

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

Supplemental Report

DECEMBER 31, 2006

CATHERINE M. ARMSTRONG, FINANCE DIRECTOR



Mary Taylor, CPA
Auditor of State

Members of City Council
City of Upper Arlington
3600 Tremont Road
Upper Arlington, Ohio 43221

We have reviewed the *Independent Auditors' Report* of the City of Upper Arlington, Franklin County, prepared by Julian & Grube, Inc., for the audit period January 1, 2006 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 27, 2007

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

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and Other Matters Based on an Audit of Financial Statements Performed
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Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 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 City Council
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, 2006, and have issued our report thereon dated May 25, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Upper Arlington's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Upper Arlington's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Upper Arlington's internal control over financial reporting.

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

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

Members of Council
City of Upper Arlington

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as defined above.

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 or other matters that are required to be reported under *Government Auditing Standards*.

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



Julian & Grube, Inc.
May 25, 2007

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2006**

ISSUED BY:

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

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

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*Finance Manager***

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

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*Management Assistant***

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*Fiscal Technician***

**Karen Elifritz
*Payroll Administrator***



CITY OF | **UPPER ARLINGTON**

**CITY OF UPPER ARLINGTON, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For The Fiscal Year Ended December 31, 2006**

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May 25, 2007

To the Honorable Edward F. Seidel, 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, 2006, is submitted herewith. The report has a complete set of financial statements presented in accordance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by Julian and Grube, Incorporated. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report. The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements and complements this letter of transmittal and should be read in conjunction with it.

The City's Finance Department is responsible for management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed its anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

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.

Profile of the Government

The City of Upper Arlington was organized on February 8, 1941, and is a home-rule, Municipal Corporation organized under the laws of the State of Ohio. The City covers nine square miles, 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 recreation, community development, and 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 unit 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 non-major 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, (e.g., General Fund), 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 64. For governmental funds, other than the General Fund and the major special revenue fund with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 86.

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. The Columbus Metropolitan Statistical Area (MSA) is expected to experience a slower job growth in 2007 than in 2006, consistent with the nation. In addition to business and professional services, healthcare is predicted to be among the top employment growth industries. This is good news for Upper Arlington, as these are targeted industries. Retail employment growth will continue at a relatively slow pace.

As a fully developed community, opportunities for expanding the commercial tax base rest primarily in the form of redevelopment and higher density developments. Upper Arlington continues to enjoy lower than average vacancy rates for commercial office buildings, which may suggest that supply has not yet met demand. Retail vacancies hover a little above the regional, state and national levels with the City's older retail centers competing with the highly successful and ample retail space and "lifestyle/entertainment centers" throughout the region. Going forward, neighborhood and convenience retail will continue to be needed to satisfy resident needs but will not contribute to the overall financial health of the City.

Economic development activity and interest remain steady with increased awareness of Upper Arlington as a business and development friendly community. Realistically, no one project will be the "magic bullet" to Upper Arlington's financial stability. Ongoing consistent effort must continue in order to stay ahead of business relocation, downsizing and closure, a constant battle within the community. Some of the 2006 economic development projects to note are:

- ❖ The purchase of 2041 Riverside Drive by Dancor, Inc. Dancor leases the building to EnCompass and In[Vision], both new to Upper Arlington. The companies commenced operation in their new Upper Arlington location in January 2007.
- ❖ The purchase of a portion of 2074 Arlington Avenue and complete gutting and renovation of the space by Matthew Kovalcik, Stephen Geraghty and James Hyre. Raymond James Financial Services and Hyre and Associates will occupy the space.
- ❖ CAM Development/Adams, Babner & Gitlitz purchased 6,364 square feet of the Arlington Falls project Building Two (5003 Horizons Drive). The space houses the law firms of Adams, Babner & Gitlitz, The Dickerson Law Group, and John Bingham Racing.
- ❖ Teamwork Solutions has been quietly and successfully operating in leased space in the City of Upper Arlington for years. Given the company's success and growth, it was in need of more space. Ultimately the company was able to negotiate a purchase agreement with Arlington Falls for 3,300 s.f. of space in 5003 Horizons Drive, the second building in the five-building Arlington Falls Office Park. The retention of this 20-employee company and other businesses experiencing success and growth will aid in strengthening the City's commercial tax base growth.
- ❖ Arlington Falls commenced construction of the third building (5009 Horizons Drive) in the proposed five-building Arlington Falls Office Park.
- ❖ Central Ohio Medicine Building Associates, LLC and Central Ohio Primary Care Practice (COMBA) purchased the CIC-owned property located at 4026/4030 W. Henderson Road for \$700,000. The property was purchased by the CIC in 2000 for \$665,000. COMBA will develop the land with RJ Boll and Joe DiCeasare to support their 15,000 s.f. medical office representing over \$3 million in investment. Central Ohio Medicine (COM), a Division of Central Ohio Primary Care, will lease the building from COMBA. The building will initially house 32 employees generating in excess of \$2 million a year in payroll with projections to add eight full-time employees within the first three years of occupancy.
- ❖ In addition to the 15,000 s.f. office building, COMBA's final development plan includes a Phase Two, 6,000 s.f. office building.

Long-term financial planning. The City of Upper Arlington's Master Plan, adopted in 2001, serves as the community's vision for its future and comprehensively addresses 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 seven-year funding of approximately \$5.9 million annually through 2013.

Using the adopted financial and debt policies for capital investments, the CIP plan consists of a combination of cash and financing. The City issues general obligation bonds for financing capital improvement projects. The bonds are primarily paid with income tax receipts. The City dedicates 13.3% of income taxes collected for capital improvements to pay principal and interest on the related debt. The plan proposes issuing \$10 million in bonds in 2007 followed by three \$5 million bond issues in years 2009, 2011, and 2013. The initial series will be used to bond a \$3.97 million note that will mature in January 2008 and provide financing for replacement of the Reed Road fire station. The remaining \$20 million of the 2007-2013 CIP plan will be supported with cash.

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.

In addition, City financial policies dictate that a reserve will be maintained in the Unrestricted Fund Balance at a level for meeting the day-to-day obligations of the City. During the budgetary process in the Fall of 2006, Council discussed what amount would constitute an appropriate reserve, and amended the policy beginning in 2007 from a flat reserve of \$1.1 million to make the reserve equal to twenty-percent of the current year General Fund operating budget.

During the years 2000 through 2006, City Council designated an additional ¼ mill of property tax in addition to the ½ mill of permanent property tax to fund the majority of the current and future capital equipment purchases. During the budgetary process in the Fall of 2006, Council made the decision to discontinue this practice beginning in 2007 as equipment funding has stabilized with increases in property tax revenue and the designation of cell tower fee revenue for capital equipment purchases.

Council amended Chapter 993 of the City code to allow for the billing and recovery of costs from public utility and cable companies using the City Right of Way.

Major initiatives. A significant outreach component was the 2006 Community Survey, designed to measure resident satisfaction with City services, and to identify important issues and priorities for the City to consider and implement.

The City embarked on a comprehensive plan for all parks, facilities and programs. The Parks & Recreation Advisory Board was charged with this undertaking, creating the "Focus on the Future" Strategic Plan Task Force. Throughout 2006, the Task Force undertook extensive community outreach efforts to gather resident and stakeholder input, as well as exploring existing conditions in great detail.

The City produced its first Popular Annual Financial Report for the City, for the year ended December 31, 2005. The document provided residents with a quick, easy to understand overview of a complicated subject, leading them to have positive feelings on how the City manages its finances.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the 19th 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, 2005.

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 GAAP 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, 2005

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

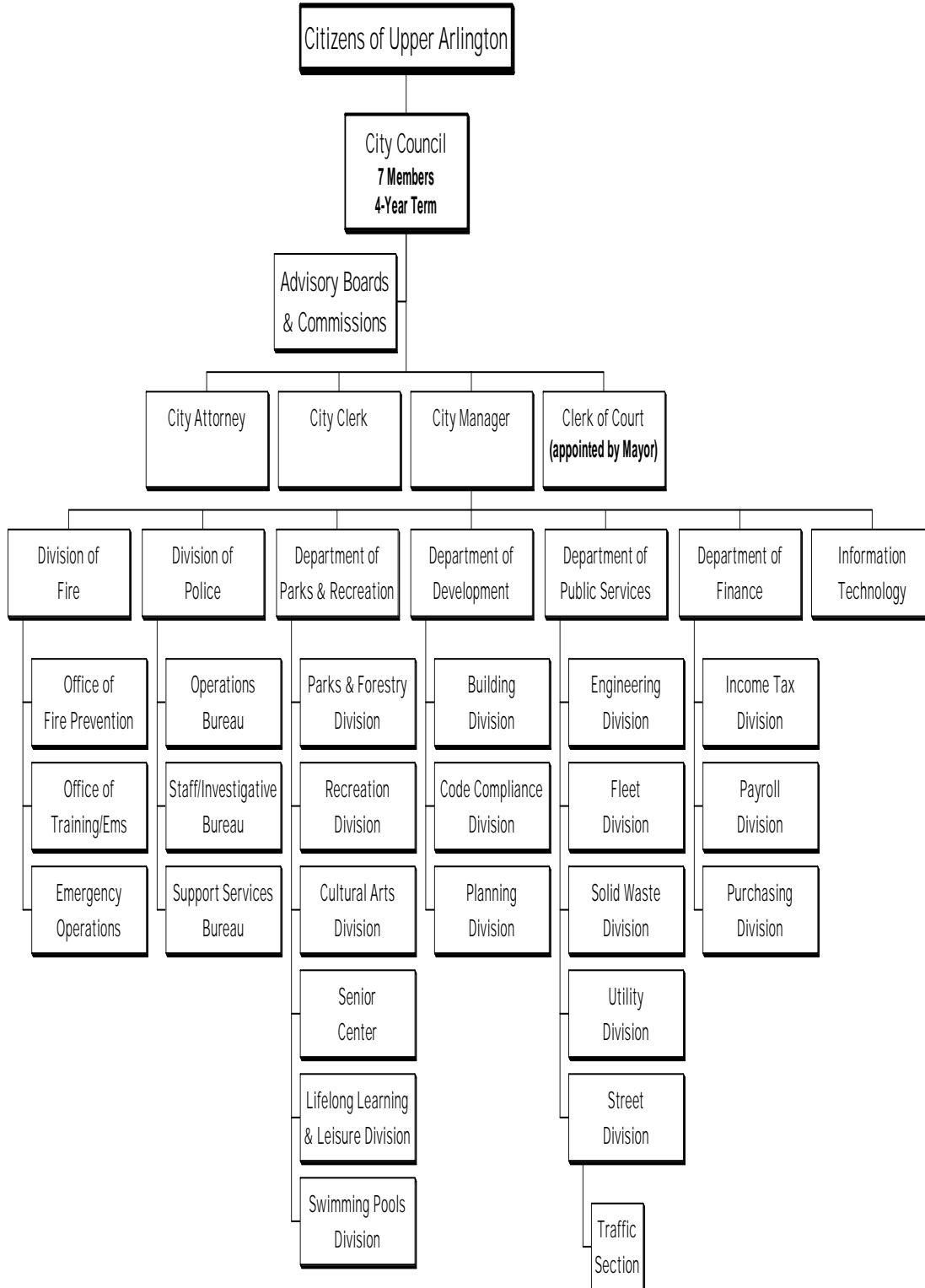


President

Executive Director



Organizational Chart



CITY OF UPPER ARLINGTON, OHIO
LIST OF CITY OFFICIALS
December 31, 2006

City Council

President/Mayor	Edward F. Seidel, Jr.
Vice President/Vice Mayor	Linda S. Mauger
Council Member	Timothy S. Rankin
Council Member	Mary Ann Krauss
Council Member	Donald B. Leach, Jr.
Council Member	Frank Ciatola
Council Member	Mary Ann Krauss

Appointed Officials

City Manager	Virginia L. Barney
City Attorney	Jeanine Amid
Acting City Clerk	Beverly Clevenger
Clerk of Court	Cynthia J. Bitter

Executive Staff

Assistant City Manager	Joseph T. Valentino
Development Director	Dean Sivinski
Finance Director	Catherine M. Armstrong
Fire Division Chief	Mitchell Ross
Parks and Recreation Director	Timothy O. Moloney
Police Division Chief	Brian Quinn
Public Services Director	Larry Helscel



Julian & Grube, Inc.
Serving Ohio Local Governments

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

Independent Auditors' Report

Members of City Council
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, 2006, 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2006, 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 25, 2007, on our consideration of the City'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.

Independent Auditors' Report
City of Upper Arlington
Page Two

The management's discussion and analysis and budgetary comparison information 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's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor funds financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Julian & Grube, Inc.
May 25, 2007

A. REQUIRED SUPPLEMENTARY INFORMATION – MD&A

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, 2006. 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 \$89,139,116 (net assets). Of this amount, \$38,682,002 (unrestricted net assets) may be used to meet the government's ongoing governmental activities obligations and \$3,130,748 (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 \$6,227,428, or 7.5%.
- At the end of the current fiscal year, the unreserved fund balance for the General Fund was \$26,462,021, or 102.1% of the total General Fund expenditures.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$43,596,843, an increase of \$3,167,060 in comparison with the prior year. Approximately 95.1% of this total amount, or \$41,456,032, is available for spending at the City's discretion (unreserved fund balance). Though unreserved, the City has committed through the budgeting process to a seven-year infrastructure improvement plan of approximately \$5.9 million a year, or a total infrastructure improvement plan of \$41.0 million. Accordingly, the City has set aside \$11,752,092 within capital project funds and \$916,174 within its debt service fund. In addition, the City has designated \$5,978,887 of the General Fund balance for payment of pension obligations as well as capital acquisitions and related debt. Another \$2,325,745 has been segregated within special revenue funds such as the Street Maintenance and Repair Fund. After accounting for these funds set aside for the aforementioned purposes, the unreserved and undesignated fund balance of the City's governmental funds is \$20,483,134.

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.

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 sanitation, and parks and recreation. The business-type activities of the City include five enterprise activities: a sanitary sewer system, a stormwater 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, or on the web at www.ua-ohio.net.

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 19 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 15 governmental funds are combined into a single, aggregated presentation.

Individual fund data for each of these non-major 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 – 27 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. The City maintains one internal service fund to recover costs and pay premiums for employee health and dental benefits.

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 the Water Surcharge, Sewer Surcharge, Stormwater, and Swimming Pool Funds, which are considered to be major funds of the City, as well as the non-major Solid Waste Fund. 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 – 62 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 – 68 of this report.

Other Supplementary Information, including the combining statements referred to earlier in connection with non-major governmental funds and non-major business-type funds, is presented immediately following the other required supplemental information. Combining and individual fund statements and schedules can be found on pages 90 – 124 of this report.

City of Upper Arlington						
Net Assets						
(in thousands)						
	Governmental activities		Business-type activities		Total	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Current and other assets	\$ 60,757	\$ 56,026	\$ 3,553	\$ 3,499	\$ 64,310	\$ 59,525
Capital assets	<u>44,763</u>	<u>44,732</u>	<u>21,862</u>	<u>21,022</u>	<u>66,625</u>	<u>65,754</u>
Total assets	<u>\$ 105,520</u>	<u>\$ 100,758</u>	<u>\$ 25,415</u>	<u>\$ 24,521</u>	<u>\$ 130,935</u>	<u>\$ 125,279</u>
Long-term liabilities outstanding	\$ 25,890	\$ 27,590	\$ 4,066	\$ 4,670	\$ 29,956	\$ 32,260
Other liabilities	<u>11,594</u>	<u>10,022</u>	246	85	<u>11,840</u>	<u>10,107</u>
Total liabilities	<u>\$ 37,484</u>	<u>\$ 37,612</u>	<u>\$ 4,312</u>	<u>\$ 4,755</u>	<u>\$ 41,796</u>	<u>\$ 42,367</u>
Net assets:						
Invested in capital assets, net of related debt	\$ 23,100	\$ 22,915	\$ 17,972	\$ 16,539	\$ 41,072	\$ 39,454
Restricted	6,254	7,184			6,254	7,184
Unrestricted	<u>38,682</u>	<u>33,047</u>	<u>3,131</u>	<u>3,227</u>	<u>41,813</u>	<u>36,274</u>
Total net assets	<u>\$ 68,036</u>	<u>\$ 63,146</u>	<u>\$ 21,103</u>	<u>\$ 19,766</u>	<u>\$ 89,139</u>	<u>\$ 82,912</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 \$89,139,116 at the close of 2006.

A large portion of the City's net assets (46.1 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 the se liabilities.

An additional portion of the City's net assets (7.0 percent) represent resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net assets, \$41,812,750, 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 are \$41,812,750, the unrestricted net assets of the City's business-type activities, \$3,130,748, may not be used to fund governmental activities.

In fiscal 2006 the City reclassified assets previously accounted for as "restricted net assets" to "unrestricted net assets" in order to conform with GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation." This resulted in approximately \$10,374,000, \$8,897,000, and \$2,873,000 in net assets being reclassified to unrestricted net assets in 2005, 2004, and 2003, respectively. Additionally, approximately \$9,541,000 in 2006 assets that would previously have been recorded as restricted net assets, are now recorded as unrestricted. Although, these amounts are considered unrestricted net assets, these amounts have been internally set aside

by Council to assist in funding the seven-year Capital Improvement Plan (CIP) for the City's aging infrastructure.

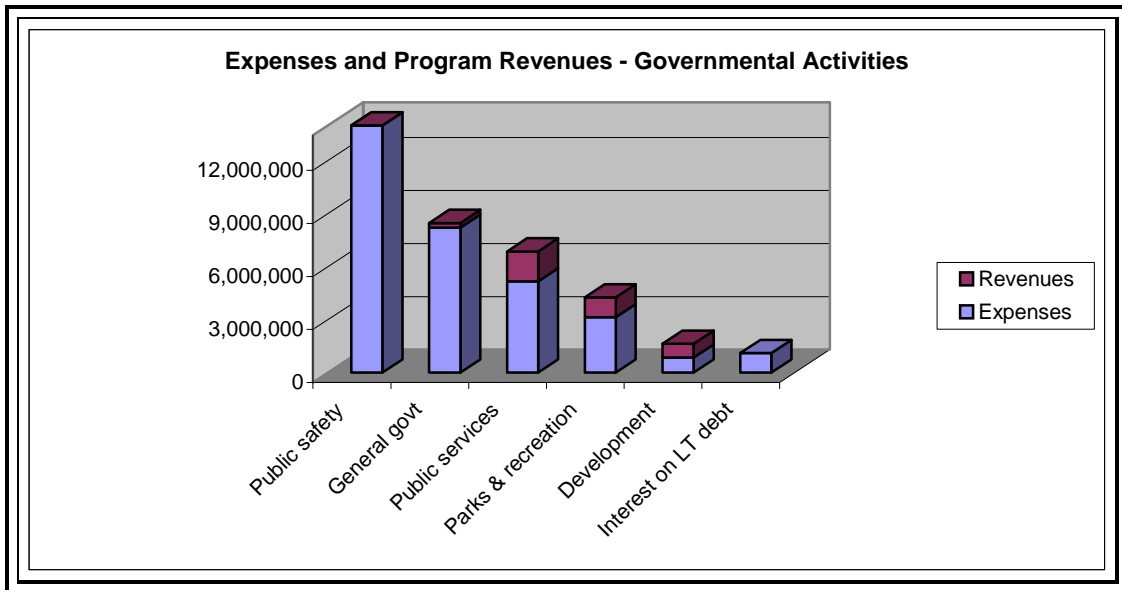
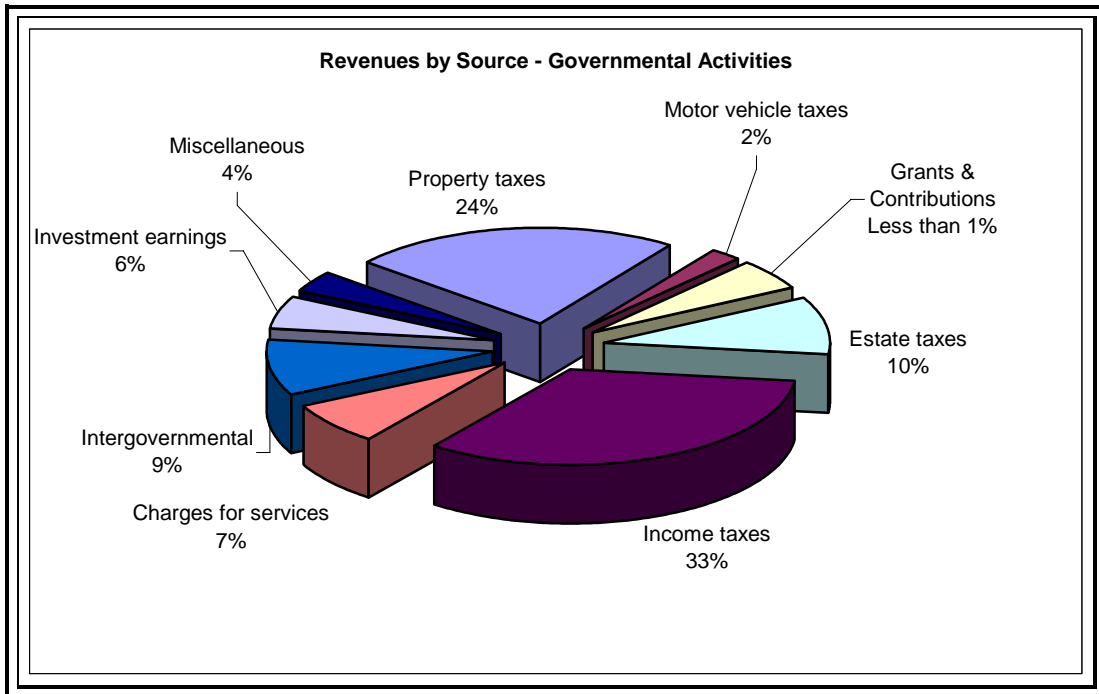
At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

- ❑ The increase in governmental activities total assets was \$4,761,425, or 4.7%.
- ❑ The decrease in governmental activities total liabilities was due to the repayment of existing debt outstanding.
- ❑ The increase in business-type activities total assets was \$893,472, or 3.6%.
- ❑ The business-type activities liabilities decreased due to the continued repayment of long-term debt.

Governmental activities. Governmental net assets increased by \$4,889,585, or 7.7%. The City's income tax revenue was slightly above budget projections for 2006 at \$12.9 million, but down from the 2005 revenue total of \$14.3 million. Most of this decrease was attributed to a significant reduction in net profits tax.

Every six years, and most recently in 2005, Franklin County completed its re-appraisal of existing real estate. The appraisal resulted in a 19% overall increase in the valuation of property within the City, and produced an additional \$1.3 million of property tax revenue as compared to 2005. Accordingly, this revenue increase accounted for the majority of the overall increase in governmental net assets, though somewhat offset by current-year debt retirement. Governmental expenses increased by \$725,184, or 2.3%, as expected, due to normal pay increases in addition to continued rising health care costs.

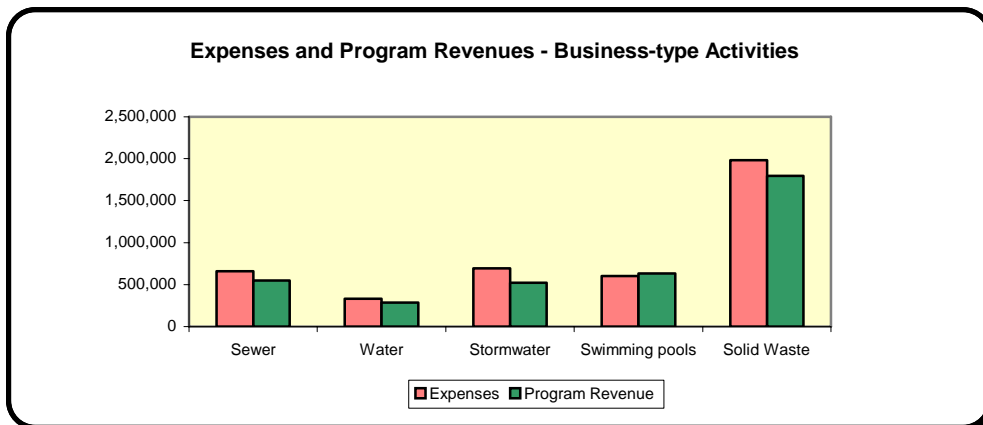
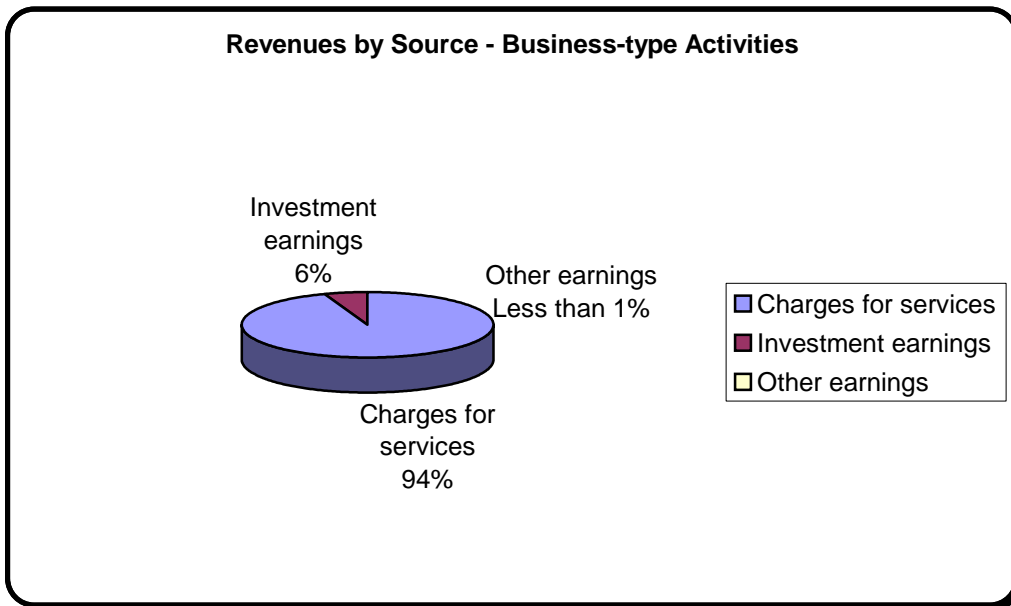
The following charts illustrate both the 2006 revenues and expenses for governmental activities.



**City of Upper Arlington
Statement of Activities**

	Governmental Activities		Business – Type Activities		Total	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Revenues:						
<i>Program revenues:</i>						
Charges for services	\$ 2,826,630	\$ 2,935,970	\$ 3,785,503	\$ 3,961,861	\$ 6,612,133	\$ 6,897,831
Operating grants & contributions	1,704,332	1,688,394			1,704,332	1,688,394
Capital grants & contributions	300,000	91,075	1,434,125	1,813,995	1,734,125	1,905,070
<i>General revenues:</i>						
Income taxes	12,944,628	14,291,880			12,944,628	14,291,880
Estate taxes	3,761,168	3,775,133			3,761,168	3,775,133
Property taxes	9,097,767	7,834,077			9,097,767	7,834,077
Intergovernmental	3,615,571	2,865,807			3,615,571	2,865,807
Investment earnings	2,134,162	1,078,529	228,414	108,828	2,362,576	1,187,357
Other miscellaneous revenues	1,413,824	1,319,447			1,413,824	1,319,447
Total revenues	37,798,082	35,880,312	5,448,042	5,884,684	43,246,124	41,764,996
Expenses:						
Public safety	14,266,472	13,436,021			14,266,472	13,436,021
General government	8,208,534	8,710,099			8,208,534	8,710,099
Public services	5,166,944	4,882,454			5,166,944	4,882,454
Parks and recreation	3,141,798	3,024,604			3,141,798	3,024,604
Community development	853,445	874,808			853,445	874,808
Interest on long-term debt	1,110,904	1,094,927			1,110,904	1,094,927
Water Surcharge			333,052	324,772	333,052	324,772
Sewer Surcharge			659,630	697,570	659,630	697,570
Stormwater			692,218	634,915	692,218	634,915
Swimming pools			602,674	807,113	602,674	807,113
Solid Waste			1,983,025	1,854,940	1,983,025	1,854,940
Total expenses	32,748,097	32,022,913	4,270,599	4,319,310	37,018,696	36,342,223
Increase (decrease) in net assets before transfers	5,049,985	3,857,399	1,177,443	1,565,374	6,227,428	5,422,773
Transfers	(160,400)	(250,774)	160,400	250,774	–	–
Increase (decrease) in net assets	4,889,585	3,606,625	1,337,843	1,816,148	6,227,428	5,422,773
Net assets ---- January 1 st	63,146,112	59,539,487	19,765,576	17,949,428	82,911,688	77,488,915
Net assets---- December 31st	\$ 68,035,697	\$ 63,146,112	\$ 21,103,419	\$ 19,765,576	\$ 89,139,116	\$ 82,911,688

Business-type activities. Business-type activities increased the City's net assets by \$1,337,843. The key element in this increase is the capital contributions from governmental sources to enterprise funds in the amount of \$1,434,125. Additionally, the General Fund supplemented Solid Waste operations by more than \$149,000 during 2006. City Council has requested a focus group be formed to study the current collection method and legislated an increase in the solid waste sticker price effective January 2007.



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 \$43,596,843, an increase of \$3,167,060 from the prior year. Approximately 95.1% of this total amount (\$41,456,032) constitutes *unreserved fund balance*, which is available for spending at the City's discretion. Though unreserved, the City has committed through the budgeting process to a seven-year infrastructure improvement plan of approximately \$5.9 million a year, or a total infrastructure improvement plan of \$41.0 million. Accordingly, the City has set aside \$11,752,092 within capital project funds, and \$916,174 within its debt service fund. In addition, another \$2,325,745 has been segregated within special revenue funds such as the Street Maintenance and Repair Fund. After accounting for these funds set aside for the aforementioned purposes, the unreserved and undesignated fund balance of the City's governmental funds is \$20,483,134.

The remainder of the fund balance is reserved. It has already been committed to liquidate contracts and purchase orders for the prior period (\$1,476,811), risk management utilization (\$464,223) and inventory (\$199,777).

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 \$26,462,021, while the total fund balance was \$27,500,399. The City has designated \$467,473 of the General Fund balance for payment of pension obligations and \$5,511,414 for capital acquisitions and related debt.

The fund balance of the City's General Fund increased by \$4,941,313 in 2006. The key factors in this increase are as follows:

- An increase in monies from operations of \$7,011,795, off-set by
- Transfers in the amount of \$2,777,734 for on-going assistance to other funds.

The fund balance of the City's Street Maintenance and Repair Fund increased by \$308,587 due to increases in gasoline taxes and motor vehicle license fees.

The fund balance of the City's Bonded Improvement Fund decreased by \$1,622,755 during the fiscal year. This decrease in fund balance was a result of the use of the funds for capital improvements as bond proceeds were spent.

The Estate Tax Fund balance decreased by \$169,225. The major factor in this decrease was the continued expenditure of these monies for capital improvement purposes.

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 \$81,836 for Water Surcharge Fund; \$80,649 for the Sewer Surcharge Fund; \$2,897,174 for the Stormwater Fund; \$204,539 for the Swimming Pools Fund; and \$(133,450) for the Solid Waste Fund. The change in net assets for the proprietary funds was \$740,277, \$454,242, \$136,538, \$40,516, and (\$33,730) respectively. Increased operating costs as well as a shortfall in operating revenues within the Solid Waste Fund account for the decrease in net assets. The General Fund supplemented Solid Waste operations by more than \$149,000 during 2006.

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, 2006, amounts to \$66,624,799 net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress. The City's overall investment in capital assets increased \$870,740, or 1.3%.

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: S. Dorchester Road, Cranford Road waterline, Donna & Hillview Roads waterline, Collingswood Road waterline, and Ridgeview & Farleigh Roads waterline.

Construction-in-progress infrastructure projects included: the Reed Road Park bike path and the police firing range roof replacement.

Completed infrastructure projects included: the Burbank sports field, the repaving of the Public Service Center (PSC) parking lot, and the Zollinger Road reconstruction.

Land sale: The Community Improvement Corporation (CIC), a blended component unit of the City, sold its commercial land holdings at the corner of Riverside and Henderson Roads. The Central Ohio Medicine Building Associates, LLC and Central Ohio Primary Care Practice purchased the land for \$639,820 with plans to construct a 15,000 square foot medical practice at the site.

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

	Governmental Activities		Business-type activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 4,686,063	\$ 5,345,532	\$ 1,236,573	\$ 1,236,573	\$ 5,922,636	\$ 6,582,105
Building	1,290,455	1,373,494	80,379	85,250	1,370,834	1,458,744
Improvements	2,816,716	1,519,687	4,393,638	4,469,805	7,210,354	5,989,492
Machinery and equipment	3,198,890	3,472,471	609,913	670,914	3,808,803	4,143,385
Infrastructure	31,241,150	26,874,552	13,660,127	14,246,645	44,901,277	41,121,197
Construction in progress	1,529,871	6,146,333	1,881,024	312,803	3,410,895	6,459,136
Total	\$44,763,145	\$44,732,069	\$21,861,654	\$21,021,990	\$66,624,799	\$65,754,059

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 \$21,006,967. 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	
	2006	2005	2006	2005	2006	2005
General						
Obligation Bonds	<u>\$19,256,567</u>	<u>\$20,940,043</u>	<u>\$ 1,750,400</u>	<u>\$ 2,129,577</u>	<u>\$ 21,006,967</u>	<u>\$ 23,069,620</u>
Total	<u>\$19,256,567</u>	<u>\$20,940,043</u>	<u>\$ 1,750,400</u>	<u>\$ 2,129,577</u>	<u>\$ 21,006,967</u>	<u>\$ 23,069,620</u>

During the current fiscal year, the City's total bonded debt decreased by \$2,062,653, or 8.9%.

The City continues to benefit from a "Aa1" rating from Moody's for general obligation debt. Moody's Investor's Service grade makes 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 \$161,595,344, 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 2005, January 2006, and January 2007. The City intends to bond this note in 2007.

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 2006, the City amended the 2006 General Fund budget by a decrease of \$185,750. Major factors included a \$200,000 reduction of transfers to other funds for subsidies, a \$50,000 reduction in appropriation for natural gas costs, and a \$50,000 reduction in appropriation for payouts of terminations and retirements. Offsetting factors included additional appropriations of \$62,950 for grants and donations received by the City, and \$15,000 in personnel costs related to the settlement of the labor union contract for street, solid waste, and utility division employees. In addition, \$14,550 was appropriated within the City Clerk and City Council Departments for fringe benefits and personnel costs not originally budgeted, and \$21,750 was appropriated for equipment purchases including a security camera at the Public Service Center, a traffic signal battery back-up system, and an Interactive Driving Simulator System for the police division.

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 4.7 percent, which is an increase from a rate of 4.5 percent a year ago. This compares favorably to the state's average unemployment rate of 5.5 percent and unfavorably to the national average rate of 4.6 percent.
- ❑ Income tax collections were slightly above budget projections for 2006 at \$12.9 million, but down from the 2005 collections of \$14.1 million. Most of this decrease was attributed to a significant reduction in net profits tax. Estate tax collections of \$3.2 million in 2006 will provide for \$1.1 million in funding for the City's capital improvement plan, though they fell short of 2005 collections by .5 million.
- ❑ Every six years, and most recently in 2005, Franklin County completed its re-appraisal of existing real estate. The appraisal resulted in a 19% overall increase in the valuation of real property within the City, and a related \$1.3 million increase in property tax collections for the City in 2006.
- ❑ The Development Department issued 376 residential and commercial permits in 2006, with a total construction value of approximately \$75.8 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 \$5.9 million a year or a total infrastructure improvement plan of \$41.0 million. Issuing debt and utilizing unrestricted fund balances are the planned funding sources for this infrastructure improvement plan.
- ❑ The Emergency Medical Services Transport Billings Program generated collections of more than \$550,000 during its second full year of operations. The revenues will help maintain and enhance the City's emergency services, equipment, and facilities. Pending Council approval, plans are underway to begin the construction and design of a new fire station on Reed Road in 2007.

All of these factors were considered in preparing the City's Budget for the 2007 fiscal year.

During the current fiscal year, unreserved fund balance in the General Fund increased \$3,428,258 to a fund balance of \$21,854,315. The City has appropriated \$30,616,973 for spending in the 2007 fiscal year budget, which includes the 2007 budgeted revenues.

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

- ❑ The difference between the original budget and the final amended budget was \$9,550 in order to appropriate an additional \$6,550 for traffic signals, Light Emitting Diodes (LEDs), and LED pedestrian signals, as well as \$3,000 for the installation of the Fontaine Road street light, the cost of which was reimbursed by residents.
- ❑ Revenues increased more than \$200 thousand in 2006 primarily due to a reimbursement from Franklin County from the \$5.00 Permissive Tax Fund relating to the resurfacing of Zollinger Road.

Other Budgetary Highlights

Rate changes: The Enterprise Funds are self-supporting and therefore each fund's revenues need to cover the expenses generated by its activity. For the swimming pools, Council approved an increase in the family-of-four guest pass fees from \$180 to \$200 for the 2007 summer season. City Council re-examined the sewer surcharge utility rate which has remained constant since 1996; beginning in 2007, the surcharge will change from a flat fee of \$4.90 per metric cubic foot (MCF) to an 18% surcharge of the commodity billed the City in an effort to better match the costs of operations and debt payments for the related infrastructure. Council also adopted a 10% water surcharge rate, though the effective collections are projected to be comparable to the previous \$2.25 per MCF surcharge-rate system. On a similar note, Council made the decision to raise the trash sticker price from \$2.50 to \$3.10 to better match the cost of operations and curtail the need to subsidize operating and capital needs of the service. A Council-commissioned committee will be studying the current collection method and other solid waste collection options before providing a recommendation to Council. Additionally, the Development and Parks and Recreation Departments charge for licenses and fees in the governmental funds, and those rates were increased at varying percentages for program expenses.

Health insurance costs increased 7.2% during the current fiscal year and the worker's compensation premium was raised by 4.1% to cover increased costs. The Ohio Public Employee Retirement System (OPERS) contribution rate for employers will increase over the next two years as follows:

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Full-time employee	22.70%	23.35%	24.00%
Part-time employee	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.

B. BASIC FINANCIAL STATEMENTS

City of Upper Arlington, Ohio
Statement of Net Assets
December 31, 2006

ASSETS	Governmental Activities	Business-type Activities	Total
Cash, cash equivalents and investments	\$ 40,767,735	\$ 3,422,058	\$ 44,189,793
Accounts receivable (net of allowance for uncollectibles)	19,705,005	131,143	19,836,148
Inventories	199,777		199,777
Deferred charges	84,112		84,112
Capital assets:			
Land	4,686,063	1,236,573	5,922,636
Construction in progress	1,529,871	1,881,024	3,410,895
Other capital assets, net of accumulated depreciation	38,547,211	18,744,057	57,291,268
Total assets	<u>\$ 105,519,774</u>	<u>\$ 25,414,855</u>	<u>\$ 130,934,629</u>
 LIABILITIES			
Accounts payable	\$ 763,908	\$ 128,794	\$ 892,702
Accrued liabilities	653,420	47,090	700,510
Unearned revenue	10,176,427	69,928	10,246,355
Noncurrent liabilities:			
Due within one year			
Accrued vacation and sick leave	1,083,110	82,138	1,165,248
Installment loan payable	99,951		99,951
Ohio Public Works Commission Loans - current		222,653	222,653
Bonds & notes payable, net - current	5,066,600	175,400	5,242,000
Due in more than one year:			
Accrued vacation and sick leave	1,271,476	94,503	1,365,979
Installment loan payable	207,218		207,218
Ohio Public Works Commission Loans		1,915,930	1,915,930
Bonds & notes payable, net	18,161,967	1,575,000	19,736,967
Total liabilities	<u>37,484,077</u>	<u>4,311,436</u>	<u>41,795,513</u>
 NET ASSETS			
Invested in capital assets, net of related debt	23,099,731	17,972,671	41,072,402
Restricted for:			
Capital Projects	1,909,204		1,909,204
Debt Service	757,735		757,735
Special revenues & other purposes	3,587,025		3,587,025
Unrestricted	38,682,002	3,130,748	41,812,750
Total net assets	<u>\$ 68,035,697</u>	<u>\$ 21,103,419</u>	<u>\$ 89,139,116</u>

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

City of Upper Arlington, Ohio
Statement of Activities
For the Year Ended December 31, 2006

<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	\$ 14,266,472	\$ 988,425	\$ 7,260	
General Government	8,208,534	173,391	84,764	
Public Services	5,166,944	76,059	1,612,308	
Parks and Recreation	3,141,798	814,591		300,000
Community Development	853,445	774,164		
Interest on long-term debt	1,110,904			
Total governmental activities	<u>32,748,097</u>	<u>2,826,630</u>	<u>1,704,332</u>	<u>300,000</u>
Business-type activities:				
Water Surcharge	333,052	287,526		\$ 785,803
Sewer Surcharge	659,630	550,432		563,440
Stormwater	692,218	521,393		84,882
Swimming Pools	602,674	632,090		-
Solid Waste	1,983,025	1,794,062		-
Total business-type activities	<u>4,270,599</u>	<u>3,785,503</u>	<u>-</u>	<u>1,434,125</u>
Total government	<u>\$ 37,018,696</u>	<u>\$ 6,612,133</u>	<u>\$ 1,704,332</u>	<u>\$ 1,734,125</u>

General revenues:
Income taxes
Property taxes
Estate taxes
Intergovernmental unrestricted
Unrestricted investment earnings
Miscellaneous
Transfers
Total general revenues and transfers
Changes in net assets
Net assets - beginning
Net assets - ending

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

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

	Governmental Activities	Business-type Activities	Total
\$	(13,270,787)		\$ (13,270,787)
	(7,950,379)		(7,950,379)
	(3,478,577)		(3,478,577)
	(2,027,207)		(2,027,207)
	(79,281)		(79,281)
	(1,110,904)		(1,110,904)
	<u>(27,917,135)</u>		<u>(27,917,135)</u>
		\$ 740,277	740,277
		454,242	454,242
		(85,943)	(85,943)
		29,416	29,416
		<u>(188,963)</u>	<u>(188,963)</u>
		<u>949,029</u>	<u>949,029</u>
	<u>(27,917,135)</u>	<u>949,029</u>	<u>(26,968,106)</u>
	12,944,628		12,944,628
	9,097,767		9,097,767
	3,761,168		3,761,168
	3,615,571		3,615,571
	2,134,162	228,414	2,362,576
	1,413,824		1,413,824
	<u>(160,400)</u>	<u>160,400</u>	<u>-</u>
	<u>32,806,720</u>	<u>388,814</u>	<u>33,195,534</u>
	4,889,585	1,337,843	6,227,428
	63,146,112	19,765,576	82,911,688
\$	<u>68,035,697</u>	<u>\$ 21,103,419</u>	<u>\$ 89,139,116</u>

City of Upper Arlington, Ohio
 Balance Sheet
 Governmental Funds
 December 31, 2006

ASSETS	<u>General</u>	<u>Street Construction Maintenance and Repair</u>
Cash, cash equivalents and investments	\$ 24,456,694	\$ 845,825
Receivables (net of allowance for uncollectibles)	17,786,446	773,081
Inventories	120,041	79,736
Total assets	<u>\$ 42,363,181</u>	<u>\$ 1,698,642</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 293,660	\$ 8,913
Deferred revenue	14,103,452	566,936
Accrued liabilities	465,670	26,181
Total liabilities	<u>14,862,782</u>	<u>602,030</u>
Fund balances:		
Reserved for:		
Encumbrances	454,114	4,904
Inventory	120,041	79,736
Self-Insurance	464,223	
Unreserved:		
Designated for capital acquisitions & related debt	5,511,414	
Designated for pension obligations	467,473	
Undesignated, reported in:		
General fund	20,483,134	
Special revenue funds		1,011,972
Capital project funds		
Debt service funds		
Total fund balances	<u>27,500,399</u>	<u>1,096,612</u>
Total liabilities and fund balances	<u>\$ 42,363,181</u>	<u>\$ 1,698,642</u>

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

Bonded Improvement	Estate Tax Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 1,904,676	\$ 8,988,476	\$ 4,130,322	\$ 40,325,993
3,917	273,925	867,636	19,705,005
			199,777
<u>\$ 1,908,593</u>	<u>\$ 9,262,401</u>	<u>\$ 4,997,958</u>	<u>\$ 60,230,775</u>
\$ 120,383	160,084	\$ 64,241	\$ 647,281
	\$ 156,398	664,884	15,491,670
		3,130	494,981
<u>120,383</u>	<u>316,482</u>	<u>732,255</u>	<u>16,633,932</u>
511,391	249,027	257,375	1,476,811
			199,777
			464,223
			5,511,414
			467,473
			20,483,134
		1,313,773	2,325,745
1,276,819	8,696,892	1,778,381	11,752,092
		916,174	916,174
<u>1,788,210</u>	<u>8,945,919</u>	<u>4,265,703</u>	<u>43,596,843</u>
<u>\$ 1,908,593</u>	<u>\$ 9,262,401</u>	<u>\$ 4,997,958</u>	<u>\$ 60,230,775</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, 2006

Total Governmental Fund Balances	\$	43,596,843
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.		44,763,145
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes		177,688
Income taxes		2,131,190
Estate taxes		1,597,087
Intergovernmental revenues		1,409,278
Deferred charges		84,112
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		(158,439)
Accrued vacation and sick leave		(2,354,586)
Installment loan payable		(307,169)
Bonds and Notes payable		(23,228,567)
Internal service fund activity is used to account for insurance cost on a reimbursement basis activity by fund and department. The assets and liabilities are recorded in the governmental activities in the statement of net assets.		325,115
Net Assets of Governmental Activities	<u>\$</u>	<u>68,035,697</u>

The notes to the basic 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, 2006

REVENUES	<u>General</u>	<u>Street Construction Maintenance and Repair</u>
Taxes:		
Property	\$ 8,187,720	
Income	12,971,899	
Estate	3,221,055	
Motor Fuel		\$ 961,688
Intergovernmental	3,879,540	709,929
Licenses and permits	732,734	
Charges for services	1,200,916	4,367
Fines and forfeits	367,618	
Investment earnings	1,085,799	44,525
Net decrease in fair value of investments	189,052	1,208
Miscellaneous	1,085,298	6,630
Total revenues	<u>32,921,631</u>	<u>1,728,347</u>
 EXPENDITURES		
Current:		
Public Safety	13,507,998	
General Government	6,346,361	
Public Services	1,996,324	1,419,760
Parks and Recreation	2,556,621	
Community Development	850,369	
Debt service:		
Principal	97,586	
Interest	9,808	
Capital outlay:		
Capital outlay	544,769	
Total expenditures	<u>25,909,836</u>	<u>1,419,760</u>
Excess (deficiency) of revenues over (under) expenditures	7,011,795	308,587
 OTHER FINANCING SOURCES (USES)		
Transfers in	639,820	
Transfers out	(2,777,734)	
Proceeds from issuance of notes		
Premium on issuance of notes		
Proceeds from sale of capital assets	67,432	
Total other financing sources and uses	<u>(2,070,482)</u>	<u>-</u>
Net change in fund balances	4,941,313	308,587
 Fund balances -- January 1,	22,559,086	788,025
Fund balances -- December 31	<u>\$ 27,500,399</u>	<u>\$ 1,096,612</u>

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

<u>Bonded Improvement</u>	<u>Estate Tax Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
		\$ 885,189	\$ 9,072,909
			12,971,899
			3,221,055
			961,688
	100,000	93,176	4,782,645
			732,734
		380,574	1,585,857
		26,300	393,918
\$ 95,102	\$ 661,434	43,020	1,929,880
	13,072	950	204,282
		313,415	1,405,343
<u>95,102</u>	<u>774,506</u>	<u>1,742,624</u>	<u>37,262,210</u>
		22,848	13,530,846
		198,619	6,544,980
		36,617	3,452,701
		340,578	2,897,199
			850,369
3,972,000		1,750,823	5,820,409
79,440		902,091	991,339
<u>1,717,857</u>	<u>943,731</u>	<u>1,460,167</u>	<u>4,666,524</u>
<u>5,769,297</u>	<u>943,731</u>	<u>4,711,743</u>	<u>38,754,367</u>
(5,674,195)	(169,225)	(2,969,119)	(1,492,157)
54,222		2,617,334	3,311,376
		(694,042)	(3,471,776)
3,972,000			3,972,000
25,218			25,218
		754,967	822,399
<u>4,051,440</u>	<u>-</u>	<u>2,678,259</u>	<u>4,659,217</u>
<u>(1,622,755)</u>	<u>(169,225)</u>	<u>(290,860)</u>	<u>3,167,060</u>
3,410,965	9,115,144	4,556,563	40,429,783
<u>\$ 1,788,210</u>	<u>\$ 8,945,919</u>	<u>\$ 4,265,703</u>	<u>\$ 43,596,843</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, 2006

Amounts reported for governmental activities in the statement of activities (page 20 - 21) are different because:

Net change in fund balances --- total government funds (page 27)	\$ 3,167,060
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.	31,076
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.	413,270
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.	1,703,626
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.	(555,948)
The net revenue of certain activities of internal service funds is reported with governmental activities.	130,501
Change in net assets of governmental activities (page 21)	\$ 4,889,585

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

City of Upper Arlington, Ohio
Statement of Net Assets
Proprietary Funds
December 31, 2006

	Business-type Activities - Enterprise Funds		
	Major Funds		
ASSETS	Water Surcharge	Sewer Surcharge	Stormwater
Current assets:			
Cash, cash equivalents and investments	\$ 60,520	\$ 71,889	\$ 2,930,539
Accounts receivable (net of allowance for uncollectibles)	23,534	44,364	61,370
Total current assets	<u>84,054</u>	<u>116,253</u>	<u>2,991,909</u>
Noncurrent assets:			
Capital assets:			
Land	514		
Buildings			
Improvements	238,244		
Infrastructure	9,233,550	8,997,808	10,654,819
Machinery and equipment	76,502	481,738	247,562
Construction in progress	938,863	602,322	339,839
Less accumulated depreciation	<u>(4,137,599)</u>	<u>(5,019,149)</u>	<u>(6,904,934)</u>
Total capital assets (net of accumulated depreciation)	<u>6,350,074</u>	<u>5,062,719</u>	<u>4,337,286</u>
Total noncurrent assets	<u>6,350,074</u>	<u>5,062,719</u>	<u>4,337,286</u>
Total assets	<u>\$ 6,434,128</u>	<u>\$ 5,178,972</u>	<u>\$ 7,329,195</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 60	\$ 498	\$ 40,942
Unearned revenue			
Accrued liabilities	1,089	9,178	6,465
Accrued vacation and sick leave	821	12,321	22,177
Ohio Public Works Commission Loans - current	91,610	131,043	
General obligation bonds - current		55,400	120,000
Total current liabilities	<u>93,580</u>	<u>208,440</u>	<u>189,584</u>
Noncurrent liabilities:			
Accrued vacation and sick leave	248	13,607	25,151
General obligation bonds payable (net of unamortized discounts)		45,000	1,530,000
Ohio Public Works Commission Loans	810,322	1,105,608	
Total noncurrent liabilities	<u>810,570</u>	<u>1,164,215</u>	<u>1,555,151</u>
Total liabilities	<u>904,150</u>	<u>1,372,655</u>	<u>1,744,735</u>
NET ASSETS			
Invested in capital assets, net of related debt	5,448,142	3,725,668	2,687,286
Unrestricted	81,836	80,649	2,897,174
Total net assets	<u>\$ 5,529,978</u>	<u>\$ 3,806,317</u>	<u>\$ 5,584,460</u>

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

Business-type Activities - Enterprise Funds

Major Fund Swimming Pools	Non-major Fund Solid Waste	Total	Governmental Activities Internal Service Fund - Employee Benefits
\$ 215,686	\$ 143,424	\$ 3,422,058	\$ 441,742
	1,875	131,143	
<u>215,686</u>	<u>145,299</u>	<u>3,553,201</u>	<u>441,742</u>
1,236,059		1,236,573	
	219,218	219,218	
4,557,108		4,795,352	
		28,886,177	
28,556	1,602,849	2,437,207	
		1,881,024	
<u>(167,337)</u>	<u>(1,364,878)</u>	<u>(17,593,897)</u>	
5,654,386	457,189	21,861,654	
<u>5,654,386</u>	<u>457,189</u>	<u>21,861,654</u>	<u>-</u>
<u>\$ 5,870,072</u>	<u>\$ 602,488</u>	<u>\$ 25,414,855</u>	<u>\$ 441,742</u>
\$ 9,748	\$ 77,546	\$ 128,794	\$ 116,627
770	69,158	69,928	
629	29,729	47,090	
	46,819	82,138	
		222,653	
		175,400	
<u>11,147</u>	<u>223,252</u>	<u>726,003</u>	<u>116,627</u>
	55,497	94,503	
		1,575,000	
		1,915,930	
<u>-</u>	<u>55,497</u>	<u>3,585,433</u>	<u>-</u>
<u>11,147</u>	<u>278,749</u>	<u>4,311,436</u>	<u>116,627</u>
5,654,386	457,189	17,972,671	
204,539	(133,450)	3,130,748	325,115
<u>\$ 5,858,925</u>	<u>\$ 323,739</u>	<u>\$ 21,103,419</u>	<u>\$ 325,115</u>

City of Upper Arlington, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2006

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Water Surcharge	Sewer Surcharge	Stormwater
Operating revenues:			
Charges for sales and services:			
Charges for services	\$ 287,526	\$ 550,432	\$ 521,393
Total operating revenues	<u>287,526</u>	<u>550,432</u>	<u>521,393</u>
Operating expenses:			
Personal services	67,589	331,078	305,874
Materials and supplies	23,236	62,317	61,107
Self-insurance			
Depreciation	206,495	208,746	242,665
Total operating expenses	<u>297,320</u>	<u>602,141</u>	<u>609,646</u>
Operating income (loss)	<u>(9,794)</u>	<u>(51,709)</u>	<u>(88,253)</u>
Nonoperating revenues (expenses):			
Loss on disposal of capital asset		(717)	(205)
Investment earnings			222,481
Interest expense	(35,732)	(56,772)	(82,367)
Total nonoperating revenue (expenses)	<u>(35,732)</u>	<u>(57,489)</u>	<u>139,909</u>
Income (loss) before contributions and transfers	<u>(45,526)</u>	<u>(109,198)</u>	<u>51,656</u>
Capital contributions	785,803	563,440	84,882
Transfers in			
Change in net assets	<u>740,277</u>	<u>454,242</u>	<u>136,538</u>
Total net assets -- January 1	<u>4,789,701</u>	<u>3,352,075</u>	<u>5,447,922</u>
Total net assets -- December 31	<u>\$ 5,529,978</u>	<u>\$ 3,806,317</u>	<u>\$ 5,584,460</u>

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

Business-type Activities - Enterprise Funds			Governmental
Major Fund	Non-major Fund		Activities
Swimming	Solid	Total	Internal Service Fund -
Pools	Waste		Employee
			Benefits
\$ 632,090	\$ 1,794,062	\$ 3,785,503	\$ 2,784,797
632,090	1,794,062	3,785,503	2,784,797
369,922	1,358,667	2,433,130	
137,654	496,337	780,651	
			2,654,296
95,098	126,543	879,547	
602,674	1,981,547	4,093,328	2,654,296
29,416	(187,485)	(307,825)	130,501
	(1,478)	(2,400)	
	5,933	228,414	
		(174,871)	
-	4,455	51,143	-
29,416	(183,030)	(256,682)	130,501
		1,434,125	
11,100	149,300	160,400	
40,516	(33,730)	1,337,843	130,501
5,818,409	357,469	19,765,576	194,614
\$ 5,858,925	\$ 323,739	\$ 21,103,419	\$ 325,115

City of Upper Arlington, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2006

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Water Surcharge	Sewer Surcharge	Stormwater
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 324,992	\$ 618,068	\$ 515,973
Payments to suppliers	(25,117)	(63,634)	(38,571)
Payments to employees	(69,435)	(337,263)	(307,793)
Net cash provided (used) by operating activities	<u>230,440</u>	<u>217,171</u>	<u>169,609</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfer from other funds			
Net cash provided (used) by non-capital financing activities	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES			
Purchases of capital assets		(6,107)	(117,028)
Principal paid on capital debt	(207,153)	(243,703)	(143,640)
Interest paid on capital debt	(35,732)	(56,772)	(82,367)
Net cash provided (used) by capital and related financial activities	<u>(242,885)</u>	<u>(306,582)</u>	<u>(343,035)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received			211,471
Net increase (decrease) in cash and cash equivalents	(12,445)	(89,411)	38,045
Cash and cash equivalents, January 1	<u>72,965</u>	<u>161,300</u>	<u>2,892,494</u>
Cash and cash equivalents, December 31	<u>\$ 60,520</u>	<u>\$ 71,889</u>	<u>\$ 2,930,539</u>

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

Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Fund - Employee Benefits
<u>Major Fund</u> Swimming Pools	<u>Non-major Fund</u> Solid Waste	Total	
\$ 632,860 (143,652) (369,493) <u>119,715</u>	\$ 1,863,220 (439,850) (1,355,844) <u>67,526</u>	\$ 3,955,113 (710,824) (2,439,828) <u>804,461</u>	\$ 2,784,797 (2,644,525) <u>140,272</u>
11,100	149,300	160,400	
11,100	149,300	160,400	-
(15,361)	(131,922)	(270,418) (594,496) (174,871)	
(15,361)	(131,922)	(1,039,785)	-
	4,567	216,038	
115,454	89,471	141,114	140,272
100,232	53,953	3,280,944	301,470
<u>\$ 215,686</u>	<u>\$ 143,424</u>	<u>\$ 3,422,058</u>	<u>\$ 441,742</u>

(continued)

City of Upper Arlington, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2006

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Water Surcharge	Sewer Surcharge	Stormwater
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (9,794)	\$ (51,709)	\$ (88,253)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	206,495	208,746	242,665
(Increase) decrease in accounts receivable	37,466	67,636	(16,430)
Increase (decrease) in accounts payable	(1,881)	(1,317)	39,604
Increase (decrease) in amounts payable related to equipment purchases			(6,058)
Increase (decrease) in deferred revenue			
Increase (decrease) in accrued liabilities	(1,517)	2,160	886
Increase (decrease) in accrued vacation and sick leave	(329)	(8,345)	(2,805)
Total adjustments	<u>240,234</u>	<u>268,880</u>	<u>257,862</u>
Net cash provided (used) by operating activities	<u>\$ 230,440</u>	<u>\$ 217,171</u>	<u>\$ 169,609</u>
Non cash investing, capital, and financing activities:			
Contributions of capital assets from government	<u>\$ 785,803</u>	<u>\$ 563,440</u>	<u>\$ 84,882</u>
Increase in fair value of investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,262</u>

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

Business-type Activities - Enterprise Funds			Governmental
Major Fund	Non-major Fund		Activities
Swimming Pool	Solid Waste	Total	Internal Service Fund - Employee Benefits
\$ 29,416	\$ (187,485)	\$ (307,825)	\$ 130,501
95,098	126,543	879,547	
(5,998)	56,487	86,895	9,771
		(6,058)	
770	69,158	69,928	
429	1,638	3,596	
	1,185	(10,294)	
90,299	255,011	1,112,286	9,771
<u>\$ 119,715</u>	<u>\$ 67,526</u>	<u>\$ 804,461</u>	<u>\$ 140,272</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,434,125</u>	
<u>\$ -</u>	<u>\$ 209</u>	<u>\$ 4,471</u>	

City of Upper Arlington, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2006

	Agency Funds
ASSETS:	
Cash and investments	\$ 1,828,491
Total assets	<u>\$ 1,828,491</u>
LIABILITIES:	
Due to others	\$ 1,828,491
Total liabilities	<u>\$ 1,828,491</u>

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

City of Upper Arlington, Ohio
Notes to the Financial Statements
December 31, 2006

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 organized 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, and 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. The CIC provides its services exclusively to the benefit of the City. 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 are comprised of 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, 2006

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 funds, enterprise funds, and fiduciary funds.

Notes to the financial statements provide 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 June 2005, the GASB issued Statement No. 47, *Accounting for Termination Benefits*. As of December 31, 2006, the City has implemented GASB Statement No. 47, and there was no impact to the financial position and results of operations.

In September 2006, the GASB issued Statement No. 48, *Sales and Pledges of Receivables and future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. This statement is to establish accounting standards on whether a transaction should be regarded as a sale or as collateralized borrowing resulting in a liability. The provisions of this statement are effective for fiscal periods beginning after December 15, 2006. As of December 31, 2006, the City has implemented GASB Statement No. 48, and there was no impact to the financial position and results of operations.

In November 2006, the GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This statement is to establish accounting and financial reporting standards for pollution remediation obligations. The provisions of this statement are effective for fiscal periods beginning after December 15, 2007. The City has not determined the effect, if any, GASB Statement No. 49 will have on its financial statements.

(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 disclose 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) 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.

City of Upper Arlington, Ohio
Notes to the Financial Statements, continued
December 31, 2006

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, where the City receives value without directly giving equal value in return, include 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. Revenues 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 satisfied.

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 functions 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 and intergovernmental revenues. Intergovernmental revenues primarily include Homestead and Rollback taxes related to the collection of property taxes in Ohio.

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, 2006

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, Street Construction Maintenance and Repair Fund, is recorded as a major fund based on the City's taxpayers' interest in the activity of this fund. The resources of this fund are restricted as to use by 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, streetlights, and traffic signals. The revenue is obtained from gasoline taxes and motor vehicle licenses.

The Bonded Improvement and Estate Tax Capital Projects Funds 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 Projects Fund. The resources of the Estate Tax Capital Projects 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 to the City's capital needs.

The City reports the following major proprietary funds:

The Water Surcharge, Sewer Surcharge, Stormwater, and Swimming Pools Funds are the major proprietary funds of the City. The Water Surcharge, Sewer Surcharge and Stormwater Funds 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 City 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, Tax Incentive Review, Mayor's Court Computer, Life Long Learning and Leisure, Civil Service, Clerk of Court, Economic Development Venture, 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 three nonmajor capital project funds: the Infrastructure Improvement Fund, the Chelsea TIF Fund, and the Horizon TIF 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: the General Obligation Bond Retirement Fund (Debt Service 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. The City operates one internal service fund, the Employee Benefits Fund, which recovers the costs of and pays claims for the health and dental plans of the employees of the City.

City of Upper Arlington, Ohio
Notes to the Financial Statements, continued
December 31, 2006

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.

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. The City's agency funds are as follows: Returnable Bonds Fund, Unclaimed Funds, Construction Withholding Fund, Mayor's Court Fund, Flexible Benefits Fund, Payroll Clearing Fund, and the Revolving Fund.

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

Investments for the City, as well as for its component unit, 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 STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31st. The STAR Ohio 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.

City of Upper Arlington, Ohio
Notes to the Financial Statements, continued
December 31, 2006

The property tax receivable is the amount levied for collection in 2006 and remained uncollected at December 31, 2006, and the amount assessed in 2006 for collection in 2007. The property taxes levied for collection in 2006 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, 2006. 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.

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, 2006 and June 20, 2006 for those taxes due during 2006. Pursuant to State law, the assessed value is determined by using 35% of the property's appraised market value. The appraisals occur every six years with an update three years following the appraisal. The last revaluation was completed in November 2005. 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 tax revenues received in 2006 (other than public utility property) represent the collection of 2006 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of January 1, 2005. In prior years, tangible personal property assessments were twenty-five percent of true value for capital assets and twenty-three percent of true value for inventories. Tangible personal property is being phased out; the assessment percentage for property, including inventory, is 18.75% for 2006. This percentage will be reduced to 12.5% for 2007, 6.25% for 2008, and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

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

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 utilizes 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 taxes 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.

City of Upper Arlington, Ohio
Notes to the Financial Statements, continued
December 31, 2006

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. 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 asset 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

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 expenditure when due in the governmental fund financial statements. When paid, compensated absences for governmental activities are paid from the fund to which the employee's payroll is charged. The funds which record expenditures or expenses for employee payroll are: the General Fund, the Life Long Learning and Leisure Fund, the Street Construction Maintenance and Repair Fund, the Water Surcharge Fund, the Sewer Surcharge Fund, the Stormwater Fund, and the Solid Waste Fund.

City of Upper Arlington, Ohio
Notes to the Financial Statements, continued
December 31, 2006

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. In addition, though unreserved, the City has committed through the budgeting process to a seven-year infrastructure improvement plan of \$41.0 million. Accordingly, the City has set aside \$11,752,092 within capital project funds, and \$916,174 within its debt service fund. Within the General Fund balance, the City has designated \$467,473 for payment of pension obligations and \$5,511,414 for capital acquisitions and related debt. In addition, another \$2,235,745 has been segregated within the special revenue funds such as the Street Construction Maintenance and Repair Fund.

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, 2006, \$4,344,760 of the City's \$6,253,964 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*.

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, 2006 fair value was \$45,557 above the City's net cost for its investments. At December 31, 2005 fair value was \$320,322 below the City's net cost for its investments. 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.

City of Upper Arlington, Ohio
Notes to the Financial Statements, continued
December 31, 2006

The City Code, Chapter 221, Depositories and Investments, provides the City with its authorized investment instruments, which do not include derivatives. The City does invest in STAR Ohio, an investment pool managed by the State Treasurer's office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the 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 STAR Ohio are valued at STAR Ohio's share price, which represents the price the investment could be sold for on December 31, 2006.

Management of STAR Ohio 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 STAR Ohio portfolio at December 31, 2006 was 37 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 its 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, 2006 were 466 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 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), 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.
- (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.

City of Upper Arlington, Ohio
Notes to the Financial Statements, continued
December 31, 2006

- (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, A+, A, or A- by Standard & Poor's or A1, A2, or A3 by Moody's Investor Service.
- (10) The State Treasurer's investment pool (STAR Ohio).

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, 2006, the carrying value of the City's cash deposits was \$839,560, of which \$300,000 was non-negotiable certificates of deposit. Cash balances per the banks were \$1,209,992. \$201,786 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, 2006, \$1,008,206 of the City's bank balance of \$1,209,992 was exposed to custodial risk as follows:

Uninsured and collateral held by the pledging financial institutions agents not in the City's name	\$ 1,008,206
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The carrying amount of deposits for CIC, a blended component unit, was \$1,785 with a cash balance per the bank of \$1,785. The CIC deposit was insured by Federal depository insurance.

Additionally, the City had cash on hand with a third party fiscal agent in the amount of \$11,428.

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>				
		12 months or less	13 to 24 months	25 to 36 months	37 to 48 months	49 to 60 months
Federal Agency--FHLB	\$12,317,133	\$6,480,156	\$2,390,727	\$3,446,250	-	-
Federal Agency--FHLMC	16,819,436	7,947,650	3,981,820	4,889,966	-	-
Federal Agency--FNMA	14,098,953	4,710,828	7,889,531	1,498,594	-	-
Total investments	<u>\$43,235,522</u>	<u>\$19,138,634</u>	<u>\$14,262,078</u>	<u>\$9,834,810</u>	<u>-</u>	<u>-</u>

City of Upper Arlington, Ohio
Notes to the Financial Statements, continued
December 31, 2006

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 City's investments in the FHLB, and FHLMC Coupon Notes were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The City's investment in FNMA Coupon Notes were rated AAA by both Standard and Poor's and Fitch. Standard and Poor's has assigned STAROhio an AAAM money market rating. Additionally, the Money Market funds held by Trustees have an AAAM money market rating.

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, 2006:

Investments (summarized previous page)	\$43,235,522
Certificates of deposit	300,000
Carrying amount of the City's deposits	550,988
StarOhio	765,005
Money Market Funds held by Trustee	1,166,769
Total	<u>\$46,018,284</u>
 Governmental Activities	
Governmental Funds	
Cash and investments with treasurer	\$40,325,993
Internal Service Fund (governmental portion)	
Cash and investments with treasurer	<u>441,742</u>
	<u>\$40,767,735</u>
 Business-Type Activities	
Enterprise Funds	
Cash and cash equivalents	<u>3,422,058</u>
Total Cash and Investments - Business-Type Activities	<u>3,422,058</u>
 Agency Funds	 1,828,491
Total	<u>\$46,018,284</u>

City of Upper Arlington, Ohio
Notes to the Financial Statements, continued
December 31, 2006

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 Governmental Funds	Governmental Total
	General	Street Maint.	Bonded Impr.	Estate Tax		
Receivables:						
Interest	\$232,462	\$10,865	\$3,917	\$117,527	\$8,542	\$373,313
Taxes	15,527,950				678,183	\$16,206,133
Intergovernmental	1,671,410	762,216		156,398	30,911	\$2,620,935
Other	354,624				150,000	\$504,624
Total receivables	<u>\$17,786,446</u>	<u>\$773,081</u>	<u>\$3,917</u>	<u>\$273,925</u>	<u>\$867,636</u>	<u>\$19,705,005</u>

	BUSINESS-TYPE MAJOR FUNDS			Nonmajor Business- type Solid Waste	Total Business- type
	Water Surcharge	Sewer Surcharge	Stormwater		
Receivables:					
Interest Customer Accounts	\$23,534	\$44,364	23,052	\$1,875	90,950
Total receivables	<u>\$23,534</u>	<u>\$44,364</u>	<u>\$61,370</u>	<u>\$1,875</u>	<u>\$131,143</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 unearned revenue reported in the governmental funds were as follows:

	GOVERNMENTAL				Total
	General	Street Maint.	Estate Tax	Nonmajor Governmental Funds	
Unearned Revenue:					
Taxes receivable	\$13,156,267			\$664,884	\$13,821,151
Intergovernmental	689,976	566,936	156,398		1,413,310
Emergency Medic Runs	257,209				257,209
Total unearned revenue	<u>\$14,103,452</u>	<u>\$566,936</u>	<u>\$156,398</u>	<u>\$664,884</u>	<u>\$15,491,670</u>

City of Upper Arlington, Ohio
Notes to the Financial Statements, continued
December 31, 2006

Note (4) – Capital Assets

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$5,345,532		(\$659,469)		\$4,686,063
Construction in progress	6,146,333	\$2,040,828		(\$6,657,290)	1,529,871
Total capital assets, not being depreciated	<u>11,491,865</u>	<u>2,040,828</u>	<u>(659,469)</u>	<u>(6,657,290)</u>	<u>6,215,934</u>
Capital assets, being depreciated:					
Buildings	9,518,648				9,518,648
Improvements other than buildings	2,773,008	350,895		1,020,241	4,144,144
Machinery and equipment	12,371,705	768,009	(792,608)	(31,886)	12,315,220
Infrastructure	35,561,265	159,567		5,668,935	41,389,767
Total capital assets being depreciated	<u>60,224,626</u>	<u>1,278,471</u>	<u>(792,608)</u>	<u>6,657,290</u>	<u>67,367,779</u>
Less accumulated depreciation for:					
Buildings	8,145,154	83,039			8,228,193
Improvements other than buildings	1,253,321	74,107			1,327,428
Machinery and equipment	8,899,234	969,376	(752,280)		9,116,330
Infrastructure	8,686,713	1,461,904			10,148,617
Total accumulated depreciation	<u>26,984,422</u>	<u>2,588,426</u>	<u>(752,280)</u>		<u>28,820,568</u>
Total capital assets being depreciated, net	<u>33,240,204</u>	<u>(1,309,955)</u>	<u>(40,328)</u>	<u>6,657,290</u>	<u>38,547,211</u>
Governmental capital assets, net	<u>\$44,732,069</u>	<u>\$730,873</u>	<u>(\$699,797)</u>	<u>\$ -</u>	<u>\$44,763,145</u>
Business-type activities:					
Capital assets, not being depreciated					
Land	\$1,236,573				\$1,236,573
Construction in progress	312,803	1,568,221			1,881,024
Total capital assets, not being depreciated	<u>1,549,376</u>	<u>1,568,221</u>			<u>3,117,597</u>
Capital assets, being depreciated:					
Buildings	219,218				219,218
Improvements other than buildings	4,779,991	15,361			4,795,352
Machinery and equipment	2,437,026	131,922	(131,741)		2,437,207
Infrastructure	28,880,070	6,107			28,886,177
Total capital asset being depreciated	<u>36,316,305</u>	<u>153,390</u>	<u>(131,741)</u>		<u>36,337,954</u>
Less accumulated depreciation for:					
Buildings	133,968	4,871			138,839
Improvements other than buildings	310,186	91,528			401,714
Machinery and equipment	1,766,112	190,523	(129,341)		1,827,294
Infrastructure	14,633,425	592,625			15,226,050
Total accumulated depreciation	<u>16,843,691</u>	<u>879,547</u>	<u>(129,341)</u>		<u>17,593,897</u>
Total capital assets being depreciated, net	<u>19,472,614</u>	<u>(726,157)</u>	<u>(2,400)</u>		<u>18,744,057</u>
Business-type capital assets, net	<u>\$21,021,990</u>	<u>\$842,064</u>	<u>(\$2,400)</u>	<u>\$ -</u>	<u>\$21,861,654</u>

City of Upper Arlington, Ohio
Notes to the Financial Statements, continued
December 31, 2006

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

Governmental activities:	
Public safety	\$ 408,905
General government	305,553
Public services	1,661,565
Parks and recreation	203,436
Community development	8,967
Total depreciation expense - governmental activities	<u>\$ 2,588,426</u>
 Business-type activities:	
Water Surcharge	\$ 206,495
Sewer Surcharge	208,746
Stormwater	242,665
Solid Waste	126,543
Swimming pools	95,098
Total depreciation expense - business-type activities	<u>\$ 879,547</u>

Construction commitments

The City has active construction projects as of December 31, 2006. The projects include rebuilding streets, sewers, 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>
2006 Street Maintenance Program	\$1,049,803	\$298,102
Tremont Road Sanitary Sewer	604,423	133,104
Beaumont Road Waterline	772,919	61,109
Other waterline projects	197,593	224,372
Stormwater disposal study	172,507	4,733
Northwest stormwater project	117,028	10,265
Reed Road Park improvements	117,792	45,753
Other projects	378,830	2,235,993
Total	<u>\$3,410,895</u>	<u>\$3,013,431</u>

City of Upper Arlington, Ohio
Notes to the Financial Statements, continued
December 31, 2006

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.

There were no interfund balances at December 31, 2006.

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.

-----Transfers In-----					
	Total Transfers Out	General Fund	Bonded Improvement	Other Governmental Funds	Business Type Activities – Enterprise Funds
General Fund					
Debt Service	\$ 1,666,435			\$ 1,666,435	
Infrastructure Improvement	750,000			750,000	
Economic Development Venture	168,769			168,769	
Civil Service	20,000			20,000	
Life Long Learning & Leisure	2,130			2,130	
CIC	10,000			10,000	
Solid Waste	149,300				\$ 149,300
Swimming Pools	11,100				11,100
Total General Fund	2,777,734			2,617,334	160,400
Other Governmental Funds					
CIC	639,820	\$639,820			
Debt Service	54,222		\$ 54,222		
Total Governmental Activities	\$ 3,471,776	\$639,820	\$ 54,222	\$ 2,617,334	
Total Business Type Activities					\$ 160,400

City of Upper Arlington, Ohio
Notes to the Financial Statements, continued
December 31, 2006

Note (6) – Long-term Liabilities

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Bonds and notes payable outstanding at December 31, 2006	\$ 23,071,588	\$ 1,750,400
Accumulated accretion on bonds	156,979	
Bonds and notes payable per the statement of net assets	<u>\$ 23,228,567</u>	<u>\$ 1,750,400</u>

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. In January 2006, the City issued Capital Improvement Notes of \$3,972,000. The notes were issued with an interest rate of 4.0% and a premium of \$25,218. It is the intent of the City to bond these notes in 2007. In January of 2007 these notes were refinanced with the new maturity being due in January 2008. General obligation bonds and notes currently outstanding, net of accumulated accretion of \$156,979 are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.00% - 6.375%	\$ 23,228,567
Business-type activities	2.98% - 4.76%	1,750,400
		<u>\$ 24,978,967</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>
2007	\$ 5,066,600	\$ 806,043	\$ 175,400	\$ 81,141
2008	889,988	1,116,730	170,000	73,199
2009	1,100,000	740,580	130,000	65,799
2010	1,145,000	699,953	135,000	60,144
2011	1,185,000	655,668	140,000	54,136
2012 – 2016	6,720,000	2,495,473	815,000	166,604
2017 – 2021	5,585,000	984,411	185,000	9,018
2022 – 2023	1,380,000	92,444		
	<u>\$ 23,071,588</u>	<u>\$ 7,591,302</u>	<u>\$ 1,750,400</u>	<u>\$ 510,041</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%. The breakdown for general obligation debt was as follows: \$4,820,929 was for infrastructure improvements while \$2,000,000 was for renovating and improving the Municipal Services Building and other site improvements.

City of Upper Arlington, Ohio
Notes to the Financial Statements, continued
December 31, 2006

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, 2006, 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; initially \$5.1 million was issued in 1998 and the remaining \$5 million was issued in 2001.

User fees are repaying the bonds for Turkey Run and Sewer Improvement 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.

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. 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%	\$ 901,932
Sewer Surcharge	3.50%	1,236,651
Total		<u>\$ 2,138,583</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>
2007	\$ 222,653	\$ 70,039
2008	230,237	62,455
2009	238,080	54,611
2010	246,192	46,499
2011	254,582	38,110
2012 – 2016	946,839	65,402
	<u>\$ 2,138,583</u>	<u>\$ 337,116</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 and bears interest at a rate of 2.4%, and is being repaid over five years in equal installments of \$107,394.

City of Upper Arlington, Ohio
Notes to the Financial Statements, continued
December 31, 2006

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

Year Ending <u>December 31:</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2007	\$ 99,951	\$ 7,443
2008	102,372	5,022
2009	104,846	2,548
Total	<u>\$ 307,169</u>	<u>\$ 15,013</u>

Changes in long-term liabilities:

Long-term liability activity for the year ended December 31, 2006, was as follows:

	<u>Beginning Balance</u>	<u>Additions/ Accretion</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Debt payable:					
General obligation bonds	\$ 20,940,043	\$ 67,347	\$ 1,750,823	\$ 19,256,567	\$ 1,094,600
Notes payable	3,972,000	3,972,000	3,972,000	3,972,000	3,972,000
Installment loan	404,755		97,586	307,169	99,951
Total debt payable	<u>25,316,798</u>	<u>4,039,347</u>	<u>5,820,409</u>	<u>23,535,736</u>	<u>5,166,551</u>
Accrued vacation & sick leave	<u>2,273,375</u>	<u>2,051,439</u>	<u>1,970,228</u>	<u>2,354,586</u>	<u>\$1,083,110</u>
Governmental activity Long-term liabilities	<u>\$ 27,590,173</u>	<u>\$ 6,090,786</u>	<u>\$ 7,790,637</u>	<u>\$ 25,890,322</u>	<u>\$ 6,249,661</u>
Business-type activities:					
Debt payable:					
General obligation bonds	\$ 2,129,577		\$ 379,177	\$ 1,750,400	\$ 175,400
Ohio Public Works Comm.	2,353,902		215,319	2,138,583	222,653
Total debt payable	<u>4,483,479</u>	<u>0</u>	<u>594,496</u>	<u>3,888,983</u>	<u>398,053</u>
Accrued vacation & sick leave	186,935	143,089	153,383	176,641	82,138
Business-type activity Long-term liabilities	<u>\$ 4,670,414</u>	<u>\$ 143,089</u>	<u>\$ 747,879</u>	<u>\$ 4,065,624</u>	<u>\$ 480,191</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. These funds include the General Fund, the Street Construction Maintenance and Repair Fund, the Life Long Learning and Leisure Fund, the Water Surcharge Fund, the Sewer Surcharge Fund, the Stormwater Fund, and the Solid Waste Fund.

City of Upper Arlington, Ohio
Notes to the Financial Statements, continued
December 31, 2006

Operating Leases:

The City leases copiers and other equipment under non-cancelable operating leases. Total costs for such leases were \$44,703 for the year ended December 31, 2006. The future minimum lease payments for these leases are as follows:

<u>Year ending</u>	<u>Amount</u>
December 31, 2007	\$ 36,103
December 31, 2008	<u>13,295</u>
Total	<u>\$ 49,398</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. The balance outstanding as of December 31, 2006 is \$1.2 million. These bonds are not listed as part of the City's debt since the City has no obligation for the repayment of the debt.

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 \$ 464,223 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 representatives 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 provides the City with more control over claims than what is normally available with traditional insurance coverage.

Coverage includes property and liability 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 employees' 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 2004, 2005, and 2006. There were no reductions on insurance coverage from the prior year.

City of Upper Arlington, Ohio
Notes to the Financial Statements, continued
December 31, 2006

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

	<u>2004</u>	
	<u>General Liability</u>	<u>Health Claims</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>
	 <u>2005</u> 	
Unpaid claims - January 1, 2005	\$ 5,481	\$ 267,212
Incurred claims	59,367	2,306,337
Payment of claims	<u>(54,740)</u>	<u>(2,466,693)</u>
Unpaid claims - December 31, 2005	<u>\$ 10,108</u>	<u>\$ 106,856</u>
	 <u>2006</u> 	
Unpaid claims - January 1, 2006	\$ 10,108	\$ 106,856
Incurred claims	141,085	2,654,296
Payment of claims	<u>(89,244)</u>	<u>(2,644,525)</u>
Unpaid claims - December 31, 2006	<u>\$ 61,949</u>	<u>\$ 116,627</u>

A claims liability of \$116,627 in the internal service fund accounts payable balance represents an estimate for incurred but unpaid claims liabilities and incurred but not reported claims liabilities.

Throughout 2006, the City belonged to the Ohio Rural Water Association's Workers Compensation Group Rating Program 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 residents of the City.

The construction of the recreational facilities was essentially complete as of July 2006 at a total cost of \$628,316. In accordance with the agreement, the District will reimburse the City for one half the cost of the project, up to a maximum reimbursement of \$300,000. As of December 31, 2006, the City has recorded a receivable for \$150,000 representing the remaining balance due the City for construction costs. Information about the Joint Operating Agreement may be obtained from the Upper Arlington City Clerk's office.

City of Upper Arlington, Ohio
Notes to the Financial Statements, continued
December 31, 2006

Note (9) – Subsequent Event

In January 2006, the City issued Capital Improvement Bond Anticipation Notes of \$3,972,000. The notes were issued with an interest rate of 4.0% and a premium of \$25,218. The City refinanced these notes in January 2007. 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, 2006.

Note (11) – Other Postemployment Benefits

The City provides post-retirement 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 access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending full-time or on a two-thirds basis. The health care coverage provided by the OP&F Retirement System is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement 12, *Disclosure of Information on Post-employment Benefits Other Than Pension Benefits by 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 percent of covered payroll and the total firefighter employer contribution rate is 24 percent 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. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.75 percent of covered payroll in 2005 and in 2006. 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.

OPEBs are advance-funded on an actuarially determined basis. The number of participants eligible to receive health care benefits as of December 31, 2005, the date of the last actuarial valuation available was 13,922 for police and 10,537 for firefighters.

The rates stated above are the actuarially determined contribution requirements for OP&F. Actual employer contributions for 2006 which were used to fund post-employment benefits were approximately \$279,623 for police and \$325,725 for firefighters. OP&F's total health care expense for the year ending December 31, 2005, the date of the last actuarial valuation available, was \$108,039,449, which was net of member contributions of \$55,271,881.

Ohio Public Employee Retirement System (OPERS)

OPERS administers three separate pension plans: Traditional – a cost-sharing, multiple-employer defined benefit plan; Member-Directed – a defined contribution plan; and Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

City of Upper Arlington, Ohio
Notes to the Financial Statements, continued
December 31, 2006

OPERS provides retirement, disability, and survivor benefits as well as postretirement health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for postretirement health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health coverage provided by OPERS meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement 12.

A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. In 2006, state employers contributed at a rate of 13.54% of covered payroll, local government employer units, contributed at 13.70% of covered payroll, and public safety and law enforcement employer units contributed at 16.93%. The portion of employer contributions, for all employers, allocated to health care was 4.50%.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS.

Summary of Assumptions:

Actuarial Review – the assumptions and calculations are based on OPERS' latest actuarial review performed as of December 31, 2005.

Funding Method – an entry-age normal actuarial cost method of valuation is 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.

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

Investment Return – the investment assumption rate for 2005 was 6.5 percent.

Active Employee Total Payroll – an annual increase of 4.0 percent, 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 the 4.0 percent base increase, were assumed to range from 0.50 percent to 6.3 percent.

Health Care – health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.50 percent to 6.0 percent for the next nine years. In subsequent years (10 and beyond), health care costs were assumed to increase at 4.0 percent (the projected wage inflation rate).

OPEBs are advance-funded on an actuarially determined basis. The following disclosures are required:

1. The Traditional Pension and Combined Plans had 369,214 active contributing participants as of December 31, 2006. The number of active contributing participants for both plans used in the December 31, 2005 actuarial valuation was 358,804.
2. The rates stated above are the actuarially determined contributions requirements for OPERS. Actual employer contributions for 2006, which were used to fund post-employment benefits were \$387,364.

City of Upper Arlington, Ohio
Notes to the Financial Statements, continued
December 31, 2006

3. The amount of \$11.1 billion represents the actuarial value of OPERS' net assets available for OPEB at December 31, 2005.
4. The Actuarial Valuation as of December 31, 2005, reported the actuarially accrued liability and the unfunded actuarially accrued liability for OPEB, based on the actuarial cost method used, at \$31.3 billion and \$20.2 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004 will be effective January 1, 2007. In addition to the HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

	Current Rate	2007	2008
Employer	13.7%	13.85%	14.00%
Employee	9.0%	9.5%	10.00%

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 Pension Fund

Plan description – The City contributes to the 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 Ohio Police and Fire Pension Fund, 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, 2006, 2005 and 2004 were \$1,712,878, \$1,683,018, and \$1,699,967, respectively. The employees' contributions to OP&F for the years ended December 31, 2006, 2005, and 2004 were \$798,453, \$767,996, and \$775,115, respectively.

Annual Pension Percentage of APC			
<u>Fiscal Year Ending</u>	<u>Employer Cost (APC)</u>	<u>Employee Cost (APC)</u>	<u>Contributed</u>
12/31/2004	\$ 1,699,967	\$ 775,115	100%
12/31/2005	\$ 1,683,018	\$ 767,996	100%
12/31/2006	\$ 1,712,878	\$ 798,453	100%

City of Upper Arlington, Ohio
Notes to the Financial Statements, continued
December 31, 2006

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits, including post-employment health care coverage. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling 1-800-222-7377.

Funding policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For 2006, member and employer contributions were different for the three plans. For the year ended December 31, 2006, members were required to contribute 9.0 percent of their annual covered salary to fund pension obligations. The City's contribution rate for pension benefits for 2006 was 13.70 percent. During 2006, 4.5 percent of the City's contribution was used to fund post-employment health care benefits, available to retirees with at least ten-years of service credit compared to 4.5 percent in 2005 and 4.0 percent in 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, 2006, 2005, and 2004 were \$1,165,706, \$1,145,772, and \$1,149,993, respectively.

The City's employee contributions to OPERS for the years ended December 31, 2006, 2005, and 2004 were \$773,255, \$718,182, and \$720,829, respectively.

Annual Pension Percentage of APC

<u>Fiscal Year Ending</u>	<u>Employer Cost (APC)</u>	<u>Employee Cost (APC)</u>	<u>Contributed</u>
12/31/2004	\$ 1,149,993	\$ 720,829	100%
12/31/2005	\$ 1,145,772	\$ 718,182	100%
12/31/2006	\$ 1,165,706	\$ 773,255	100%

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

City of Upper Arlington, Ohio
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2006

	General Fund			
	Original Budget	Final Budget	Actual	Variance positive (negative)
REVENUES:				
Income tax	\$ 13,427,500	\$ 12,908,184	\$ 12,947,784	\$ 39,600
Property taxes	7,199,091	7,998,091	8,128,634	130,543
Intergovernmental	3,520,000	3,575,950	3,520,602	(55,348)
Estate Tax	2,100,000	2,100,000	3,231,655	1,131,655
Charges for services	700,000	700,000	627,849	(72,151)
Investment earnings	638,600	738,600	985,893	247,293
Fines and forfeits	350,000	350,000	367,618	17,618
Licenses and permits	700,000	700,000	732,734	32,734
Miscellaneous	984,670	984,670	684,871	(299,799)
Reimbursements	331,000	331,000	500,944	169,944
Total revenues	<u>29,950,861</u>	<u>30,386,495</u>	<u>31,728,584</u>	<u>1,342,089</u>
EXPENDITURES:				
Current:				
Police				
Personal services	6,363,343	6,359,843	6,042,046	317,797
Other than personal services	250,300	305,350	270,228	35,122
Capital outlay	130,300	151,511	130,676	20,835
Fire				
Personal services	7,073,447	7,052,447	6,860,409	192,038
Other than personal services	326,450	359,400	299,084	60,316
Board of Health				
Other than personal services	169,950	169,950	167,727	2,223
Parks and recreation				
Personal services	2,151,741	2,151,741	1,904,550	247,191
Other than personal services	863,710	875,176	686,363	188,813
Capital outlay	47,500	32,242	20,975	11,267
Development				
Personal services	828,576	828,576	755,308	73,268
Other than personal services	121,450	121,450	98,867	22,583
Public Service Administration				
Personal services	884,939	884,939	856,215	28,724
Other than personal services	35,300	35,300	28,528	6,772
Capital outlay	20,000	24,300	14,088	10,212
Streets Administration				
Personal services	326,775	326,775	271,930	54,845
Other than personal services	7,625	7,625	3,783	3,842
Capital outlay	202,600	220,908	210,315	10,593
Fleet Maintenance				
Personal services	756,828	756,828	698,079	58,749
Other than personal services	248,800	248,800	227,236	21,564
Capital outlay	40,000	40,000	20,906	19,094
City Manager:				
Personal services	929,618	929,618	876,041	53,577
Other than personal services	200,635	200,635	196,637	3,998
City Attorney				
Personal services	540,178	540,178	533,982	6,196
Other than personal services	121,700	136,700	133,084	3,616
City Clerk:				
Personal services	256,951	264,451	264,220	231
Other than personal services	14,100	11,600	9,495	2,105

(continued)

City of Upper Arlington, Ohio
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2006
 (continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
City Council:				
Personal services	58,286	67,836	67,570	266
Other than personal services	11,000	11,000	9,601	1,399
Clerk of Court				
Personal services	144,950	144,950	142,350	2,600
Other than personal services	158,400	158,400	141,670	16,730
Finance				
Personal services	776,550	776,550	745,643	30,907
Other than personal services	217,894	217,894	216,579	1,315
Capital outlay	15,000	15,000	13,077	1,923
Facilities Maintenance				
Personal services	191,257	201,257	192,409	8,848
Other than personal services	960,020	810,588	687,363	123,225
Capital outlay	-	31,870	31,772	98
Information Technology				
Personal services	350,690	353,349	353,349	-
Other than personal services	409,162	428,896	415,494	13,402
Capital outlay	385,555	312,624	298,846	13,778
General Administration				
Personal services	150,000	93,923	16,962	76,961
Other than personal services	1,301,900	1,397,250	1,397,249	1
 Total expenditures	<u>28,043,480</u>	<u>28,057,730</u>	<u>26,310,706</u>	<u>1,747,024</u>
 Excess (deficiency) of revenues over expenditures	1,907,381	2,328,765	5,417,878	3,089,113
<u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from sale of Capital outlay assets	-	-	707,252	707,252
Operating transfers-in	-	-	-	-
Operating transfers-out	(3,566,919)	(3,366,919)	(2,767,734)	599,185
 Total other financing sources (uses)	<u>(3,566,919)</u>	<u>(3,366,919)</u>	<u>(2,060,482)</u>	<u>1,306,437</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(1,659,538)	(1,038,154)	3,357,396	4,395,550
 Fund balances at beginning of year	19,526,059	19,526,059	19,526,059	
Lapsed encumbrances	70,860	70,860	70,860	
Fund balances at end of year	<u>\$ 17,937,381</u>	<u>\$ 18,558,765</u>	<u>\$ 22,954,315</u>	<u>\$ 4,395,550</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:

Excess of revenues and other financing sources over expenditures and other uses per the Budgetary Comparison Schedule	\$ 3,357,396
(Increases) decreases from revenues:	1,193,047
(Increases) decreases from expenditures:	400,870
(Increases) decreases from other financing sources	(10,000)
 Net change in fund balance per the Statement of Revenues, Expenditures, and and Changes in Fund Balance	 <u><u>\$ 4,941,313</u></u>

City of Upper Arlington, Ohio
Budgetary Comparison Schedule
Street Construction and Maintenance Repair Fund
For the Year Ended December 31, 2006

	Street Construction Maintenance and Repair Fund			
	Original Budget	Final Budget	Actual	Variance positive (negative)
REVENUES:				
Intergovernmental	\$ 1,300,000	\$ 1,325,000	\$ 1,739,333	\$ 414,333
Charges for services			4,367	4,367
Investment earnings	12,000	20,000	32,604	12,604
Miscellaneous	12,000	12,000	3,000	(9,000)
Reimbursements			3,630	3,630
Total revenues	1,324,000	1,357,000	1,782,934	425,934
EXPENDITURES:				
Current:				
Personal services	1,235,724	1,235,724	1,130,988	104,736
Other than personal services	435,550	445,100	320,346	124,754
Total expenditures	1,671,274	1,680,824	1,451,334	229,490
Excess (deficiency) of revenues over expenditures	(347,274)	(323,824)	331,600	655,424
OTHER FINANCING SOURCES (USES):				
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(347,274)	(323,824)	331,600	655,424
Fund balances at beginning of year	506,612	506,612	506,612	
Lapsed encumbrances	1,500	1,500	1,500	
Fund balances at end of year	\$ 160,838	\$ 184,288	\$ 839,712	\$ 655,424

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:

Excess of revenues and other financing sources over expenditures and other uses per the Budgetary Comparison Schedule	\$ 331,600
(Increases) decreases from revenues:	(54,587)
(Increases) decreases from expenditures:	31,574
Net change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ 308,587

City of Upper Arlington, Ohio
Notes to the Required Supplementary Information
December 31, 2006

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 Biennial Budget Supplement adopted for 2005-2006.

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 character 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 character level. During 2006 various transfers of appropriations, supplemental appropriations, and reductions in appropriation were made in the following amounts:

General Fund	(\$185,750)
Special Revenue Funds	\$9,000
Capital Project Funds	\$10,001
Enterprise Funds	(\$158,000)

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 (\$185,750) and is summarized as follows:

- ❑ (\$200,000) reduction in fund transfers to other funds for subsidies not required.
- ❑ \$62,950 in appropriation of grants and donations received by the City.
- ❑ \$15,000 for additional salary in connection with the settling of the Teamsters negotiated contract for street, solid waste, and utility division employees.
- ❑ \$14,550 for personnel costs in the City Clerk and City Council divisions not originally budgeted.
- ❑ \$(50,000) reduction of appropriation not required for natural gas costs.
- ❑ \$(50,000) reduction of appropriation for payouts for terminations and retirements not required.

City of Upper Arlington, Ohio
Notes to the Required Supplementary Information, continued
December 31, 2006

- \$21,750 for additional equipment purchases including a security camera at the Public Service Center, a traffic signal battery back-up system, and an Interactive Driving Simulator System for the police division.

Special Revenue Funds: Street Construction Maintenance and Repair Fund

The difference between the original budget and the final amended budget was \$9,550 and is summarized as follows:

- \$6,550 for traffic signals, Light Emitting Diodes (LEDs), and LED pedestrian signals.
- \$3,000 for installation of Fontaine street light, the cost of which was reimbursed by residents.

D. OTHER SUPPLEMENTARY INFORMATION

CITY OF UPPER ARLINGTON

MAJOR GOVERNMENTAL FUNDS

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 Equipment Account - The City's Charter provides that one-half mill of the property tax be used for the City's capital outlay 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.

Emergency Medical Services (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 Funds

Street Construction Maintenance and Repair Fund

The Ohio Revised Code Sections 4501.04 and 5735.27 requires this separate fund 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. The budgetary Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget to Actual, is included in the Required Supplementary Information – Other Than MD&A, section of this report.

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.

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
General Operating Account
For the Fiscal Year Ended December 31, 2006

	General Operating Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Income tax	\$ 11,637,614	\$ 11,187,614	\$ 11,222,130	\$ 34,516
Property taxes	4,649,552	5,449,552	5,395,787	(53,765)
Intergovernmental	3,190,000	3,243,950	3,186,052	(57,898)
Estate Tax	2,100,000	2,100,000	3,231,655	1,131,655
Charges for services	700,000	700,000	627,849	(72,151)
Investment earnings	618,000	718,000	956,072	238,072
Fines and forfeits	350,000	350,000	367,618	17,618
Licenses and permits	700,000	700,000	732,734	32,734
Miscellaneous	900,000	900,000	583,983	(316,017)
Reimbursements	331,000	331,000	321,169	(9,831)
 Total revenues	 <u>25,176,166</u>	 <u>25,680,116</u>	 <u>26,625,049</u>	 <u>944,933</u>
EXPENDITURES:				
Current:				
Police				
Personal services	6,363,343	6,359,843	6,042,046	317,797
Other than personal services	250,300	297,800	262,678	35,122
Fire				
Personal services	7,073,447	7,052,447	6,860,409	192,038
Other than personal services	326,450	359,400	299,084	60,316
Board of Health				
Other than personal services	169,950	169,950	167,727	2,223
Parks and recreation				
Personal services	2,151,741	2,151,741	1,904,550	247,191
Other than personal services	863,710	871,569	682,756	188,813
Development				
Personal services	828,576	828,576	755,308	73,268
Other than personal services	121,450	121,450	98,867	22,583
Public Service Administration				
Personal services	884,939	884,939	856,215	28,724
Other than personal services	35,300	35,300	28,528	6,772
Streets Administration				
Personal services	326,775	326,775	271,930	54,845
Other than personal services	7,625	7,625	3,783	3,842
Fleet Maintenance				
Personal services	756,828	756,828	698,079	58,749
Other than personal services	248,800	248,800	227,236	21,564

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
General Operating Account, cont.
For the Fiscal Year Ended December 31, 2006

	Adopted Budget	Revised Budget	Actual	Variance
City Manager:				
Personal services	929,618	929,618	876,041	53,577
Other than personal services	200,635	200,635	196,637	3,998
City Attorney				
Personal services	540,178	540,178	533,982	6,196
Other than personal services	121,700	136,700	133,084	3,616
City Clerk:				
Personal services	256,951	264,451	264,220	231
Other than personal services	14,100	11,600	9,495	2,105
City Council:				
Personal services	58,286	67,836	67,570	266
Other than personal services	11,000	11,000	9,601	1,399
Clerk of Court				
Personal services	144,950	144,950	142,350	2,600
Other than personal services	158,400	158,400	141,670	16,730
Finance				
Personal services	776,550	776,550	745,643	30,907
Other than personal services	110,500	110,500	109,185	1,315
Facilities Maintenance				
Personal services	191,257	201,257	192,409	8,848
Other than personal services	960,020	810,588	687,363	123,225
Information Technology				
Personal services	350,690	353,349	353,349	-
Other than personal services	409,162	406,662	395,012	11,650
General Administration				
Personal services	150,000	93,923	16,962	76,961
Other than personal services	1,251,900	1,257,818	1,257,818	-
 Total expenditures	<u>27,045,131</u>	<u>26,949,058</u>	<u>25,291,587</u>	<u>1,657,471</u>
 Excess (deficiency) of revenues over expenditures	<u>(1,868,965)</u>	<u>(1,268,942)</u>	<u>1,333,462</u>	<u>2,602,404</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
General Operating Account, cont.
For the Fiscal Year Ended December 31, 2006

	Adopted Budget	Revised Budget	Actual	Variance
<u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from sale of capital assets	-	-	707,252	707,252
Operating transfers-in	-	-	-	-
Operating transfers-out	(1,900,484)	(1,700,484)	(1,101,299)	599,185
Interaccount transfers-in	2,199,505	2,199,505	2,188,529	(10,976)
Interaccount transfers-out	(346,527)	(346,527)	(346,527)	-
Total other financing sources (uses)	<u>(47,506)</u>	<u>152,494</u>	<u>1,447,955</u>	<u>1,295,461</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(1,916,471)	(1,116,448)	2,781,417	3,897,865
Fund balances at beginning of year	14,057,077	14,057,077	14,057,077	
Lapsed encumbrances	68,110	68,110	68,110	
Fund balances at end of year	<u>\$ 12,208,716</u>	<u>\$ 13,008,739</u>	<u>\$ 16,906,604</u>	<u>\$ 3,897,865</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Capital Asset Management Account
For the Fiscal Year Ended December 31, 2006

	Capital Asset Management Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Income tax	\$ 1,789,886	\$ 1,720,570	\$ 1,725,654	\$ 5,084
Total revenues	<u>1,789,886</u>	<u>1,720,570</u>	<u>1,725,654</u>	<u>5,084</u>
EXPENDITURES:				
Current:				
Finance				
Other than personal services	107,394	107,394	107,394	-
Total expenditures	<u>107,394</u>	<u>107,394</u>	<u>107,394</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,682,492</u>	<u>1,613,176</u>	<u>1,618,260</u>	<u>5,084</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-out	(1,666,435)	(1,666,435)	(1,666,435)	-
Total other financing sources (uses)	<u>(1,666,435)</u>	<u>(1,666,435)</u>	<u>(1,666,435)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	16,057	(53,259)	(48,175)	5,084
Fund balances at beginning of year	3,577,977	3,577,977	3,577,977	
Fund balances at end of year	<u>\$ 3,594,034</u>	<u>\$ 3,524,718</u>	<u>\$ 3,529,802</u>	<u>\$ 5,084</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Police and Fire Pension Account
For the Fiscal Year Ended December 31, 2006

	Police and Fire Pension Account			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Property taxes	\$ 1,860,200	\$ 1,860,200	\$ 2,040,814	\$ 180,614
Intergovernmental	248,000	248,000	248,802	802
Total revenues	<u>2,108,200</u>	<u>2,108,200</u>	<u>2,289,616</u>	<u>181,416</u>
<u>EXPENDITURES:</u>				
Current:				
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>2,108,200</u>	<u>2,108,200</u>	<u>2,289,616</u>	<u>181,416</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Interaccount transfers-out	(2,199,505)	(2,199,505)	(2,188,529)	10,976
Total other financing sources (uses)	<u>(2,199,505)</u>	<u>(2,199,505)</u>	<u>(2,188,529)</u>	<u>10,976</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(91,305)	(91,305)	101,087	192,392
Fund balances at beginning of year	219,732	219,732	219,732	
Fund balances at end of year	<u>\$ 128,427</u>	<u>\$ 128,427</u>	<u>\$ 320,819</u>	<u>\$ 192,392</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)
Capital Equipment Account
For the Fiscal Year Ended December 31, 2006

	Capital Equipment Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Property taxes	\$689,339	\$688,339	\$692,033	3,694
Intergovernmental	82,000	84,000	85,748	1,748
 Total revenues	<u>771,339</u>	<u>772,339</u>	<u>777,781</u>	<u>5,442</u>
 EXPENDITURES:				
Current:				
Police				
Other than personal services	-	7,550	7,550	-
Capital outlay	130,300	151,511	130,676	20,835
Parks and recreation				
Capital Outlay	47,500	32,242	20,975	11,267
Other than personal services	-	3,607	3,607	-
Public Service Administration				
Capital Outlay	20,000	24,300	14,088	10,212
Streets Administration				
Capital Outlay	202,600	220,908	210,315	10,593
Fleet Maintenance				
Capital Outlay	40,000	40,000	20,906	19,094
Finance				
Capital Outlay	15,000	15,000	13,077	1,923
Facilities Maintenance				
Capital Outlay	-	31,870	31,772	98
Information Technology				
Other than personal services	-	17,234	17,233	1
Capital outlay	248,555	180,624	170,128	10,496
Total expenditures	<u>703,955</u>	<u>724,846</u>	<u>640,327</u>	<u>84,519</u>
 Excess (deficiency) of revenues over expenditures	<u>67,384</u>	<u>47,493</u>	<u>137,454</u>	<u>89,961</u>

City of Upper Arlington, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (NON-GAAP Budgetary Basis)
 Capital Equipment Account, cont.
 For the Fiscal Year Ended December 31, 2006

	Adopted Budget	Revised Budget	Actual	Variance
<u>OTHER FINANCING SOURCES (USES):</u>				
Interaccount transfers-in	327,197	327,197	327,197	-
Total other financing sources (uses)	<u>327,197</u>	<u>327,197</u>	<u>327,197</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	394,581	374,690	464,651	89,961
Fund balances at beginning of year	1,172,206	1,172,206	1,172,206	
Lapsed encumbrances	2,750	2,750	2,750	
Fund balances at end of year	<u>\$ 1,569,537</u>	<u>\$ 1,549,646</u>	<u>\$ 1,639,607</u>	<u>\$ 89,961</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Self-Insured Loss Account
For the Fiscal Year Ended December 31, 2006

	Self-Insured Loss Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Investment earnings	\$20,600	\$20,600	\$29,821	\$9,221
Reimbursements	-	-	179,775	179,775
 Total revenues	<u>20,600</u>	<u>20,600</u>	<u>209,596</u>	<u>188,996</u>
EXPENDITURES:				
General Administration				
Other than personal services	50,000	139,432	139,431	1
 Total expenditures	<u>50,000</u>	<u>139,432</u>	<u>139,431</u>	<u>1</u>
 Excess (deficiency) of revenues over expenditures	<u>(29,400)</u>	<u>(118,832)</u>	<u>70,165</u>	<u>188,997</u>
OTHER FINANCING SOURCES (USES):				
 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	(29,400)	(118,832)	70,165	188,997
 Fund balances at beginning of year	452,443	452,443	452,443	
 Fund balances at end of year	<u>\$ 423,043</u>	<u>\$ 333,611</u>	<u>\$ 522,608</u>	<u>\$ 188,997</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Communications and Technology Account
For the Fiscal Year Ended December 31, 2006

Communications and Technology Account				
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Miscellaneous	\$ 84,670	\$ 84,670	\$ 100,888	\$ 16,218
Total revenues	84,670	84,670	100,888	16,218
<u>EXPENDITURES:</u>				
Information Technology				
Capital outlay	137,000	132,000	128,718	3,282
Other than Personal Services	-	5,000	3,249	1,751
Total expenditures	137,000	137,000	131,967	5,033
Excess (deficiency) of revenues over expenditures	(52,330)	(52,330)	(31,079)	21,251
<u>OTHER FINANCING SOURCES (USES):</u>				
Interaccount transfers-in	19,330	19,330	19,330	-
Total other financing sources (uses)	19,330	19,330	19,330	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(33,000)	(33,000)	(11,749)	21,251
Fund balances at beginning of year	46,624	46,624	46,624	
Fund balances at end of year	\$ 13,624	\$ 13,624	\$ 34,875	\$ 21,251

City of Upper Arlington, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (NON-GAAP Budgetary Basis)
 Total General Fund Accounts
 For the Fiscal Year Ended December 31, 2006

	Total General Fund Accounts			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Income tax	\$ 13,427,500	\$ 12,908,184	\$ 12,947,784	\$ 39,600
Property taxes	7,199,091	7,998,091	8,128,634	130,543
Intergovernmental	3,520,000	3,575,950	3,520,602	(55,348)
Estate Tax	2,100,000	2,100,000	3,231,655	1,131,655
Charges for services	700,000	700,000	627,849	(72,151)
Investment earnings	638,600	738,600	985,893	247,293
Fines and forfeits	350,000	350,000	367,618	17,618
Licenses and permits	700,000	700,000	732,734	32,734
Miscellaneous	984,670	984,670	684,871	(299,799)
Reimbursements	331,000	331,000	500,944	169,944
 Total revenues	 <u>29,950,861</u>	 <u>30,386,495</u>	 <u>31,728,584</u>	 <u>1,342,089</u>
EXPENDITURES:				
Current:				
Police				
Personal services	6,363,343	6,359,843	6,042,046	317,797
Other than personal services	250,300	305,350	270,228	35,122
Capital outlay	130,300	151,511	130,676	20,835
Fire				
Personal services	7,073,447	7,052,447	6,860,409	192,038
Other than personal services	326,450	359,400	299,084	60,316
Board of Health				
Other than personal services	169,950	169,950	167,727	2,223
Parks and recreation				
Personal services	2,151,741	2,151,741	1,904,550	247,191
Other than personal services	863,710	875,176	686,363	188,813
Capital outlay	47,500	32,242	20,975	11,267
Development				
Personal services	828,576	828,576	755,308	73,268
Other than personal services	121,450	121,450	98,867	22,583
Public Service Administration				
Personal services	884,939	884,939	856,215	28,724
Other than personal services	35,300	35,300	28,528	6,772
Capital outlay	20,000	24,300	14,088	10,212
Streets Administration				
Personal services	326,775	326,775	271,930	54,845
Other than personal services	7,625	7,625	3,783	3,842
Capital outlay	202,600	220,908	210,315	10,593
Fleet Maintenance				
Personal services	756,828	756,828	698,079	58,749
Other than personal services	248,800	248,800	227,236	21,564
	40,000	40,000	20,906	19,094

City of Upper Arlington, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (NON-GAAP Budgetary Basis)
 Total General Fund Accounts, cont.
 For the Fiscal Year Ended December 31, 2006

	Adopted Budget	Revised Budget	Actual	Variance
City Manager:				
Personal services	929,618	929,618	876,041	53,577
Other than personal services	200,635	200,635	196,637	3,998
City Attorney				
Personal services	540,178	540,178	533,982	6,196
Other than personal services	121,700	136,700	133,084	3,616
City Clerk:				
Personal services	256,951	264,451	264,220	231
Other than personal services	14,100	11,600	9,495	2,105
City Council:				
Personal services	58,286	67,836	67,570	266
Other than personal services	11,000	11,000	9,601	1,399
Clerk of Court				
Personal services	144,950	144,950	142,350	2,600
Other than personal services	158,400	158,400	141,670	16,730
Finance				
Personal services	776,550	776,550	745,643	30,907
Other than personal services	217,894	217,894	216,579	1,315
Capital outlay	15,000	15,000	13,077	1,923
Facilities Maintenance				
Personal services	191,257	201,257	192,409	8,848
Other than personal services	960,020	810,588	687,363	123,225
Capital outlay	-	31,870	31,772	98
Information Technology				
Personal services	350,690	353,349	353,349	-
Other than personal services	409,162	428,896	415,494	13,402
Capital outlay	385,555	312,624	298,846	13,778
General Administration				
Personal services	150,000	93,923	16,962	76,961
Other than personal services	1,301,900	1,397,250	1,397,249	1
Total expenditures	<u>28,043,480</u>	<u>28,057,730</u>	<u>26,310,706</u>	<u>1,747,024</u>
Excess (deficiency) of revenues over expenditures	<u>1,907,381</u>	<u>2,328,765</u>	<u>5,417,878</u>	<u>3,089,113</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Total General Fund Accounts, cont.
For the Fiscal Year Ended December 31, 2006

	Adopted Budget	Revised Budget	Actual	Variance
<u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from sale of capital assets	-	-	707,252	707,252
Operating transfers-in	-	-	-	-
Operating transfers-out	(3,566,919)	(3,366,919)	(2,767,734)	599,185
Interaccount transfers-in	2,546,032	2,546,032	2,535,056	(10,976)
Interaccount transfers-out	(2,546,032)	(2,546,032)	(2,535,056)	10,976
Total other financing sources (uses)	<u>(3,566,919)</u>	<u>(3,366,919)</u>	<u>(2,060,482)</u>	<u>1,306,437</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(1,659,538)	(1,038,154)	3,357,396	4,395,550
Fund balances at beginning of year	19,526,059	19,526,059	19,526,059	-
Lapsed encumbrances	70,860	70,860	70,860	-
Fund balances at end of year	<u>\$ 17,937,381</u>	<u>\$ 18,558,765</u>	<u>\$ 22,954,315</u>	<u>\$ 4,395,550</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)
Bonded Improvement Fund
For the Fiscal Year Ended December 31, 2006

	Bonded Improvement Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Investment earnings	\$ 100,000	\$ 100,000	\$ 102,086	\$ 2,086
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>102,086</u>	<u>2,086</u>
EXPENDITURES:				
Current:				
Streets				
Capital	2,431,000	2,416,908	2,005,813	411,095
Facilities Maintenance				
Capital	-	3,592	3,592	-
Finance				
Other than personal services		10,500	10,232	268
Total expenditures	<u>2,431,000</u>	<u>2,431,000</u>	<u>2,019,637</u>	<u>411,363</u>
Excess (deficiency) of revenues over expenditures	<u>(2,331,000)</u>	<u>(2,331,000)</u>	<u>(1,917,551)</u>	<u>413,449</u>
OTHER FINANCING SOURCES (USES):				
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	(2,331,000)	(2,331,000)	(1,917,551)	413,449
Fund balances at beginning of year	2,872,120	2,872,120	2,872,120	-
Lapsed encumbrances	321,737	321,737	321,737	-
Fund balances at end of year	<u>\$ 862,857</u>	<u>\$ 862,857</u>	<u>\$ 1,276,306</u>	<u>\$ 413,449</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Estate Tax Capital Projects Fund
For the Fiscal Year Ended December 31, 2006

	Estate Tax Capital Projects Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Investment earnings	\$ 250,000	\$ 250,000	\$ 524,498	\$ 274,498
Intergovernmental	-	-	100,000	100,000
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>624,498</u>	<u>374,498</u>
<u>EXPENDITURES:</u>				
Current:				
Streets				
Capital	3,895,945	3,895,945	1,306,371	2,589,574
Total expenditures	<u>3,895,945</u>	<u>3,895,945</u>	<u>1,306,371</u>	<u>2,589,574</u>
Excess (deficiency) of revenues over expenditures	<u>(3,645,945)</u>	<u>(3,645,945)</u>	<u>(681,873)</u>	<u>2,964,072</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating transfers-in	-	-	-	-
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	(3,645,945)	(3,645,945)	(681,873)	2,964,072
Fund balances at beginning of year	9,047,018	9,047,018	9,047,018	-
Lapsed encumbrances	201,148	201,148	201,148	-
Fund balances at end of year	<u>\$ 5,602,221</u>	<u>\$ 5,602,221</u>	<u>\$ 8,566,293</u>	<u>\$ 2,964,072</u>

CITY OF UPPER ARLINGTON

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds:

Law Enforcement Fund

Established pursuant to Ohio Revised Section 2933.43, the fund accounts 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.

Enforcement Education Fund

Established in 1995 pursuant to C.O. Section 225.03, the revenue of this Fund derived from Operating a Motor Vehicle Intoxicated (OVI) 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.

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.

Tax Incentive Review Fund

Created by C.O. 225.07, the fund receives required fees and pays administrative expenses associated with tax incentive agreements.

Tree Planting Fund

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

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.

Mayor's Court Computer Fund

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

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.

Special Revenue Funds, continued

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. The City does not adopt a formal budget for this fund.

Economic Development Venture Fund

Established by C.O. 225.06 the fund commenced in January 1999 to stimulate 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. The General Fund provides an annual fund transfer to fund the program.

Tax Increment Financing (TIF) Districts

The City, pursuant to the Ohio Revised Code and City ordinances, has established two TIFs. A TIF represents a geographic area wherein property values created after the commencement date of the TIF are exempt, in whole or in part, from property taxes. Owner of such property, however, must pay amounts equal to the property taxes, known as "service fees," as though the TIF had not been established. These "service fees" will then repay the City for capital outlay expenditures relating to public improvements within or adjacent to the TIF area. Property values existing before the commencement date of a TIF continue to be subjected to property taxes. The City has created capital project funds to account for two TIFs: the Chelsea TIF Fund and the Horizon TIF Fund. Construction in the TIFs was substantially completed during 2005.

Debt Service Fund-

General Obligation Bond Retirement Fund

The fund receives property taxes and other receipts for the retirement of debt issued by the City. The funds are used for the payment of interest and principal on outstanding debt.

City of Upper Arlington, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2006

ASSETS	Law Enforcement	Enforcement Education	Civil Service
Cash, cash equivalents and investments	\$ 295,103	\$ 16,993	\$ 12,910
Receivables (net of allowance for uncollectibles)	3,859		
Total assets	<u>\$ 298,962</u>	<u>\$ 16,993</u>	<u>\$ 12,910</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable			\$ 500
Unearned revenue			
Accrued liabilities			
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>500</u>
 Fund balances:			
Reserved for:			
Encumbrances			
Unreserved, reported in:			
Special revenue funds	298,962	16,993	12,410
Capital project funds			
Debt service funds			
Total fund balances	<u>298,962</u>	<u>16,993</u>	<u>12,410</u>
Total liabilities and fund balances	<u>\$ 298,962</u>	<u>\$ 16,993</u>	<u>\$ 12,910</u>

Tax Incentive Review	Tree Planting	Life Long Learning & Leisure	Mayor's Court Computer	Clerk of Court
\$ 16,386	\$ 3,247	\$ 3,701	\$ 65,485	\$ 57,688
<u>\$ 16,386</u>	<u>\$ 3,247</u>	<u>\$ 3,701</u>	<u>\$ 65,485</u>	<u>\$ 57,688</u>
		\$ 3,718		\$ 80
		3,130		
<u>\$ -</u>	<u>\$ -</u>	<u>6,848</u>	<u>\$ -</u>	<u>80</u>
		3,700		
16,386	3,247	(6,847)	65,485	57,608
<u>16,386</u>	<u>3,247</u>	<u>(3,147)</u>	<u>65,485</u>	<u>57,608</u>
<u>\$ 16,386</u>	<u>\$ 3,247</u>	<u>\$ 3,701</u>	<u>\$ 65,485</u>	<u>\$ 57,688</u>

(continued)

City of Upper Arlington, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2006

	Neighborhood Lighting	Community Improvement Corporation	Economic Development Venture	Total Special Revenue
ASSETS				
Cash, cash equivalents and investments	\$ 358,144	\$ 1,785	\$ 661,201	\$ 1,492,643
Receivables (net of allowance for uncollectibles)	4,683			8,542
Total assets	<u>\$ 362,827</u>	<u>\$ 1,785</u>	<u>\$ 661,201</u>	<u>\$ 1,501,185</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,832		50,600	\$ 57,730
Unearned revenue				
Accrued liabilities				3,130
Total liabilities	<u>2,832</u>	<u>\$ -</u>	<u>\$ 50,600</u>	<u>60,860</u>
Fund balances:				
Reserved for:				
Encumbrances	1,652		121,200	126,552
Unreserved, reported in:				
Special revenue funds	358,343	1,785	489,401	1,313,773
Capital project funds				
Debt service funds				
Total fund balances	<u>359,995</u>	<u>1,785</u>	<u>610,601</u>	<u>1,440,325</u>
Total liabilities and fund balances	<u>\$ 362,827</u>	<u>\$ 1,785</u>	<u>\$ 661,201</u>	<u>\$ 1,501,185</u>

Debt Service	Capital Projects			Total Nonmajor Governmental Funds
	Infrastructure Improvement	Chelsea TIF	Horizon TIF	
\$ 871,964	\$ 1,701,107	\$ 151	\$ 64,457	\$ 4,130,322
709,094	150,000			867,636
<u>\$ 1,581,058</u>	<u>\$ 1,851,107</u>	<u>\$ 151</u>	<u>\$ 64,457</u>	<u>\$ 4,997,958</u>
\$ 664,884	\$ 6,511		\$ -	\$ 64,241
				664,884
				3,130
<u>664,884</u>	<u>6,511</u>	<u>\$ -</u>	<u>-</u>	<u>732,255</u>
	130,823			257,375
				1,313,773
916,174	1,713,773	151	64,457	1,778,381
<u>916,174</u>	<u>1,844,596</u>	<u>151</u>	<u>64,457</u>	<u>4,265,703</u>
<u>\$ 1,581,058</u>	<u>\$ 1,851,107</u>	<u>\$ 151</u>	<u>\$ 64,457</u>	<u>\$ 4,997,958</u>

City of Upper Arlington, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2006

	<u>Law Enforcement</u>	<u>Enforcement Education</u>	<u>Civil Service</u>
REVENUES			
Taxes:			
Property			
Intergovernmental	\$ 7,260		
Charges for services			
Fines and forfeits		\$ 3,089	
Investment earnings	18,072		
Net decrease) in FV of investments	429		
Miscellaneous			
Total revenues	<u>25,761</u>	<u>3,089</u>	<u>-</u>
EXPENDITURES			
Current:			
Public Safety	7,431	423	
General Government			\$ 18,327
Public Services			
Parks and Recreation			
Debt service:			
Principal			
Interest			
Capital outlay:			
Capital outlay	8,087		
Total expenditures	<u>15,518</u>	<u>423</u>	<u>18,327</u>
Excess (deficiency) of revenues over (under) expenditures	10,243	2,666	(18,327)
OTHER FINANCING SOURCES (USES)			
Transfers in			20,000
Transfers out			
Proceeds from sale of capital assets	115,147		
Total other financing sources and uses	<u>115,147</u>	<u>-</u>	<u>20,000</u>
Net change in fund balances	125,390	2,666	1,673
Fund balances -- January 1	173,572	14,327	10,737
Fund balances -- December 31	<u>\$ 298,962</u>	<u>\$ 16,993</u>	<u>\$ 12,410</u>

<u>Tax Incentive Review</u>	<u>Tree Planting</u>	<u>Life Long Learning & Leisure</u>	<u>Mayor's Court Computer</u>	<u>Clerk of Court</u>
	\$ 5,912	\$ 312,172	\$ 11,605	\$ 11,606
<u>\$ 4,530</u>	<u>5,912</u>	<u>312,172</u>	<u>11,605</u>	<u>11,606</u>
			7,726	7,268
	4,701	335,877		
<u>-</u>	<u>4,701</u>	<u>335,877</u>	<u>5,545</u> <u>13,271</u>	<u>7,268</u>
4,530	1,211	(23,705)	(1,666)	4,338
		2,130		
<u>-</u>	<u>-</u>	<u>2,130</u>	<u>-</u>	<u>-</u>
4,530	1,211	(21,575)	(1,666)	4,338
11,856	2,036	18,428	67,151	53,270
<u>\$ 16,386</u>	<u>\$ 3,247</u>	<u>\$ (3,147)</u>	<u>\$ 65,485</u>	<u>\$ 57,608</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, 2006

	<u>Neighborhood Lighting</u>	<u>Community Improvement Corporation</u>	<u>Economic Development Venture</u>	<u>Total Nonmajor Special Revenue</u>
REVENUES				
Taxes:				
Property				
Intergovernmental				\$ 7,260
Charges for services	\$ 62,490			380,574
Fines and forfeits				26,300
Investment earnings	24,579	\$ 369		43,020
Net decrease in FV of investments	521			950
Miscellaneous	2,572			7,102
Total revenues	<u>90,162</u>	<u>369</u>	<u>-</u>	<u>465,206</u>
EXPENDITURES				
Current:				
Public Safety				22,848
General Government		16,590	163,702	198,619
Public Services	36,617			36,617
Parks and Recreation				340,578
Debt service:				
Principal				
Interest				
Capital outlay:				
Capital outlay			\$ -	13,632
Total expenditures	<u>36,617</u>	<u>16,590</u>	<u>163,702</u>	<u>612,294</u>
Excess (deficiency) of revenues over (under) expenditures	53,545	(16,221)	(163,702)	(147,088)
OTHER FINANCING SOURCES (USES)				
Transfers in		10,000	168,769	200,899
Transfers out		(639,820)		(639,820)
Proceeds from sale of capital assets		639,820		754,967
Total other financing sources and uses	<u>-</u>	<u>10,000</u>	<u>168,769</u>	<u>316,046</u>
Net change in fund balances	53,545	(6,221)	5,067	168,958
Fund balances -- January 1	306,450	8,006	605,534	1,271,367
Fund balances -- December 31	<u>\$ 359,995</u>	<u>\$ 1,785</u>	<u>\$ 610,601</u>	<u>\$ 1,440,325</u>

<u>Debt Service</u>	<u>Capital Projects</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Infrastructure Improvement</u>	<u>Chelsea TIF</u>	<u>Horizon TIF</u>	
\$ 885,189				\$ 885,189
85,765	-	\$ 151		93,176
				380,574
				26,300
				43,020
				950
	\$ 300,000		\$ 6,313	313,415
<u>970,954</u>	<u>300,000</u>	<u>151</u>	<u>6,313</u>	<u>1,742,624</u>
				22,848
				198,619
				36,617
				340,578
1,750,823				1,750,823
902,091				902,091
	1,423,365	\$ 23,170	-	1,460,167
<u>2,652,914</u>	<u>1,423,365</u>	<u>23,170</u>	<u>-</u>	<u>4,711,743</u>
(1,681,960)	(1,123,365)	(23,019)	6,313	(2,969,119)
1,666,435	750,000			2,617,334
(54,222)				(694,042)
				754,967
<u>1,612,213</u>	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>2,678,259</u>
(69,747)	(373,365)	(23,019)	6,313	(290,860)
985,921	2,217,961	23,170	58,144	4,556,563
<u>\$ 916,174</u>	<u>\$ 1,844,596</u>	<u>\$ 151</u>	<u>\$ 64,457</u>	<u>\$ 4,265,703</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Law Enforcement Fund
For the Fiscal Year Ended December 31, 2006

	Law Enforcement Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Investment earnings	\$ 796	\$ 796	\$ 13,851	\$ 13,055
Miscellaneous	-	-	7,260	7,260
Total revenues	<u>796</u>	<u>796</u>	<u>21,111</u>	<u>20,315</u>
<u>EXPENDITURES:</u>				
Current:				
Police				
Other than personal services	10,000	11,800	7,431	4,369
Capital	15,000	13,200	8,087	5,113
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>15,518</u>	<u>9,482</u>
Excess (deficiency) of revenues over expenditures	<u>(24,204)</u>	<u>(24,204)</u>	<u>5,593</u>	<u>29,797</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from sale of capital assets	10,000	10,000	115,147	105,147
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>115,147</u>	<u>105,147</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(14,204)	(14,204)	120,740	134,944
Fund balances at beginning of year	173,934	173,934	173,934	-
Fund balances at end of year	<u>\$ 159,730</u>	<u>\$ 159,730</u>	<u>\$ 294,674</u>	<u>\$ 134,944</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Enforcement Education Fund
For the Fiscal Year Ended December 31, 2006

	Enforcement Education Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Fines and forfeits	\$ 2,800	\$ 2,800	\$ 3,089	\$ 289
Total revenues	<u>2,800</u>	<u>2,800</u>	<u>3,089</u>	<u>289</u>
<u>EXPENDITURES:</u>				
Current:				
Police				
Other than personal services	2,800	2,800	423	2,377
Capital	4,100	4,100	-	4,100
Total expenditures	<u>6,900</u>	<u>6,900</u>	<u>423</u>	<u>6,477</u>
Excess (deficiency) of revenues over expenditures	<u>(4,100)</u>	<u>(4,100)</u>	<u>2,666</u>	<u>6,766</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
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	(4,100)	(4,100)	2,666	6,766
Fund balances at beginning of year	14,327	14,327	14,327	-
Fund balances at end of year	<u>\$ 10,227</u>	<u>\$ 10,227</u>	<u>\$ 16,993</u>	<u>\$ 6,766</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Civil Service Fund
For the Fiscal Year Ended December 31, 2006

	Civil Service Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:				
Current:				
City Manager:				
Other than personal services	20,000	20,000	18,327	1,673
Total expenditures	20,000	20,000	18,327	1,673
Excess (deficiency) of revenues over expenditures	(20,000)	(20,000)	(18,327)	1,673
OTHER FINANCING SOURCES (USES):				
Operating transfers-in	20,000	20,000	20,000	-
Total other financing sources (uses)	20,000	20,000	20,000	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	-	1,673	1,673
Fund balances at beginning of year	10,737	10,737	10,737	-
Fund balances at end of year	<u>\$ 10,737</u>	<u>\$ 10,737</u>	<u>\$ 12,410</u>	<u>\$ 1,673</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Tax Incentive Review Fund
For the Fiscal Year Ended December 31, 2006

	Tax Incentive Review Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Miscellaneous	\$ 2,500	\$ 2,500	\$ 4,530	\$ 2,030
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>4,530</u>	<u>2,030</u>
<u>EXPENDITURES:</u>				
Current:				
Finance				
Personal services	2,500	2,500	-	2,500
Total expenditures	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>4,530</u>	<u>4,530</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
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>-</u>	<u>-</u>	<u>4,530</u>	<u>4,530</u>
Fund balances at beginning of year	11,856	11,856	11,856	-
Fund balances at end of year	<u>\$ 11,856</u>	<u>\$ 11,856</u>	<u>\$ 16,386</u>	<u>\$ 4,530</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Tree Planting Fund
For the Fiscal Year Ended December 31, 2006

	Tree Planting Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 3,500	\$ 3,500	\$ 5,912	\$ 2,412
Total revenues	<u>3,500</u>	<u>3,500</u>	<u>5,912</u>	<u>2,412</u>
EXPENDITURES:				
Current:				
Parks and recreation				
Other than personal services	13,500	7,500	4,701	2,799
Total expenditures	<u>13,500</u>	<u>7,500</u>	<u>4,701</u>	<u>2,799</u>
Excess (deficiency) of revenues over expenditures	<u>(10,000)</u>	<u>(4,000)</u>	1,211	5,211
OTHER FINANCING SOURCES (USES):				
Operating transfers-in	10,000	10,000	-	(10,000)
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	6,000	1,211	(4,789)
Fund balances at beginning of year	2,035	2,035	2,035	-
Fund balances at end of year	<u>\$ 2,035</u>	<u>\$ 8,035</u>	<u>\$ 3,246</u>	<u>\$ (4,789)</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Life Long Learning and Leisure Fund
For the Fiscal Year Ended December 31, 2006

	Life Long Learning and Leisure Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Charges for services	\$ 430,000	\$ 430,000	\$ 312,172	\$ (117,828)
Total revenues	430,000	430,000	312,172	(117,828)
 <u>EXPENDITURES:</u>				
Current:				
Parks and recreation				
Personal services	178,696	178,696	128,141	50,555
Other than personal services	252,590	252,590	211,553	41,037
Total expenditures	431,286	431,286	339,694	91,592
 Excess (deficiency) of revenues over expenditures	(1,286)	(1,286)	(27,522)	(26,236)
 <u>OTHER FINANCING SOURCES (USES):</u>				
Operating transfers-in	-	2,130	2,130	-
Total other financing sources (uses)	-	2,130	2,130	-
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(1,286)	844	(25,392)	(26,236)
 Fund balances at beginning of year	21,653	21,653	21,653	-
Lapsed encumbrances	3,740	3,740	3,740	-
Fund balances at end of year	\$ 24,107	\$ 26,237	\$ 1	\$ (26,236)

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Mayor's Court Computer Fund
For the Fiscal Year Ended December 31, 2006

	Mayor's Court Computer Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Fines and forfeits	\$ 12,000	\$ 12,000	\$ 11,605	\$ (395)
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>11,605</u>	<u>(395)</u>
EXPENDITURES:				
Current:				
Clerk of Court				
Other than personal services	10,400	15,850	13,271	2,579
Total expenditures	<u>10,400</u>	<u>15,850</u>	<u>13,271</u>	<u>2,579</u>
Excess (deficiency) of revenues over expenditures	<u>1,600</u>	<u>(3,850)</u>	<u>(1,666)</u>	<u>2,184</u>
OTHER FINANCING SOURCES (USES):				
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	1,600	(3,850)	(1,666)	2,184
Fund balances at beginning of year	67,151	67,151	67,151	-
Fund balances at end of year	<u>\$ 68,751</u>	<u>\$ 63,301</u>	<u>\$ 65,485</u>	<u>\$ 2,184</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Clerk of Court Fund
For the Fiscal Year Ended December 31, 2006

	Clerk of Court Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Fines and forfeits	\$ 12,500	\$ 12,500	\$ 11,606	\$ (894)
Total revenues	<u>12,500</u>	<u>12,500</u>	<u>11,606</u>	<u>(894)</u>
<u>EXPENDITURES:</u>				
Current:				
Clerk of Court				
Other than personal services	8,000	8,000	7,195	805
Total expenditures	<u>8,000</u>	<u>8,000</u>	<u>7,195</u>	<u>805</u>
Excess (deficiency) of revenues over expenditures	<u>4,500</u>	<u>4,500</u>	<u>4,411</u>	<u>(89)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
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	4,500	4,500	4,411	(89)
Fund balances at beginning of year	53,277	53,277	53,277	-
Fund balances at end of year	<u>\$ 57,777</u>	<u>\$ 57,777</u>	<u>\$ 57,688</u>	<u>\$ (89)</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Neighborhood Lighting Fund
For the Fiscal Year Ended December 31, 2006

	Neighborhood Lighting Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Charges for services	\$ 60,000	\$ 60,000	\$ 62,490	\$ 2,490
Investment earnings	7,210	7,210	20,655	13,445
Reimbursements	-	-	2,482	2,482
Total revenues	<u>67,210</u>	<u>67,210</u>	<u>85,627</u>	<u>18,417</u>
<u>EXPENDITURES:</u>				
Current:				
Public Service Administration				
Other than personal services	50,000	50,000	38,278	11,722
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>38,278</u>	<u>11,722</u>
Excess (deficiency) of revenues over expenditures	<u>17,210</u>	<u>17,210</u>	<u>47,349</u>	<u>30,139</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
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	17,210	17,210	47,349	30,139
Fund balances at beginning of year	308,268	308,268	308,268	-
Fund balances at end of year	<u>\$ 325,478</u>	<u>\$ 325,478</u>	<u>\$ 355,617</u>	<u>\$ 30,139</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Economic Development Venture Fund
For the Fiscal Year Ended December 31, 2006

	Economic Development Venture Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Reimbursements	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
City Manager:				
Other than personal services	500,000	500,000	222,772	277,228
Total expenditures	<u>500,000</u>	<u>500,000</u>	<u>222,772</u>	<u>277,228</u>
Excess (deficiency) of revenues over expenditures	<u>(500,000)</u>	<u>(500,000)</u>	<u>(222,772)</u>	<u>277,228</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-in	500,000	500,000	178,769	(321,231)
Total other financing sources (uses)	<u>500,000</u>	<u>500,000</u>	<u>178,769</u>	<u>(321,231)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	-	(44,003)	(44,003)
Fund balances at beginning of year	536,247	536,247	536,247	-
Lapsed encumbrances	7,756	7,756	7,756	-
Fund balances at end of year	<u>\$ 544,003</u>	<u>\$ 544,003</u>	<u>\$ 500,000</u>	<u>\$ (44,003)</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Emergency Medical Services Fund
For the Fiscal Year Ended December 31, 2006

	Emergency Medical Services Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 600,000	\$ 600,000	\$ 552,723	\$ (47,277)
Total revenues	<u>600,000</u>	<u>600,000</u>	<u>552,723</u>	<u>(47,277)</u>
EXPENDITURES:				
Current:				
Fire				
Other than personal services	120,750	120,750	106,457	14,293
Capital	176,125	176,125	161,775	14,350
Total expenditures	<u>296,875</u>	<u>296,875</u>	<u>268,232</u>	<u>28,643</u>
Excess (deficiency) of revenues over expenditures	<u>303,125</u>	<u>303,125</u>	<u>284,491</u>	<u>(18,634)</u>
OTHER FINANCING SOURCES (USES):				
Operating 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	303,125	303,125	284,491	(18,634)
Fund balances at beginning of year	630,966	630,966	630,966	-
Fund balances at end of year	<u>\$ 934,091</u>	<u>\$ 934,091</u>	<u>\$ 915,457</u>	<u>\$ (18,634)</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, 2006

	Debt Service Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Property taxes	\$ 970,341	\$ 970,341	\$ 886,066	\$ (84,275)
Intergovernmental	-	-	92,607	92,607
Total revenues	<u>970,341</u>	<u>970,341</u>	<u>978,673</u>	<u>8,332</u>
EXPENDITURES:				
Current:				
Finance				
Other than personal services	<u>7,181,360</u>	<u>7,181,360</u>	<u>7,181,029</u>	<u>331</u>
Total expenditures	<u>7,181,360</u>	<u>7,181,360</u>	<u>7,181,029</u>	<u>331</u>
Excess (deficiency) of revenues over expenditures	<u>(6,211,019)</u>	<u>(6,211,019)</u>	<u>(6,202,356)</u>	<u>8,663</u>
OTHER FINANCING SOURCES (USES):				
Issuance of notes	3,972,000	3,972,000	3,997,218	25,218
Operating transfers-in	<u>2,143,110</u>	<u>2,143,110</u>	<u>2,143,110</u>	<u>-</u>
Total other financing sources (uses)	<u>6,115,110</u>	<u>6,115,110</u>	<u>6,140,328</u>	<u>25,218</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(95,909)	(95,909)	(62,028)	33,881
Fund balances at beginning of year	937,229	937,229	937,229	-
Fund balances at end of year	<u>\$ 841,320</u>	<u>\$ 841,320</u>	<u>\$ 875,201</u>	<u>\$ 33,881</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Infrastructure Improvement Fund
For the Fiscal Year Ended December 31, 2006

Infrastructure Improvement Fund				
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Miscellaneous	\$ 100,000	\$ 100,000	\$ 150,000	\$ 50,000
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>150,000</u>	<u>50,000</u>
EXPENDITURES:				
Current:				
Parks and recreation				
Other than personal services	-	31,835	31,263	572
Capital	920,000	1,019,377	997,318	22,059
Streets				
Capital	314,000	517,788	430,395	87,393
City Clerk:				
Capital	325,000	-	-	-
Total expenditures	<u>1,559,000</u>	<u>1,569,000</u>	<u>1,458,976</u>	<u>110,024</u>
Excess (deficiency) of revenues over expenditures	<u>(1,459,000)</u>	<u>(1,469,000)</u>	<u>(1,308,976)</u>	<u>160,024</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-in	750,000	750,000	750,000	-
Total other financing sources (uses)	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(709,000)	(719,000)	(558,976)	160,024
Fund balances at beginning of year	2,096,378	2,096,378	2,096,378	-
Lapsed encumbrances	26,372	26,372	26,372	-
Fund balances at end of year	<u><u>\$ 1,413,750</u></u>	<u><u>\$ 1,403,750</u></u>	<u><u>\$ 1,563,774</u></u>	<u><u>\$ 160,024</u></u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Chelsea TIF Fund
For the Fiscal Year Ended December 31, 2006

	Chelsea TIF Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES:</u>				
City Manager:				
Capital	23,169	23,170	23,170	-
Total expenditures	<u>23,169</u>	<u>23,170</u>	<u>23,170</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(23,169)</u>	<u>(23,170)</u>	<u>(23,170)</u>	<u>-</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
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	(23,169)	(23,170)	(23,170)	-
Fund balances at beginning of year	23,170	23,170	23,170	-
Fund balances at end of year	<u><u>\$ 1</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Horizon TIF Fund
For the Fiscal Year Ended December 31, 2006

	Horizon TIF Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES:</u>				
Current:				
City Manager:				
Capital	33,020	33,020	28,420	4,600
Total expenditures	33,020	33,020	28,420	4,600
Excess (deficiency) of revenues over expenditures	(33,020)	(33,020)	(28,420)	4,600
<u>OTHER FINANCING SOURCES (USES):</u>				
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(33,020)	(33,020)	(28,420)	4,600
Fund balances at beginning of year	33,473	33,473	33,473	-
Lapsed encumbrances	59,404	59,404	59,404	-
Fund balances at end of year	<u>\$ 453</u>	<u>\$ 453</u>	<u>\$ 64,457</u>	<u>\$ 64,004</u>

CITY OF UPPER ARLINGTON

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 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.

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 (Board). Revenues are generated from admission to the Pool. Expenditures are for operating costs and capital equipment.

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.

City of Upper Arlington, Ohio
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Water Surcharge Fund
For the Fiscal Year Ended December 31, 2006

	Water Surcharge Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Charges for services	\$ 327,250	\$ 327,250	\$ 323,269	\$ (3,981)
Miscellaneous	-	-	1,723	1,723
Total revenues	<u>327,250</u>	<u>327,250</u>	<u>324,992</u>	<u>(2,258)</u>
<u>EXPENDITURES:</u>				
Current:				
Water Surcharge				
Personal services	58,979	71,979	69,436	2,543
Other than personal services	209,003	179,003	139,409	39,594
Capital outlay	-	-	-	-
Total expenditures	<u>267,982</u>	<u>250,982</u>	<u>208,845</u>	<u>42,137</u>
Excess (deficiency) of revenues over expenditures	<u>59,268</u>	<u>76,268</u>	<u>116,147</u>	<u>39,879</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating transfers-in	1,425	-	-	-
Operating transfers-out	(123,382)	(123,382)	(123,382)	-
Total other financing sources (uses)	<u>(121,957)</u>	<u>(123,382)</u>	<u>(123,382)</u>	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(62,689)	(47,114)	(7,235)	39,879
Fund balances at beginning of year	62,689	62,689	62,689	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ 15,575</u>	<u>\$ 55,454</u>	<u>\$ 39,879</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Sanitary Sewer Surcharge Fund
For the Fiscal Year Ended December 31, 2006

	Sanitary Sewer Surcharge Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 650,000	\$ 650,000	\$ 617,039	\$ (32,961)
Miscellaneous	-	-	1,030	1,030
Total revenues	<u>650,000</u>	<u>650,000</u>	<u>618,069</u>	<u>(31,931)</u>
EXPENDITURES:				
Current:				
Sewer Surcharge				
Personal services	439,751	386,751	337,263	49,488
Other than personal services	320,589	320,589	241,652	78,937
Capital outlay	50,000	-	-	-
Total expenditures	<u>810,340</u>	<u>707,340</u>	<u>578,915</u>	<u>128,425</u>
Excess (deficiency) of revenues over expenditures	<u>(160,340)</u>	<u>(57,340)</u>	<u>39,154</u>	<u>96,494</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets				-
Operating transfers-in	127,605	213,934	-	(213,934)
Operating transfers-out	(127,286)	(127,286)	(127,286)	-
Total other financing sources (uses)	<u>319</u>	<u>86,648</u>	<u>(127,286)</u>	<u>(213,934)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(160,021)</u>	<u>29,308</u>	<u>(88,132)</u>	<u>(117,440)</u>
Fund balances at beginning of year	160,021	160,021	160,021	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ 189,329</u>	<u>\$ 71,889</u>	<u>\$ (117,440)</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Stormwater Fund
For the Fiscal Year Ended December 31, 2006

	Stormwater Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 525,000	\$ 525,000	\$ 551,120	\$ 26,120
Investment earnings	130,000	130,000	173,825	43,825
Total revenues	<u>655,000</u>	<u>655,000</u>	<u>724,945</u>	<u>69,945</u>
EXPENDITURES:				
Current:				
Stormwater				
Personal services	338,742	338,742	307,793	30,949
Other than personal services	100,430	100,430	42,939	57,491
Capital outlay	285,000	285,000	280,933	4,067
Total expenditures	<u>724,172</u>	<u>724,172</u>	<u>631,665</u>	<u>92,507</u>
Excess (deficiency) of revenues over expenditures	<u>(69,172)</u>	<u>(69,172)</u>	<u>93,280</u>	<u>162,452</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-out	<u>(226,007)</u>	<u>(226,007)</u>	<u>(226,007)</u>	<u>-</u>
Total other financing sources (uses)	<u>(226,007)</u>	<u>(226,007)</u>	<u>(226,007)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(295,179)</u>	<u>(295,179)</u>	<u>(132,727)</u>	<u>162,452</u>
Fund balances at beginning of year	2,896,040	2,896,040	2,896,040	-
Lapsed encumbrances	9,358	9,358	9,358	-
Fund balances at end of year	<u><u>\$ 2,610,219</u></u>	<u><u>\$ 2,610,219</u></u>	<u><u>\$ 2,772,671</u></u>	<u><u>\$ 162,452</u></u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Swimming Pools Fund
For the Fiscal Year Ended December 31, 2006

	Swimming Pools Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 550,000	\$ 615,000	\$ 624,252	\$ 9,252
Miscellaneous	-	-	8,607	8,607
Total revenues	<u>550,000</u>	<u>615,000</u>	<u>632,859</u>	<u>17,859</u>
EXPENDITURES:				
Current:				
Parks and recreation				
Personal services	386,041	398,041	369,493	28,548
Other than personal services	150,075	170,075	144,667	25,408
Capital outlay	20,000	-	-	-
Total expenditures	<u>556,116</u>	<u>568,116</u>	<u>514,160</u>	<u>53,956</u>
Excess (deficiency) of revenues over expenditures	<u>(6,116)</u>	<u>46,884</u>	<u>118,699</u>	<u>71,815</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-in	-	11,100	11,100	-
Total other financing sources (uses)	<u>-</u>	<u>11,100</u>	<u>11,100</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(6,116)</u>	<u>57,984</u>	<u>129,799</u>	<u>71,815</u>
Fund balances at beginning of year	84,187	84,187	84,187	-
Lapsed encumbrances	1,700	1,700	1,700	-
Fund balances at end of year	<u>\$ 79,771</u>	<u>\$ 143,871</u>	<u>\$ 215,686</u>	<u>\$ 71,815</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Solid Waste Fund
For the Fiscal Year Ended December 31, 2006

	Solid Waste Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Charges for services	\$ 1,725,000	\$ 1,625,000	\$ 1,713,494	\$ 88,494
Investment earnings	4,500	4,500	3,871	(629)
Miscellaneous	137,000	137,000	149,726	12,726
Total revenues	<u>1,866,500</u>	<u>1,766,500</u>	<u>1,867,091</u>	<u>100,591</u>
<u>EXPENDITURES:</u>				
Current:				
Solid Waste		-		
Personal services	1,353,825	1,364,819	1,355,844	8,975
Other than personal services	464,475	520,481	520,472	9
Capital outlay	197,500	80,500	80,345	155
Total expenditures	<u>2,015,800</u>	<u>1,965,800</u>	<u>1,956,661</u>	<u>9,139</u>
Excess (deficiency) of revenues over expenditures	<u>(149,300)</u>	<u>(199,300)</u>	<u>(89,570)</u>	<u>109,730</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating transfers-in	149,300	199,300	149,300	(50,000)
Total other financing sources (uses)	<u>149,300</u>	<u>199,300</u>	<u>149,300</u>	<u>(50,000)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	-	59,730	59,730
Fund balances at beginning of year	368	368	368	-
Fund balances at end of year	<u>\$ 368</u>	<u>\$ 368</u>	<u>\$ 60,098</u>	<u>\$ 59,730</u>

CITY OF UPPER ARLINGTON

Internal Service Fund

Employee Benefits 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.

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Internal Service Fund - Employee Benefits Fund
For the Fiscal Year Ended December 31, 2006

	Employee Benefits Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Charges for services	\$ 3,041,500	\$ 3,041,500	\$ 2,773,190	\$ (268,310)
Reimbursements	-	-	11,607	11,607
Total revenues	<u>3,041,500</u>	<u>3,041,500</u>	<u>2,784,797</u>	<u>(256,703)</u>
<u>EXPENDITURES:</u>				
Current:				
Finance				
Personal services	2,496,500	2,486,500	2,084,227	402,273
Other than personal services	552,370	562,370	560,299	2,071
Total expenditures	<u>3,048,870</u>	<u>3,048,870</u>	<u>2,644,526</u>	<u>404,344</u>
Excess (deficiency) of revenues over expenditures	<u>(7,370)</u>	<u>(7,370)</u>	<u>140,271</u>	<u>147,641</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
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>(7,370)</u>	<u>(7,370)</u>	<u>140,271</u>	<u>147,641</u>
Fund balances at beginning of year	301,472	301,472	301,472	-
Fund balances at end of year	<u>\$ 294,102</u>	<u>\$ 294,102</u>	<u>\$ 441,743</u>	<u>\$ 147,641</u>

CITY OF UPPER ARLINGTON

FIDUCIARY FUNDS - Agency Funds

Returnable Bonds Fund

The fund accounts for moneys temporarily on deposit from citizens pending the return of City property such as traps.

Unclaimed Funds

The fund accounts for moneys owed to citizens that cannot be immediately located.

Construction Withholding Fund

The fund holds the ten percent withholding required by construction contracts until acceptance of the project.

Mayor's Court Fund

The fund receives fines and forfeitures from citizens as a result of violating City laws.

Flexible Benefits Fund

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

Payroll Clearing Fund

The fund accounts for payroll and deduction checks of employees.

Revolving Fund

The fund accounts for miscellaneous deposits of funds collected by the City and due to other governments.

City of Upper Arlington, Ohio
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds - (Agency Funds Only)
As of December 31, 2006

	Agency Funds				
	Returnable Bonds Fund	Unclaimed Funds	Construction Withholding Fund	Mayor's Court Fund	Flexible Benefits Fund
ASSETS:					
Cash and investments	\$ 38,596	\$ 11,141	\$ 239,871	\$ 3,992	\$ 11,428
Total assets	<u>\$ 38,596</u>	<u>\$ 11,141</u>	<u>\$ 239,871</u>	<u>\$ 3,992</u>	<u>\$ 11,428</u>
LIABILITIES:					
Due to others	\$ 38,596	\$ 11,141	\$ 239,871	\$ 3,992	\$ 11,428
Total liabilities	<u>\$ 38,596</u>	<u>\$ 11,141</u>	<u>\$ 239,871</u>	<u>\$ 3,992</u>	<u>\$ 11,428</u>

	<u>Agency Funds</u>		
	<u>Payroll Clearing Fund</u>	<u>Revolving Fund</u>	<u>Total Agency Funds</u>
ASSETS:			
Cash and investments	\$ 1,395,666	\$ 127,797	\$ 1,828,491
Total assets	<u>\$ 1,395,666</u>	<u>\$ 127,797</u>	<u>\$ 1,828,491</u>
LIABILITIES:			
Due to others	\$ 1,395,666	\$ 127,797	\$ 1,828,491
Total liabilities	<u>\$ 1,395,666</u>	<u>\$ 127,797</u>	<u>\$ 1,828,491</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, 2006

	Balances Jan. 1, 2006	Additions	Deductions	Balances Dec. 31, 2006
RETURNABLE BONDS				
Assets				
Cash and investments	\$ 38,596			\$ 38,596
Liabilities				
Due to others	\$ 38,596			\$ 38,596
UNCLAIMED FUNDS				
Assets				
Cash and investments	\$ 10,869	272		\$ 11,141
Liabilities				
Due to others	\$ 10,869	272		\$ 11,141
CONSTRUCTION WITHHOLDING				
Assets				
Cash and investments	\$ 917,959	382,581	1,060,669	\$ 239,871
Liabilities				
Due to others	\$ 917,959	382,581	1,060,669	\$ 239,871
MAYOR'S COURT				
Assets				
Cash and investments	\$ 8,722	605,736	610,466	\$ 3,992
Liabilities				
Due to others	\$ 8,722	605,736	610,466	\$ 3,992
FLEXIBLE BENEFITS FUND				
Assets				
Cash and investments	\$ (10,423)	157,928	136,077	\$ 11,428
Liabilities				
Due to others	\$ (10,423)	157,928	136,077	\$ 11,428
PAYROLL CLEARING FUND				
Assets				
Cash and investments	\$ 1,285,480	25,774,168	25,663,982	\$ 1,395,666
Liabilities				
Due to others	\$ 1,285,480	25,774,168	25,663,982	\$ 1,395,666
REVOLVING FUND				
Assets				
Cash and investments	\$ 135,051	156,870	164,124	\$ 127,797
Liabilities				
Due to others	\$ 135,051	156,870	164,124	\$ 127,797
TOTAL AGENCY FUNDS				
Assets				
Cash and investments	2,386,254	27,077,555	27,635,318	\$ 1,828,491
Liabilities				
Due to others	\$ 2,386,254	27,077,555	27,635,318	\$ 1,828,491

CITY OF UPPER ARLINGTON
STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. These tables are presented in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 44, *Economic Condition Reporting: The Statistical Section*.

<u>Contents</u>	<u>Tables</u>
<i>Financial Trends</i> These schedules contain trend information to help understand how the City's financial performance and wellbeing has changed over time.	1-4
<i>Revenue Capacity</i> These schedules contain information to help assess the City's most significant revenue sources.	5-14
<i>Debt Capacity</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	15-18
<i>Demographic and Economic Information</i> This schedule contains service and infrastructure data to help the reader understand how the information in the City's financial activities take place.	19
<i>Operating Information</i> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	20-22



CITY OF | **UPPER ARLINGTON**

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

	Fiscal Year			
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities				
Invested in capital assets, net of related debt	\$ 23,100	\$ 22,915	\$ 19,492	\$ 19,581
Restricted	6,254	7,184	5,178	1,241
Unrestricted	38,682	33,047	34,869	41,647
<i>Total Governmental Activities Net Assets</i>	<u>\$ 68,036</u>	<u>\$ 63,146</u>	<u>\$ 59,539</u>	<u>\$ 62,469</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 17,972	\$ 16,539	\$ 12,460	\$ 10,539
Restricted	-	-	-	-
Unrestricted	3,131	3,227	5,489	3,085
<i>Total Business-Type Activities Net Assets</i>	<u>\$ 21,103</u>	<u>\$ 19,766</u>	<u>\$ 17,949</u>	<u>\$ 13,624</u>
Primary Government				
Invested in capital assets, net of related debt	\$ 41,072	\$ 39,454	\$ 31,952	\$ 30,120
Restricted	6,254	7,184	5,178	1,241
Unrestricted	41,813	36,274	40,358	44,732
<i>Total Primary Government Net Assets</i>	<u>\$ 89,139</u>	<u>\$ 82,912</u>	<u>\$ 77,488</u>	<u>\$ 76,093</u>
	(2)	(2)	(2)	(2)

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.

(2) Reflects reclassification of net assets to conform with GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*.

Source:

1. City of Upper Arlington Finance Department

City of Upper Arlington, Ohio
Changes in Net Assets, Last Four Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year			
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses				
Governmental Activities:				
Public Safety	\$ 14,266	\$ 13,436	\$ 13,227	\$ 12,172
General Government	8,209	8,547	8,045	6,910
Public Services	5,167	4,882	4,868	4,317
Parks and Recreation	3,142	3,025	3,021	2,897
Community Development	853	875	870	724
Health Services	-	163	167	157
Interest on long-term debt	1,111	1,095	1,006	977
<i>Total Governmental Activities Expenses</i>	<u>32,748</u>	<u>32,023</u>	<u>31,204</u>	<u>28,154</u>
Business-Type activities:				
Water	333	325	643	341
Sewer	660	697	671	718
Stormwater	692	635	643	686
Swimming pool	603	635	539	555
Sanitation	1,983	1,855	1,789	1,688
<i>Total Business-Type Activities Expenses</i>	<u>4,271</u>	<u>4,147</u>	<u>4,285</u>	<u>3,988</u>
<i>Total Primary Government Expenses</i>	<u>\$ 37,019</u>	<u>\$ 36,170</u>	<u>\$ 35,489</u>	<u>\$ 32,142</u>
Program Revenues				
Governmental Activities:				
Charges for services:				
Public Safety	\$ 988	\$ 1,275	\$ 8	\$ 10
General Government	173	59	68	-
Public Services	76	65	321	1
Parks and Recreation	815	741	503	965
Community Development	774	796	964	614
Health Services	-	-	-	-
Operating grants and contributions	1,704	1,688	70	84
Capital grants and contributions	300	91	-	119
<i>Total Governmental Activities Program Revenues</i>	<u>4,830</u>	<u>4,715</u>	<u>1,934</u>	<u>1,793</u>
Business-Type Activities:				
Charges for services:				
Water	288	368	324	315
Sewer	550	680	629	605
Stormwater	521	531	555	571
Swimming pools	632	603	445	375
Solid Waste	1,794	1,780	1,823	1,375
Operating grants and contributions				
Capital grants and contributions	1,434	1,814	610	
<i>Total Business-Type Activities Program Revenues</i>	<u>5,219</u>	<u>5,776</u>	<u>4,386</u>	<u>3,241</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 10,049</u>	<u>\$ 10,491</u>	<u>\$ 6,320</u>	<u>\$ 5,034</u>

	Fiscal Year			
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net(Expense)Revenue				
Governmental Activities	\$ (27,918)	\$ (27,308)	\$ (29,270)	\$ (26,361)
Business-Type Activities	948	1,629	101	(747)
<i>Total Primary Government Net Expense</i>	<u>(26,970)</u>	<u>(25,679)</u>	<u>(29,169)</u>	<u>(27,108)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Taxes				
Income taxes	12,944	14,292	11,109	12,580
Property taxes	9,098	7,834	7,881	7,350
Estate taxes	3,761	3,775	3,287	1,581
Intergovernmental	3,616	2,866	5,780	5,644
Unrestricted investment earnings	2,134	1,078	855	1,097
Miscellaneous	1,414	1,319	1,578	1,599
Transfers	(160)	(250)	(4,150)	(2,273)
Total governmental activities	<u>32,807</u>	<u>30,914</u>	<u>26,340</u>	<u>27,578</u>
Business-type activities:				
Investment earnings	228	109	75	91
Miscellaneous	-	(172)	-	4
Transfers	160	251	4,150	2,273
<i>Total Business-Type Activities</i>	<u>388</u>	<u>188</u>	<u>4,225</u>	<u>2,368</u>
<i>Total Primary Government</i>	<u>33,195</u>	<u>31,102</u>	<u>30,565</u>	<u>29,946</u>
Change in Net Assets				
Governmental activities	4,889	3,606	(2,930)	1,217
Business-type activities	1,336	1,817	4,326	1,621
<i>Total Primary Government Change in Net Assets</i>	<u>\$ 6,225</u>	<u>\$ 5,423</u>	<u>\$ 1,396</u>	<u>\$ 2,838</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, Ohio
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year			
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General fund				
Reserved	\$ 1,038	\$ 820	\$ 1,929	\$ 3,000
Unreserved	<u>26,462</u>	<u>21,739</u>	<u>22,180</u>	<u>24,326</u>
<i>Total General Fund</i>	<u><u>\$ 27,500</u></u>	<u><u>\$ 22,559</u></u>	<u><u>\$ 24,109</u></u>	<u><u>\$ 27,326</u></u>
All other governmental funds				
Reserved	\$ 1,103	\$ 1,373	\$ 4,384	\$ 2,621
Unreserved, reported in:				
Special revenue funds	2,326	1,646	1,244	1,258
Capital projects funds	11,752	13,866	12,272	14,134
Debt service funds	<u>916</u>	<u>986</u>	<u>926</u>	<u>1,043</u>
<i>Total All Other Governmental Funds</i>	<u><u>\$ 16,097</u></u>	<u><u>\$ 17,871</u></u>	<u><u>\$ 18,826</u></u>	<u><u>\$ 19,056</u></u>

Sources:

1. City of Upper Arlington Finance Department

Fiscal Year					
<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
\$ 6,906	\$ 6,086	\$ 5,144	\$ 3,655	\$ 4,481	\$ 3,603
24,117	17,636	14,726	14,243	11,487	8,715
<u>\$ 31,023</u>	<u>\$ 23,722</u>	<u>\$ 19,870</u>	<u>\$ 17,898</u>	<u>\$ 15,968</u>	<u>\$ 12,318</u>
\$ 1,732	\$ 2,767	\$ 1,124	\$ 1,978	\$ 354	\$ 1,216
1,218	1,234	886	985	620	401
10,209	15,445	7,577	5,414	5,271	3,266
1,246	749	747	650	559	33
<u>\$ 14,405</u>	<u>\$ 20,195</u>	<u>\$ 10,334</u>	<u>\$ 9,027</u>	<u>\$ 6,804</u>	<u>\$ 4,916</u>

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

	Fiscal Year			
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Revenues				
Taxes	\$ 26,228	\$ 27,056	\$ 23,881	\$ 24,580
Intergovernmental	4,783	3,510	4,427	3,896
Licenses and permits	733	866	703	624
Charges for services	1,585	1,561	1,139	966
Fines and forfeits	394	439	414	355
Investment earnings	2,134	1,365	855	1,096
Miscellaneous	1,405	1,005	1,121	1,355
<i>Total Revenues</i>	<u>37,262</u>	<u>35,802</u>	<u>32,540</u>	<u>32,872</u>
Expenditures				
Public Safety	13,531	13,079	12,723	11,821
General Government	6,545	6,239	6,045	6,600
Public Services	3,453	3,490	3,648	2,601
Parks and Recreation	2,897	2,858	2,791	2,618
Community Development	850	863	855	719
Health Services	-	161	167	157
Capital outlay	4,667	8,585	10,759	10,499
Debt services	-	-	-	-
Principal	5,820	5,793	1,757	1,311
Interest	991	1,103	967	955
Other charges	-	-	15	102
<i>Total Expenditures</i>	<u>38,754</u>	<u>42,171</u>	<u>39,727</u>	<u>37,383</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	(1,492)	(6,369)	(7,187)	(4,511)
Other Financing Sources (Uses)				
Transfers in	3,311	8,026	3,399	5,337
Transfers out	(3,472)	(8,277)	(7,539)	(5,885)
Bonds/Notes issued	3,972	3,972	3,972	10,000
Refunding bonds and escrow transfer	-	-	-	-
Premium on bonds/notes issued	25	33	35	105
Installment loan issued	-	-	500	-
Sale of capital assets	822	110	64	112
<i>Total Other Financing Sources (Uses)</i>	<u>4,658</u>	<u>3,864</u>	<u>431</u>	<u>9,669</u>
<i>Net Change in Fund Balances</i>	<u>\$ 3,166</u>	<u>\$ (2,505)</u>	<u>\$ (6,756)</u>	<u>\$ 5,158</u>
 Debt Service as a Percentage of Noncapital Expenditures	 24.97%	 25.84%	 10.38%	 9.20%

Sources:

1. City of Upper Arlington Finance Department

Table 4

Fiscal Year						
<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	
\$ 27,772	\$ 27,048	\$ 24,203	\$ 25,537	\$ 22,561	\$ 19,898	
3,372	2,687	2,623	2,483	2,417	2,553	
623	307	333	299	269	343	
1,435	905	843	840	778	754	
342	367	379	317	279	262	
1,870	2,172	2,202	684	1,816	837	
1,306	1,261	1,309	1,179	1,369	1,029	
<u>36,720</u>	<u>34,747</u>	<u>31,892</u>	<u>31,339</u>	<u>29,489</u>	<u>25,676</u>	
11,472	10,698	9,916	10,350	9,534	8,879	
7,311	6,437	6,620	6,054	5,150	4,918	
2,044	2,383	2,019	1,951	1,842	1,813	
2,967	2,316	1,981	2,079	2,008	1,928	
622	602	492	567	550	557	
154	161	138	109	121	119	
9,020	3,505	5,198	4,168	4,931	2,271	
1,331	1,506	1,236	1,188	8,326	1,011	
714	608	529	580	672	492	
<u>35,635</u>	<u>28,216</u>	<u>28,129</u>	<u>27,046</u>	<u>33,134</u>	<u>21,988</u>	
1,085	6,531	3,763	4,293	(3,645)	3,688	
2,341	6,859	9,095	6,602	2,843	2,762	
(2,421)	(6,939)	(9,577)	(6,741)	(3,006)	(2,966)	
	6,778			9,354	4,906	
				44		
	482					
<u>(80)</u>	<u>7,180</u>	<u>(482)</u>	<u>(139)</u>	<u>9,235</u>	<u>4,702</u>	
<u>\$ 1,005</u>	<u>\$ 13,711</u>	<u>\$ 3,281</u>	<u>\$ 4,154</u>	<u>\$ 5,590</u>	<u>\$ 8,390</u>	
8.32%	9.36%	8.34%	8.38%	46.85%	8.25%	

City of Upper Arlington, Ohio
Governmental Activities Tax Revenues by Source
Last Four Fiscal Years
 (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>
2006	\$ 12,944	\$ 9,098	\$ 3,761	\$ 962	\$ 26,765
2005	\$ 14,292	\$ 7,834	\$ 3,775	\$ 1,503	\$ 27,404
2004	\$ 11,109	\$ 7,881	\$ 3,287	\$ 1,411	\$ 23,688
2003	\$ 12,580	\$ 7,350	\$ 1,581	\$ 1,636	\$ 23,147

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, Ohio
Top Principal Property Taxpayers
December 31, 2006**

	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
<u>Public Utilities</u>		
1. Columbus Southern Power Co.	\$9,135,130	0.59%
2. Ohio Bell Telephone Company	4,765,440	0.31%
3. Columbia Gas of Ohio Inc.	1,203,830	0.08%
<u>Real Estate</u>		
1. Compuserve Interactive	7,560,040	0.49%
2. RRC Acquisitions Inc.	7,315,010	0.47%
3. UAP-Columbus JV-326132	7,310,450	0.47%
4. First Community Village	5,478,310	0.35%
5. Scioto Country Club Inc.	4,052,230	0.26%
6. Kimco Development Corporation	3,500,570	0.23%
7. New Plan Financing I Inc.	3,456,260	0.22%
8. Kenbrook Village Company	2,310,000	0.15%
9. Lane Avenue Office	1,941,660	0.13%
10. Huntington National Bank	1,693,300	0.11%
<u>Tangible Personal Property (1)</u>		
1. America Online Inc.	1,228,458	0.08%
2. CBC Companies Inc.	1,026,051	0.07%
3. Honeywell International Incorporated	752,115	0.05%
4. Time Warner Entertainment Company LP	747,981	0.05%
5. Ohio Orthopedic Center of Excellence Inc.	366,611	0.02%
6. Tamarkin Company	349,338	0.02%
7. Rich's Department Stores Inc	293,916	0.02%
8. Kroger Company	282,372	0.02%
9. Ohio Orthopedic Surgery Institute LLC	211,343	0.01%
10. Medtronic USA Inc	194,401	0.01%
ALL OTHERS	<u>1,483,395,468</u>	<u>95.79%</u>
TOTAL ASSESSED VALUATION	<u><u>\$1,548,570,284</u></u>	<u><u>100.00%</u></u>

Source: Franklin County, Ohio; County Auditor

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

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

<u>Fiscal Year</u>	<u>City of Upper Arlington</u>					<u>Overlapping Rates Franklin County</u>			
	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Police & Fire Pension Millage</u>	<u>Capital Equipment Millage</u>	<u>Total City Millage</u>	<u>Operating Millage</u>	<u>Specialty Service Millage¹</u>	<u>Metro Parks Millage</u>	<u>Total County Millage</u>
2006	3.90	0.44	1.80	0.50	6.64	1.47	16.32	0.65	18.44
2005	3.90	0.54	1.80	0.50	6.74	1.47	16.32	0.65	18.44
2004	3.90	0.65	1.80	0.50	6.85	1.47	15.52	1.45	18.44
2003	3.90	0.66	1.80	0.50	6.86	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
2001	3.90	0.76	1.60	0.50	6.76	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
1999	3.90	0.39	1.60	0.50	6.39	1.47	15.52	0.55	17.54
1998	3.90	0.42	1.60	0.50	6.42	1.47	15.52	0.55	17.54
1997	3.90	0.84	1.60	0.50	6.84	1.47	13.20	0.55	15.22

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

(3) Upper Arlington Schools, Treasurer's Office

Overlapping Rates					
Upper Arlington Schools			Library		Total Direct & Overlapping Rates
Operating Millage	Debt Service Millage	Total School Millage	Operating Millage	Total Library Millage	
93.91	1.97	95.88	2.00	2.00	122.96
93.91	1.97	95.88	2.00	2.00	123.06
93.91	2.33	96.24	2.00	2.00	123.53
86.11	3.00	89.11	2.00	2.00	115.51
86.11	3.04	89.15	2.00	2.00	115.55
86.11	3.41	89.52	1.00	1.00	114.82
79.91	3.41	83.32	1.00	1.00	108.25
79.91	4.04	83.95	1.00	1.00	108.88
79.91	4.12	84.03	1.00	1.00	108.99
73.71	4.15	77.86	1.00	1.00	100.92

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

Fiscal Year Ended <u>December 31</u>	Real Property			Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Public Utility Property	General				
2006	\$ 1,394,180,700	\$ 129,708,510	\$ 15,114,070	\$ 9,567,004	\$1,548,570,284	6.64	\$4,435,420,245	34.91%
2005	1,385,515,540	131,105,350	16,565,250	12,449,944	1,545,636,084	6.74	4,430,331,605	34.89%
2004	1,142,159,690	119,509,430	17,262,240	17,585,944	1,296,517,304	6.85	3,724,433,376	34.81%
2003	1,134,538,040	115,313,410	17,191,600	17,677,037	1,284,720,087	6.86	3,690,831,148	34.81%
2002	1,126,012,710	114,682,550	17,101,280	21,904,698	1,279,701,238	6.86	3,681,323,192	34.76%
2001	954,491,780	104,513,470	18,983,560	29,031,195	1,107,020,005	6.76	3,196,092,809	34.64%
2000	945,863,830	102,426,630	23,253,360	31,888,687	1,103,432,507	6.39	3,189,108,519	34.60%
1999	941,586,020	102,123,720	23,718,420	34,396,677	1,101,824,837	6.39	3,187,381,451	34.57%
1998	848,893,600	91,216,790	24,237,840	56,148,837	1,020,497,067	6.42	2,979,876,005	34.25%
1997	843,235,460	91,876,440	24,400,470	45,182,344	1,004,694,714	6.84	2,922,193,290	34.38%

Source: Franklin County, Ohio; County Auditor

**City of Upper Arlington, Ohio
Principal Employers
Ranked by Number of Full-time Employees**

<u>Employer</u>	<u>2006</u>		<u>2005</u>		<u>2004</u>	
	<u>Employees</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
UA Board of Education	883	5.0%	741	4.2%	758	n/a
AOL Midwest	230	1.3%	350	2.0%	442	n/a
First Community Village	350	2.0%	340	1.9%	350	n/a
City of Upper Arlington	260	1.5%	265	1.5%	265	n/a
Kroger	140	0.8%	140	0.8%	-	n/a
Giant Eagle	150	0.9%	182	1.0%	-	
Scioto Country Club	197	1.1%	182	1.0%	-	
Wellington School	170	1.0%	167	1.0%	-	
National Church Residences	165	0.9%	161	0.9%	-	
Hilb, Rogal & Hobbs	150	0.9%	150	0.9%	165	n/a
Total	<u>2,695</u>	<u>15.41%</u>	<u>2,678</u>	<u>15.31%</u>	<u>1,980</u>	<u>n/a</u>
Total City Employees	16,976		17,487		n/a	

City of Upper Arlington, Ohio
Income Tax Statistics
Last Five Years

Income Averages for Upper Arlington Tax Years 2001-2005

<u>Tax Year</u>	<u>Income Range Tax Year</u>	<u>Individual Resident Filers</u>	<u>Percent of Filers</u>	<u>Local Taxable Income</u>	<u>Percent of Taxable Income</u>
2005	0-19,999	3,803	30.73%	\$26,682,883	2.6%
2005	20,000-49,999	1,800	14.55%	61,121,765	6.0%
2005	50,000-74,999	1,503	12.15%	84,143,579	8.2%
2005	75,000-99,999	1,295	10.47%	103,131,636	10.1%
2005	Over 100,000	<u>3,973</u>	32.10%	<u>746,916,424</u>	73.1%
	Total	12,374		\$1,021,996,287	
2004	0-19,999	3,006	26.37%	\$20,217,366	2.0%
2004	20,000-49,999	2,220	19.47%	77,488,367	7.5%
2004	50,000-74,999	1,580	13.86%	98,128,545	9.5%
2004	75,000-99,999	1,242	10.89%	107,756,835	10.4%
2004	Over 100,000	<u>3,352</u>	29.40%	<u>732,638,515</u>	70.7%
	Total	11,400		\$1,036,229,628	
2003	0-19,999	3,048	26.74%	\$20,832,873	2.1%
2003	20,000-49,999	2,308	20.25%	80,697,366	8.0%
2003	50,000-74,999	1,681	14.75%	104,452,389	10.3%
2003	75,000-99,999	1,301	11.41%	113,105,862	11.2%
2003	Over 100,000	<u>3,298</u>	28.93%	<u>691,332,818</u>	68.4%
	Total	11,636		\$1,010,421,307	
2002	0-19,999	2,982	26.16%	\$20,697,810	2.0%
2002	20,000-49,999	2,258	19.81%	80,098,043	7.7%
2002	50,000-74,999	1,664	14.60%	102,703,820	9.9%
2002	75,000-99,999	1,257	11.03%	108,995,420	10.5%
2002	Over 100,000	<u>3,173</u>	27.83%	<u>729,808,957</u>	70.0%
	Total	11,334		\$1,042,304,050	
2001	0-19,999	2,848	25.38%	\$19,625,574	2.0%
2001	20,000-49,999	2,356	20.99%	83,669,809	8.6%
2001	50,000-74,999	1,675	14.93%	103,433,894	10.6%
2001	75,000-99,999	1,250	11.14%	108,490,644	11.1%
2001	Over 100,000	<u>3,093</u>	27.56%	<u>659,380,501</u>	67.7%
	Total	11,222		\$974,600,422	

**City of Upper Arlington, Ohio
Local Taxes Paid by Residents
Last Five Years**

Local Taxes Paid by Upper Arlington Residents for Tax Years 2001-2005

Tax Year	Taxes Paid by Upper Arlington Residents	%	Taxes credited to other municipalities	%	Total Local Income tax Paid by Residents
2005	\$2,640,738	12.9%	\$17,799,188	87.1%	\$20,439,926
2004	\$2,893,662	14.0%	\$17,830,931	86.0%	\$20,724,593
2003	\$2,468,736	12.2%	\$17,742,940	87.8%	\$20,211,676
2002	\$2,060,205	9.9%	\$18,803,243	90.1%	\$20,863,448
2001	\$2,539,492	13.0%	\$16,954,769	87.0%	\$19,494,261

Source: Regional Income Tax Agency, Brecksville, Ohio

Notes:

- (1) Income reported represents income taxable at the local level. Local taxable income excludes some revenue sources taxable at the federal level, such as pensions, investment earnings, and capital gains.
- (2) While the City imposes a 2% income tax on its residents, a credit of up to 2% is allowed for income earned outside the City. Thus, the City's actual income tax collections are substantially less than 2% of local taxable income. In addition local taxable income includes income tax received from non-resident individuals who work within the jurisdiction, and are not required to file an annual return.
- (3) Differences in amounts reported as local tax collected by Upper Arlington residents and "Taxes from Individuals" amounts reported in Table 11 result from timing differences in collection and distribution of tax by the Regional Income Tax Agency (RITA), along with payments by non-resident individuals who remit payments for taxes from work performed inside the City.

City of Upper Arlington, Ohio
Income Tax Revenue Base and Collections (Cash Basis)
For the Last Ten Fiscal Years
(amounts expressed in thousands)

Tax Year	Tax Rate	Total Tax Collected	Taxes From Withholding	Percentage of Taxes From Withholding	Taxes From Net Profits	Percentage of Taxes From Net Profits	Taxes From Individuals	Percentage of Taxes From Individuals
2006	2.0%	\$12,948	\$8,537	66%	\$1,300	10%	\$3,111	24%
2005	2.0%	14,092	8,447	60%	2,070	15%	3,575	25%
2004	2.0%	12,103	7,789	64%	1,358	11%	2,956	24%
2003	2.0%	12,276	7,534	61%	1,447	12%	3,295	27%
2002	2.0%	12,835	8,407	66%	702	22%	3,726	29%
2001	2.0%	13,393	9,749	73%	734	5%	2,910	22%
2000	2.0%	11,974	8,468	71%	999	8%	2,507	21%
1999	2.0%	12,124	8,776	72%	779	6%	2,569	21%
1998	2.0%	9,094	6,004	66%	901	10%	2,189	24%
1997	2.0%	8,214	5,723	71%	427	5%	2,064	25%

Sources:

1. City of Upper Arlington Finance Department

**City of Upper Arlington, Ohio
Special Assessment Billings and Collections
Last Ten Years**

Fiscal Year	Assessment Billings	Assessment Collections
2006	\$170,875	\$165,602
2005	\$176,490	\$168,968
2004	193,890	180,040
2003	402,517	390,545
2002	247,721	241,828
2001	288,991	242,909
2000	357,762	307,461
1999	278,861	275,593
1998	41,176	42,846
1997	38,222	46,495

Source: Franklin County, Ohio; County Auditor

City of Upper Arlington, Ohio
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date			Outstanding Delinquent Taxes
		Amount	Percentage of Levy	Delinquent Amount	Total Collected	Percentage of Levy	
2006	\$9,922	\$9,748	98.25%	\$154	\$9,902	99.80%	\$327
2005	8,676	8,538	98.41%	132	8,670	99.93%	231
2004	8,612	8,462	98.24%	192	8,654	100.49%	238
2003	8,560	8,404	98.18%	177	8,581	100.24%	291
2002	7,333	7,181	97.92%	197	7,378	100.61%	730
2001	6,931	6,763	97.57%	164	6,927	99.94%	882
2000	6,923	6,824	98.56%	129	6,953	100.43%	319
1999	6,412	6,314	98.46%	157	6,471	100.92%	215
1998	6,947	6,827	98.28%	296	7,123	102.55%	239
1997	6,013	5,774	96.02%	96	5,870	97.62%	345

Sources:

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



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**City of Upper Arlington, Ohio
Enterprise Funds Summary Data
Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Water Surcharge Fund										
Assets	\$6,434,128	\$5,904,731	\$5,236,168	\$5,468,767	\$5,678,422	\$5,564,038	\$5,600,115	\$4,854,391	\$5,013,589	\$5,338,044
Net Assets	5,529,978	4,789,701	3,919,893	3,953,820	3,979,289	3,653,058	3,498,150	2,567,936	2,545,618	2,786,986
Operating Revenue	287,526	367,837	323,738	315,387	361,719	322,848	451,220	375,174	361,226	299,301
Operating Expense	(297,320)	(281,602)	(592,922)	(283,715)	(233,576)	(245,057)	(212,019)	(250,178)	(249,136)	(254,719)
Non-operating										
Investment income	0	0	0	0	0	0	0	0	0	0
Interest expense	(35,732)	(43,170)	(50,303)	(57,141)	(39,750)	(89,717)	(118,007)	(102,678)	(126,040)	(114,997)
Other, net	0	0	0	0	0	0	0	0	0	0
Transfers in	0	12,166	132,500	0	0	0	0	0	24,186	15,000
Changes in net asset/net income	740,277	869,808	(33,927)	(25,469)	180,340	78,576	204,713	94,199	81,996	18,871
Rate per 1000 cubic feet (MCF)	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25
Sewer Surcharge Fund										
Assets	\$5,178,972	\$4,975,935	\$4,778,126	\$4,910,419	\$5,119,250	\$5,297,170	\$5,497,588	\$5,445,261	\$5,594,801	\$5,723,824
Net Assets	3,806,317	3,352,075	2,927,519	2,788,748	2,821,551	2,742,874	2,737,263	2,472,309	2,428,589	2,413,351
Operating Income	550,432	679,508	628,936	605,311	679,076	632,288	844,449	689,728	674,945	612,658
Operating Expense	(602,141)	(615,965)	(595,873)	(634,287)	(610,517)	(599,254)	(496,296)	(516,877)	(544,191)	(526,179)
Non-operating										
Investment income	0	0	0	0	0	0	0	370	0	0
Interest expense	(56,772)	(81,605)	(75,066)	(83,827)	(66,502)	(107,423)	(153,302)	(516,877)	(141,381)	(168,330)
Other, net	(717)	0	0	0	0	0	0	0	0	0
Transfers in	0	115,407	111,892	80,000	80,000	80,000	0	0	0	50,000
Changes in net asset/net income	454,242	424,556	138,771	(32,803)	177,685	103,784	294,285	140,970	85,881	65,519
Rate per 1000 cubic feet (MCF)	\$4.90	\$4.90	\$4.90	\$4.90	\$4.90	\$4.65	\$4.65	\$4.65	\$4.65	\$4.65
Stormwater Fund										
Assets	\$7,329,195	\$7,298,612	\$6,938,644	\$7,054,938	\$6,974,867	\$7,013,378	\$6,942,548	\$6,134,709	\$5,879,780	\$6,034,292
Net Assets	5,584,460	5,447,922	4,924,013	4,922,292	4,721,638	4,670,894	4,478,320	3,552,664	3,175,331	3,252,620
Operating Income	521,393	531,407	554,837	570,524	481,247	532,081	531,840	524,553	521,358	528,598
Operating Expense	(609,646)	(546,910)	(549,591)	(587,402)	(494,722)	(469,460)	(452,112)	(484,602)	(564,924)	(465,705)
Non-operating										
Investment income	224,481	106,217	72,928	91,524	135,425	108,322	128,905	87,525	103,988	106,972
Interest expense	(82,367)	(88,005)	(93,333)	(98,357)	(103,212)	(112,624)	(117,442)	(121,743)	(175,592)	(114,960)
Other, net	(205)	0	0	0	14,706	34,700	38,892	279,757	0	0
Transfers in	0	0	0	0	0	0	346,913	0	0	0
Changes in net asset/net income	136,538	523,909	1,721	200,654	174,215	224,758	605,853	468,969	7,138	175,495
Annual residential rate	\$33.00	\$33.00	\$33.00	\$33.00	\$33.00	\$33.00	\$33.00	\$33.00	\$33.00	\$33.00

**City of Upper Arlington
Enterprise Funds Summary Data, cont.**

	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Swimming Pools Fund										
Assets	\$5,870,072	\$5,834,355	\$6,689,387	\$1,701,313	n/a	n/a	n/a	n/a	n/a	n/a
Net Assets	5,858,925	5,818,409	5,870,319	1,687,186	n/a	n/a	n/a	n/a	n/a	n/a
Operating Income	632,090	602,636	444,735	375,077	n/a	n/a	n/a	n/a	n/a	n/a
Operating Expense	(602,674)	(634,911)	(539,115)	(555,090)	n/a	n/a	n/a	n/a	n/a	n/a
Non-operating		634,911	0	0	n/a	n/a	n/a	n/a	n/a	n/a
Investment income	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a
Interest expense	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a
Other, net	0	(172,202)	0	0	n/a	n/a	n/a	n/a	n/a	n/a
Transfers in	11,100	1,560	3,906,000	366,696	n/a	n/a	n/a	n/a	n/a	n/a
Changes in net asset/net income	40,516	(51,910)	4,183,133	1,687,186	n/a	n/a	n/a	n/a	n/a	n/a
Cost of a resident family membership	\$180.00	\$180.00	\$180.00	\$150.00	n/a	n/a	n/a	n/a	n/a	n/a
Solid Waste Fund										
Assets	\$602,488	\$507,750	\$632,074	\$822,501	\$827,703	\$633,994	\$711,178	\$514,529	\$388,669	\$283,522
Net Assets	323,739	357,469	307,684	271,550	479,359	283,890	256,465	(28,847)	(163,341)	(428,805)
Operating Income	1,794,062	1,780,473	1,823,425	1,374,436	1,728,627	1,608,683	1,577,837	1,393,536	1,469,731	1,476,753
Operating Expense	(1,981,547)	(1,854,940)	(1,789,696)	(1,687,663)	(1,555,217)	(1,611,401)	(1,451,708)	(1,405,950)	(1,369,018)	(1,503,840)
Non-operating										
Investment income	5,933	2,611	2,405	4,168	10,420	7,899	19,017	9,246	6,732	3,262
Interest expense	0	0	0	0	0	0	0	0	0	0
Other, net	(1,478)	0	0	0	(1,603)	(1,531)	(3,329)	(2,350)	0	0
Transfers in	149,300	121,641	0	101,250	0	0	135,410	139,110	139,111	139,111
Changes in net asset/net income	(33,730)	49,785	36,134	(207,809)	202,928	28,671	292,813	141,139	252,612	120,195
Cost of a single trash sticker	\$2.50	\$2.50	\$2.50	\$2.25	\$2.25	\$2.25	\$2.10	\$2.10	\$2.10	\$2.10

Source: City of Upper Arlington Finance Department

City of Upper Arlington, Ohio
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 & Notes</u>	<u>Installment Loans</u>	<u>General Obligation Bonds</u>	<u>Ohio Public Work Commission Loans</u>			
2006	\$23,072	\$307	\$1,750	\$2,139	\$27,268	2.06%	\$864
2005	24,731	405	2,130	2,354	29,620	2.23%	939
2004	26,357	600	2,491	2,562	32,010	2.64%	1,005
2003	24,046	196	2,839	2,764	29,845	2.70%	923
2002	15,265	289	3,176	2,958	21,688	1.98%	661
2001	16,405	378	3,504	3,147	23,434	2.20%	704
2000	10,917	0	3,853	3,329	18,099	1.71%	538
1999	11,524	0	4,186	3,505	19,215	1.85%	563
1998	13,342	0	4,508	3,675	21,525	2.14%	631
1997	6,896	0	2,149	3,840	12,885	1.35%	378

City of Upper Arlington, Ohio
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 & notes</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>
2006	\$23,072	\$916	\$22,156	1.43%	\$702
2005	24,731	986	23,745	1.54%	753
2004	26,357	926	25,431	1.98%	798
2003	24,046	1,043	23,003	1.79%	712
2002	18,441	1,246	17,195	1.34%	524
2001	19,909	749	19,160	1.73%	575
2000	14,770	748	14,022	1.27%	417
1999	16,340	650	15,690	1.42%	460
1998	17,850	559	17,291	1.69%	507
1997	9,045	33	9,012	0.90%	264

City of Upper Arlington, Ohio
Direct and Overlapping Governmental Activities Debt
As of December 31, 2006
(amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Assessed Valuation</u>	<u>Gross General Obligation</u>	<u>Percent Applicable to District</u>	<u>Amount Applicable to District</u>
Direct				
City of Upper Arlington	\$ 1,548,570,284	\$ 27,278,640	100.00%	\$ 27,278,640
Overlapping				
Franklin County	28,303,349,205	149,431,221	5.47%	8,173,888
Columbus City School District	10,167,074,164	379,876,116	0.02%	75,975
Dublin City School District	2,879,829,383	105,864,196	0.17%	179,969
Upper Arlington City School District	1,564,155,732	<u>34,804,366</u>	98.63%	34,327,546
Total overlapping		669,975,899		
Total direct and overlapping debt		<u><u>\$ 697,254,539</u></u>		

Source: Auditor, Franklin County; Settlement Division



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

	Fiscal Year			
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Overall debt limit	\$ 105,493	\$ 107,152	\$ 115,692	\$ 115,860
Total net debt applicable to limit	9,012	17,291	15,690	14,022
Legal debt margin	\$ 96,481	\$ 89,861	\$ 100,002	\$ 101,838
Total net debt applicable to the limit as a percentage of debt limit	8.54%	16.14%	13.56%	12.10%
Unvoted Debt limit	\$ 55,258	\$ 56,127	\$ 60,600	\$ 60,689
Total net debt applicable to limit	9,012	12,171	10,770	9,312
Legal debt margin	\$ 46,246	\$ 43,956	\$ 49,830	\$ 51,377
Total net debt applicable to the limit as a percentage of debt limit	16.31%	21.68%	17.77%	15.34%
<u>Overall (Voted and Unvoted) Debt Limitation:</u>				
Total assessed value			\$1,548,570 (2)	
Debt limit (5 1/2% of total assessed value)			162,600	
Debt applicable to limit:				
General obligation bonds and Notes			24,822	
Less: Amount set aside for repayment of general obligation debt			916	
Total net debt applicable to limit			<u>23,906</u>	
Legal debt margin			<u>\$ 138,694</u>	

Notes:

1. City of Upper Arlington Finance Department
2. Excludes accretion on deep discount debt per state law.

Fiscal Year						
<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	
\$ 116,237	\$ 134,369	\$ 134,896	\$ 136,134	\$ 162,292	\$ 162,600	
19,160	17,195	23,004	25,431	26,861	24,822	
\$ 97,077	\$ 117,174	\$ 111,892	\$ 110,703	\$ 135,431	\$ 137,778	
16.48%	12.80%	17.05%	18.68%	16.55%	15.27%	
\$ 60,886	\$ 70,384	\$ 70,660	\$ 71,308	\$ 85,010	\$ 85,171	
14,597	8,219	14,438	17,290	18,101	16,496	
\$ 46,289	\$ 62,165	\$ 56,222	\$ 54,018	\$ 66,909	\$ 68,675	
23.97%	11.68%	20.43%	24.25%	21.29%	19.37%	

Unvoted Debt Limitation:

Total assessed value	\$ 1,548,570
Debt limit (5 1/2% of total assessed value)	85,171
Debt applicable to limit:	
General obligation bonds & Notes	24,822
Less: Debt outside limitations	7,410
Debt within limitation	<u>17,412</u>
Less: Amount set aside for repayment of general obligation debt	<u>916</u>
Total net debt applicable to limit	<u>16,496</u>
Legal debt margin for unvoted debt	<u><u>\$ 68,675</u></u>

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

<u>Fiscal Year</u>	<u>Population 1</u>	<u>Personal Income (amounts expressed in thousands)</u>	<u>Per Capita Personal Income 2</u>	<u>Median Age 1</u>	<u>School Enrollment 3</u>	<u>Unemployment</u>	
						<u>Local Rate 4</u>	<u>State Rate 5</u>
2006	(6) 31,550	1,325,889	42,025	42.6	5,628	4.7%	5.5%
2005	31,550	1,325,889	42,025	42.6	5,440	4.6%	5.5%
2004	31,860	1,214,376	38,116	42.6	5,388	5.0%	5.7%
2003	32,323	1,103,895	34,152	42.6	5,491	4.7%	6.0%
2002	32,808	1,097,920	33,465	42.6	5,328	5.0%	5.7%
2001	33,308	1,067,055	32,036	42.6	5,400	3.8%	4.3%
2000	33,637	1,060,474	31,527	42.6	5,451	2.3%	4.1%
1999	34,128	1,038,140	30,419	42.5	5,630	2.5%	4.3%
1998	34,128	1,004,216	29,425	42.5	5,548	3.1%	4.3%
1997	34,128	953,878	27,950	42.5	5,569	2.8%	4.6%

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; County Auditor's Office
3. Ohio Department of Education Report Card
4. U.S. Bureau of Labor Statistics
5. Franklin County, Ohio; County Auditor's Office

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

Function	Full-time Equivalent Employees as of December 31				
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Public Safety					
Police	61.0	61.0	60.0	60.0	60.0
Fire	63.0	64.0	64.0	64.0	64.0
General Government	45.0	45.0	45.0	45.0	45.0
Public Services	31.0	31.0	32.0	32.0	32.0
Parks and Recreation (1)	26.2	23.0	23.0	23.0	21.0
Community Development	10.0	10.0	10.0	10.0	8.0
Utilities (2)	10.0	10.0	11.0	11.0	11.0
Sanitation	19.0	19.0	20.0	20.0	20.0
Total	265.2	263.0	265.0	265.0	261.0
Function	Full-time Equivalent Employees as of December 31				
	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Public Safety					
Police	60.0	60.5	60.5	59.5	59.5
Fire	64.0	64.0	64.0	64.0	64.0
General Government	45.0	40.5	40.5	38.5	37.5
Public Services	32.0	30.0	30.0	29.0	29.0
Parks and Recreation (1)	21.0	19.0	19.0	19.0	19.0
Community Development	8.0	8.0	8.0	8.0	10.0
Utilities (2)	11.0	11.0	11.0	11.0	11.0
Sanitation	20.0	18.0	18.0	18.0	19.0
Total	261.0	251.0	251.0	247.0	249.0

Notes:

(1) Includes swimming pool

(2) Includes water, sewer and stormwater

Sources:

1. City of Upper Arlington Finance Department

City of Upper Arlington, Ohio
Capital Asset Statistics
For the year ended December 31, 2006

Function	2006	2005
Public Safety - Police		
Number of police stations	1	1
Number of police cruisers	15	13
Number of pieces of equipment	257	251
Public Safety - Fire		
Number of fire stations	3	3
Number of fire engines	3	3
Number of medics	3	3
Number of pieces of equipment	319	299
Public Services		
Miles of roads	153	153
Number of traffic signals	54	54
Number of streetlights	659	659
Parks and Recreation		
Number of parks	22	25
Acres of parkland	180	169
Number of swimming pools	3	3
Number of tennis courts	23	16
Number of senior centers	1	1
Utilities		
Number of fire hydrants	1958	1958
Number of catch basins	3400	3400
Miles of sanitary sewer	143	143
Solid Waste		
Number of packer trucks	11	10
Number of satellite vehicles	22	23
Roll-Off Truck	1	n/a
Stake Bed Truck	1	n/a
Pick-up Trucks	3	n/a

Notes:

** Data not available or kept

Sources:

1. City of Upper Arlington departments



CITY OF | **UPPER ARLINGTON**

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

Function	Operating Indicators by Function			
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Public Safety - Police				
Number of citations issued	3,616	5,014	5,275	5,265
Number of arrests	734	806	872	907
Number of accidents	555	549	583	609
Public Safety - Fire				
Number of fire responses	3,300	3,410	2,438	3,491
Number of EMS responses	3,533	2,894	2,914	3,621
Number of inspections	1,700	1,757	1,138	1,517
General Government				
Number of probation cases	244	244	236	223
Number of traffic cases	3,178	3,486	3,520	4,114
Number of fleet management repairs	2,874	3,194	3,242	3,661
Public Services				
Roadway repairs-surface (sq. ft.)	131,774	121,610	105,439	108,308
Street cleaning-leaf collection (cu. Yds.)	22,235	23,941	21,091	20,068
Street cleaning-snow removal (hours)	294	1,465	1,000	661
Parks and Recreation				
Number of registrations for programs	22,409	25,663	10,816	13,697
Number of programs/classes	1,146	927	612	639
Number of trees planted (less removed trees)	173	390	170	280
Community Development				
Number of building permits issued	380	433	406	432
Number of building inspections conducted	2,542	2,481	2,469	2,318
Number of code investigations	698	664	964	862
Utilities				
Number of fire hydrant repairs (water)	106	175	117	88
Number of catch basin repairs (stormwater)	82	57	108	137
Number of manhole repairs (sewer)	63	113	119	120
Solid Waste				
Number of refuse collected (tons)	7,120	6,406	7,542	7,693
Number of yard waste collected (tons)	599	640	667	855
Number of recyclables collected (tons)	5,747	5,701	5,456	5,750

Notes:

** Data not available or kept

Sources:

1. City of Upper Arlington departments

Operating Indicators by Function					
<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
4,902	5,182	5,394	5,096	4,597	4,296
824	808	776	892	935	894
638	627	721	725	747	753
3,640	3,474	2,142	2,605	2,588	2,153
3,777	3,045	2,674	4,000	3,489	4,229
1,027	1,647	1,065	2,134	2,068	2,144
289	218	252	186	282	251
4,022	4,586	4,540	4,357	3,821	3,705
3,428	3,125	**	**	**	**
107,050	145,298	136,865	421,043	52,920	144,573
22,470	20,687	18,905	18,452	22,906	24,809
584	188	1,114	2,348	225	780
9,578	8,314	15,153	15,228	15,221	14,179
647	557	482	596	578	525
240	210	**	**	**	**
383	350	360	384	362	358
1,639	1,407	1,578	1,516	1,788	1,551
536	450	331	318	339	335
95	99	81	73	81	120
101	155	247	118	260	211
119	43	**	**	**	**
7,538	7,766	8,408	8,370	8,151	7,309
733	955	1,095	1,269	1,322	1,411
5,586	5,677	5,410	4,572	4,721	4,644



CITY OF | **UPPER ARLINGTON**

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Mary Taylor, CPA
Auditor of State

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 12, 2007**