\$ 34,989</u>	<u>\$ 121,166</u>	<u>\$ 2,931,962</u>

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

<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental</b>
<b>Major Fund</b>	<b>Nonmajor Fund</b>		<b>Activities</b>
<b>Swimming Pool</b>	<b>Solid Waste</b>	<b>Total</b>	<b>Internal Service Fund</b>
			<b>Employee Benefits</b>
\$ 444,735	\$ 1,686,840	\$ 3,597,545	\$ 2,512,987
(240,771)	(417,896)	(1,235,707)	(2,398,118)
<u>(341,547)</u>	<u>(1,262,552)</u>	<u>(2,151,652)</u>	
(137,583)	6,392	210,186	114,869
3,906,000		4,140,500	
3,906,000	-	4,140,500	-
(453,652)	(152,037)	(749,192)	
		(550,308)	
		<u>(218,702)</u>	
<u>(453,652)</u>	<u>(152,037)</u>	<u>(1,518,202)</u>	-
	1,475	78,949	
3,314,765	(144,170)	2,911,433	114,869
<u>31,821</u>	<u>258,352</u>	<u>3,637,452</u>	<u>5,341</u>
<u>\$ 3,346,586</u>	<u>\$ 114,182</u>	<u>\$ 6,548,885</u>	<u>\$ 120,210</u>

(continued)

**City of Upper Arlington, Ohio**  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2004

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Major Funds</b>		
	<b>Water Surcharge</b>	<b>Sewer Surcharge</b>	<b>Stormwater</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (269,184)	\$ 33,063	\$ 5,246
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	175,568	201,302	226,302
(Increase) decrease in accounts receivable	(8,551)	(15,031)	19,521
(Increase) decrease in due from other funds			
Increase (decrease) in accounts payable	(3,905)	(41,303)	(10,626)
Increase (decrease) in amounts payable related to equipment purchases		31,544	(20,960)
Increase (decrease) in due to other funds	(967)	(3,241)	(529)
Increase (decrease) in deferred revenue			(4,423)
Increase (decrease) in accrued liabilities	(711)	(7,147)	(2,413)
Increase (decrease) in accrued vacation and sick leave	4	6,282	31,536
Total adjustments	<u>161,438</u>	<u>172,406</u>	<u>238,408</u>
Net cash provided (used) by operating activities	<u>\$ (107,746)</u>	<u>\$ 205,469</u>	<u>\$ 243,654</u>
<b>Non cash investing, capital, and financing activities:</b>			
Contributions of capital assets from government	\$ -	\$ 9,892	\$ -
Decrease in fair value of investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,937</u>

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

<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental</b>
<b>Major Fund</b>	<b>Nonmajor Fund</b>		<b>Activities</b>
<b>Swimming</b>	<b>Solid</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>Pool</b>	<b>Waste</b>		<b>Employee</b>
			<b>Benefits</b>
(94,380)	33,729	\$ (291,526)	\$ -
13,015	160,057	776,244	
		(4,061)	
805,419	45,679	795,264	116,587
(861,159)	(52,191)	(902,766)	(1,718)
	(7,753)	(12,490)	
	(136,608)	(141,031)	
(478)	(28,753)	(39,502)	
	(7,768)	30,054	
<u>(43,203)</u>	<u>(27,337)</u>	<u>501,712</u>	<u>114,869</u>
<u>\$ (137,583)</u>	<u>\$ 6,392</u>	<u>\$ 210,186</u>	<u>\$ 114,869</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,892</u>	
<u>\$ -</u>	<u>\$ 1,049</u>	<u>\$ 27,986</u>	

**City of Upper Arlington, Ohio**  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
December 31, 2004

	<b>Agency Funds</b>
<b>ASSETS:</b>	
Cash and investments	\$ 2,492,766
Total assets	<u>\$ 2,492,766</u>
<b>LIABILITIES:</b>	
Due to others	\$ 2,492,766
Total liabilities	<u>\$ 2,492,766</u>

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

**City of Upper Arlington, Ohio**  
**Notes to the Financial Statements**  
**December 31, 2004**

**Note (1) – Summary of Significant Accounting Policies**

(a) Reporting entity

The City of Upper Arlington (City) was organized on February 8, 1941 and is a home-rule, municipal corporation under the laws of the State of Ohio. The City operates under the Council-Manager form of government and provides the following services as authorized by its charter: public safety, public service, parks and recreation, community development, health and sanitation.

The accompanying basic financial statements include all the organizations, activities and functions in which the City (the primary government) and its component unit exercise financial accountability. The component unit discussed below is included in the City's reporting entity because of the City's ability to impose its will over the component unit or the possibility the component unit will provide a financial benefit or impose a financial burden to the City. The reporting entity complies with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and Statement No. 39, *Determining Whether Certain Organizations Are Component Units*.

*Blended Component Unit* - The Community Improvement Corporation (CIC) of Upper Arlington is governed by a 12-member board. For financial purposes, the CIC is reported as if it were part of the City's operations because its purpose is to assist the City in the revitalization and enhancement of property within the City. CIC is reported as a Special Revenue Fund. Complete financial statements may be obtained from the City's Finance department.

(b) Government-wide and fund financial statements

Beginning January 1, 2003, the City changed its financial reporting to comply with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Financial information of the City, including the City's blended component unit, is presented in the accompanying statements in the following format:

- Management's discussion and analysis, a part of the required supplementary information, introduces the basic financial statements and provides analytical overview of the City's financial statements.
- Basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The basic financial statements report information on all of the nonfiduciary activities of the primary government and its component units.

The statement of net assets and statement of activities measure and report all the assets, liabilities, revenues and expenses, gains, and losses. Governmental activities are reported separately from the business-type activities. Taxes and intergovernmental revenues support governmental activities while revenues such as fees and charges support business-type activities. Interfund activity has been removed from these statements.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function.

**City of Upper Arlington, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2004**

Program revenues include charges paid by the recipients of goods or services offered by programs and grants and/or contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes, are presented as general revenues.

Fund financial statements consist of a series of statements focusing on information about the City's major governmental, enterprise, and fiduciary funds.

Notes to the financial statements providing information that is essential to a user's understanding of the basic financial statements.

- Required supplementary information is comprised of budgetary comparison schedules and other types of data required by GASB.

In November 2003, the GASB issued Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. The provisions of this statement are effective for fiscal periods beginning after December 15, 2004. The City has not determined the effect, if any; GASB Statement No. 42 will have on its financial statements.

In April 2004, the GASB issued Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This statement is to provide guidance for employers who provide other postemployment benefits (OPEB) outside a pension plan. The City does not provide OPEB separately from the state pension plans therefore this statement is not applicable at this time.

In May 2004, the GASB issued Statement No. 44, *Economic Condition Reporting: The Statistical Section*. This statement represents a change in what statistical information is presented. This statement is effective for periods beginning after June 15, 2005. As of December 31, 2004, the City has implemented GASB 44 and there was no impact to the financial position and results of operations.

In June 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement is to provide guidance for employers who provide other postemployment benefits (OPEB) outside a pension plan. The City does not provide OPEB separately from the state pension plans therefore this statement is not applicable at this time.

In December 2004, the GASB issued Statement 46, *Net Assets Restricted by Enabling Legislation*. This statement is to clarify the phrase legally enforceable as it applies to restrictions imposed by enabling legislation. As of December 31, 2004, the City has implemented GASB 46 and there was no impact to the financial position and results of operations.

(c) Measurement focus and basis of accounting

The accounting policies and financial reporting practices of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The accounts of the City are organized on the basis of funds where each is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The basis of accounting refers to when revenues and expenditures (expenses)

**City of Upper Arlington, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2004**

are recognized in the accounts of the financial statements and relates to the timing of the measurements made.

The government-wide and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of related cash flows.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

All proprietary funds are reported on a full accrual basis of accounting and the economic resources measurement. As allowed by GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, and amended by GASB Statement No. 34, the government-wide statements and proprietary fund statements follow all GASB pronouncements and Financial Accounting Standards Board Statements (FASB) and Interpretations, Accounting Principal Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 except those that conflict with GASB Pronouncements. The City has the option to apply FASB pronouncements issued after November 30, 1989, for business-type activities and enterprise funds, but has chosen not to do so.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, included taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income tax is recognized in the fiscal year for which the taxes are earned. Estate tax revenue is recognized in the fiscal year in which the estate is settled. Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Motor Vehicle tax and Intergovernmental revenue are also recognized in the fiscal year in which all eligibility requirements have been settled.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water, sewer, solid waste and stormwater function and other various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: charges to customers or applicants for goods, services, or privileges provided, operating grants and contributions, and capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Amounts reported as operating revenues and operating expenses in proprietary funds generally result from providing services and producing and delivering goods in connection with the principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges for services. Operating expenses for proprietary funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and nonoperating expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

**City of Upper Arlington, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2004**

The government reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The special revenue fund for Street Construction and Maintenance Repair Fund is recorded as a major fund based on the City's taxpayers interest in the activity as of this fund. The resources of this fund are restricted as to use by the State of Ohio statute. Services related to the maintenance and reconstruction of the City's streets are allowed, as are those services related to clean, clear and repair streets, street lights and traffic signals. The revenue is obtained from gasoline taxes and motor vehicle licenses.

The capital projects funds, Estate Tax and Bonded Improvement, are reported as major funds due to each having over 10% of the governmental assets and 5% of total governmental and enterprise assets combined. When collection of estate tax revenue exceeds \$2.1 million in any year, the excess amount is transferred to the estate tax capital project fund. The resources of the Estate Tax Fund are dedicated for capital improvements with an emphasis on infrastructure. Issuance of bonded debt is the source of revenue for the Bonded Improvement Fund. The resources of this fund are dedicated for capital needs.

The government reports the following major proprietary funds:

The Water Surcharge, Sewer Surcharge, Stormwater and Swimming Pool Funds are the major proprietary funds of the City. The Water Surcharge, Sewer Surcharge and Stormwater account for the utility activities of the government. The Swimming Pools fund provides funds for operating and maintaining the City's three swimming pools. The City maintains these funds in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Additionally, the government reports the following fund types:

Other special revenue funds are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. The use and limitation of the special revenue funds are specified by City ordinance or federal and state statutes. The City has the following nonmajor special revenue funds: Law Enforcement, Tree Planting, Enforcement Education, Board of Health, Tax Incentive, Mayor's Court, Life Long Learning and Leisure, Civil Service, Clerk of Court, Economic Development, Neighborhood Lighting and Community Improvement Corporation, a blended component unit.

Other capital project funds are used to account for financial resources used for acquisition or construction of major capital facilities (other than those financed by proprietary funds). The City has one nonmajor capital project fund: Infrastructure Improvement Fund.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general obligation long-term debt principal, interest and related costs. The City has one nonmajor debt service fund: General Obligation Retirement Fund.

Internal Service Funds are used to account for financing services provided by one department to other departments of the City generally on a cost-reimbursement basis.

Other proprietary funds are maintained in a manner similar to private business enterprises, when the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's nonmajor proprietary fund is the Solid Waste fund.

**City of Upper Arlington, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2004**

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature and do not involve measurement of results of operations.

(d) Assets, liabilities, and net assets or equity

1. Deposits and investments

City funds are pooled and invested to improve cash management. The City's cash and cash equivalents are considered to be cash on hand and demand deposits. The proprietary funds considers all highly liquid investments to be cash equivalents when purchased.

The City is authorized by Ordinance to invest in notes, bonds or other obligations of the United States or of any agency or instrumentality thereof, including repurchase agreements secured by such obligations. Additionally the City may invest in Banker's acceptances within the State of Ohio and corporate notes, bonds and commercial paper issued by corporations incorporated under the laws of the United States or any State thereof, and whose maturity does not exceed five years provided the security is rated at least A+ by Standard and Poor's and A-1 by Moody's Investor Services. Earnings on investments are credited to various funds as provided by state law and City ordinances.

It is the City's policy to invest in the State Treasury Asset Reserve of Ohio (STAROhio), government securities, and commercial paper. STAROhio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner similar to Rule 2a-7 of the Investment Company Act of 1940.

Investments for the City, as well as for its component units, are reported at fair value as in accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31<sup>st</sup>. The STAROhio reported value is the same as the fair value of the pool shares.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" for the current portion of the Interfund activity or "advances to/from other funds" for the non-current portion of the Interfund activity. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the City. All property taxes are collected on behalf of the City by Franklin County. All property tax receivables are shown net of an allowance for uncollectibles.

The property tax receivable is the amount levied for collection in 2004 and remained uncollected at December 31, 2004 and the amount assessed in 2004 for collection in 2005. The property taxes levied for collection in 2004 and collected within 60 days are recorded as revenue. Accrued property taxes receivables represent delinquent taxes outstanding and current property taxes, which are measurable as of December 31, 2004. Although, property tax collections for the next year are measurable, they are not intended to finance current year operations, hence are not considered "available" under the modified accrual basis. Full accrual basis considers property taxes an imposed non-exchange revenue and recognized in the period for which the taxes are levied.

**City of Upper Arlington, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2004**

Property taxes are levied, creating the lien as of January 1 on property assessed as of the same date. Due and collection dates, as established by Franklin County, were January 20, 2004 and June 20, 2004 for those taxes due during 2004. Pursuant to state law, the assessed value is determined by using 35% of the property's appraised market value. A revaluation of all property is required to be completed no less than every six years, while the value is reassessed every three years. The last revaluation was completed in November 2002. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 50% of cost). Tangible personal property assessments are 25% of true value.

The City levies an income tax of 2% on substantially all income earned within the City. In addition, residents of the City are required to pay City income tax on income they earn outside the City. However, a credit is allowed for income taxes paid to other municipalities. Employers within the City are required to withhold income tax on employee compensation and remit this tax at least quarterly. Corporation and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. The City utilized the Regional Income Tax Agency (RITA) to administer and collect taxes for the City with the guidance of the City's finance department. The income tax receivable includes both balances already filed by taxpayers and tax estimates, net of non-collectible and refunds.

3. Inventories

Inventories are valued at cost using the first in/first out (FIFO) method. The costs of governmental fund-types inventories are recorded as expenditures when consumed rather than when purchased.

4. Capital assets

Capital assets, which include property, plant equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements and proprietary fund statements. The City defines capital assets as assets with an estimated useful life in excess of five years and an initial, individual cost of more than \$2,500 (amount not rounded) effective January 1, 2004. Prior to January 1, 2004, the initial, individual cost was more than \$1,000 (amount not rounded). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement 34, the historical costs of governmental infrastructure assets (retroactive to January 1, 1980) are included as part of the governmental capital assets reported in the government-wide statements. Donated capital assets are recorded at estimated fair market value at the time of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities and proprietary funds are included as part of the capitalized value of the assets constructed.

Capital assets of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Estimated Useful Life (years)</u>
Machinery and Equipment	
(Autos and trucks, computer equipment)	5 – 8
(Other equipment, furniture & fixtures)	10 – 25
Buildings	40
Infrastructure (water/sewer/stormwater lines)	50
Infrastructure (streets, lights)	15 – 30
Improvements	8 – 50

**City of Upper Arlington, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2004**

5. Compensated absences

City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation at varying rates. In the event of retirement, an employee is reimbursed for accumulated vacation in full and sick leave at varying levels.

Vacation and sick leave accumulated by governmental fund type and proprietary fund type employees is recorded as an expense when incurred in the government-wide financial statements and the proprietary fund types. Vacation and sick leave accumulated by governmental fund type employees are recorded as an expense when due in the governmental fund financial statements.

The City uses the vesting method in determining the liability of sick leave recorded. The timing of future payments for vacation and sick leave is dependent on many factors and therefore not readily determinable. However, management believes that sufficient resources will be made available for the payment of vacation and sick leave when such payments become due.

6. Long-term obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest rate method. Bonds payable are reported net of the applicable unamortized bond premium or discount.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Fund equity/Restricted Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

In the government-wide financial statements, restrictions of net assets are for amounts that are legally restricted by outside parties for use for a specific purpose or net assets invested in capital assets. At December 31, 2004, \$10,048,002 of the City's \$13,848,407 in restricted net assets on the Statement of Net Assets were restricted by enabling legislation, as defined by GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*.

**City of Upper Arlington, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2004**

**Note (2) – Cash and Investments**

Investment Policies

The City follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. At December 31, 2004 fair value was \$264,303 below the City's net cost for its investments. At December 31, 2003 fair value was \$322,167 above net cost. Fair value is determined by quoted market prices and acceptable other pricing methodologies.

The City pools its cash, except for that held by trustees, and fiscal and escrow agents, for maximum investing efficiency. Earnings on the pool are allocated to individual funds according to Chapter 221 of the Upper Arlington City Code. In management's opinion, all statutory requirements were met in distributing earnings of the pool to various funds.

The City Code, Chapter 221, Depositories and Investments, provide the City with its authorized investment instruments, which do not include derivatives. The City does invest in STAROhio, an investment pool managed by the State Treasurer's office that allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner similar to Rule 2a-7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price that is the price the investment could be sold for on December 31, 2004.

Management of STAROhio states that its policy also prohibits investing in derivatives and/or engaging in the use of reverse repurchase agreements. Average days to maturity of the STAROhio portfolio at December 31, 2004 was 45 days. The City is prohibited from using reverse repurchase agreements and does not leverage its investment portfolio in any manner. The City purchases investments, except for certificate of deposits, only through their investment advisor, United American Capital Corporation (UACC). UACC is contracted by the City to make investment recommendations and must acknowledge in writing, their comprehension and receipt of the City policies.

The City's investment code and practices have consistently protected the portfolio from unnecessary credit risk (safety) and market risks (liquidity) while providing a competitive yield. The City Code places limitation on any single institution or issuer. The City's total deposits with any individual institution shall not constitute more than thirty percent (30%) of that institution's public funds. The City's investment with any individual issuer shall not constitute more than five percent (5%) of such issuer's total outstanding issue in banker's acceptances, commercial paper or corporate medium term notes. The total value of certificates of deposit, purchased from any individual financial institution, shall not exceed ten percent (10%) of that institution's total public funds, at the time of purchase. All eligible investments will mature within five (5) years from the date of settlement, unless the instrument is matched to a specific obligation or debt of the City, and the Finance Director specifically approves the investment. Average days to maturity of the City's investments at December 31, 2004 were 530 days.

Investments as permitted by Chapter 221 of the Upper Arlington City Code are:

- (1) U.S Treasury Bills, Notes, and Bonds; various federal agency securities including issues of National Mortgage Association (FNMA), Federal Home Loan Mortgage Corp. (FHLMC), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Student Loan Marketing Association (SLMA), Government National Mortgage Association (GNMA), Tennessee Valley Authority (TVA) and other agencies or instrumentalities of the United States.
- (2) Bonds and other obligations of the State of Ohio.
- (3) Bonds and other obligations of any county, township, school district, municipal corporation, or legally constituted taxing subdivision of Ohio, which is not at the time of such investment, in default in the payment of principal on any of its obligations.

**City of Upper Arlington, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2004**

- (4) Certificates of Deposit issued by institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC), provided that such institutions maintain banking operations within the State of Ohio.
- (5) Repurchase Agreements with any eligible institution mentioned in Ohio Revised Code 135.03, or any eligible securities dealer pursuant to (M) of Ohio Revised Code 135.14.
- (6) Banker's acceptance issued by any bank domiciled in the State of Ohio or bankers acceptance issued by any domestic bank rated in the highest category by one of two nationally recognized rating agencies.
- (7) No-load money market mutual funds, as defined in Ohio Revised Code 135.14 (B)(5), rated in the highest category by at least one nationally recognized rating agency, investing exclusively in the same types of eligible securities as defined in Division B(1) or B(2) under Ohio Revised Code 135.14, and repurchase agreements secured by such obligations.
- (8) Commercial paper issues of companies incorporated under the laws of the United States, rated A1+, A1 or A2 by Standard & Poor's and P1 or P2 by Moody's Investor Service.
- (9) Medium term notes issued by a corporation, domiciled within the United States and having assets in excess of \$500 million, provided that such medium term notes have a maximum maturity of five (5) years and are rated, at the time of purchase, by Standard & Poor's or Moody's Investor Service.
- (10) The State Treasurer's investment pool (STAROhio).

All of the City's deposits and investments comply with State statutes, City ordinances and applicable bond indentures.

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City's policy is that any financial institution located within the City of Upper Arlington is an institution, which is eligible to become a public depository for active deposits (as defined by Chapter 221.02 of the City Code). All deposits, except for deposits held by fiscal and escrow agents or trustees, are collateralized with eligible securities in amounts equal to at least 105% of the total amount of all public moneys on deposit with the institutions. Such collateral, as permitted by Chapter 135 of the ORC and Chapter 221 of the City of Upper Arlington City Code, is held with the qualified trustee approved by the Finance Director.

At December 31, 2004, the carrying value of the City's cash deposits was \$890,405, of which \$500,000 was non-negotiable certificates of deposit. Cash balances per the banks were \$1,490,161. \$215,085 of the City's deposits was insured by Federal depository insurance. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of December 31, 2004, \$875,076 of the City's bank balance of \$1,490,161 was exposed to custodial risk as follows:

Uninsured and collateral held by the pledging financial institutions agents not in the City's name	\$ 875,076
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The carrying amount of deposits for CIC, a blended component unit, was \$15,085 with a cash balance per the bank of \$15,085. The CIC deposits were all insured by Federal depository insurance.

**City of Upper Arlington, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2004**

Investments

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy generally limits investment portfolio maturities to five years or less.

At year-end, the City had the following investments and maturities as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>				
		<u>12 months or less</u>	<u>13 to 24 months</u>	<u>25 to 36 months</u>	<u>37 to 48 months</u>	<u>49 to 60 months</u>
Federal Agency-noncallable	\$ 27,603,906	\$ 6,954,042	\$ 14,814,239	\$ 5,835,625	-	-
Federal Agency-callable	9,637,053	2,980,726	2,948,750	3,707,577	-	-
Total investments	<u>\$ 37,240,959</u>	<u>\$ 9,934,768</u>	<u>\$ 17,762,989</u>	<u>\$ 9,543,202</u>	<u>-</u>	<u>-</u>

*Credit Risk.* The City's investments in U.S. government securities can include: U.S. Treasury Bills, Notes, and Bonds. Federal agency securities can include: Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corp. (FHLMC), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Student Loan Marketing Association (SLMA), Government National Mortgage Association (GNMA), and Tennessee Valley Authority (TVA). The federal government shall back all U.S. government and federal securities and therefore is not subject to credit risk.

**Reconciliation of Cash and Investments to the Statement of Net Assets:** The following is a reconciliation of cash and investments to the Statement of Net Assets as of December 31, 2004.

Investments (summarized above)	\$ 37,240,959
Certificate of deposits	500,000
Carrying amount of the City's Deposits	390,405
StarOhio	7,341,870
Money Market Funds held by Trustee	4,139,881
Total	<u>49,613,115</u>

**Governmental Activities**

Governmental Funds	
Cash and investments with treasurer	40,451,254
Internal Services Funds (governmental portion)	
Cash and investments with treasurer	120,210
Total Cash and Investments - Governmental Activities	<u>40,571,464</u>

**Business-Type Activities**

Enterprise funds	
Cash and cash equivalents	6,548,885
Total Cash and Investments - Business-Type Activities	<u>6,548,885</u>

**Agency Funds**

Total	<u>\$ 2,492,766</u>
Total	<u>\$ 49,613,115</u>

**City of Upper Arlington, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2004**

**Note (3) – Receivables**

Receivables as of year-end for the City's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectibles accounts, are as follows:

	GOVERNMENTAL MAJOR FUNDS			Nonmajor	
	General	Street Maint.	Estate Tax	Governmental Funds	Governmental Total
Receivables:					
Interest	\$ 162,147	\$ 5,173	\$ 83,150	\$ 3,530	\$ 254,000
Taxes	12,136,228			850,017	12,986,245
Intergovernmental	2,820,345	701,467		1,051,633	4,573,445
Customer Accounts				313	313
Other	112,503				112,503
Total receivables	<u>\$ 15,231,223</u>	<u>\$ 706,640</u>	<u>\$ 83,150</u>	<u>\$ 1,905,493</u>	<u>\$ 17,926,506</u>

	BUSINESS-TYPE MAJOR FUNDS			Nonmajor	
	Water Surcharge	Sewer Surcharge	Stormwater	Business-type Solid Waste	Total Business-type
Receivables:					
Interest			\$ 28,953	\$ 1,128	\$ 30,081
Customer Accounts	\$ 58,991	\$ 109,537	13,536	101,250	283,314
Total receivables	58,991	109,537	42,489	102,378	313,395
Less:					
Allowance for uncollectibles				(101,250)	(101,250)
Net total receivables	<u>\$ 58,991</u>	<u>\$ 109,537</u>	<u>\$ 42,489</u>	<u>\$ 1,128</u>	<u>\$ 212,145</u>

There are two meanings for deferred revenue in the public sector. They are unearned revenue and unavailable revenue. Unearned revenue can be found in government-wide financial reporting as well as in the governmental fund, proprietary fund, and fiduciary fund financial statements. Unavailable revenue is unique to governmental funds, since it is tied to the modified accrual basis of accounting.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	GOVERNMENTAL			
	General	Street Maint.	Nonmajor Governmental Funds	Total
Deferred Revenue				
Taxes receivable	\$ 10,012,305		\$ 840,210	\$ 10,852,515
Intergovernmental	1,604,548	\$ 507,029	186,201	2,297,778
	<u>\$ 11,616,853</u>	<u>\$ 507,029</u>	<u>\$ 1,026,411</u>	<u>\$ 13,150,293</u>

**City of Upper Arlington, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2004**

**Note (4) – Capital Assets**

Capital asset activity for the year ended December 31, 2004, as restated (see note 13), was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 3,138,957				\$ 3,138,957
Construction in progress	9,800,973	\$ 8,248,955		\$ (5,676,326)	12,373,602
Total capital assets, not being depreciated	12,939,930	8,248,955		(5,676,326)	15,512,559
Capital assets, being depreciated:					
Buildings	9,518,648				9,518,648
Improvements other than buildings	1,965,412	66,588		554	2,032,554
Machinery and equipment	11,376,593	773,645		(38,271)	12,111,967
Infrastructure	20,626,837	62,313		5,675,772	26,364,922
Total capital assets being depreciated	43,487,490	902,546		5,638,055	50,028,091
Less accumulated depreciation for:					
Buildings	7,977,666	83,744			8,061,410
Improvements other than buildings	1,140,584	54,050			1,194,634
Machinery and equipment	7,081,043	1,491,387		(303,852)	8,268,578
Infrastructure	6,259,611	947,680		275,473	7,482,764
Total accumulated depreciation	22,458,904	2,576,861		(28,379)	25,007,386
Total capital assets being depreciated, net	21,028,586	(1,674,315)		5,666,434	25,020,705
Governmental capital assets, net	\$ 33,968,516	\$ 6,574,640		\$ (9,892)	\$ 40,533,264
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 1,236,573				\$ 1,236,573
Construction in progress		\$ 1,909,642			1,909,642
Total capital assets, not being depreciated	1,236,573	1,909,642			3,146,215
Capital assets, being depreciated:					
Buildings	219,218				219,218
Improvements other than buildings	662,757				662,757
Machinery and equipment	2,103,345	199,135	\$ (50,072)	\$ 38,271	2,290,679
Infrastructure	27,187,482	30,000			27,217,482
Total capital assets being depreciated	30,172,802	229,135	(50,072)	38,271	30,390,136
Less accumulated depreciation for:					
Buildings	124,224	4,872			129,096
Improvements other than buildings	251,998	9,800			261,798
Machinery and equipment	1,360,548	217,837	(49,173)	28,379	1,557,591
Infrastructure	13,530,762	543,735			14,074,497
Total accumulated depreciation	15,267,532	776,244	(49,173)	28,379	16,022,982
Total capital assets being depreciated, net	14,905,270	(547,109)	(899)	9,892	14,367,154
Business-type capital assets, net	\$ 16,141,843	\$ 1,362,533	\$ (899)	\$ 9,892	\$ 17,513,369

**City of Upper Arlington, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2004**

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

<b>Governmental activities:</b>	
Public safety	\$ 428,234
General government	759,021
Public services	1,171,297
Parks and recreation	211,306
Community development	7,003
Total depreciation expense - governmental activities	<u>\$ 2,576,861</u>
<b>Business-type activities:</b>	
Water Surcharge	\$ 175,568
Sewer Surcharge	201,302
Stormwater	226,302
Swimming pools	13,015
Solid Waste	160,057
Swimming pools	13,015
Total depreciation expense - business-type activities	<u>\$ 776,244</u>

**Construction commitments**

The City has active construction projects as of December 31, 2004. The projects include rebuilding streets, sewer, etc. At year-end the City's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
2003 Street Maintenance Program	\$ 2,377,544	\$ 450,028
2004 Wheelchair ramp construction	1,225,413	519,635
2004 Street Maintenance Program	1,056,886	335,305
2005 Street Maintenance Program	1,211,365	478,254
Eastcleft/Wickliffe waterline	108,846	786,810
Zollinger Road reconstruction	2,647,187	667,439
Lane Road & NW bike paths	182,514	11,582
Harford/Essex Roads	44,013	60,193
Diesel Exhaust System	30,742	55,551
Beaumont Roads	61,654	38,846
Riverside & Henderson Road	87,570	7,746
Hastings Pool	1,685,513	2,221,676
Stormwater & Sewer Studies	70,258	81,859
Other projects	3,493,738	128,644
<b>Total</b>	<u>\$ 14,283,243</u>	<u>\$ 5,843,568</u>

**City of Upper Arlington, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2004**

**Note (5) – Interfund Transactions**

During the course of operations, transactions occur between individual funds for goods provided or services rendered. In the fund financial statements, these receivables and payables are reported as “due from other funds” or “due to other funds” on the balance sheet, and are normally expected to be liquidated in a year or less.

In the fund financial statements, transactions that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “interfund receivables/payables” on the balance sheet. In the government-wide statement of net assets, these interfund receivable and payable balances have been eliminated to avoid the duplicating effect on assets and liabilities.

The composite of Interfund balances as of December 31, 2004, is as follows:

**Due to/from other funds:**

The routine nature of these transactions are for the funding of insurance claim payments.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<u>Internal Service Fund:</u>		
Employee Benefit Fund	General Fund	\$ 122,040
	<u>Special Revenue Funds:</u>	
	Streets	9,359
	Life Long Learning	289
	<u>Enterprise Funds:</u>	
	Solid Waste	10,438
	Water Surcharge	601
	Sewer Surcharge	2,507
	Stormwater	1,768
Total		\$ 147,002

**City of Upper Arlington, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2004**

**Interfund transfers:**

The routine nature of interfund transfers have three basic purposes (1) not having a dedicated funding source to fund operations (2) the funding source is not sufficient to fund operations or (3) the funding source is not reliable to fund operations.

	Total Transfers Out	-----Transfers In-----		
		Estate Tax Fund	Other Governmental Funds	Business Type Activities – Enterprise Funds
<b>General Fund</b>				
Estate Tax	\$ 479,502	\$ 479,502		
Bonded Retirement	1,499,058		\$ 1,499,058	
Capital Infrastructure	750,000		750,000	
CIC	10,000		10,000	
Board of Health	160,000		160,000	
Economic Development	500,000		500,000	
Swimming Pools	3,906,000			\$ 3,906,000
Sewer Surcharge	22,000			22,000
Water Surcharge	132,500			132,500
<b>Total General Fund</b>	<u>7,459,060</u>	<u>479,502</u>	<u>2,919,058</u>	<u>4,060,500</u>
<b>Other Governmental Funds</b>				
Interfund transfer from Capital Project Infrastructure Fund to Sewer Surcharge Enterprise Fund	80,000			80,000
<b>Total government activities</b>	<u>\$ 7,539,060</u>	<u>\$ 479,502</u>	<u>\$ 2,919,058</u>	<u>4,140,500</u>
Capital contributions transfer to Sewer Enterprise for the transfer of Capital Assets from governmental sources				<u>9,892</u>
<b>Total business-type activities</b>				<u>\$ 4,150,392</u>

**Note (6) – Long-term Liabilities**

Bonds and notes payable in the Statement of Net Assets are comprised of the following:

	Governmental Activities	Business-type Activities
Bonds and notes payable outstanding at December 31, 2004	\$ 26,357,370	\$ 2,490,547
Accumulated accretion on bonds	61,842	
Sub total	<u>26,419,212</u>	<u>2,490,547</u>
Bond premium	104,775	
Accumulated amortized bond premium	(7,858)	
Bonds and notes payable per the statement of net assets	<u>\$ 26,516,129</u>	<u>\$ 2,490,547</u>

**City of Upper Arlington, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2004**

**General Obligation Bonds and Notes:**

General obligation bonds and notes are direct obligations and pledge the full faith and credit of the City. The City issues general obligation bonds and notes to provide funds for acquisition and construction of major capital equipment, infrastructure and facilities. General obligation bonds have been issued for both governmental and business-type activities. On January 15, 2004, the City issued Capital Improvement Notes of \$3,972,000. The notes were issued with an interest rate of 2.0% and a premium of \$19,275. It is the intent of the City to bond these notes in 2006. In January of 2005 these notes were refinanced with the new maturity being due in January 2006. General obligation bonds and notes currently outstanding, net of accumulated accretion of \$61,842, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.00% - 6.375%	\$ 26,357,370
Business-type activities	2.98% - 4.76%	<u>2,490,547</u>
		<u>\$ 28,847,917</u>

Annual debt service requirements to maturity for general obligation bonds and notes are as follows:

<u>Year Ending</u> <u>December 31:</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 1,626,034	\$ 994,526	\$ 360,970	\$ 112,762
2006	5,631,748	1,033,218	379,177	97,498
2007	1,094,600	806,043	175,400	81,141
2008	889,988	947,919	170,000	73,199
2009	1,100,000	740,580	130,000	65,798
2010 – 2014	6,195,000	3,024,494	740,000	237,010
2015 – 2019	6,650,000	2,434,804	535,000	52,894
2020 – 2024	3,170,000	323,802		
	<u>\$ 26,357,370</u>	<u>\$ 10,305,386</u>	<u>\$ 2,490,547</u>	<u>\$ 720,302</u>

In 2001, the City issued \$6,820,929 in general obligation debt, including issuance cost of \$42,830, at interest rates ranging from 2.9% to 4.98%. \$4,820,929 was for infrastructure improvements while \$2,000,000 was for renovating and improving the Municipal Services Building and other site improvements.

In 1998, the City issued \$7.54 million of Refunding Issue Bonds for the purpose of providing funds to advance refund and defease the existing Infrastructure bonds, Street Improvement bonds, and Building Renovation bonds. The net proceeds of this issue were used to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from long-term debt. As of December 31, 2001, all of the defeased bonds have been paid.

In November 1997, the citizens of Upper Arlington voted approval to issue \$10.1 million in general obligation bonds. \$5.1 million was issued in 1998, while the remaining \$5 million was issued in 2001.

The bonds for Turkey Run and Sewer Improvement are being repaid by user fees from enterprise operations. Additionally, a portion of the bonds for Street improvement (\$72,600) and the Refunding Issue (\$793,783) are also being paid by such fees.

**City of Upper Arlington, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2004**

**Other long-term debt:**

Ohio Public Works Commission (OPWC) loans

Ohio Public Works Commission (OPWC) loans are backed by the full faith and credit of the City. The loans from the OPWC were made through the State Issue Two Program for infrastructure renovations. The original amount of OPWC loans issued in the last ten years and the current fiscal year is zero. These loans generally are issued as 20-year loans with fairly equal amounts of principal maturing each year. The Ohio Public Works Commission loans currently outstanding are as follows:

<u>Fund</u>	<u>Interest Rates</u>	<u>Amount</u>
Business-type activities:		
Water Surcharge	3.50%	\$ 1,076,648
Sewer Surcharge	3.50%	1,485,483
Total		<u>\$ 2,562,131</u>

Annual debt service requirements to maturity for OPWC loans are as follows:

<u>Year Ending</u>	<u>Business-type Activities</u>	
<u>December 31:</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 208,228	\$ 84,463
2006	215,319	77,371
2007	222,653	70,676
2008	230,237	62,455
2009	238,081	54,612
2010 – 2014	1,275,800	145,682
2015 – 2016	171,813	4,329
	<u>\$ 2,562,131</u>	<u>\$ 499,588</u>

Installment Loans

In fiscal 2004 the City entered into a financing arrangement to refurbish HVAC equipment within the Municipal Service Center. The amount of this loan is \$500,000 at a rate of interest of 2.4%, and is being repaid over five years in equal installments of \$107,394. Additionally, in 2001 the City entered into a financing arrangement to purchase a safety vehicle. This loan is being repaid over five years in equal installments of \$104,247 at a rate of 4.06%, with the final payment due in fiscal 2005.

Annual debt service requirements to maturity for these loans are as follows:

<u>Year Ending</u>	<u>Governmental Activities</u>	
<u>December 31:</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 195,425	\$ 16,216
2006	97,586	9,808
2007	99,951	7,443
2008	102,372	5,021
2009	104,846	2,548
Total	<u>\$ 600,180</u>	<u>\$ 41,036</u>

**City of Upper Arlington, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2004**

**Changes in long-term liabilities:**

Long-term liability activity for the year ended December 31, 2004, was as follows:

	<u>Beginning Balance</u>	<u>Additions/ Accretion</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Debt payable:					
General obligation bonds	\$ 24,046,434	\$ 61,842	\$ 1,661,064	\$ 22,447,212	\$ 1,626,034
Notes payable		3,972,000		3,972,000	
Installment loan	196,451	500,000	96,271	600,180	195,425
Total debt payable	<u>24,242,885</u>	<u>4,533,842</u>	<u>1,757,335</u>	<u>27,019,392</u>	<u>1,821,459</u>
Accrued vacation & sick leave	1,954,388	557,706	336,920	2,145,174	405,098
Governmental activity					
Long-term liabilities	<u>\$ 26,197,273</u>	<u>\$ 5,091,548</u>	<u>\$ 2,094,255</u>	<u>\$ 29,164,566</u>	<u>\$ 2,226,557</u>
<b>Business-type activities:</b>					
Debt payable:					
General obligation bonds	\$ 2,839,482		\$ 348,935	\$ 2,490,547	\$ 360,970
Ohio Public Works Comm.	2,763,504		201,373	2,562,131	208,229
Total debt payable	<u>5,602,986</u>		<u>550,308</u>	<u>5,052,678</u>	<u>569,199</u>
Accrued vacation & sick leave	206,830	\$ 30,054	53,162	183,722	39,923
Business-type activity					
Long-term liabilities	<u>\$ 5,809,816</u>	<u>\$ 30,054</u>	<u>\$ 603,470</u>	<u>\$ 5,236,400</u>	<u>\$ 609,122</u>

The addition to general obligation bonds is accretion on capital appreciation bonds.

Accrued vacation and sick leave will be paid with available resources within the appropriate fund that relates to each particular employee.

**Operating Leases:**

The City leases copiers and other equipment under noncancelable operating leases. Total costs for such leases were \$31,593 for the year ended December 31, 2004. The future minimum lease payments for these leases are as follows:

<u>Year ending</u>	<u>Amount</u>
December 31, 2005	\$ 38,007
December 31, 2006	38,007
December 31, 2007	29,407
December 31, 2008	8,831
Total	<u>\$114,252</u>

**Conduit Debt:**

In 1999, the City was conduit issuer of \$1.2 million in Individual Bonds for the Wellington School, a private school in Upper Arlington. The 20-year bonds were issued for renovation of the school. These bonds are not listed as part of the City's debt since the City has no obligation for the repayment of the debt.

**City of Upper Arlington, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2004**

**Note (7) – Risk Management**

Prior to October 1, 1997, the City is exposed to various risks of loss related to torts, including theft of, damage to and destruction of assets; errors and omissions, personal injuries, and natural disasters. The City provides coverage for up to \$1,000,000 for each liability claim and \$1,000 for each property damage claim. To provide funding for potential claims, the City established by ordinance a reservation of the General Fund balance of \$ 405,156 for these losses. In addition, the City also passed legislation that reserves \$5,000,000 of the City's unvoted debt capacity to cover potential catastrophic claims, judgments and actions.

On October 1, 1997, the City established membership in the Central Ohio Risk Management Agency (CORMA) Self-Insurance Pool, Inc. CORMA was formed pursuant to ORC Section 2744.081. Members consist of the cities of Upper Arlington, Westerville, Pickerington and Dublin. Each member has two representative on the Board of Trustees. This Board establishes its own budget, hires and fires personnel and determines annual rates for its members. Membership in CORMA enables the City to take advantage of any economies to be realized from an insurance pool with other cities and also provide the City with more control over claims than what is normally available with traditional insurance coverage.

Coverage is limited to property coverage, which provides for up to \$125,000 with a \$25,000 deductible for each property liability claim. The City has purchased commercial insurance for claims, which exceed these amounts. The City has purchased general liability insurance through CORMA that covers claims up to \$10,000,000 with a \$100,000 deductible per claim. CORMA, in turn, has re-insured a portion of its insurance risk. There is no assurance that claims for all members will not exceed CORMA's assets and re-insurance.

A third party administrator processes and pays the claims. The City reports a liability when it is probable that a loss has occurred and the amount can be reasonably estimated.

The City is also self-insured for the employee's health care. To account for and finance its uninsured health claims, the City established an Employee Benefit Fund (an internal service fund). All operating funds of the City participate in the program and make payments to the Employee Benefit Fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The City purchases specific stop loss insurance for health care claims, which exceed \$50,000 per covered individual in one year and aggregate stop loss coverage at 125% of annual estimated claims.

Settlements did not exceed insurance coverage in 2002, 2003, and 2004. There were no reductions on insurance coverage from the prior year.

Changes in the balances of claims liabilities during the past two years are as follows:

	<u>2003</u>	
	<u>General Liability</u>	<u>Health Claims</u>
Unpaid claims - January 1, 2003	\$ 106	\$ 234,000
Incurred claims	31,893	2,064,122
Payment of claims	<u>(25,125)</u>	<u>(2,029,192)</u>
Unpaid claims - December 31, 2003	<u>\$ 6,874</u>	<u>\$ 268,930</u>
	<u>2004</u>	
Unpaid claims - January 1, 2004	\$ 6,874	\$ 268,930
Incurred claims	32,213	2,659,989
Payment of claims	<u>(33,606)</u>	<u>(2,661,707)</u>
Unpaid claims - December 31, 2004	<u>\$ 5,481</u>	<u>\$ 267,212</u>

**City of Upper Arlington, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2004**

A claims liability of \$267,212 in the internal service fund accounts payable balance represents an estimate for incurred but unpaid claims liabilities and incurred but not reported claims liabilities.

The City also belongs to the Ohio Municipal League Equity Rating Pool for Workers Compensation Insurance. The purpose of the pool is to achieve lower workers' compensation rates for group participants and foster cost-effective claims management skills. The pool provides for equity redistribution in which participants, depending upon their losses, may receive refunds for low losses resulting in savings for the pool, or incur additional contribution for high losses, which exceed the pool's rate.

**Note (8) – Joint Operating Agreement**

In 2003 the City of Upper Arlington and the Upper Arlington City School District (District) entered into a joint operating agreement to provide recreational facilities at Burbank Park for the benefit of the residents of the City. Whereas, pursuant to Ohio Revised Code Sections 755.16 this agreement shall establish the working partnership between the City and the District regarding joint acquisition and construction of the project, as well as its shared operation and maintenance. The agreement establishes a four (4) member operations committee consisting of the Superintendent of the School District, the City Manager, the School District's athletic Director, and the Parks and Recreation Director of the City.

The Agreement shall exist until:

One year from date of certificate of establishment (July 11, 2003), and shall automatically renew for consecutive periods of one (1) year each for so long as the project is used for public athletic and recreational uses for the benefit of the residence of the City.

As of December 31, 2004 the City has contributed approximately \$35,700 for improvements to this park.

Information about the Joint Operating Agreement may be obtained from the City of Upper Arlington's Clerk of Council.

**Note (9) – Subsequent Event**

On January 15, 2004, the City issued Capital Improvement Bond Anticipation Notes of \$3,972,000. The notes were issued with an interest rate of 2.0% and a premium of \$19,275. In January 2005 the City refinanced these notes until January 2006. The City intends to bond these notes in 2006. The issuance of notes will aid in the funding of planned capital improvements.

**Note (10) – Contingent Liabilities**

The City is a defendant in a number of lawsuits pertaining to matters, which are incidental to performing routine governmental functions. City management is of the opinion that ultimate settlement of such claims will not result in a material adverse effect on the City's financial position as of December 31, 2004.

**Note (11) – Other Postemployment Benefits**

The City provides postretirement health care benefits through the City's pension contributions to Ohio Public Employee Retirement System (OPERS) and Ohio Police and Fire and Pension Fund (OP&F).

**Ohio Police and Fire Pension Fund (OP&F)**

The OP&F provides post-retirement health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending full-time or on a two-thirds basis. The health care coverage provided by the OP&F Retirement System is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement 12, *Disclosure of Information on Postemployment Benefits Other Than Pension Benefits* by

**City of Upper Arlington, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2004**

*State and Local Governmental Employers.* The Ohio Revised Code provides that health care cost paid from the funds of the OP&F shall be included in the employer's contribution rate. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll

The Ohio Revised Code provides the statutory authority allowing the Fund's Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. Currently 7.75% of covered payroll (7.75% in 2003), the Board-defined allocation, is used to pay retiree health care expenses. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The portion of the City's contribution that was used to pay post-employment healthcare benefits was approximately \$278,039 for Police and \$322,876 for Firefighters. The OP&F's total health care expense for the year ending December 31, 2003 was \$150,853,148, which is net of member contributions of \$17,207,506.

**Ohio Public Employee Retirement System (OPERS)**

Health care coverage for disability recipients is available. The health care coverage provided by the OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement 12, *Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers*. A portion of each employer's contribution to OPERS is set aside for the funding of the post-retirement health care. The Ohio Revised Code provides the statutory authority to OPERS. The 2004 employer contribution rate was 13.55% of covered payroll; 4% was the portion that was used to fund health for the year 2004.

OPEB are financed through employer contributions and investment earnings. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely. The following assumptions and calculations are based on the system's latest Actuarial Review performed as of December 31, 2003:

Funding method is an entry age normal actuarial cost method of valuation used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability; the assets valuation method has all investment carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of the unrealized market appreciation or depreciation in investment assets; while the investment return assumption rate for 2003 was 8.0%.

Annual active employee total payroll increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above 4.0% base increase were assumed to range from 0.50% to 6.3%; and health care cost were assumed to range from 1.0% to 6.0% for the next 8 years and increase 4.0% annually beginning in year 9.

The portion of the City's contribution that was used to pay post-employment healthcare benefits (OPEB) for general employees was approximately \$339,183. The Ohio Public Employee Retirement had net assets available for future OPEB payments were \$10.5 billion. The number of benefit recipients eligible for OPEB at December 31, 2003 was 369,885.

During 1997, OPERS adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1999, employer contributions equal to 4.0% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

**City of Upper Arlington, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2004**

**Note (12) – Retirement Benefits**

All non-uniformed full time (general) City employees participate in a cost sharing multiple employer Ohio Public Employee Retirement System (OPERS). Police officers and firefighters participate in the Ohio Police and Fire and Pension Fund (OP&F).

**Ohio Police and Fire and Pension Fund (OP&F)**

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

**Funding policy** – Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City’s required and actual contributions to OP&F for the years ending December 31, 2004, 2003 and 2002 were \$1,699,967, \$1,558,891, and \$1,479,337 respectively.

The employees’ contributions to OP&F for the years ended December 31, 2004, 2003 and 2002 were \$775,115, \$698,802, and \$675,481 respectively.

**Annual Pension Percentage of APC**

<u>Fiscal Year Ending</u>	<u>Employer Cost (APC)</u>	<u>Employee Cost (APC)</u>	<u>Contributed</u>	<u>Net Pension Obligation</u>
12/31/2002	\$ 1,479,337	\$ 675,481	100%	\$0
12/31/2003	\$ 1,558,891	\$ 698,802	100%	0
12/31/2004	\$ 1,699,967	\$ 775,115	100%	0

**Ohio Public Employees Retirement System of Ohio (OPERS)**

**Plan description** – All other full-time non-uniformed employees of the City are eligible to participate in the Ohio Public Employees Retirement System of Ohio (OPERS), a cost sharing multiple employer defined benefit pension plan. OPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan member beneficiaries. Chapter 145 of the Ohio Revised Code assigns the authority to establish and amend benefit provisions. OPERS issues a stand-alone, publicly available comprehensive annual financial report, which includes financial statements and required supplementary information for OPERS. This report may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-7377.

**Funding policy** – The Retirement Board instituted a temporary employer contribution rate rollback of 20% for calendar year 2000. The decision to rollback was based on a December 31, 1998 actuarial study, which indicated that actuarial assets exceed actuarial liabilities. The City and covered employees contributed an actuarially determined rates for 2004, 13.55% and 8.5% respectively, of covered employee payroll to OPERS. During 2004, 4.0% of the City’s contribution was used to fund-postemployment health care benefits, available to retirees with at least ten-years of service credit compared to 5.0% in 2003 and 5.0% in 2002.

**City of Upper Arlington, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2004**

Chapter 145 of the Ohio Revised Code assigns authority of the OPERS Board to amend the funding policy. The City's required and actual contributions to OPERS for the years ended December 31, 2004, 2003 and 2002 were \$1,149,993, \$1,039,571, and \$1,017,045 respectively.

The City's employee's contributions to OPERS for the years ended December 31, 2004, 2003 and 2002 were \$720,829, \$652,289, and \$575,763 respectively.

**Annual Pension Percentage of APC**

<u>Fiscal Year Ending</u>	<u>Employer Cost (APC)</u>	<u>Employee Cost (APC)</u>	<u>Contributed</u>	<u>Net Pension Obligation</u>
12/31/2002	\$ 1,017,045	\$ 575,763	100%	\$0
12/31/2002	\$ 1,039,571	\$ 652,289	100%	0
12/31/2004	\$ 1,149,993	\$ 720,829	100%	0

**Note (13) –Restatement**

In 2003 the City overstated its liabilities for accounts payable. As such the City's fund financial statements are restated as follows:

	Governmental Fund Balances at January 1, 2004, <u>As previously reported</u>	Accounts Payable liabilities <u>recognized in error</u>	Governmental Fund Balances at January 1, 2004, <u>as restated</u>
General Fund	\$ 27,662,681	\$ 505,916	\$ 28,168,597
Street Maintenance and Repair Fund	730,858		730,858
Bonded Improvement Fund	9,261,293	596,524	9,857,817
Estate Tax Fund	6,492,544	1,870,126	8,362,670
Nonmajor Governmental Funds	2,571,493		2,571,493
<b>Total</b>	<b>\$ 46,718,869</b>	<b>\$ 2,972,566</b>	<b>\$ 49,691,435</b>

Additionally, the City overstated Capital Assets at the beginning of the year. As such the governmental wide statements, including the aforementioned restatement for accounts payable above, is restated as follows:

<b>Governmental Net Assets, as previously reported</b>	<b>\$ 60,943,477</b>
Infrastructure assets restatement	(1,446,285)
Accounts payable restatement from above	2,972,566
<b>Governmental Net Assets, as restated at January 1, 2004</b>	<b>\$ 62,469,758</b>



CITY OF | **UPPER ARLINGTON**

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**C. REQUIRED SUPPLEMENTARY INFORMATION –  
OTHER THAN MD&A**

**City of Upper Arlington, Ohio**  
**Budgetary Comparison Schedule**  
**General Fund**  
For the Year Ended December 31, 2004

	<b>General Fund</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>
<b>REVENUES:</b>				
Income tax	\$ 12,133,810	\$ 12,174,085	\$ 12,103,375	\$ (70,710)
Property taxes	7,745,495	6,838,495	6,923,448	84,953
Intergovernmental	2,078,210	3,211,078	3,434,157	223,079
Estate Tax	2,100,000	2,400,000	2,579,502	179,502
Charges for services	600,000	575,000	505,343	(69,657)
Investment earnings	881,372	740,872	737,372	(3,500)
Fines and forfeits	300,000	375,000	384,386	9,386
Licenses and permits	550,000	700,000	702,968	2,968
Miscellaneous	532,080	698,580	686,165	(12,415)
Reimbursements	445,000	445,000	589,935	144,935
Total revenues	<u>27,365,967</u>	<u>28,158,110</u>	<u>28,646,651</u>	<u>488,541</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	12,345,795	13,143,796	12,880,964	262,832
General government	6,889,486	7,858,553	7,411,336	447,217
Public services	1,227,028	1,315,501	1,265,113	50,388
Parks and recreation	2,508,630	2,599,074	2,493,396	105,678
Community development	886,845	926,450	880,752	45,698
Capital outlay	1,060,950	1,249,562	1,028,513	221,049
Total expenditures	<u>24,918,734</u>	<u>27,092,936</u>	<u>25,960,074</u>	<u>1,132,862</u>
Excess (deficiency) of revenues over expenditures	2,447,233	1,065,174	2,686,577	1,621,403
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets			2,041	2,041
Proceeds from loan			476,621	476,621
Operating transfers-in			-	-
Operating transfers-out	(3,804,961)	(10,291,151)	(7,469,060)	2,822,091
Total other financing sources (uses)	<u>(3,804,961)</u>	<u>(10,291,151)</u>	<u>(6,990,398)</u>	<u>3,300,753</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(1,357,728)	(9,225,977)	(4,303,821)	4,922,156
<b>Fund balances at beginning of year</b>	25,027,390	25,027,390	25,027,390	
<b>Lapsed encumbrances</b>	116,398	116,398	116,398	
<b>Fund balances at end of year</b>	<u>\$ 23,786,060</u>	<u>\$ 15,917,811</u>	<u>\$ 20,839,967</u>	<u>\$ 4,922,156</u>

Adjustments necessary to convert the results of operations at end of year on the budget basis to the modified accrual basis (GAAP) are as follows:

<b>Deficiency of revenues and other financing sources over expenditures and other uses per the Budgetary Comparison Schedule</b>	(4,303,821)
(Increases) decreases from revenues:	
Received in cash during year but already accrued as receivables (GAAP) at December 31, 2003	(15,528,581)
Accrued as receivables at December 31, 2004 but not recognized in budget	14,987,658
Deferred at December 31, 2003 but not recognized in budget	9,335,453
Deferred at December 31, 2004 but recognized in budget	(9,286,694)
(Increases) decreases from encumbrances:	
Expenditures of amounts encumbered during the year ended December 31, 2003 but recognized as expenditures in the budget	261,590
(Increases) decreases from expenditures:	
Accrued as liabilities at December 31, 2003 recognized as expenditures (GAAP) but not in budget	3,803,598
Accrued as liabilities at December 31, 2004	(3,569,168)
(Increases) decreases from EMS Fund classified as general fund in GAAP statements	240,401
<b>Net change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balance</b>	<u>\$ (4,059,564)</u>

**City of Upper Arlington, Ohio**  
**Budgetary Comparison Schedule**  
**Street Construction and Maintenance Repair Fund**  
**For the Year Ended December 31, 2004**

	<b>Street Construction Maintenance and Repair Fund</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>
<b>REVENUES:</b>				
Income tax				
Property taxes				
Intergovernmental	1,050,000	1,325,000	1,402,934	77,934
Estate Tax				
Charges for services			940	940
Investment earnings	14,405	14,000	17,968	3,968
Fines and forfeits				
Licenses and permits				
Miscellaneous	-	10,000	6,915	(3,085)
Reimbursements				-
Total revenues	<u>1,064,405</u>	<u>1,349,000</u>	<u>1,428,757</u>	<u>79,757</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety				
General government				
Public services	1,457,315	1,500,435	1,455,226	45,209
Parks and recreation				
Community development				
Capital outlay		30,000	28,082	1,918
Total expenditures	<u>1,457,315</u>	<u>1,530,435</u>	<u>1,483,308</u>	<u>47,127</u>
Excess (deficiency) of revenues over expenditures	(392,910)	(181,435)	(54,551)	(126,884)
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets				
Operating transfers-in	60,000	60,000	-	(60,000)
Operating transfers-out				
Total other financing sources (uses)	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>(60,000)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(332,910)	(121,435)	(54,551)	(66,884)
<b>Fund balances at beginning of year</b>	497,027	497,027	497,027	
<b>Lapsed encumbrances</b>	434	434	434	
<b>Fund balances at end of year</b>	<u>\$ 164,551</u>	<u>\$ 376,026</u>	<u>\$ 442,910</u>	<u>\$ (66,884)</u>

Adjustments necessary to convert the results of operations at end of year on the budget basis to the modified accrual basis (GAAP) are as follows:

<b>Deficiency of revenues and other financing sources over expenditures and other uses per the Budgetary Comparison Schedule</b>	(54,551)
(Increases) decreases from revenues:	
Received in cash during year but already accrued as receivables (GAAP) at December 31, 2003	(229,964)
Accrued as receivables at December 31, 2004 but not recognized in budget	195,114
Deferred at December 31, 2003 but not recognized in budget	
Deferred at December 31, 2004 but recognized in budget	
(Increases) decreases from encumbrances:	
Expenditures of amounts encumbered during the year ended December 31, 2003 but recognized as expenditures in the budget	62,738
(Increases) decreases from expenditures:	
Accrued as liabilities at December 31, 2003 recognized as expenditures (GAAP) but not in budget	19,272
Accrued as liabilities at December 31, 2004	(82,144)
<b>Net change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balance</b>	<u>\$ (89,535)</u>

See notes to required supplementary information.

**City of Upper Arlington, Ohio**  
Notes to the Required Supplementary Information  
December 31, 2004

**Budgetary Information**

All governmental and proprietary fund types are subject to annual expenditure budgets. The City Council follows procedures outlined below in establishing the expenditure budget data reported in the Municipal Service Program adopted budget for 2003-2004.

In November, the City Manager submits to City Council an estimate of the expenditures necessary to conduct the affairs of the City for the fiscal year commencing the following January 1. Budget estimates are distributed throughout the City including newspapers and libraries. Public hearings are held to obtain taxpayers comments.

Subsequent to January 1, and after publication of the proposed budget ordinance, the budget is legally enacted through passage of the ordinance. The budget specifies expenditure amounts by object for each activity within each fund.

No transfer of appropriations can be made without City Council action, with the exception of certain transfers within a department's appropriation, within a fund, if the amounts are less than \$2,500. Expenditures cannot legally exceed appropriations at the object level. During 2004 various transfers of appropriations and supplemental appropriations were made in the following amounts:

General Fund	\$8,660,392
Special Revenue Funds	\$146,256
Capital Project Funds	\$1,800,000
Enterprise Funds	\$4,046,977
Internal Service Funds	\$673,950

Unencumbered appropriations lapse at year-end and encumbered appropriations are carried forward to the next fiscal year.

The City's budgetary process is based upon accounting for certain transactions on a basis other than accounting principles generally accepted in the United States of America (GAAP).

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

**General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget was \$8,660,392, summarized as follows:

- \$4,560,500 in appropriated fund transfers for the following:
  - \$480,000 in estate tax revenue for deposit into the Estate Tax Fund
  - \$3,906,000 transfers to the Swimming Pools Fund to fund the new swimming pool facility called Reed Road Water Park.
  - \$154,500 to the Water Surcharge and Sewer Surcharge Funds to fund unanticipated expenses.
  - \$20,000 to start up the Emergency Medical Service fund.
  
- \$247,048 in grant revenues and donations received by the City capital equipment purchases.

**City of Upper Arlington, Ohio**  
Notes to the Required Supplementary Information  
December 31, 2004

- ❑ \$1,050,199 for additional salary to accommodate the 27<sup>th</sup> pay, settling of the Police negotiated contract and Fire Division for higher overtime costs.
- ❑ \$200,000 for the HVAC upgrade to the Municipal Services Building.

The remaining additional appropriations of \$2,602,645 included items for: higher fuel costs; test roundabout and directional cost; income tax collections costs; audit costs, adding personnel and extended physical examinations and fitness program for the Fire Division.

**Special Revenue Funds: Street Construction Maintenance and Repair**

Differences between the original budget and the final amended budget were \$73,120 and can be briefly summarized as follows.

- ❑ \$73,120 in the Street Construction Maintenance and Repair Fund to accommodate the 27<sup>th</sup> pay. The City pays employees bi-weekly or 26 times per year. In 2004, the budget was increased to accommodate a 27<sup>th</sup> pay, as every 11 years the calendar has an additional "Friday".



CITY OF | **UPPER ARLINGTON**

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**D. OTHER SUPPLEMENTARY INFORMATION –  
DESCRIPTION OF ALL FUNDS**

**CITY OF UPPER ARLINGTON**  
**DESCRIPTION OF ALL FUNDS**

**MAJOR FUNDS**

These funds are characterized as “major funds”, as defined by GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. The criteria in GASB Statement No. 34 for characterizing a fund as “major” is as follows:

- a) The general fund is always a major fund.
- b) Total assets, liabilities, revenues or expenditures (excluding extraordinary items) of a fund are at least 10% of the corresponding total for all funds of that fund type **and**
- c) Total assets, liabilities, revenues or expenditures of a fund are at 5% of the corresponding total for all governmental and enterprise funds combined.
- d) Internal service funds and fiduciary funds are excluded from major fund testing.

**General Fund**

The General Fund receives funds, which are not accounted for in any other fund of the City. The revenues are used to finance the general operations of the City. Due to legal requirements, activities of the General Fund are accounted for in the following accounts:

General Operating Account - This account is used for revenues that are not restricted as to use, and funds the general operations of the City.

Capital Asset Management Account - Codified Ordinance Section 211.01 provides that 13 1/3% of net income tax collections are to be used only for the payment of obligations incurred in connection with the City's capital improvements program or for the payment of interest and principal of bonds and notes issued by the City.

Police and Fire Pension Account - One and six-tenths of a mill of the property tax has been set aside for the purpose of paying police and fire pensions. In accordance with state law, the funds are required to be placed in a separate account. Transfers are made to the General Operating Account to pay the cost of pensions.

Capital Improvements Account - The City's Charter provides that one-half mill of the property tax be used for the City's capital improvement program.

Self-Insured Loss Account - By ordinance, City Council has established this account in order to provide for a reserve to fund losses as a result of assuming the risk for general liabilities. Transfers are periodically made to the account from the General Operating Account.

Communication and Technology Account - By ordinance, City Council has established this account in order to provide for the maintenance and upgrade of the City's communication and technology equipment and software.

EMS Account – By ordinance, City Council has established this account in order to pay the cost of activities for emergency medical service supplies and capital needs for the Fire Division. The fees received are from insurance companies and Medicare for providing emergency medical services to the Community. The EMS account is shown as a special revenue fund in the budgetary statements but as a general fund account in the GAAP statements.

### **Special Revenue Fund**

#### **Street Construction Maintenance and Repair Fund**

Required by Ohio Revised Code Sections 4501.04 and 5735.27 to account for receipts from the licensing of motor vehicles and receipts from fuel taxes. The funds are used for the construction, maintenance and repair of the City's streets.

### **Capital Project Funds**

#### **Bonded Improvement Fund**

Sources of revenue are the proceeds of bonds and notes issued for the purpose of undertaking the construction and repair of capital facilities including infrastructure. Funds are used to pay the cost of the improvements.

#### **Estate Tax Capital Projects Fund**

Created by C.O. 137.12, this fund is used to account for estate tax revenues in excess of \$2.1 million for the purpose of capital needs.

### **Enterprise Funds**

#### **Water Surcharge Fund**

For the purpose of paying the cost of maintaining the City's water distribution system, a surcharge is applied to the consumption of water by all users within the City. Established pursuant to C.O. Section 137.07, funds may be used for the construction and reconstruction of the water distribution system, including the repair/replacement of fire hydrants.

#### **Sanitary Sewer Surcharge Fund**

For the purpose of paying the cost of maintaining the City's sanitary sewer system, a surcharge is applied to the consumption of water by all users within the City. Established pursuant to C.O. Section 137.06, funds may be used for enlargement or replacement of the system and construction and reconstruction of main and interceptor sewers.

#### **Stormwater Management Fund**

Pursuant to C.O. Section 937.13, all revenues from stormwater drainage service charges, permit and inspection fees, direct charges and investment earnings are deposited into this fund. Funds are used to pay the operating expenses of the stormwater management utility, including the purchase of capital equipment, and capital improvements, including the payment of principal and interest on debt issued for such purposes.

## **Enterprise Funds (continued)**

### **Swimming Pools Fund**

Pursuant to C.O. Section 225.01, the fund was established by a management agreement between the City and the Upper Arlington Board of Education. In 2002, an agreement was reached between the City and the UA Board of Education to transfer ownership of the swimming pools. The transfer of ownership was completed in 2003. Revenues are generated from admission to the pool. Expenditures are for operating costs and capital equipment.

## **NONMAJOR FUNDS**

### **Special Revenue Funds**

#### **Law Enforcement Fund**

Established pursuant to Ohio Revised Section 2933.43 for the deposit of moneys received from the seizure of tangible property relinquished in accordance with the Contraband Seizure Forfeiture Act. Funds are used solely for law enforcement purposes.

#### **Tree Planting Fund**

Established pursuant to C.O. Section 158.05 to receive money given to the Tree Commission. Expenditures are to be made for the furtherance of tree planting and care and related arboricultural activities, subject to appropriations made by City Council.

#### **Enforcement Education Fund**

Established in 1995 pursuant to C.O. Section 225.03, the revenue of this Fund derived from Operating a Motor Vehicle While Intoxicated (OMVI) convictions, is used to pay the costs incurred in both enforcing and informing the public of the laws governing operation of a motor vehicle while under the influence of alcohol.

#### **Board of Health Fund**

Established in 1995, this Fund is used to pay the cost of activities provided by the Board of Health. The Board is independent of the City. Funds are transferred from the General Fund. The money is used to pay the contract with the Franklin County Board of Health who provides general health services to the City. Also funded are Board of Health recommendations of other supporting community health agencies.

#### **Tax Incentive Review Fund**

Created by C.O. 225.07 to received required fees and pay administrative expenses associated with tax incentive agreements.

#### **Mayor's Court Computer Fund**

Established in 1995 pursuant to C.O. Section 171.05, a \$3.00 fee is collected on each case in Mayor's Court to be used to pay the cost of computerization of the Mayor's Court and for computerized legal research services.

## **Special Revenue Funds (continued)**

### **Life Long Learning and Leisure Fund**

The Life Long Learning and Leisure Fund created by C.O. Section 225.02, accounts for the operations of continuing education classes.

### **Civil Service Fund**

Established in 1995 pursuant to C.O. Section 225.04, this Fund is used to pay the expenses associated with the Civil Service Commission. The money is transferred from the General Fund and used to pay the Civil Service Commission Secretary and the cost of tests that are required for promotional examinations.

### **Clerk of Court Fund**

Enacted by C.O. 171.06, the Clerk of Courts Fund was created to account for fees established by the Rules of Court. The revenue is to be used to pay the cost of computerization of the Clerk of Courts' office. The current fee is \$3.00.

### **Neighborhood Lighting Fund**

This fund is used to account for the maintenance of neighborhood lights of which a yearly maintenance fee is charged.

### **Community Improvement Corporation (CIC)**

The Community Improvement Corporation is a blended component unit included within the City's financial statements. The CIC is a separate 501(c)6 established to support the City's economic development efforts.

### **Economic Development Venture Fund**

Established by C.O. 225.06 effective January 1999 for stimulating investment in Upper Arlington by providing incentives and maintaining an attractive economic climate for business and expansion and new business recruitment.

## **Capital Project Funds**

### **Infrastructure Improvement Fund**

Created by C.O. 137.10, the Infrastructure Improvement Fund was created to account for a seven year capital project program. Resources are obtained from an annual fund transfer from the General Fund.

### **Debt Service Fund**

### **General Obligation Bond Retirement Fund**

To account for retirement of debt issued by the City, the fund receives property tax and other receipts. Funds are used for the payment of interest and principal on outstanding debt.

## **Enterprise Funds**

### **Solid Waste Fund**

Revenues are generated from the refuse collection fees charged to the City's residents. Expenditures are for operating costs and capital equipment.

### **Swimming Pools Fund**

To account for the balance of funds on deposit with the City of Upper Arlington due to the Trustees of the Upper Arlington Swimming pools.

## **Internal Service Fund**

### **Employee Benefit Fund**

Pursuant to Codified Ordinances Section 137.05, moneys are deposited into the fund for the purpose of paying the cost of employee benefits, including but not limited to health care, prescriptions, dental care, life insurance, and long and short-term disability benefits. Revenues come from the proportionate cost of employee benefits contained in the operating budgets of departments of other funds, third party reimbursements and refunds for employee benefits.

## **Agency Funds**

### **Returnable Bonds Fund**

To account for moneys deposited by citizens for traps, etc., that are to be returned.

### **Unclaimed Funds**

To account for moneys owed to citizens that cannot be immediately located.

### **Construction Withholding Fund**

To hold the ten percent withholding required by construction contracts until acceptance of the project.

### **Mayor's Court Fund**

To receive fines and forfeitures from citizens as a result of violating City laws.

### **Flexible Benefits Fund**

The Flex Benefits Fund accounts for funds on deposits for payment of Employee's health care claims by a third party administrator.

### **Payroll Clearing Fund**

To account for payroll and deduction checks of employees.

### **Revolving Fund**

To account for miscellaneous deposits of funds collected by the City and due to other governments.

**E. OTHER SUPPLEMENTARY INFORMATION – BUDGETARY  
COMPARISON SCHEDULES (NON-GAAP BUDGETARY BASIS)**

**City of Upper Arlington, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (NON-GAAP Budgetary Basis)  
All General Fund Accounts  
For the Fiscal Year Ended December 31, 2004

	General Operating Account			
	Adopted Budget	Revised Budget	Actual	Variance
<b>REVENUES:</b>				
Income tax	\$ 10,533,810	\$ 10,533,810	\$ 10,490,194	\$ (43,616)
Property taxes	5,003,803	4,403,803	4,472,924	69,121
Intergovernmental	2,078,210	2,904,078	3,111,339	207,261
Estate Tax	2,100,000	2,400,000	2,579,502	179,502
Charges for services	600,000	575,000	505,343	(69,657)
Investment earnings	790,500	700,000	707,924	7,924
Fines and forfeits	300,000	375,000	384,386	9,386
Licenses and permits	550,000	700,000	702,968	2,968
Miscellaneous	450,000	525,000	528,847	3,847
Reimbursements	445,000	395,000	533,388	138,388
<b>Total revenues</b>	<b>22,851,323</b>	<b>23,511,691</b>	<b>24,016,815</b>	<b>505,124</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	12,345,795	13,139,467	12,876,635	262,832
General government	6,789,486	7,691,411	7,310,608	380,803
Public services	1,227,028	1,315,501	1,265,113	50,388
Parks and recreation	2,508,630	2,592,947	2,487,277	105,670
Community development	886,845	926,450	880,752	45,698
Capital outlay				
<b>Total expenditures</b>	<b>23,757,784</b>	<b>25,665,776</b>	<b>24,820,385</b>	<b>845,391</b>
Excess (deficiency) of revenues over expenditures	(906,461)	(2,154,085)	(803,570)	1,350,515
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets			2,041	2,041
Proceeds from loan		800,000	476,621	(323,379)
Operating transfers-in			-	-
Operating transfers-out	(2,298,225)	(7,284,415)	(4,470,002)	2,814,413
Interaccount transfers-in	1,969,300	2,100,179	2,100,179	-
Interaccount transfers-out	(342,670)	(342,670)	(342,670)	-
<b>Total other financing sources (uses)</b>	<b>(671,595)</b>	<b>(4,726,906)</b>	<b>(2,233,831)</b>	<b>2,493,075</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(1,578,056)	(6,880,991)	(3,037,401)	3,843,590
Fund balances at beginning of year	18,778,051	18,778,051	18,778,051	
Lapsed encumbrances	90,881	90,881	90,881	
<b>Fund balances at end of year</b>	<b>\$ 17,290,876</b>	<b>\$ 11,987,941</b>	<b>\$ 15,831,531</b>	<b>\$ 3,843,590</b>



**City of Upper Arlington, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (NON-GAAP Budgetary Basis)  
All General Fund Accounts  
For the Fiscal Year Ended December 31, 2004

	Capital Improvements Account			
	Adopted Budget	Revised Budget	Actual	Variance
<b>REVENUES:</b>				
Income tax				\$ -
Property taxes	641,513	581,513	573,728	(7,785)
Intergovernmental		60,000	75,794	15,794
Estate Tax				-
Charges for services				-
Investment earnings				-
Fines and forfeits				-
Licenses and permits				-
Miscellaneous	-	91,500	78,118	(13,382)
Reimbursements				-
 Total revenues	<u>641,513</u>	<u>733,013</u>	<u>727,640</u>	<u>(5,373)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	4,329	4,329	-
General government	-	11,965	11,945	20
Public services				-
Parks and recreation	-	6,127	6,119	8
Community development				-
Capital outlay	888,450	1,132,239	917,869	214,370
 Total expenditures	<u>888,450</u>	<u>1,154,660</u>	<u>940,262</u>	<u>214,398</u>
 Excess (deficiency) of revenues over expenditures	<u>(246,937)</u>	<u>(421,647)</u>	<u>(212,622)</u>	<u>209,025</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets				-
Proceeds from loan				-
Operating transfers-in				-
Operating transfers-out				-
Interaccount transfers-in	320,750	320,750	320,750	-
Interaccount transfers-out				-
 Total other financing sources (uses)	<u>320,750</u>	<u>320,750</u>	<u>320,750</u>	<u>-</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	73,813	(100,897)	108,128	209,025
 Fund balances at beginning of year	657,323	657,323	657,323	
Lapsed encumbrances	17,000	17,000	17,000	
 Fund balances at end of year	<u>\$ 748,136</u>	<u>\$ 573,426</u>	<u>\$ 782,451</u>	<u>\$ 209,025</u>

Self-Insured Loss Account				Communications and Technology Account			
Adopted Budget	Revised Budget	Actual	Variance	Adopted Budget	Revised Budget	Actual	Variance
			\$ -				\$ -
			-				-
			-				-
			-				-
90,872	40,872	29,448	(11,424)				-
			-				-
			-				-
-	50,000	56,547	6,547	82,080	82,080	79,200	(2,880)
			-				-
<u>90,872</u>	<u>90,872</u>	<u>85,995</u>	<u>(4,877)</u>	<u>82,080</u>	<u>82,080</u>	<u>79,200</u>	<u>(2,880)</u>
			-				-
100,000	100,000	33,606	66,394	-	55,177	55,177	-
			-				-
			-				-
			-				-
			-	172,500	117,323	110,644	6,679
<u>100,000</u>	<u>100,000</u>	<u>33,606</u>	<u>66,394</u>	<u>172,500</u>	<u>172,500</u>	<u>165,821</u>	<u>6,679</u>
<u>(9,128)</u>	<u>(9,128)</u>	<u>52,389</u>	<u>61,517</u>	<u>(90,420)</u>	<u>(90,420)</u>	<u>(86,621)</u>	<u>3,799</u>
			-				-
			-				-
-	(1,500,000)	(1,500,000)	-	21,920	21,920	21,920	-
			-				-
<u>-</u>	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>-</u>	<u>21,920</u>	<u>21,920</u>	<u>21,920</u>	<u>-</u>
(9,128)	(1,509,128)	(1,447,611)	61,517	(68,500)	(68,500)	(64,701)	3,799
1,855,982	1,855,982	1,855,982		105,557	105,557	105,557	
				8,517	8,517	8,517	
<u>\$ 1,846,854</u>	<u>\$ 346,854</u>	<u>\$ 408,371</u>	<u>\$ 61,517</u>	<u>\$ 45,574</u>	<u>\$ 45,574</u>	<u>\$ 49,373</u>	<u>\$ 3,799</u>

(continued)

**City of Upper Arlington, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (NON-GAAP Budgetary Basis)  
All General Fund Accounts  
For the Fiscal Year Ended December 31, 2004

	Total General Fund Accounts			
	Adopted Budget	Revised Budget	Actual	Variance
<b>REVENUES:</b>				
Income tax	\$ 12,133,810	12,174,085	12,103,375	\$ (70,710)
Property taxes	7,745,495	6,838,495	6,923,448	84,953
Intergovernmental	2,078,210	3,211,078	3,434,157	223,079
Estate Tax	2,100,000	2,400,000	2,579,502	179,502
Charges for services	600,000	575,000	505,343	(69,657)
Investment earnings	881,372	740,872	737,372	(3,500)
Fines and forfeits	300,000	375,000	384,386	9,386
Licenses and permits	550,000	700,000	702,968	2,968
Miscellaneous	532,080	698,580	686,165	(12,415)
Reimbursements	445,000	445,000	589,935	144,935
 Total revenues	 <u>27,365,967</u>	 <u>28,158,110</u>	 <u>28,646,651</u>	 <u>488,541</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	12,345,795	13,143,796	12,880,964	262,832
General government	6,889,486	7,858,553	7,411,336	447,217
Public services	1,227,028	1,315,501	1,265,113	50,388
Parks and recreation	2,508,630	2,599,074	2,493,396	105,678
Community development	886,845	926,450	880,752	45,698
Capital outlay	1,060,950	1,249,562	1,028,513	221,049
 Total expenditures	 <u>24,918,734</u>	 <u>27,092,936</u>	 <u>25,960,074</u>	 <u>1,132,862</u>
 Excess (deficiency) of revenues over expenditures	 2,447,233	 1,065,174	 2,686,577	 1,621,403
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	-	2,041	2,041
Proceeds from loan			476,621	476,621
Operating transfers-in	-	-	-	-
Operating transfers-out	(3,804,961)	(10,291,151)	(7,469,060)	2,822,091
Interaccount transfers-in	2,311,970	2,442,849	2,442,849	-
Interaccount transfers-out	(2,442,849)	(2,442,849)	(2,442,849)	-
 Total other financing sources (uses)	 <u>(3,935,840)</u>	 <u>(10,291,151)</u>	 <u>(6,990,398)</u>	 <u>3,300,753</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	 (1,488,607)	 (9,225,977)	 (4,303,821)	 4,922,156
Fund balances at beginning of year	25,027,390	25,027,390	25,027,390	
Lapsed encumbrances	116,398	116,398	116,398	
 Fund balances at end of year	 <u>\$ 23,655,181</u>	 <u>\$ 15,917,811</u>	 <u>\$ 20,839,967</u>	 <u>\$ 4,922,156</u>



CITY OF | **UPPER ARLINGTON**

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**City of Upper Arlington, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (NON-GAAP Budgetary Basis)  
All Nonmajor Special Revenue Funds  
For the Fiscal Year Ended December 31, 2004

	Law Enforcement Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<b>REVENUES:</b>				
Intergovernmental		\$ 1,800	\$ 3,292	\$ 1,492
Estate Tax				-
Charges for services				-
Investment earnings	765	3,000	4,131	1,131
Fines and forfeits				-
Licenses and permits				-
Miscellaneous	5,000	25,000	62,563	37,563
Reimbursements				-
 Total revenues	<u>5,765</u>	<u>29,800</u>	<u>69,986</u>	<u>40,186</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	25,000	28,831	20,534	8,297
General government				-
Public services				-
Parks and recreation				-
Health Services				-
Capital outlay	84,650	100,819	90,524	10,295
Debt service payments				
Total expenditures	<u>109,650</u>	<u>129,650</u>	<u>111,058</u>	<u>18,592</u>
 Excess (deficiency) of revenues over expenditures	<u>(103,885)</u>	<u>(99,850)</u>	<u>(41,072)</u>	<u>58,778</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets				-
Operating transfers-in				-
Operating transfers-out				-
Interaccount transfers-in				-
Interaccount transfers-out				-
 Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(103,885)</u>	<u>(99,850)</u>	<u>(41,072)</u>	<u>58,778</u>
 Fund balances at beginning of year	128,964	128,964	128,964	
Lapsed encumbrances	9,402	9,402	9,402	
 Fund balances at end of year	<u>\$ 34,481</u>	<u>\$ 38,516</u>	<u>\$ 97,294</u>	<u>\$ 58,778</u>

Enforcement Education Fund			
Adopted Budget	Revised Budget	Actual	Variance
			\$ -
			-
			-
1,200	2,800	3,485	685
			-
-	200	200	-
			-
<u>1,200</u>	<u>3,000</u>	<u>3,685</u>	<u>685</u>
1,200	1,200	-	1,200
			-
			-
			-
			-
<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>1,200</u>
<u>-</u>	<u>1,800</u>	<u>3,685</u>	<u>1,885</u>
			-
			-
			-
			-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	1,800	3,685	1,885
6,945	6,945	6,945	
<u>\$ 6,945</u>	<u>\$ 8,745</u>	<u>\$ 10,630</u>	<u>\$ 1,885</u>

Tax Incentive Review Fund			
Adopted Budget	Revised Budget	Actual	Variance
			\$ -
			-
			-
			-
2,500	3,465	3,715	250
			-
<u>2,500</u>	<u>3,465</u>	<u>3,715</u>	<u>250</u>
2,500	2,500	-	2,500
			-
			-
			-
			-
<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
<u>-</u>	<u>965</u>	<u>3,715</u>	<u>2,750</u>
			-
			-
			-
			-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	965	3,715	2,750
4,579	4,579	4,579	
<u>\$ 4,579</u>	<u>\$ 5,544</u>	<u>\$ 8,294</u>	<u>\$ 2,750</u>

(continued)

**City of Upper Arlington, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (NON-GAAP Budgetary Basis)  
All Nonmajor Special Revenue Funds  
For the Fiscal Year Ended December 31, 2004

	Board of Health Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<b>REVENUES:</b>				
Intergovernmental				\$ -
Estate Tax				-
Charges for services				-
Investment earnings				-
Fines and forfeits				-
Licenses and permits				-
Miscellaneous				-
Reimbursements				-
 Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety				-
General government				-
Public services				-
Parks and recreation				-
Health Services	165,000	173,000	167,136	5,864
Capital outlay				-
Debt service payments				
Total expenditures	<u>165,000</u>	<u>173,000</u>	<u>167,136</u>	<u>5,864</u>
 Excess (deficiency) of revenues over expenditures	<u>(165,000)</u>	<u>(173,000)</u>	<u>(167,136)</u>	<u>5,864</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets				-
Operating transfers-in	160,000	160,000	160,000	-
Operating transfers-out				-
Interaccount transfers-in				-
Interaccount transfers-out				
 Total other financing sources (uses)	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>	<u>-</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(5,000)</u>	<u>(13,000)</u>	<u>(7,136)</u>	<u>5,864</u>
 Fund balances at beginning of year	14,574	14,574	14,574	
Lapsed encumbrances				
 Fund balances at end of year	<u>\$ 9,574</u>	<u>\$ 1,574</u>	<u>\$ 7,438</u>	<u>\$ 5,864</u>

Tree Planting Fund			
Adopted Budget	Revised Budget	Actual	Variance
			\$ -
	3,500	3,947	447
			-
			-
9,500	6,000	6,588	588
			-
<u>9,500</u>	<u>9,500</u>	<u>10,535</u>	<u>1,035</u>
			-
			-
14,000	14,000	7,989	6,011
			-
			-
<u>14,000</u>	<u>14,000</u>	<u>7,989</u>	<u>6,011</u>
<u>(4,500)</u>	<u>(4,500)</u>	<u>2,546</u>	<u>7,046</u>
			-
			-
			-
			-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
			-
(4,500)	(4,500)	2,546	7,046
6,769	6,769	6,769	
<u>\$ 2,269</u>	<u>\$ 2,269</u>	<u>\$ 9,315</u>	<u>\$ 7,046</u>

Life Long Learning and Leisure Fund			
Adopted Budget	Revised Budget	Actual	Variance
			\$ -
			-
425,000	425,000	311,005	(113,995)
			-
			-
			-
<u>425,000</u>	<u>425,000</u>	<u>311,005</u>	<u>(113,995)</u>
			-
			-
422,421	427,557	360,552	67,005
			-
			-
<u>422,421</u>	<u>427,557</u>	<u>360,552</u>	<u>67,005</u>
<u>2,579</u>	<u>(2,557)</u>	<u>(49,547)</u>	<u>(46,990)</u>
			-
			-
			-
			-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
			-
2,579	(2,557)	(49,547)	(46,990)
79,905	79,905	79,905	
896	896	896	
<u>\$ 83,380</u>	<u>\$ 78,244</u>	<u>\$ 31,254</u>	<u>\$ (46,990)</u>

(continued)

**City of Upper Arlington, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (NON-GAAP Budgetary Basis)  
All Nonmajor Special Revenue Funds  
For the Fiscal Year Ended December 31, 2004

	Civil Service Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<b>REVENUES:</b>				
Intergovernmental				\$ -
Estate Tax				-
Charges for services				-
Investment earnings				-
Fines and forfeits				-
Licenses and permits				-
Miscellaneous				-
Reimbursements				-
 Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety				-
General government	20,000	20,000	8,267	11,733
Public services				-
Parks and recreation				-
Health Services				-
Capital outlay				-
Debt service payments				-
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>8,267</u>	<u>11,733</u>
 Excess (deficiency) of revenues over expenditures	<u>(20,000)</u>	<u>(20,000)</u>	<u>(8,267)</u>	<u>11,733</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets				-
Operating transfers-in	-	-	-	-
Operating transfers-out				-
Interaccount transfers-in				-
Interaccount transfers-out				-
 Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(20,000)</u>	<u>(20,000)</u>	<u>(8,267)</u>	<u>11,733</u>
 Fund balances at beginning of year	41,854	41,854	41,854	
Lapsed encumbrances	105	105	105	
 Fund balances at end of year	<u>\$ 21,959</u>	<u>\$ 21,959</u>	<u>\$ 33,692</u>	<u>\$ 11,733</u>

Mayor's Court Computer Fund			
Adopted Budget	Revised Budget	Actual	Variance
			\$ -
			-
			-
12,000	12,000	12,849	849
			-
			-
<u>12,000</u>	<u>12,000</u>	<u>12,849</u>	<u>849</u>
			-
-	3,000	2,350	650
			-
			-
<u>-</u>	<u>3,000</u>	<u>2,350</u>	<u>650</u>
<u>12,000</u>	<u>9,000</u>	<u>10,499</u>	<u>1,499</u>
			-
			-
			-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
12,000	9,000	10,499	1,499
55,263	55,263	55,263	
<u>\$ 67,263</u>	<u>\$ 64,263</u>	<u>\$ 65,762</u>	<u>\$ 1,499</u>

Clerk of Courts Fund			
Adopted Budget	Revised Budget	Actual	Variance
			\$ -
			-
			-
10,000	12,498	12,842	344
			-
			-
<u>10,000</u>	<u>12,498</u>	<u>12,842</u>	<u>344</u>
			-
5,000	10,000	7,342	2,658
			-
			-
<u>5,000</u>	<u>10,000</u>	<u>7,342</u>	<u>2,658</u>
<u>5,000</u>	<u>2,498</u>	<u>5,500</u>	<u>3,002</u>
			-
			-
			-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,000	2,498	5,500	3,002
40,725	40,725	40,725	
-	-	-	
<u>\$ 45,725</u>	<u>\$ 43,223</u>	<u>\$ 46,225</u>	<u>\$ 3,002</u>

(continued)

**City of Upper Arlington, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (NON-GAAP Budgetary Basis)  
All Nonmajor Special Revenue Funds  
For the Fiscal Year Ended December 31, 2004

	Economic Development Venture Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<b>REVENUES:</b>				
Intergovernmental				\$ -
Estate Tax				-
Charges for services				-
Investment earnings				-
Fines and forfeits				-
Licenses and permits				-
Miscellaneous	-	2,300	2,336	36
Reimbursements				-
 Total revenues	<u>-</u>	<u>2,300</u>	<u>2,336</u>	<u>36</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety				-
General government	500,000	369,475	340,836	28,639
Public services				-
Parks and recreation				-
Health Services				-
Capital outlay		130,525	130,525	-
Debt service payments				-
Total expenditures	<u>500,000</u>	<u>500,000</u>	<u>471,361</u>	<u>28,639</u>
 Excess (deficiency) of revenues over expenditures	<u>(500,000)</u>	<u>(497,700)</u>	<u>(469,025)</u>	<u>28,675</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets				-
Operating transfers-in	500,000	500,000	500,000	-
Operating transfers-out				-
Interaccount transfers-in				-
Interaccount transfers-out				-
 Total other financing sources (uses)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	2,300	30,975	28,675
 Fund balances at beginning of year	78,251	78,251	78,251	
Lapsed encumbrances	22,450	22,450	22,450	
 Fund balances at end of year	<u>\$ 100,701</u>	<u>\$ 103,001</u>	<u>\$ 131,676</u>	<u>\$ 28,675</u>

Neighborhood Lighting Fund				Emergency Medical Services Fund			
Adopted Budget	Revised Budget	Actual	Variance	Adopted Budget	Revised Budget	Actual	Variance
			\$ -				\$ -
60,000	60,000	62,392	2,392		90,000	143,799	53,799
4,590	7,000	10,655	3,655				-
			-				-
			-				-
-	3,570	3,567	(3)				-
	1,755	1,757	2				-
<u>64,590</u>	<u>72,325</u>	<u>78,371</u>	<u>6,046</u>	<u>-</u>	<u>90,000</u>	<u>143,799</u>	<u>53,799</u>
			-				-
			-				-
50,000	50,000	27,752	22,248	-	32,000	29,294	2,706
			-				-
			-				-
			-				-
<u>50,000</u>	<u>50,000</u>	<u>27,752</u>	<u>22,248</u>	<u>-</u>	<u>32,000</u>	<u>29,294</u>	<u>2,706</u>
<u>14,590</u>	<u>22,325</u>	<u>50,619</u>	<u>28,294</u>	<u>-</u>	<u>58,000</u>	<u>114,505</u>	<u>56,505</u>
			-				-
			-				-
			-				-
			-				-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
			-				-
14,590	22,325	50,619	28,294	-	78,000	134,505	56,505
197,712	197,712	197,712		-	-	-	
10,286	10,286	10,286		-	-	-	
<u>\$ 222,588</u>	<u>\$ 230,323</u>	<u>\$ 258,617</u>	<u>\$ 28,294</u>	<u>\$ -</u>	<u>\$ 78,000</u>	<u>\$ 134,505</u>	<u>\$ 56,505</u>

(continued)

**City of Upper Arlington, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (NON-GAAP Budgetary Basis)  
All Nonmajor Special Revenue Funds  
For the Fiscal Year Ended December 31, 2004

	Total Nonmajor Special Revenue Funds			
	Adopted Budget	Revised Budget	Actual	Variance
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 1,800	\$ 3,292	\$ 1,492
Estate Tax	-	-	-	-
Charges for services	485,000	578,500	521,143	(57,357)
Investment earnings	5,355	10,000	14,786	4,786
Fines and forfeits	23,200	27,298	29,176	1,878
Licenses and permits	-	-	-	-
Miscellaneous	17,000	40,535	78,969	38,434
Reimbursements	-	1,755	1,757	2
 Total revenues	<u>530,555</u>	<u>659,888</u>	<u>649,123</u>	<u>(10,765)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	26,200	62,031	49,828	12,203
General government	527,500	404,975	358,795	46,180
Public services	50,000	50,000	27,752	22,248
Parks and recreation	436,421	441,557	368,541	73,016
Health Services	165,000	173,000	167,136	5,864
Capital outlay	84,650	231,344	221,049	10,295
Debt service payments	-	-	-	-
Total expenditures	<u>1,289,771</u>	<u>1,362,907</u>	<u>1,193,101</u>	<u>169,806</u>
 Excess (deficiency) of revenues over expenditures	<u>(759,216)</u>	<u>(703,019)</u>	<u>(543,978)</u>	<u>159,041</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	-	-	-
Operating transfers-in	660,000	680,000	680,000	-
Operating transfers-out	-	-	-	-
Interaccount transfers-in	-	-	-	-
Interaccount transfers-out	-	-	-	-
 Total other financing sources (uses)	<u>660,000</u>	<u>680,000</u>	<u>680,000</u>	<u>-</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(99,216)</u>	<u>(23,019)</u>	<u>136,022</u>	<u>159,041</u>
 Fund balances at beginning of year	655,541	655,541	655,541	
Lapsed encumbrances	43,139	43,139	43,139	
 Fund balances at end of year	<u>\$ 599,464</u>	<u>\$ 675,661</u>	<u>\$ 834,702</u>	<u>\$ 159,041</u>

**City of Upper Arlington, Ohio**  
Schedules of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (NON-GAAP Budgetary Basis)  
Debt Service Fund  
For the Fiscal Year Ended December 31, 2004

	Debt Service Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Income tax				\$ -
Property taxes	943,865	943,865	1,011,031	67,166
Intergovernmental				-
Estate Tax				-
Charges for services				-
Investment earnings				-
Fines and forfeits				-
Licenses and permits				-
Miscellaneous				-
Reimbursements				-
 Total revenues	<u>943,865</u>	<u>943,865</u>	<u>1,011,031</u>	<u>67,166</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
Public safety				-
General government				-
Public services				-
Parks and recreation				-
Community development				-
Capital outlay				
Debt service payments	2,926,921	3,096,041	3,096,040	1
 Total expenditures	<u>2,926,921</u>	<u>3,096,041</u>	<u>3,096,040</u>	<u>1</u>
 Excess (deficiency) of revenues over expenditures	<u>(1,983,056)</u>	<u>(2,152,176)</u>	<u>(2,085,009)</u>	<u>67,167</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Proceeds from sale of capital assets				-
Operating transfers-in	1,983,055	1,983,055	1,975,377	(7,678)
Operating transfers-out				-
Interaccount transfers-in				-
Interaccount transfers-out				
 Total other financing sources (uses)	<u>1,983,055</u>	<u>1,983,055</u>	<u>1,975,377</u>	<u>(7,678)</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(1)	(169,121)	(109,632)	59,489
 Fund balances at beginning of year	984,824	984,824	984,824	
Lapsed encumbrances				
 Fund balances at end of year	<u>\$ 984,823</u>	<u>\$ 815,703</u>	<u>\$ 875,192</u>	<u>\$ 59,489</u>

**City of Upper Arlington, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (NON-GAAP Budgetary Basis)  
All Capital Project Funds  
For the Fiscal Year Ended December 31, 2004

	Bonded Improvement Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<b>REVENUES:</b>				
Income tax				\$ -
Property taxes				-
Intergovernmental				-
Estate Tax				-
Charges for services				-
Investment earnings	200,000	150,000	131,726	(18,274)
Fines and forfeits				-
Licenses and permits				-
Miscellaneous	-	2,500	2,529	29
Reimbursements				-
<b>Total revenues</b>	<u>200,000</u>	<u>152,500</u>	<u>134,255</u>	<u>(18,245)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety				-
General government				-
Public services				-
Parks and recreation				-
Community development				-
Capital outlay	10,000,000	12,000,000	10,674,186	1,325,814
<b>Total expenditures</b>	<u>10,000,000</u>	<u>12,000,000</u>	<u>10,674,186</u>	<u>1,325,814</u>
Excess (deficiency) of revenues over expenditures	<u>(9,800,000)</u>	<u>(11,847,500)</u>	<u>(10,539,931)</u>	<u>1,307,569</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets				-
Proceeds from sale of notes	-	3,995,000	4,006,636	11,636
Operating transfers-in				-
Operating transfers-out		-	-	-
Interaccount transfers-in				-
Interaccount transfers-out				-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>3,995,000</u>	<u>4,006,636</u>	<u>11,636</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(9,800,000)</u>	<u>(7,852,500)</u>	<u>(6,533,295)</u>	<u>1,319,205</u>
Fund balances at beginning of year	9,255,483	9,255,483	9,255,483	
Lapsed encumbrances	140,380	140,380	140,380	
<b>Fund balances at end of year</b>	<u>\$ (404,137)</u>	<u>\$ 1,543,363</u>	<u>\$ 2,862,568</u>	<u>\$ 1,319,205</u>

Infrastructure Improvement Fund				Estate Tax Fund			
Adopted Budget	Revised Budget	Actual	Variance	Adopted Budget	Revised Budget	Actual	Variance
			\$ -				\$ -
			-				-
			-				-
			-				-
			-	408,000	250,000	316,106	66,106
			-				-
100,000	100,000	-	(100,000)			-	-
			-				-
<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>	<u>408,000</u>	<u>250,000</u>	<u>316,106</u>	<u>66,106</u>
			-				-
			-				-
			-				-
			-				-
1,512,000	1,312,000	802,182	509,818	750,000	750,000	46,891	703,109
<u>1,512,000</u>	<u>1,312,000</u>	<u>802,182</u>	<u>509,818</u>	<u>750,000</u>	<u>750,000</u>	<u>46,891</u>	<u>703,109</u>
<u>(1,412,000)</u>	<u>(1,212,000)</u>	<u>(802,182)</u>	<u>409,818</u>	<u>(342,000)</u>	<u>(500,000)</u>	<u>269,215</u>	<u>769,215</u>
			-				-
			-				-
			-				-
			-				-
750,000	750,000	750,000	-	-	-	479,502	479,502
(80,000)	(80,000)	(80,000)	-				-
			-				-
			-				-
<u>670,000</u>	<u>670,000</u>	<u>670,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>479,502</u>	<u>479,502</u>
			-				-
(742,000)	(542,000)	(132,182)	409,818	(342,000)	(500,000)	748,717	1,248,717
879,818	879,818	879,818		6,397,591	6,397,591	6,397,591	
8,980	8,980	8,980		1,072,339	1,072,339	1,072,339	
<u>\$ 146,798</u>	<u>\$ 346,798</u>	<u>\$ 756,616</u>	<u>\$ 409,818</u>	<u>\$ 7,127,930</u>	<u>\$ 6,969,930</u>	<u>\$ 8,218,647</u>	<u>\$ 1,248,717</u>

(continued)

**City of Upper Arlington, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (NON-GAAP Budgetary Basis)  
All Capital Project Funds  
For the Fiscal Year Ended December 31, 2004

	Total Capital Project Funds			
	Adopted Budget	Revised Budget	Actual	Variance
<b>REVENUES:</b>				
Income tax	\$ -	\$ -	\$ -	\$ -
Property taxes				
Intergovernmental				
Estate Tax				
Charges for services				
Investment earnings	608,000	400,000	447,832	47,832
Fines and forfeits				
Licenses and permits				
Miscellaneous	100,000	102,500	2,529	(99,971)
Reimbursements				
 Total revenues	<u>708,000</u>	<u>502,500</u>	<u>450,361</u>	<u>(52,139)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety				
General government				
Public services				
Parks and recreation				
Community development				
Capital outlay	12,262,000	14,062,000	11,523,259	2,538,741
 Total expenditures	<u>12,262,000</u>	<u>14,062,000</u>	<u>11,523,259</u>	<u>2,538,741</u>
 Excess (deficiency) of revenues over expenditures	<u>(11,554,000)</u>	<u>(13,559,500)</u>	<u>(11,072,898)</u>	<u>2,486,602</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets				
Proceeds from sale of notes	-	3,995,000	4,006,636	11,636
Operating transfers-in	750,000	750,000	1,229,502	479,502
Operating transfers-out	(80,000)	(80,000)	(80,000)	-
Interaccount transfers-in				
Interaccount transfers-out				
 Total other financing sources (uses)	<u>670,000</u>	<u>4,665,000</u>	<u>5,156,138</u>	<u>491,138</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(10,884,000)</u>	<u>(8,894,500)</u>	<u>(5,916,760)</u>	<u>2,977,740</u>
 Fund balances at beginning of year	16,532,892	16,532,892	16,532,892	
Lapsed encumbrances	1,221,699	1,221,699	1,221,699	
 Fund balances at end of year	<u>\$ 6,870,591</u>	<u>\$ 8,860,091</u>	<u>\$ 11,837,831</u>	<u>\$ 2,977,740</u>



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**City of Upper Arlington, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (NON-GAAP Budgetary Basis)  
All Enterprise Funds  
For the Fiscal Year Ended December 31, 2004

	Solid Waste Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<b>REVENUES:</b>				
Intergovernmental				\$ -
Estate Tax				-
Charges for services	1,725,000	1,725,000	1,621,564	(103,436)
Investment earnings	7,650	5,000	4,812	(188)
Fines and forfeits				-
Licenses and permits				-
Miscellaneous	62,000	62,000	65,276	3,276
Reimbursements				-
 Total revenues	<u>1,794,650</u>	<u>1,792,000</u>	<u>1,691,652</u>	<u>(100,348)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety				-
General government				-
Public services	1,597,692	1,681,928	1,681,917	11
Parks and recreation				-
Community development				-
Capital outlay	148,000	128,414	113,769	14,645
Debt payments				
Total expenditures	<u>1,745,692</u>	<u>1,810,342</u>	<u>1,795,686</u>	<u>14,656</u>
 Excess (deficiency) of revenues over expenditures	<u>48,958</u>	<u>(18,342)</u>	<u>(104,034)</u>	<u>(85,692)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets				-
Operating transfers-in				-
Operating transfers-out				-
Interaccount transfers-in				-
Interaccount transfers-out				
 Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	48,958	(18,342)	(104,034)	(85,692)
 Fund balances at beginning of year	103,681	103,681	103,681	
Lapsed encumbrances	3,031	3,031	3,031	
 Fund balances at end of year	<u>\$ 155,670</u>	<u>\$ 88,370</u>	<u>\$ 2,678</u>	<u>\$ (85,692)</u>

Water Surcharge Fund				Sanitary Sewer Surcharge Fund			
Adopted Budget	Revised Budget	Actual	Variance	Adopted Budget	Revised Budget	Actual	Variance
			\$ -				\$ -
327,250	327,250	313,526	(13,724)	650,000	650,000	613,045	(36,955)
			-				-
			-				-
			-				-
	1,660	1,661	1	-	850	860	10
							-
<u>327,250</u>	<u>328,910</u>	<u>315,187</u>	<u>(13,723)</u>	<u>650,000</u>	<u>650,850</u>	<u>613,905</u>	<u>(36,945)</u>
			-				-
352,333	461,571	426,659	34,912	479,373	501,841	400,675	101,166
			-				-
30,000	30,500	29,607	893	10,000	32,000	22,847	9,153
119,503	119,503	119,503	-	173,189	173,190	173,189	1
<u>501,836</u>	<u>611,574</u>	<u>575,769</u>	<u>35,805</u>	<u>662,562</u>	<u>707,031</u>	<u>596,711</u>	<u>110,320</u>
<u>(174,586)</u>	<u>(282,664)</u>	<u>(260,582)</u>	<u>22,082</u>	<u>(12,562)</u>	<u>(56,181)</u>	<u>17,194</u>	<u>73,375</u>
			-				-
(123,416)	132,500	132,500	-	80,000	102,000	102,000	-
	(123,894)	(123,894)	-	(127,532)	(127,532)	(127,532)	-
			-				-
<u>(123,416)</u>	<u>8,606</u>	<u>8,606</u>	<u>-</u>	<u>(47,532)</u>	<u>(25,532)</u>	<u>(25,532)</u>	<u>-</u>
(298,002)	(274,058)	(251,976)	22,082	(60,094)	(81,713)	(8,338)	73,375
275,760	275,760	275,760		127,362	127,362	127,362	
185	185	185		766	766	766	
<u>\$ (22,057)</u>	<u>\$ 1,887</u>	<u>\$ 23,969</u>	<u>\$ 22,082</u>	<u>\$ 68,034</u>	<u>\$ 46,415</u>	<u>\$ 119,790</u>	<u>\$ 73,375</u>

(continued)

**City of Upper Arlington, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (NON-GAAP Budgetary Basis)  
All Enterprise Funds  
For the Fiscal Year Ended December 31, 2004

	Stormwater Management Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<b>REVENUES:</b>				
Intergovernmental				\$ -
Estate Tax				-
Charges for services	525,000	540,000	536,878	(3,122)
Investment earnings	111,180	100,000	116,114	16,114
Fines and forfeits				-
Licenses and permits				-
Miscellaneous				-
Reimbursements				-
 Total revenues	<u>636,180</u>	<u>640,000</u>	<u>652,992</u>	<u>12,992</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety				-
General government				-
Public services	283,890	342,560	309,340	33,220
Parks and recreation				-
Community development				-
Capital outlay	35,300	94,750	127,964	(33,214)
Debt payments				
Total expenditures	<u>319,190</u>	<u>437,310</u>	<u>437,304</u>	<u>6</u>
 Excess (deficiency) of revenues over expenditures	<u>316,990</u>	<u>202,690</u>	<u>215,688</u>	<u>12,998</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets				-
Operating transfers-in				-
Operating transfers-out	(224,893)	(224,893)	(224,893)	-
Interaccount transfers-in				-
Interaccount transfers-out				
 Total other financing sources (uses)	<u>(224,893)</u>	<u>(224,893)</u>	<u>(224,893)</u>	<u>-</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	92,097	(22,203)	(9,205)	12,998
 Fund balances at beginning of year	2,854,085	2,854,085	2,854,085	
Lapsed encumbrances	1,063	1,063	1,063	
 Fund balances at end of year	<u>\$ 2,947,245</u>	<u>\$ 2,832,945</u>	<u>\$ 2,845,943</u>	<u>\$ 12,998</u>

Swimming Pool Fund				Total Enterprise Funds			
Adopted Budget	Revised Budget	Actual	Variance	Adopted Budget	Revised Budget	Actual	Variance
			\$ -	\$ -	\$ -	\$ -	\$ -
455,000	455,000	441,898	(13,102)	3,682,250	3,697,250	3,526,911	(170,339)
			-	118,830	105,000	120,926	15,926
			-	-	-	-	-
	2,800	2,837	37	62,000	65,650	68,973	3,323
			-	-	1,660	1,661	1
<u>455,000</u>	<u>457,800</u>	<u>444,735</u>	<u>(13,065)</u>	<u>3,863,080</u>	<u>3,869,560</u>	<u>3,718,471</u>	<u>(151,089)</u>
			-	-	-	-	-
			-	-	-	-	-
651,000	648,000	588,402	59,598	2,713,288	2,987,900	2,818,591	169,309
			-	651,000	648,000	588,402	59,598
-	3,713,000	3,712,946	54	-	-	-	-
			-	223,300	3,998,664	4,007,133	(8,469)
			-	292,692	292,693	292,692	1
<u>651,000</u>	<u>4,361,000</u>	<u>4,301,348</u>	<u>59,652</u>	<u>3,880,280</u>	<u>7,927,257</u>	<u>7,706,818</u>	<u>220,439</u>
<u>(196,000)</u>	<u>(3,903,200)</u>	<u>(3,856,613)</u>	<u>46,587</u>	<u>(17,200)</u>	<u>(4,057,697)</u>	<u>(3,988,347)</u>	<u>69,350</u>
			-	-	-	-	-
	3,906,000	3,906,000	-	80,000	4,140,500	4,140,500	-
			-	(475,841)	(476,319)	(476,319)	-
			-	-	-	-	-
			-	-	-	-	-
<u>-</u>	<u>3,906,000</u>	<u>3,906,000</u>	<u>-</u>	<u>(395,841)</u>	<u>3,664,181</u>	<u>3,664,181</u>	<u>-</u>
(196,000)	2,800	49,387	46,587	(413,041)	(393,516)	(324,166)	69,350
18,724	18,724	18,724		3,379,612	3,379,612	3,379,612	
3,799	3,799	3,799		8,844	8,844	8,844	
<u>\$ (173,477)</u>	<u>\$ 25,323</u>	<u>\$ 71,910</u>	<u>\$ 46,587</u>	<u>\$ 2,975,415</u>	<u>\$ 2,994,940</u>	<u>\$ 3,064,290</u>	<u>\$ 69,350</u>

**City of Upper Arlington, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (NON-GAAP Budgetary Basis)  
All Internal Service Funds  
For the Fiscal Year Ended December 31, 2004

	Employee Benefit Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<b>REVENUES:</b>				
Intergovernmental				\$ -
Estate Tax				-
Charges for services	2,199,014	3,095,296	2,512,987	(582,309)
Investment earnings				-
Fines and forfeits				-
Licenses and permits				-
Miscellaneous				-
Reimbursements				-
 Total revenues	<u>2,199,014</u>	<u>3,095,296</u>	<u>2,512,987</u>	<u>(582,309)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety				-
General government				-
Public services				-
Parks and recreation				-
Insurance claims	2,406,000	3,079,950	2,457,896	622,054
Capital outlay				
 Total expenditures	<u>2,406,000</u>	<u>3,079,950</u>	<u>2,457,896</u>	<u>622,054</u>
 Excess (deficiency) of revenues over expenditures	<u>(206,986)</u>	<u>15,346</u>	<u>55,091</u>	<u>39,745</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets				-
Operating transfers-in				-
Operating transfers-out				-
Interaccount transfers-in				-
Interaccount transfers-out				
 Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(206,986)</u>	<u>15,346</u>	<u>55,091</u>	<u>39,745</u>
 Fund balances at beginning of year	5,342	5,342	5,342	
Lapsed encumbrances				
 Fund balances at end of year	<u>\$ (201,644)</u>	<u>\$ 20,688</u>	<u>\$ 60,433</u>	<u>\$ 39,745</u>

**F. OTHER SUPPLEMENTARY INFORMATION –  
COMBINING FINANCIAL STATEMENTS**

**City of Upper Arlington, Ohio**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2004**

<b>ASSETS</b>	<b>Law Enforcement</b>	<b>Enforcement Education</b>	<b>Civil Service</b>
Cash, cash equivalents and investments	\$ 101,349	\$ 10,630	\$ 34,192
Receivables (net of allowance for uncollectibles)	1,001		
<b>Total assets</b>	<b><u>\$ 102,350</u></b>	<b><u>\$ 10,630</u></b>	<b><u>\$ 34,192</u></b>
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable			500
Due to other funds			
Deferred revenue			
Accrued Liabilities			
Accrued Vacation & Sick Leave Liability			
<b>Total liabilities</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 500</u></b>
 Fund balances:			
Reserved for:			
Encumbrances	4,925		
Unreserved, reported in:			
Special revenue funds	97,425	10,630	33,692
Capital project funds			
Debt service funds			
<b>Total fund balances</b>	<b><u>102,350</u></b>	<b><u>10,630</u></b>	<b><u>33,692</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 102,350</u></b>	<b><u>\$ 10,630</u></b>	<b><u>\$ 34,192</u></b>

<b>Board of Health</b>	<b>Tax Incentive</b>	<b>Tree Planting</b>	<b>Life Long Learning &amp; Leisure</b>	<b>Mayor's Court</b>	<b>Clerk of Court</b>
\$ 7,438	\$ 8,294	\$ 9,316	\$ 40,317	\$ 65,762	\$ 46,226
<u>\$ 7,438</u>	<u>\$ 8,294</u>	<u>\$ 9,316</u>	<u>\$ 40,317</u>	<u>\$ 65,762</u>	<u>\$ 46,226</u>
			7,482		91
			289		
			2,695		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,466</u>	<u>\$ -</u>	<u>\$ 91</u>
			6,644		
7,438	8,294	9,316	23,207	65,762	46,135
<u>7,438</u>	<u>8,294</u>	<u>9,316</u>	<u>29,851</u>	<u>65,762</u>	<u>46,135</u>
<u>\$ 7,438</u>	<u>\$ 8,294</u>	<u>\$ 9,316</u>	<u>\$ 40,317</u>	<u>\$ 65,762</u>	<u>\$ 46,226</u>

(continued)

**City of Upper Arlington, Ohio**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2004

<b>ASSETS</b>	<b>Neighborhood <u>Lighting</u></b>	<b>Community <u>Improvement Corp</u></b>	<b>Economic <u>Development</u></b>
Cash, cash equivalents and investments	\$ 256,105	\$ 15,085	\$ 463,329
Receivables (net of allowance for uncollectibles)	2,842		
<b>Total assets</b>	<b><u>\$ 258,947</u></b>	<b><u>\$ 15,085</u></b>	<b><u>\$ 463,329</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	433		150,000
Due to other funds			
Deferred revenue			
Accrued Liabilities			
Accrued Vacation & Sick Leave Liability			
<b>Total liabilities</b>	<b><u>\$ 433</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 150,000</u></b>
Fund balances:			
Reserved for:			
Encumbrances			181,653
Unreserved, reported in:			
Special revenue funds	258,514	15,085	131,676
Capital project funds			
Debt service funds			
<b>Total fund balances</b>	<b><u>258,514</u></b>	<b><u>15,085</u></b>	<b><u>313,329</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 258,947</u></b>	<b><u>\$ 15,085</u></b>	<b><u>\$ 463,329</u></b>

<b>Total Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects Infrastructure</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 1,058,043	\$ 875,192	\$ 1,116,186	\$ 3,049,421
3,843	891,449	1,010,201	1,905,493
<u>\$ 1,061,886</u>	<u>\$ 1,766,641</u>	<u>\$ 2,126,387</u>	<u>\$ 4,954,914</u>

158,506		46,718	205,224
289			289
	840,210	186,201	1,026,411
2,695			2,695
<u>\$ 161,490</u>	<u>\$ 840,210</u>	<u>\$ 232,919</u>	<u>\$ 1,234,619</u>

193,222		315,462	508,684
707,174			707,174
	926,431	1,578,006	1,578,006
<u>900,396</u>	<u>926,431</u>	<u>1,893,468</u>	<u>3,720,295</u>
<u>\$ 1,061,886</u>	<u>\$ 1,766,641</u>	<u>\$ 2,126,387</u>	<u>\$ 4,954,914</u>

**City of Upper Arlington, Ohio**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2004

	<u>Law</u> <u>Enforcement</u>	<u>Enforcement</u> <u>Education</u>	<u>Civil</u> <u>Service</u>
<b>REVENUES</b>			
Taxes:			
Property			
Intergovernmental	\$ 3,292		
Charges for services			
Fines and forfeits		\$ 3,485	
Investment earnings	3,805		
Net inc (dec) in FV of investments	(931)		
Miscellaneous		201	
Total revenues	<u>6,166</u>	<u>3,686</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety			
General Government			\$ 8,163
Public Services			
Parks and Recreation			
Health Services			
Debt service:			
Principal			
Interest			
Capital outlay:			
Capital outlay	96,733		
Total expenditures	<u>96,733</u>	<u>-</u>	<u>8,163</u>
Excess (deficiency) of revenues over (under) expenditures	(90,567)	3,686	(8,163)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in			
Transfers out			
Proceeds from sale of capital assets	62,563		
Total other financing sources and uses	<u>62,563</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(28,004)	3,686	(8,163)
Fund balances -- January 1	130,354	6,944	41,855
Fund balances -- December 31	<u>\$ 102,350</u>	<u>\$ 10,630</u>	<u>\$ 33,692</u>

<u>Board of Health</u>	<u>Tax Incentive</u>	<u>Tree Planting</u>	<u>Life Long Learning &amp; Leisure</u>	<u>Mayor's Court</u>	<u>Clerk of Court</u>
		\$ 3,947	\$ 311,005	\$ 13,460	\$ 12,231
	\$ 3,715	6,588			
<u>-</u>	<u>3,715</u>	<u>10,535</u>	<u>311,005</u>	<u>13,460</u>	<u>12,231</u>
				2,350	6,374
\$ 167,136		7,988	346,468		
<u>167,136</u>	<u>-</u>	<u>7,988</u>	<u>346,468</u>	<u>2,350</u>	<u>6,374</u>
(167,136)	3,715	2,547	(35,463)	11,110	5,857
160,000					
<u>160,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(7,136)	3,715	2,547	(35,463)	11,110	5,857
14,574	4,579	6,769	65,314	54,652	40,278
<u>\$ 7,438</u>	<u>\$ 8,294</u>	<u>\$ 9,316</u>	<u>\$ 29,851</u>	<u>\$ 65,762</u>	<u>\$ 46,135</u>

(continued)

**City of Upper Arlington, Ohio**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2004

	<u>Neighborhood Lighting</u>	<u>Community Improvement Corp</u>	<u>Economic Development</u>
<b>REVENUES</b>			
Taxes:			
Property			
Intergovernmental			
Charges for services	\$ 62,705		
Fines and forfeits			
Investment earnings	10,637	\$ 188	
Net inc (dec) in FV of investments	(2,353)		
Miscellaneous	5,324		\$ 2,336
Total revenues	<u>76,313</u>	<u>188</u>	<u>2,336</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety			
General Government		6,283	84,515
Public Services	17,899		
Parks and Recreation			
Health Services			
Debt service:			
Principal			
Interest			
Capital outlay:			
Capital outlay			180,000
Total expenditures	<u>17,899</u>	<u>6,283</u>	<u>264,515</u>
Excess (deficiency) of revenues over (under) expenditures	58,414	(6,095)	(262,179)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in		10,000	500,000
Transfers out			
Sale of capital assets			
Total other financing sources and uses	<u>-</u>	<u>10,000</u>	<u>500,000</u>
Net change in fund balances	58,414	3,905	237,821
Fund balances -- January 1	200,100	11,180	75,508
Fund balances -- December 31	<u>\$ 258,514</u>	<u>\$ 15,085</u>	<u>\$ 313,329</u>

<b>Total Nonmajor Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects Infrastructure</b>	<b>Total Nonmajor Governmental Funds</b>
	\$ 904,253		\$ 904,253
\$ 3,292	100,049	\$ 824,000	927,341
377,657			377,657
29,176			29,176
14,630			14,630
(3,284)			(3,284)
18,164			18,164
<u>439,635</u>	<u>1,004,302</u>	<u>824,000</u>	<u>2,267,937</u>
8,724			8,724
98,961			98,961
17,899			17,899
354,456			354,456
167,136			167,136
	1,661,064		1,661,064
	958,657		958,657
276,733		477,126	753,859
<u>923,909</u>	<u>2,619,721</u>	<u>477,126</u>	<u>4,020,756</u>
(484,274)	(1,615,419)	346,874	(1,752,819)
670,000	1,499,058	750,000	2,919,058
		(80,000)	(80,000)
62,563			62,563
<u>732,563</u>	<u>1,499,058</u>	<u>670,000</u>	<u>2,901,621</u>
248,289	(116,361)	1,016,874	1,148,802
652,107	1,042,792	876,594	2,571,493
<u>\$ 900,396</u>	<u>\$ 926,431</u>	<u>\$ 1,893,468</u>	<u>\$ 3,720,295</u>

**City of Upper Arlington, Ohio**  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds - (Agency Funds Only)  
As of December 31, 2004

	<u>Agency Funds</u>			
	<u>Returnable Bonds Fund</u>	<u>Unclaimed Funds</u>	<u>Construction Withholding Fund</u>	<u>Mayor's Court Fund</u>
<b>ASSETS:</b>				
Cash and investments	\$ 45,108	\$ 10,594	\$ 1,124,988	\$ 6,645
Total assets	<u>\$ 45,108</u>	<u>\$ 10,594</u>	<u>\$ 1,124,988</u>	<u>\$ 6,645</u>
<b>LIABILITIES:</b>				
Due to others	\$ 45,108	\$ 10,594	\$ 1,124,988	\$ 6,645
Total liabilities	<u>\$ 45,108</u>	<u>\$ 10,594</u>	<u>\$ 1,124,988</u>	<u>\$ 6,645</u>

<b>Agency Funds</b>		
<b>Payroll Clearing Fund</b>	<b>Revolving Fund</b>	<b>Total Agency Funds</b>
\$ 1,234,577	\$ 70,854	\$ 2,492,766
<u>\$ 1,234,577</u>	<u>\$ 70,854</u>	<u>\$ 2,492,766</u>
\$ 1,234,577	\$ 70,854	\$ 2,492,766
<u>\$ 1,234,577</u>	<u>\$ 70,854</u>	<u>\$ 2,492,766</u>

**City of Upper Arlington, Ohio**  
 Agency Funds  
 Combining Statement of Changes in Assets and Liabilities  
 Fiduciary Funds - (Agency Funds Only)  
 For the Fiscal Year Ended December 31, 2004

	Balances Jan. 1, 2004	Additions	Deductions	Balances Dec. 31, 2004
<b>RETURNABLE BONDS</b>				
<b>Assets</b>				
Cash and investments	\$ 38,546	9,431	2,869	\$ 45,108
<b>Liabilities</b>				
Due to others	\$ 38,546	9,431	2,869	\$ 45,108
<b>UNCLAIMED FUNDS</b>				
<b>Assets</b>				
Cash and investments	\$ 10,723	298	427	\$ 10,594
<b>Liabilities</b>				
Due to others	\$ 10,723	298	427	\$ 10,594
<b>CONSTRUCTION WITHHOLDING</b>				
<b>Assets</b>				
Cash and investments	\$ 587,057	830,448	292,517	\$ 1,124,988
<b>Liabilities</b>				
Due to others	\$ 587,057	830,448	292,517	\$ 1,124,988
<b>MAYOR'S COURT</b>				
<b>Assets</b>				
Cash and investments	\$ 14,183	561,584	569,122	\$ 6,645
<b>Liabilities</b>				
Due to others	\$ 14,183	561,584	569,122	\$ 6,645
<b>FLEX BENEFITS FUND</b>				
<b>Assets</b>				
Cash and investments	\$ 10,423		10,423	\$ -
<b>Liabilities</b>				
Due to others	\$ 10,423		10,423	\$ -
<b>PAYROLL CLEARING FUND</b>				
<b>Assets</b>				
Cash and investments	\$ 1,095,371	25,898,425	25,759,219	\$ 1,234,577
<b>Liabilities</b>				
Due to others	\$ 1,095,371	25,898,425	25,759,219	\$ 1,234,577
<b>REVOLVING FUND</b>				
<b>Assets</b>				
Cash and investments	\$ 31,606	95,770	56,522	\$ 70,854
<b>Liabilities</b>				
Due to others	\$ 31,606	95,770	56,522	\$ 70,854
<b>TOTAL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash and investments	\$ 1,787,909	27,395,956	26,691,099	\$ 2,492,766
<b>Liabilities</b>				
Due to others	\$ 1,787,909	27,395,956	26,691,099	\$ 2,492,766

**G. CAPITAL ASSETS USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS**



CITY OF | **UPPER ARLINGTON**

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**City of Upper Arlington, Ohio**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Comparative Schedules by Source**  
**December 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
<b>Governmental funds capital assets:</b>		
Land	\$ 3,138,957	\$ 3,138,957
Construction in Progress	12,373,602	9,782,786
Buildings	9,518,648	9,518,648
Improvements	2,032,554	1,965,412
Machinery and Equipment	12,111,967	11,376,593
Infrastructure	26,364,922	20,626,837
Total governmental funds capital assets	<u>\$ 65,540,650</u>	<u>\$ 56,409,233</u>
<b>Investments in governmental funds capital assets by source:</b>		
General Fund - operating account	\$ 36,819	\$ 36,819
General Fund - liability insurance account	2,589	2,589
General Fund - capital equipment account	21,855,848	21,321,177
General Fund - communication & technology account	269,159	185,700
<u>Special Revenues:</u>		
Street Maintenance and Repair Fund	21,896,059	21,908,900
Law Enforcement Fund	440,905	358,477
Enforcement Education Fund	8,495	8,495
Mayor's Court Computer Fund	43,423	43,423
Life Long Learning and Leisure Fund		
Economic Development Fund	231,551	231,551
Clerk of Courts Fund	7,475	4,898
Community Improvement Corporation	659,469	659,469
<u>Capital Improvement Funds:</u>		
Bonded Improvement Fund	14,888,625	10,415,562
Infrastructure Improvement Fund	1,615,505	471,229
Estate Tax Improvement Fund	3,463,383	702,866
<u>Enterprise Funds:</u>		
Solid Waste Fund	64,139	62,335
Sewer Surcharge Fund	43,276	
Stormwater Management Fund	13,930	13,930
Swimming Pool Fund		
	<u>\$ 65,540,650</u>	<u>\$ 56,427,420</u>

**City of Upper Arlington, Ohio**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Function and Activity**  
**December 31, 2004**

<b><u>Function and Activity</u></b>	<b><u>Land</u></b>	<b><u>Buildings</u></b>	<b><u>Improvements</u></b>	<b><u>Machinery and Equipment</u></b>
General government:				
City Attorney	\$ -	\$ -	\$ -	\$ 12,619
City Clerk				23,176
Mayor's Court				4,812
Facility Maintenance			11,595	277,078
Finance				2,124
Information Technology				2,366,742
Fleet Maintenance				332,079
City Manager	1,024,106	2,404,227	453,318	376,550
	<u>1,024,106</u>	<u>2,404,227</u>	<u>464,913</u>	<u>3,395,180</u>
Parks and recreation:				
Parks and recreation	1,778,982	819,700	1,386,020	1,262,133
	<u>1,778,982</u>	<u>819,700</u>	<u>1,386,020</u>	<u>1,262,133</u>
Public services:				
Public Administration	128,751	4,766,712	56,839	351,555
Street Division		28,212		2,291,095
	<u>128,751</u>	<u>4,794,924</u>	<u>56,839</u>	<u>2,642,650</u>
Public safety:				
Fire Division	207,118	1,499,797	48,388	3,020,650
Police Division			76,394	1,726,684
	<u>207,118</u>	<u>1,499,797</u>	<u>124,782</u>	<u>4,747,334</u>
Community Development				
Development	-			64,670
	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,670</u>
Total governmental funds capital assets				
	<u>\$ 3,138,957</u>	<u>\$ 9,518,648</u>	<u>\$ 2,032,554</u>	<u>\$ 12,111,967</u>

<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ -	\$ -	\$ 12,619
		23,176
		4,812
		288,673
		2,124
		2,366,742
		332,079
	29,934	4,288,135
<u>-</u>	<u>29,934</u>	<u>7,318,360</u>
	214,439	5,461,274
<u>-</u>	<u>214,439</u>	<u>5,461,274</u>
		5,303,857
26,364,922	12,080,300	40,764,529
<u>26,364,922</u>	<u>12,080,300</u>	<u>46,068,386</u>
	30,742	4,806,695
	18,187	1,821,265
<u>-</u>	<u>48,929</u>	<u>6,627,960</u>
		64,670
<u>-</u>	<u>-</u>	<u>64,670</u>
<u>\$ 26,364,922</u>	<u>\$ 12,373,602</u>	<u>\$ 65,540,650</u>

**City of Upper Arlington, Ohio**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function and Activity**  
**For the fiscal year ended December 31, 2004**

<b><u>Function and Activity</u></b>	<b><u>Governmental Funds Capital Assets January 1, 2004</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>
<b>General government:</b>			
City Attorney	\$ 30,745	\$ -	\$ -
City Clerk	30,825		
Mayor's Court	53,197	-	
Facility Maintenance	280,447	7,673	
Finance	27,565	-	
Information Technology	1,229,198	143,012	-
Fleet Maintenance	329,161	8,810	-
City Manager	4,255,102	29,934	-
Utility Division	34,741		
	<u>6,270,981</u>	<u>189,429</u>	<u>-</u>
<b>Parks and recreation:</b>			
Parks and recreation	5,109,185	391,171	-
	<u>5,109,185</u>	<u>391,171</u>	<u>-</u>
<b>Public services:</b>			
Public Administration	5,292,869	-	
Street Division	32,537,451	8,246,201	-
	<u>37,830,320</u>	<u>8,246,201</u>	<u>-</u>
<b>Public safety:</b>			
Fire Division	4,736,002	118,220	-
Police Division	2,394,606	206,480	-
	<u>7,130,608</u>	<u>324,700</u>	<u>-</u>
<b>Community Development</b>			
Development	86,326	-	
	<u>86,326</u>	<u>-</u>	<u>-</u>
<b>Total governmental funds capital assets</b>	<u>\$ 56,427,420</u>	<u>\$ 9,151,501</u>	<u>\$ -</u>

<u>Transfers</u>	<b>Governmental Funds Capital Assets December 31, 2004</b>
\$ (18,126.00)	\$ 12,619
(7,649)	23,176
(48,385)	4,812
554	288,674
(25,441)	2,124
994,532	2,366,742
(5,892)	332,079
3,098	4,288,134
<u>(34,741)</u>	<u>-</u>
<u>857,950</u>	<u>7,318,360</u>
<u>(39,082)</u>	<u>5,461,274</u>
<u>(39,082)</u>	<u>5,461,274</u>
10,988	5,303,857
<u>(19,123)</u>	<u>40,764,529</u>
<u>(8,135)</u>	<u>46,068,386</u>
(47,527)	4,806,695
<u>(779,821)</u>	<u>1,821,265</u>
<u>(827,348)</u>	<u>6,627,960</u>
<u>(21,656)</u>	<u>64,670</u>
<u>(21,656)</u>	<u>64,670</u>
<u>\$ (38,271)</u>	<u>\$ 65,540,650</u>



CITY OF | **UPPER ARLINGTON**

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CITY OF | **UPPER**  
**ARLINGTON**



**City of Upper Arlington  
Net Assets by Component  
Last Two Fiscal Years (1)  
(accrual basis of accounting)  
(amounts expressed in thousands)**

	<b>Fiscal Year</b>	
	<b><u>2003</u></b>	<b><u>2004</u></b>
Governmental activities		
Invested in capital assets, net of related debt	\$ 19,045	\$ 19,898
Restricted	12,382	13,849
Unrestricted	31,042	25,792
Total governmental activities net assets	<u>\$ 62,469</u>	<u>\$ 59,539</u>
Business-type activities		
Invested in capital assets, net of related debt	\$ 10,539	\$ 12,460
Restricted		
Unrestricted	3,085	5,489
Total business-type activities net assets	<u>\$ 13,624</u>	<u>\$ 17,949</u>
Primary government		
Invested in capital assets, net of related debt	\$ 29,584	\$ 32,358
Restricted	12,382	13,849
Unrestricted	34,127	31,281
Total primary government net assets	<u>\$ 76,093</u>	<u>\$ 77,488</u>

## Note:

(1) GASB Statement No. 44, *Economic Condition Reporting*: The Statistical Section recommended that this information be presented starting with the fiscal year in which a government implemented GASB Statement No. 34.

## Sources:

1. City of Upper Arlington Finance Department

**City of Upper Arlington  
Changes in Net Assets  
Last Two Fiscal Years (1)  
(accrual basis of accounting)  
(amounts expressed in thousands)**

	Fiscal Year	
	<u>2003</u>	<u>2004</u>
<b>Expenses</b>		
Governmental activities:		
Public Safety	\$ 12,172	\$ 13,227
General Government	6,910	8,045
Public Services	4,317	4,868
Parks and Recreation	2,897	3,021
Community Development	724	870
Health Services	157	167
Interest on long-term debt	977	1,006
Total governmental activities expenses	<u>28,154</u>	<u>31,204</u>
Business-type activities:		
Water	341	643
Sewer	718	671
Stormwater	686	643
Swimming pool	555	539
Sanitation	1,688	1,789
Total business-type activities expenses	<u>3,988</u>	<u>4,285</u>
Total primary government expenses	<u>\$ 32,142</u>	<u>\$ 35,489</u>
<b>Program Revenues</b>		
Governmental activities:		
Charges for services:		
Public Safety	\$ 10	\$ 8
General Government		68
Public Services	1	321
Parks and Recreation	965	503
Community Development	614	964
Health Services		
Operating grants and contributions	84	70
Capital grants and contributions	119	-
Total governmental activities program revenues	<u>1,793</u>	<u>1,934</u>
Business-type activities:		
Charges for services:		
Water	315	324
Sewer	605	629
Stormwater	571	555
Swimming pool	375	445
Sanitation	1,375	1,823
Operating grants and contributions		
Capital grants and contributions		610
Total business-type activities program revenues	<u>3,241</u>	<u>4,386</u>
Total primary government program revenues	<u>\$ 5,034</u>	<u>\$ 6,320</u>
Net(expense)revenue		
Governmental activities	\$ (26,361)	\$ (29,270)
Business-type activities	(747)	101
Total primary government net expense	<u>\$ (27,108)</u>	<u>\$ (29,169)</u>

	Fiscal Year	
	<u>2003</u>	<u>2004</u>
<b>General Revenues and Other Changes in Net Assets</b>		
Governmental activities:		
Taxes		
Income taxes	12,580	11,109
Property taxes	7,350	7,881
Estate taxes	1,581	3,287
Motor vehicle taxes	1,636	1,411
Intergovernmental	4,008	4,369
Unrestricted investment earnings	1,097	855
Miscellaneous	1,599	1,578
Transfers	(2,273)	(4,150)
Total governmental activities	<u>27,578</u>	<u>26,340</u>
Business-type activities:		
Investment earnings	91	75
Miscellaneous	4	-
Transfers	2,273	4,150
Total business-type activities	<u>2,368</u>	<u>4,225</u>
Total primary government	<u>\$ 29,946</u>	<u>\$ 30,565</u>
<b>Change in Net Assets</b>		
Governmental activities	\$ 1,217	\$ (2,930)
Business-type activities	1,621	4,326
Total primary government	<u>\$ 2,838</u>	<u>\$ 1,396</u>

## Note:

(1) GASB Statement No. 44, Economic Condition Reporting: The Statistical Section recommended that this information be presented starting with the fiscal year in which a government implemented GASB Statement No. 34.

## Sources:

1. City of Upper Arlington Finance Department

**City of Upper Arlington**  
**Governmental Activities Tax Revenues by Source**  
**Last Two Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

<b><u>Fiscal Year</u></b>	<b><u>Income Tax</u></b>	<b><u>Property Tax</u></b>	<b><u>Estate Tax</u></b>	<b><u>Motor Fuel Tax</u></b>	<b><u>Total</u></b>
2003	\$ 12,580	\$ 7,350	\$ 1,581	\$ 1,636	\$ 23,147
2004	11,109	7,881	3,287	1,411	23,688

Note:

(1) GASB Statement No. 44, Economic Condition Reporting: The Statistical Section recommended that this information be presented starting with the fiscal year in which a government implemented GASB Statement No. 34.

Sources:

1. City of Upper Arlington Finance Department

**City of Upper Arlington**  
**Principal Revenue Payers for Property Taxes**  
**December 31, 2004**  
(amounts expressed in thousands)

<b>Property Taxpayer</b>	<b>2004</b>			<b>1995</b>		
	<b>Taxable Assessed</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed</b>	<b>Taxable Assessed</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed</b>
	<b>Value</b>		<b>Value</b>	<b>Value</b>		<b>Value</b>
Columbus & Southern Power Co.	\$ 9,055	1	0.70%	\$ 11,236	1	1.29%
Ohio Bell Telephone Co.	7,077	2	0.55%	11,172	2	1.28%
First Community Village	6,549	3	0.51%	6,355	3	0.73%
RRC Acquisitions, Inc.	6,068	4	0.47%			
UAP-Columbus JF	5,425	5	0.42%	5,051	5	0.58%
CompuServe Incorporated	5,208	6	0.40%	6,111	4	0.70%
TBC Kingsdale, Inc.				4,680	6	0.54%
New Plan Financing Inc.	3,663	7	0.28%			
Columbia Gas of Ohio				3,726	7	0.43%
Scioto Country Club, Inc.	3,562	8	0.27%	3,236	8	0.37%
Kimco Development Corp.	2,999	9	0.23%	2,415	9	0.28%
American Online Inc	2,465	10	0.19%			
Upper Arlington Holding Co.				2,340	10	0.27%
	<b>\$ 52,071</b>		<b>4.02%</b>	<b>\$ 56,322</b>		<b>6.47%</b>

**City of Upper Arlington**  
**Principal Revenue by Payer Type for Income Tax**  
**Budget (Cash) Basis**  
(amounts expressed in thousands)

<b>Year</b>	<b>Individual</b>			<b>Business</b>		<b>Total Income Tax</b>
	<b>Withholding</b>	<b>% of total</b>	<b>Non-withholding</b>	<b>% of total</b>	<b>Net Profits</b>	
1995	5,726	67%	1,731	20%	1,128	8,585
1996	5,800	72%	1,945	24%	310	8,055
1997	5,723	70%	2,064	25%	427	8,214
1998	6,004	66%	2,189	24%	901	9,094
1999	8,776	72%	2,569	22%	779	12,124
2000	8,468	71%	2,507	21%	999	11,974
2001	9,749	73%	2,910	22%	734	13,393
2002	8,407	66%	3,726	29%	702	12,835
2003	7,534	61%	3,295	27%	1,447	12,276
2004	7,789	65%	2,956	24%	1,358	12,103

## Sources:

1. City of Upper Arlington Finance Department
2. Franklin County, Ohio Auditor's Office

**City of Upper Arlington**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

	<b>Fiscal Year</b>			
	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
General fund				
Reserved	\$ 3,852	\$ 3,337	\$ 3,603	\$ 4,481
Unreserved	4,643	4,708	8,715	11,487
Total general fund	<u>\$ 8,495</u>	<u>\$ 8,045</u>	<u>\$ 12,318</u>	<u>\$ 15,968</u>
All other governmental funds				
Reserved	\$ 172	\$ 182	\$ 1,216	\$ 354
Unreserved, reported in:				
Special revenue funds	11	523	401	620
Capital projects funds	16	70	3,266	5,271
Debt service funds	11	23	33	559
Total all other governmental funds	<u>\$ 210</u>	<u>\$ 798</u>	<u>\$ 4,916</u>	<u>\$ 6,804</u>

## Sources:

1. City of Upper Arlington Finance Department

Table 5

<b>Fiscal Year</b>					
<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
\$ 3,655	\$ 5,144	\$ 6,086	\$ 6,906	\$ 3,000	\$ 1,929
14,243	14,726	17,636	24,117	24,326	22,180
<u>\$ 17,898</u>	<u>\$ 19,870</u>	<u>\$ 23,722</u>	<u>\$ 31,023</u>	<u>\$ 27,326</u>	<u>\$ 24,109</u>
\$ 1,978	\$ 1,124	\$ 2,767	\$ 1,732	\$ 2,621	\$ 4,384
985	886	1,234	1,218	1,258	1,244
5,414	7,577	15,445	10,209	14,134	12,272
650	747	749	1,246	1,043	926
<u>\$ 9,027</u>	<u>\$ 10,334</u>	<u>\$ 20,195</u>	<u>\$ 14,405</u>	<u>\$ 19,056</u>	<u>\$ 18,826</u>

**City of Upper Arlington**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

	<b>Fiscal Year</b>			
	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
<b>Revenues</b>				
Taxes	\$ 16,923	\$ 17,190	\$ 19,898	\$ 22,561
Intergovernmental	2,277	2,403	2,553	2,417
Licenses and permits	228	399	343	269
Charges for services	650	742	754	778
Fines and forfeits	266	234	262	279
Investment earnings	592	598	837	1,816
Miscellaneous	686	1,072	1,029	1,369
Total revenues	<u>21,622</u>	<u>22,638</u>	<u>25,676</u>	<u>29,489</u>
<b>Expenditures</b>				
Public Safety	8,823	9,558	8,879	9,534
General Government	4,546	5,076	4,918	5,150
Public Services	2,229	1,835	1,813	1,842
Parks and Recreation	2,340	1,869	1,928	2,008
Community Development	584	559	557	550
Health Services	162	153	119	121
Capital outlay	446	555	2,271	4,931
Debt services				
Principal	1,181	1,239	1,011	8,326
Interest	629	562	492	672
Other charges				
Total expenditures	<u>20,940</u>	<u>21,406</u>	<u>21,988</u>	<u>33,134</u>
Excess of revenues over(under) expenditures	682	1,232	3,688	(3,645)
<b>Other financing sources (uses)</b>				
Transfers in	1,779	2,330	2,762	2,843
Transfers out	(2,322)	(2,884)	(2,966)	(3,006)
Bonds issued			4,906	9,354
Refunding bonds and escrow transfer				44
Premium on bonds issued				
Installment loan issued				
Sale of capital assets				
Total other financing sources (uses)	<u>(543)</u>	<u>(554)</u>	<u>4,702</u>	<u>9,235</u>
Net changes in fund balances	139	678	8,390	5,590
Debt service as a percentage of noncapital expenditures	9.69%	9.45%	8.25%	46.85%

Sources:

1. City of Upper Arlington Finance Department

Table 6

Fiscal Year						
<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	
\$ 25,537	\$ 24,203	\$ 27,048	\$ 27,772	\$ 24,580	\$ 23,881	
2,483	2,623	2,687	3,372	3,896	4,427	
299	333	307	623	624	703	
840	843	905	1,435	966	1,139	
317	379	367	342	355	414	
684	2,202	2,172	1,870	1,096	855	
1,179	1,309	1,261	1,306	1,355	1,121	
<u>31,339</u>	<u>31,892</u>	<u>34,747</u>	<u>36,720</u>	<u>32,872</u>	<u>32,540</u>	
10,350	9,916	10,698	11,472	11,821	12,723	
6,054	6,620	6,437	7,311	6,600	6,045	
1,951	2,019	2,383	2,044	2,601	3,648	
2,079	1,981	2,316	2,967	2,618	2,791	
567	492	602	622	719	855	
109	138	161	154	157	167	
4,168	5,198	3,505	9,020	10,499	10,759	
1,188	1,236	1,506	1,331	1,311	1,757	
580	529	608	714	955	967	
				102	15	
<u>27,046</u>	<u>28,129</u>	<u>28,216</u>	<u>35,635</u>	<u>37,383</u>	<u>39,727</u>	
4,293	3,763	6,531	1,085	(4,511)	(7,187)	
6,602	9,095	6,859	2,341	5,337	3,399	
(6,741)	(9,577)	(6,939)	(2,421)	(5,885)	(7,539)	
		6,778		10,000	3,972	
		482		105	35	
					500	
				112	64	
<u>(139)</u>	<u>(482)</u>	<u>7,180</u>	<u>(80)</u>	<u>9,669</u>	<u>431</u>	
4,154	3,281	13,711	1,005	5,158	(6,756)	
8.38%	8.34%	9.36%	8.32%	9.20%	10.38%	

**City of Upper Arlington**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Income Tax</u>	<u>Property Tax</u>	<u>Estate Tax</u>	<u>Motor Fuel Tax</u>	<u>Total</u>
1995	\$ 8,356	\$ 5,374	\$ 2,184	\$ 1,009	\$ 16,923
1996	8,205	5,441	2,407	1,137	17,190
1997	8,079	5,875	4,889	1,056	19,899
1998	9,407	7,519	4,687	947	22,560
1999	12,313	6,685	5,642	897	25,537
2000	11,777	7,479	3,895	1,051	24,202
2001	13,878	7,634	4,262	1,274	27,048
2002	12,387	10,295	4,150	940	27,772
2003	12,797	7,805	2,441	1,536	24,579
2004	12,077	7,869	2,562	1,373	23,881

## Sources:

1. City of Upper Arlington Finance Department

**City of Upper Arlington  
Principal Employers  
December 31, 2004**

<u>2004</u>		
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>
UA Board of Education	758	1
AOL Midwest	442	2
First Community Village	350	3
City of Upper Arlington	265	4
Hilb, Royal & Hobbs	165	5

Sources:

1. City of Upper Arlington Finance Department

**City of Upper Arlington**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended December 31</b>	<b>Real Property</b>			<b>Personal Property</b>
	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Public Utility Property</b>	<b>General</b>
1995	728,417,280	88,452,810	25,168,390	29,186,722
1996	840,040,120	90,819,740	24,740,590	38,912,009
1997	843,235,460	91,876,440	24,400,470	45,182,344
1998	848,893,600	91,216,790	24,237,840	56,148,837
1999	941,586,020	102,123,720	23,718,420	34,396,677
2000	945,863,830	102,426,630	23,253,360	31,888,687
2001	954,491,780	104,513,470	18,983,560	29,031,195
2002	1,126,012,710	114,682,550	17,101,280	21,904,698
2003	1,134,538,040	115,313,410	17,191,600	17,677,037
2004	1,142,159,690	119,509,430	17,262,240	17,585,944

## Sources:

1. Franklin County, Ohio Auditor's Office

<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
871,225,202	6.29	2,522,571,117	34.54%
994,512,459	6.27	2,885,935,036	34.46%
1,004,694,714	6.84	2,922,193,290	34.38%
1,020,497,067	6.42	2,979,876,005	34.25%
1,101,824,837	6.39	3,187,381,451	34.57%
1,103,432,507	6.39	3,189,108,519	34.60%
1,107,020,005	6.76	3,196,092,809	34.64%
1,279,701,238	6.86	3,681,323,192	34.76%
1,284,720,087	6.86	3,690,831,148	34.81%
1,296,517,304	6.85	3,724,433,376	34.81%

**City of Upper Arlington  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>City of Upper Arlington</b>					<b>Overlapping Rates Franklin County</b>			
	<b>Operating Millage</b>	<b>Debt Service Millage</b>	<b>Police &amp; Fire Pension Millage</b>	<b>Capital Equipment Millage</b>	<b>Total City Millage</b>	<b>Operating Millage</b>	<b>Specialty Service Millage<sup>1</sup></b>	<b>Metro Parks Millage</b>	<b>Total County Millage</b>
1995	3.90	0.29	1.60	0.50	6.29	1.47	12.80	0.55	14.82
1996	3.90	0.27	1.60	0.50	6.27	1.47	13.10	0.25	14.82
1997	3.90	0.84	1.60	0.50	6.84	1.47	13.20	0.55	15.22
1998	3.90	0.42	1.60	0.50	6.42	1.47	15.52	0.55	17.54
1999	3.90	0.39	1.60	0.50	6.39	1.47	15.52	0.55	17.54
2000	3.90	0.39	1.60	0.50	6.39	1.47	15.52	0.55	17.54
2001	3.90	0.76	1.60	0.50	6.76	1.47	15.52	0.55	17.54
2002	3.90	0.66	1.80	0.50	6.86	1.47	15.52	0.55	17.54
2003	3.90	0.66	1.80	0.50	6.86	1.47	15.52	0.55	17.54
2004	3.90	0.65	1.80	0.50	6.85	1.47	15.52	1.45	18.44

## Notes:

(1) Specialty service includes: Children Services, ADAMH Board, MR & DD, Zoological Park, Office on Aging

## Sources:

(1) Franklin County, Ohio Auditor's Office

(2) Upper Arlington Library

(2) Upper Arlington Schools, Treasurer's Office

<b>Overlapping Rates</b>					
<b>Upper Arlington Schools</b>			<b>Library</b>		<b>Total Direct &amp; Overlapping Rates</b>
<b>Operating Millage</b>	<b>Debt Service Millage</b>	<b>Total School Millage</b>	<b>Operating Millage</b>	<b>Total Library Millage</b>	
73.71	4.41	78.12	1.00	1.00	100.23
73.71	4.11	77.82	1.00	1.00	99.91
73.71	4.15	77.86	1.00	1.00	100.92
79.91	4.12	84.03	1.00	1.00	108.99
79.91	4.04	83.95	1.00	1.00	108.88
79.91	3.41	83.32	1.00	1.00	108.25
86.11	3.41	89.52	1.00	1.00	114.82
86.11	3.04	89.15	2.00	2.00	115.55
86.11	3.00	89.11	2.00	2.00	115.51
93.91	2.33	96.24	2.00	2.00	123.53

**City of Upper Arlington  
Property Tax Levies and Collection  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

<b>Fiscal Year Ended December 31</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Total Collections to Date</b>			<b>Outstanding Delinquent Taxes</b>
		<b>Amount</b>	<b>Percentage of Levy</b>	<b>Delinquent Amount</b>	<b>Total Collected</b>	<b>Percentage of Levy</b>	
1995	\$ 5,345	\$ 5,286	98.89%	\$ 84	\$ 5,370	100.46%	\$ 146
1996	5,413	5,347	98.79%	76	5,423	100.19%	165
1997	6,013	5,774	96.02%	96	5,870	97.62%	345
1998	6,947	6,827	98.28%	296	7,123	102.55%	239
1999	6,412	6,314	98.46%	157	6,471	100.92%	215
2000	6,923	6,824	98.56%	129	6,953	100.43%	319
2001	6,931	6,763	97.57%	164	6,927	99.94%	882
2002	7,333	7,181	97.92%	197	7,378	100.61%	730
2003	8,560	8,404	98.18%	177	8,581	100.24%	291
2004	8,612	8,462	98.24%	192	8,654	100.49%	238

## Sources:

1. City of Upper Arlington Finance Department
2. Franklin County, Ohio Auditor's Office

**City of Upper Arlington**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands, except per capita amount)

<u>Fiscal Year</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
	<u>General Obligation Bonds</u>		<u>General Obligation Bonds</u>				
1995	\$	9,181	\$	2,559	\$ 11,740	1.35%	\$ 344
1996		7,885		2,320	10,205	1.14%	299
1997		6,896		2,149	9,045	0.95%	265
1998		13,342		4,508	17,850	1.78%	523
1999		11,524		4,186	15,710	1.51%	460
2000		10,917		3,853	14,770	1.39%	438
2001		16,405		3,504	19,909	1.84%	591
2002		15,265		3,176	18,441	1.64%	547
2003		24,046		2,839	26,885	2.34%	798
2004		26,357		2,491	28,848	2.25%	856

## Notes:

(1) See the Schedule of Demographic and Economic Statistics on pageXXX for personal income and population data.

## Sources:

1. City of Upper Arlington Finance Department

**City of Upper Arlington**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands, except per capita amount)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
1995	\$ 11,740	\$ 11	\$ 11,729	1.35%	\$ 329
1996	10,205	23	10,182	1.02%	285
1997	9,045	33	9,012	0.90%	253
1998	17,850	559	17,291	1.69%	485
1999	16,340	650	15,690	1.42%	440
2000	14,770	748	14,022	1.27%	416
2001	19,909	749	19,160	1.73%	569
2002	18,441	1,246	17,195	1.34%	510
2003	24,046	1,043	23,003	1.79%	683
2004	26,357	926	25,431	1.98%	760

## Sources:

1. City of Upper Arlington Finance Department
2. Franklin County, Ohio Auditor's Office

**City of Upper Arlington**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2004**  
(amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Franklin County	\$ 136,279	5.14%	\$ 7,005
Upper Arlington School District	35,919	98.61%	35,420
Dublin City School District	106,736	0.19%	203
Subtotal, overlapping debt	<u>278,934</u>		<u>42,628</u>
City of Upper Arlington direct debt	26,357	100.00%	26,357
Total direct and overlapping debt	<u>\$ 305,291</u>		<u>\$ 68,985</u>

## Sources:

1. City of Upper Arlington Finance Department

**City of Upper Arlington  
Legal Debt Margin Information  
(accrual basis of accounting)  
(amounts expressed in thousands)**

	<b>Fiscal Year</b>			
	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Overall debt limit	\$ 91,479	\$ 104,424	\$ 105,493	\$ 107,152
Total net debt applicable to limit	11,729	12,682	9,012	17,291
Legal debt margin	\$ 79,750	\$ 91,742	\$ 96,481	\$ 89,861
Total net debt applicable to the limit as a percentage of debt limit	12.82%	12.14%	8.54%	16.14%
Unvoted Debt limit	\$ 47,917	\$ 54,698	\$ 55,258	\$ 56,127
Total net debt applicable to limit	11,319	12,477	9,012	12,171
Legal debt margin	\$ 36,598	\$ 42,221	\$ 46,246	\$ 43,956
Total net debt applicable to the limit as a percentage of debt limit	23.62%	22.81%	16.31%	21.68%

**Legal Debt Margin Calculation for Fiscal Year 2004**

Overall (Voted and Unvoted) Debt Limitation:

Total assed value	\$ 1,296,517
Debt limit (10 1/2% of total assessed value)	136,134
Debt applicable to limit:	
General obligation bonds	26,357
Less: Amount set aside for repayment of general obligation debt	926
Total net debt applicable to limit	<u>25,431</u>
Legal debt margin	<u>\$ 110,703</u>

Sources:

1. City of Upper Arlington Finance Department

		<b>Fiscal Year</b>									
		<b><u>1999</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>				
\$	115,692	\$	115,860	\$	116,237	\$	134,369	\$	134,896	\$	136,134
	15,690		14,022		19,160		17,195		23,004		25,431
\$	100,002	\$	101,838	\$	97,077	\$	117,174	\$	111,892	\$	110,703
	13.56%		12.10%		16.48%		12.80%		17.05%		18.68%
\$	60,600	\$	60,689	\$	60,886	\$	70,384	\$	70,660	\$	71,308
	10,770		9,312		14,597		8,219		14,438		17,290
\$	49,830	\$	51,377	\$	46,289	\$	62,165	\$	56,222	\$	54,018
	17.77%		15.34%		23.97%		11.68%		20.43%		24.25%

Unvoted Debt Limitation:

Total assed value	\$ 1,296,517
Debt limit (5 1/2% of total assessed value)	71,308
Debt applicable to limit:	
General obligation bonds	26,357
Less: Debt outside limitations	8,141
Debt within limitation	<u>18,216</u>
Less: Amount set aside for repayment of general obligation debt	<u>926</u>
Total net debt applicable to limit	<u>17,290</u>
Legal debt margin for unvoted debt	<u><u>\$ 54,018</u></u>

**City of Upper Arlington  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

<b>Fiscal Year</b>	<b>Population 1</b>	<b>Personal Income (amounts expressed in thousands)</b>	<b>Per Capita Personal Income 2</b>	<b>Median Age 1</b>	<b>School Enrollment 3</b>	<b>Unemployment</b>	
						<b>Local Rate 4</b>	<b>State Rate 5</b>
1995	34,128	\$ 866,817	\$ 25,399	42.5	**	3.2%	4.8%
1996	34,128	892,208	26,143	42.5	**	3.0%	4.9%
1997	34,128	953,878	27,950	42.5	5,569	2.8%	4.6%
1998	34,128	1,004,216	29,425	42.5	5,548	3.1%	4.3%
1999	34,128	1,038,140	30,419	42.5	5,630	2.5%	4.3%
2000	33,686	1,062,019	31,527	42.6	5,451	2.3%	4.1%
2001	33,686	1,079,165	32,036	42.6	5,400	3.8%	4.3%
2002	33,686	1,127,302	33,465	42.6	5,328	5.0%	5.7%
2003	33,686	1,150,444	34,152	42.6	5,491	4.7%	6.0%
2004	33,686	1,283,976	38,116	42.6	5,388	5.0%	5.7%

## Notes:

\*\* Data not available or kept

## Sources:

1. U.S. Census Bureau, Census 1990 and 2000
2. United States Department of Labor and Franklin County, Ohio Auditor's Office
3. Ohio Department of Education Report Card
4. U.S. Bureau of Labor Statistics
5. Franklin County, Ohio Auditor's Office

**City of Upper Arlington  
Full-time Equivalent City Government Employees by Function  
Last Ten Fiscal Years**

Function	<b>Full-time Equivalent Employees as of December 31</b>				
	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Public Safety					
Police	63.0	58.5	59.5	59.5	60.5
Fire	69.0	64.0	64.0	64.0	64.0
General Government	44.5	40.5	37.5	38.5	40.5
Public Services	33.0	30.5	29.0	29.0	30.0
Parks and Recreation (1)	25.0	23.0	19.0	19.0	19.0
Community Development	10.0	10.0	10.0	8.0	8.0
Health Services					
Utilities (2)	12.0	11.5	11.0	11.0	11.0
Sanitation	26.0	19.0	19.0	18.0	18.0
<b>Total</b>	<b>282.5</b>	<b>257.0</b>	<b>249.0</b>	<b>247.0</b>	<b>251.0</b>
Function	<b>Full-time Equivalent Employees as of December 31</b>				
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Public Safety					
Police	60.5	60.0	60.0	60.0	60.0
Fire	64.0	64.0	64.0	64.0	64.0
General Government	40.5	45.0	45.0	45.0	45.0
Public Services	30.0	32.0	32.0	32.0	32.0
Parks and Recreation (1)	19.0	21.0	21.0	23.0	23.0
Community Development	8.0	8.0	8.0	10.0	10.0
Health Services					
Utilities (2)	11.0	11.0	11.0	11.0	11.0
Sanitation	18.0	20.0	20.0	20.0	20.0
<b>Total</b>	<b>251.0</b>	<b>261.0</b>	<b>261.0</b>	<b>265.0</b>	<b>265.0</b>

## Notes:

(1) Includes swimming pool

(2) Includes water, sewer and stormwater

## Sources:

1. City of Upper Arlington Finance Department

**City of Upper Arlington  
Operating Indicators by Function  
Last Ten Fiscal Years**

Function	Operating Indicators by Function			
	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Public Safety - Police				
Number of citations issued	4,306	4,197	4,296	4,597
Number of arrests	973	853	894	935
Number of accidents	817	751	753	747
Public Safety - Fire				
Number of fire responses	2,153	2,434	2,153	2,588
Number of EMS responses	4,229	4,170	4,229	3,489
Number of inspections	1,582	1,171	2,144	2,068
General Government				
Number of probation cases	195	202	251	282
Number of traffic cases	3,773	3,661	3,705	3,821
Number of fleet management repairs	**	**	**	**
Public Services				
Roadway repairs-surface (sq. ft.)	**	**	144,573	52,920
Street cleaning-leaf collection (cu. Yds.)	**	22,650	24,809	22,906
Street cleaning-snow removal (hours)	**	1,022	780	225
Parks and Recreation				
Number of registrations for programs	14,295	11,971	14,179	15,221
Number of programs/classes	349	382	525	578
Number of trees planted (less removed trees)	**	**	**	**
Community Development				
Number of building permits issued	329	337	358	362
Number of building inspections conducted	1,578	1,550	1,551	1,788
Number of code investigations	339	301	335	339
Utilities				
Number of fire hydrant repairs (water)	79	78	120	81
Number of catch basin repairs (stormwater)	90	138	211	260
Number of manhole repairs (sewer)	**	**	**	**
Sanitation				
Number of refuse collected (tons)	7,762	7,312	7,309	8,151
Number of yard waste collected (tons)	2,807	2,680	1,411	1,322
Number of recyclables collected (tons)	4,518	5,076	4,644	4,721

## Notes:

\*\* Data not available or kept

## Sources:

1. City of Upper Arlington departments

<b>Operating Indicators by Function</b>					
<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
5,096	5,394	5,182	4,902	5,265	5,275
892	776	808	824	907	872
725	721	627	638	609	583
2,605	2,142	3,474	3,640	3,491	2,438
4,000	2,674	3,045	3,777	3,621	2,914
2,134	1,065	1,647	1,027	1,517	1,138
186	252	242	194	225	184
4,357	4,540	4,586	4,022	4,114	3,520
**	**	3,125	3,428	3,661	3,661
421,043	136,865	145,298	107,050	108,308	105,439
18,452	18,905	20,687	22,470	20,068	21,091
2,348	1,114	188	584	661	1,000
15,228	15,153	8,314	9,578	13,697	10,816
596	482	557	647	639	612
**	**	210	240	280	170
384	360	350	383	432	406
1,516	1,578	1,407	1,639	2,318	2,469
318	331	450	536	862	964
73	81	99	95	88	110
118	247	155	101	137	108
**	**	43	119	120	119
8,370	8,408	7,766	7,538	7,693	7,542
1,269	1,095	955	733	855	667
4,572	5,410	5,677	5,586	5,750	5,456





CITY OF | **UPPER**  
**ARLINGTON**

**Finance Department**  
3600 Tremont Road  
Upper Arlington, Ohio 43221-1595  
Phone: 614-583-5280 • TDD: 614-442-3216  
Fax: 614-457-1944  
**[www.ua-ohio.net](http://www.ua-ohio.net)**





**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**CITY OF UPPER ARLINGTON**

**FRANKLIN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 14, 2005**