

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

Supplemental Report

DECEMBER 31, 2007

CATHERINE M. ARMSTRONG, FINANCE DIRECTOR



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Upper Arlington, Franklin County, prepared by Julian & Grube, Inc., for the audit period January 1, 2007 through December 31, 2007. 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

July 1, 2008

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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 discretely presented component unit and remaining fund information of the City of Upper Arlington, Franklin County, Ohio, as of and for the year ended December 31, 2007, which collectively comprise the City of Upper Arlington's basic financial statements and have issued our report thereon dated May 23, 2008. 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 City of Upper Arlington'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 City of Upper Arlington'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 City of Upper Arlington's internal control.

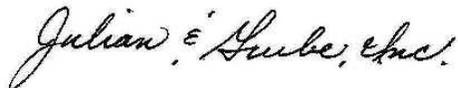
Members of Council
City of Upper Arlington

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 material weaknesses, 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.

A handwritten signature in cursive script that reads "Julian & Grube, Inc." with a stylized flourish at the end.

Julian & Grube, Inc.
May 23, 2008



CITY OF | **UPPER
ARLINGTON**
OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2007

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2007**

ISSUED BY:

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

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

**Mary J. Wehner, CPA, CIA
*Finance Manager***

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

**Mary S. Davis
*Examiner***

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

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

**Tammy L. Grandy
*Management Assistant***

**Jenna M. Miller
*Fiscal Technician***

**Karen Elifritz
*Payroll Administrator***



CITY OF | **UPPER ARLINGTON**

**CITY OF UPPER ARLINGTON, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For The Year Ended December 31, 2007**

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**CITY OF UPPER ARLINGTON, OHIO
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May 23, 2008

To the Honorable Donald B. Leach, 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, 2007, 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, and community development.

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.

Discretely Presented Component Unit – A 12-member board governs the Community Improvement Corporation (CIC) of Upper Arlington. For financial reporting purposes, the CIC is reported separately from the City's operations because its purpose is to assist the City as a whole in the revitalization and enhancement of property within the City, and its governing body is not the same as that of the primary government.

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 the Street Construction Maintenance and Repair Fund, a major special revenue fund, are presented in the required supplementary section, beginning on page 66. 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 98.

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 another slow year of job growth, projected at approximately 0.4%. In addition to business/professional and IT services, education and healthcare are predicted to be among the top employment growth sectors (1.7%, 1.2% respectively). This is good news for Upper Arlington, as these are targeted industries that experienced growth in 2007 in our community. Retail employment growth will continue to decline (-2.1%) as a result of the correction in the over abundance of retail development in the early 2000s.

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 a lower than average vacancy rate of 9% for commercial office buildings, as compared to the regional vacancy rate which is hovering below 20%. This suggests 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 significantly 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 solution 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 2007 economic development projects to note are:

- ❖ Retail opportunities were enhanced with the completion of the Walgreen's on Tremont Road, and an additional 20,000 square foot of mixed use development wrapped up adjacent to the Kingsdale shopping center. Other retail properties continued to remodel and update buildings and landscapes.
- ❖ Tech Resources, Inc. purchased 2025 Riverside Drive. The building was abandoned and repossessed by the bank of the former owner. The new business is relocating into expanded facilities in Upper Arlington, and shall create 19 jobs and provide additional space for leasing. Occupancy is expected by second quarter of 2008.
- ❖ National Church Residences purchased 2233 North Bank Drive for an expansion of their corporate campus and to facilitate the growth of their expanding home health care operation. The new operating unit is intended to employ 45 individuals. Occupancy occurred at the beginning of 2008.
- ❖ Arlington Falls completed 5009 Horizons Drive which was purchased by a new corporation to Upper Arlington, Irth Solutions.
- ❖ Arlington Falls broke ground on 5005 Horizons Drive, its largest building to date at 20,000 square feet, with occupancy expected in second quarter of 2008 in the proposed five-building Arlington Falls Office Park. Several tenants have already committed to occupying the building prior to completion. 5007 Horizons Drive, the final 20,000 square foot building in the campus, is expected to break ground and be completed in 2008.
- ❖ Central Ohio Medicine Building Associates, LLC and Central Ohio Primary Care Practice (COMBA) completed their construction of a new 15,000 square foot medical office representing over \$3 million in investment. The practice moved their initial 32 employees into the facility in December, 2007. The City anticipates the practice to generate in excess of \$2 million a year in gross payroll with projections to add eight full-time employees within the first three years of occupancy.

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.

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 \$6.8 million annually through 2014.

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 2008 followed by three \$5 million bond issues in years 2010, 2012, and 2013. The initial series will be used to bond a \$3.97 million note that will mature in October 2008 and provide financing for replacement of the Reed Road fire station. The remaining \$27 million of the 2007-2014 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 equal to twenty-percent of the General Fund operating budget.

Major initiatives. The Parks & Recreation Strategic Plan was adopted by Council April 2007, setting forth a guiding vision for maintaining and enhancing diverse parks, facilities and programs that are of high quality, responsive to community interest and accessible for all. Funds were set aside by Council to support 2007 Strategic Plan projects, which included numerous park enhancements and upgrades to Old Timers Field in Reed Road Park. In addition, work began to develop a master plan for Sunny 95 Park, with preliminary site preparation anticipated in the fall of 2008.

The City has funded its Police and Fire pensions through property tax for 30 years, with voters approving six, five-year ballot issues. The first levies were set at 1 mill each, with the 2002 levy approved at 1.2 mills and due to expire at the close of 2007. It was determined a replacement levy of .94 mills would be sufficient to fund the state-mandated retirement and disability fund for the City's police and fire personnel. At the May 8th, 2007 ballot, 77 percent of voters supported the pension-fund payments.

City Council and Staff began revisiting the Boards and Commissions programs in 2007 in an effort to streamline associated administrative functions, allow for an orientation program, and to ensure volunteer participants enjoy and gain value from their hands-on role in local government.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the 20th 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, 2006.

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

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, 2006

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.



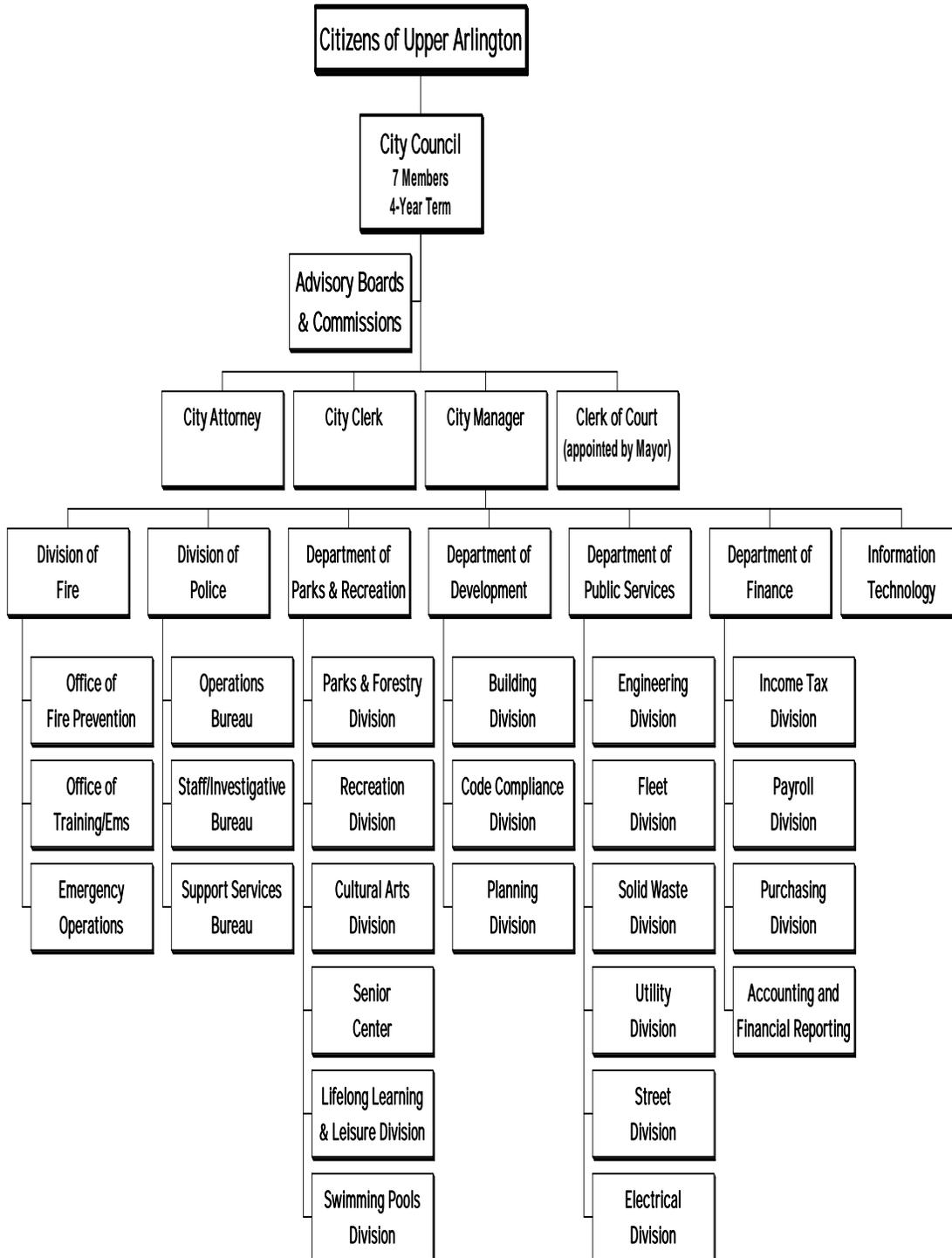
Charles S. Cox

President

Jeffrey R. Emery

Executive Director

Organizational Chart



**CITY OF UPPER ARLINGTON, OHIO
LIST OF CITY OFFICIALS
December 31, 2007**

City Council

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

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



CITY OF | **UPPER ARLINGTON**

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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

Independent Auditor's 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 discretely presented component unit and remaining fund information of the City of Upper Arlington, Franklin County, Ohio, as of and for the year ended December 31, 2007, which collectively comprise the City of Upper Arlington'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 discretely presented component unit and remaining fund information of the City of Upper Arlington as of December 31, 2007, 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 23, 2008, on our consideration of the City of Upper Arlington's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Independent Auditor's Report
City of Upper Arlington

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 of Upper Arlington'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 23, 2008

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 year ended December 31, 2007. 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 \$95,285,143 (net assets). Of this amount, \$40,708,078 (unrestricted net assets) may be used to meet the government's ongoing governmental activities obligations and \$3,602,549 (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 \$6,147,812, or 6.9%.
- At the end of the current fiscal year, the unreserved fund balance for the General Fund was \$27,554,365, or 97.6% 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 \$44,806,193, an increase of \$1,211,135 in comparison with the prior year. Approximately 93.4% of this total amount, or \$41,841,695, is considered unreserved at December 31, 2007. Though unreserved, the City has committed through the budgeting process to a seven-year infrastructure improvement plan of approximately \$6.8 million a year, or a total infrastructure improvement plan of \$47.7 million. Accordingly, the City has set aside \$10,879,394 within capital project funds and \$685,173 within its debt service fund. In addition, the City has designated \$6,985,742 of the General Fund balance for payment of pension obligations as well as capital acquisitions and related debt. Another \$2,722,763 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 \$20,568,623.
- On December 14, 2007, the City's Council authorized the City Manager and the Solid Waste Division to enter into an agreement with Inland Service Corporation (ISC) to outsource the collection of all solid waste. Effective April 6, 2008, ISC began collection of the solid waste. As part of the agreement, the City's finance department will continue to bill and collect all fees from the citizens for services provided by ISC. Subsequent to year end the City has agreed to pay a severance amount to certain Solid Waste employees of approximately \$351,000. Additionally, assets with a net book value of approximately \$55,082 at December 31, 2007 were sold to Inland for \$366,500 in April 2008.

- The City has restated beginning net assets of the primary government entity-wide statements, as well as fund balance of its governmental statements in the current year to present the Community Improvement Corporation of Upper Arlington (CIC) as a discretely presented component unit. In prior years the CIC, based on services being provided solely for the economic benefit of the City, was blended as part of the primary government, and presented as a Special Revenue fund.

Overview of the Financial Statements

This management's 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 public safety, general government, public services, parks and recreation, and community development. 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 can be found on pages 19-21 of this report.

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the *near-term inflows and outflows of spendable resources*, as well as on

balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City of Upper Arlington maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the General Obligation Bond Retirement Fund, Street Construction Maintenance and Repair Fund, Bonded Improvement Fund, and the Estate Tax Capital Projects Fund, all of which are considered major funds. Data from the other 13 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 – 29 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sanitary sewer, storm sewer, swimming pool, and solid waste collection operations. *Internal service* funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. 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 Pools 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 basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial

statements. The notes to the basic financial statements can be found on pages 39 – 63 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 65 – 70 of this report.

Other Supplementary Information, including additional budgetary schedules, the combining statements referred to earlier in connection with non-major governmental funds and non-major business-type funds, are presented immediately following the other required supplemental information. The additional budgetary schedules, and combining and individual fund statements and schedules can be found on pages 71 – 124 of this report.

Additionally, the Statistical Section of this report, which can be used to enhance the understanding of the economic condition of the City as a whole, can be found on pages 125-158.

City of Upper Arlington						
Net Assets						
(in thousands)						
	Governmental activities		Business-type activities		Total	
	2006				2006	
	<u>2007</u>	<u>(as restated)</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>(as restated)</u>
Current and other assets	\$ 66,546	\$ 60,755	\$ 3,943	\$ 3,553	\$ 70,489	\$ 64,308
Capital assets	<u>48,731</u>	<u>44,763</u>	<u>21,104</u>	<u>21,862</u>	<u>69,835</u>	<u>66,625</u>
Total assets	<u>\$ 115,277</u>	<u>\$ 105,518</u>	<u>\$ 25,047</u>	<u>\$ 25,415</u>	<u>\$ 140,324</u>	<u>\$ 130,933</u>
Long-term liabilities outstanding	\$ 25,097	\$ 25,890	\$ 3,707	\$ 4,066	\$ 28,804	\$ 29,956
Other liabilities	<u>16,111</u>	<u>11,594</u>	<u>124</u>	<u>246</u>	<u>16,235</u>	<u>11,840</u>
Total liabilities	<u>\$ 41,208</u>	<u>\$ 37,484</u>	<u>\$ 3,831</u>	<u>\$ 4,312</u>	<u>\$ 45,039</u>	<u>\$ 41,796</u>
Net assets:						
Invested in capital assets, net of related debt	\$ 26,458	\$ 23,100	\$ 17,613	\$ 17,972	\$ 44,071	\$ 41,072
Restricted	6,903	6,252			6,903	6,252
Unrestricted	<u>40,708</u>	<u>38,682</u>	<u>3,603</u>	<u>3,131</u>	<u>44,311</u>	<u>41,813</u>
Total net assets	<u>\$ 74,069</u>	<u>\$ 68,034</u>	<u>\$ 21,216</u>	<u>\$ 21,103</u>	<u>\$ 95,285</u>	<u>\$ 89,137</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 \$95,285,143 at the close of 2007.

A large portion of the City's net assets (46.3 percent) reflects its investment in capital assets (e.g. land, buildings, improvements other than buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding plus any significant unspent bond proceeds. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets, (7.2 percent) represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net assets, \$44,310,627, 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 \$44,310,627, the unrestricted net assets of the City's business-type activities, \$3,602,549, may not be used to fund governmental activities.

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

- The increase in governmental activities total assets was \$9,759,888, or 9.2%.
- The increase in governmental activities total liabilities was \$3,724,314, or 9.9%.

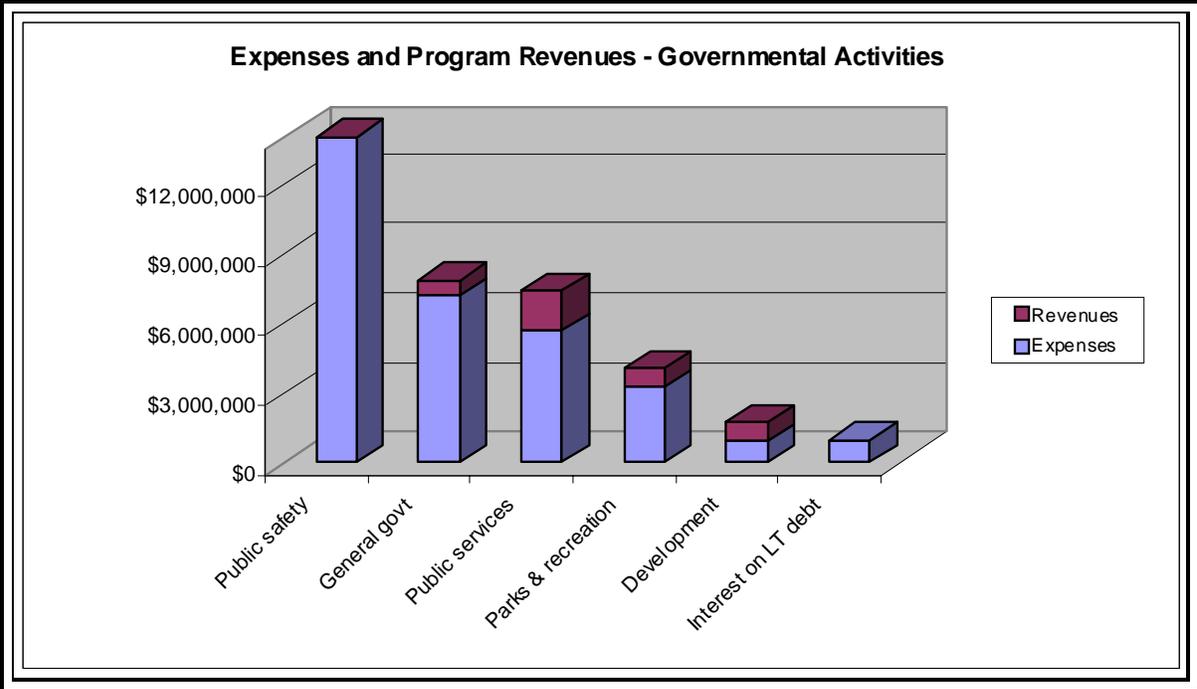
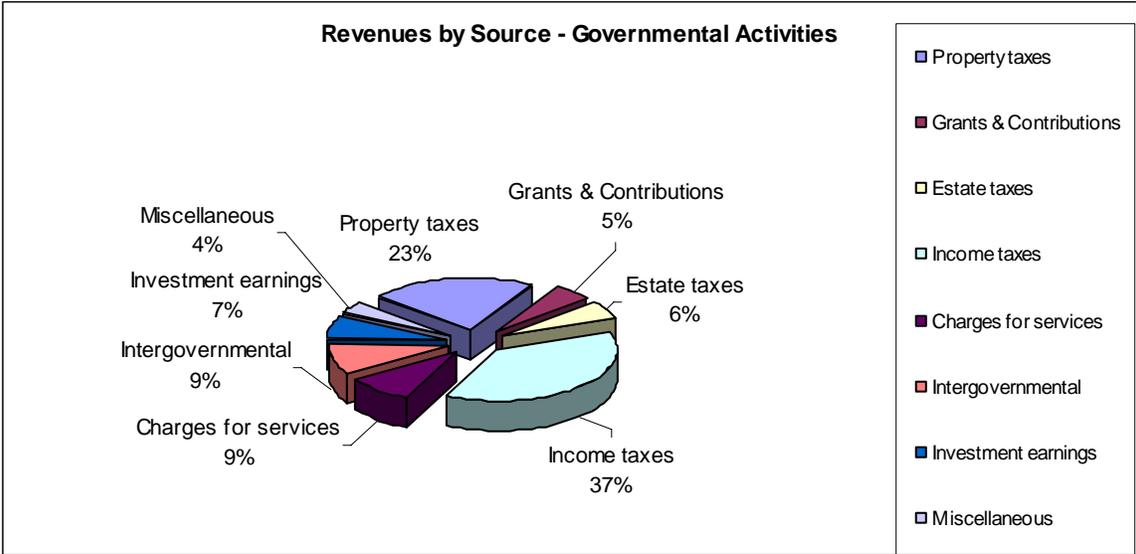
These increases were a result of the issuance of \$3.9 million in notes in December 2007 that will be used to refinance notes that were due in January 2008, as well as, revenues exceeding expenses by approximately \$6.1 million.

- The decrease in business-type activities total assets was \$367,789, or 1.5%.
- The business-type activities total liabilities decreased by \$480,027, or 1.1%.

These decreases were primarily due to the continued repayment of long-term debt.

Governmental activities. Governmental net assets increased by \$6,035,574, or 8.9%. The City's income tax revenue was slightly above budget projections for 2007 at \$14.6 million, and above 2006 revenue total of \$12.9 million. Overall revenues increased approximately \$1.3 million as revenues from other sources primarily property taxes and intergovernmental sources showed decreases of approximately 3.0% and 0.6%, respectively. Governmental expenses increased by \$344,843, or approximately 1.1%, as expected. Overall the City's revenues continue to outpace expenses as management continues to place an emphasis on keeping expenses down.

The following charts illustrate both the 2007 revenues and expenses for governmental activities.

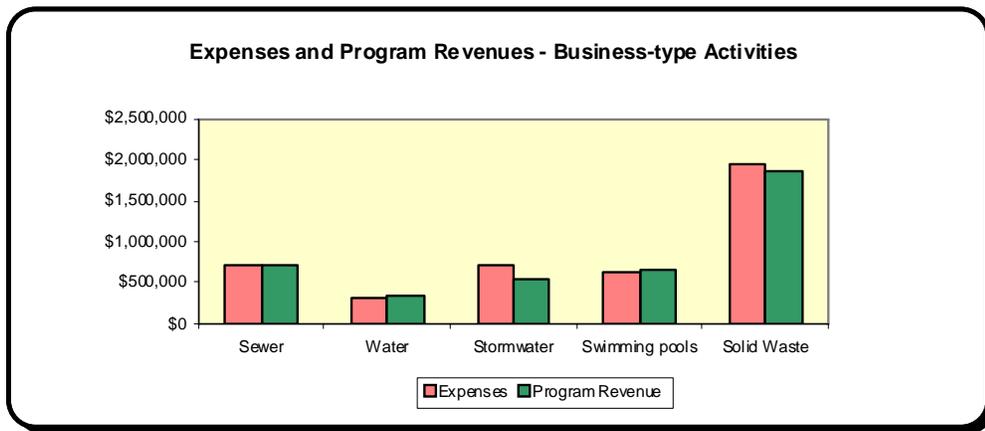
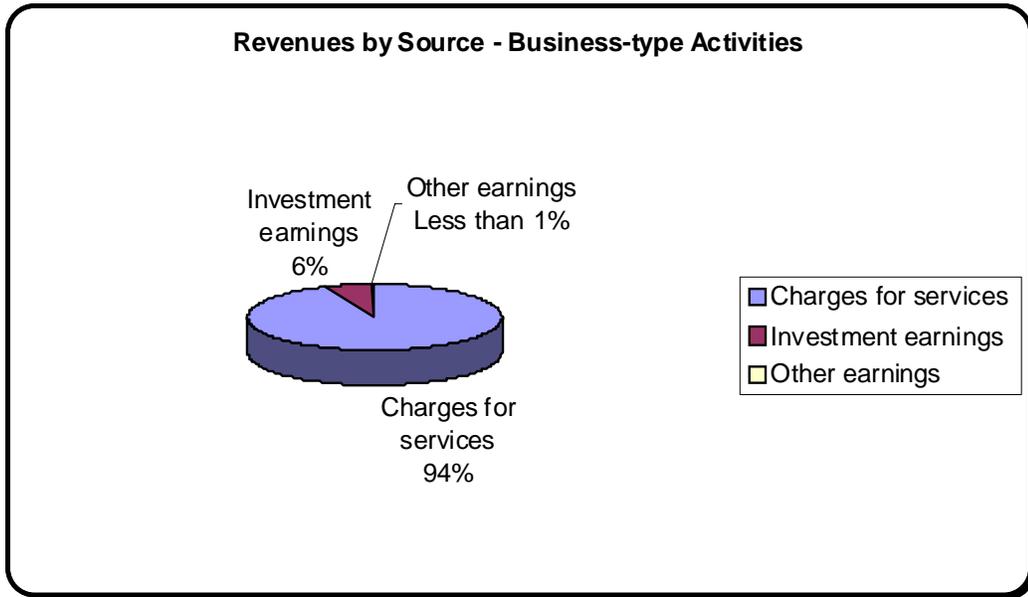


**City of Upper Arlington
Changes in Net Assets**

	Governmental Activities		Business – Type Activities		Total	
	<u>2007</u>	<u>2006</u> <u>(as restated)</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u> <u>(as restated)</u>
Revenues:						
<i>Program revenues:</i>						
Charges for services	\$ 3,604,449	\$ 2,826,630	\$ 4,122,051	\$ 3,785,503	\$ 7,726,500	\$ 6,612,133
Operating grants & contributions	1,703,384	1,704,332	5,000		1,708,384	1,704,332
Capital grants & contributions	247,796	300,000	6,513	1,434,125	254,309	1,734,125
<i>General revenues:</i>						
Income taxes	14,615,795	12,944,628			14,615,795	12,944,628
Estate taxes	2,282,087	3,761,168			2,282,087	3,761,168
Property taxes	8,825,950	9,097,767			8,825,950	9,097,767
Intergovernmental unrestricted	3,593,847	3,615,571			3,593,847	3,615,571
Unrestricted investment earnings	2,692,806	2,133,793	275,693	228,414	2,968,499	2,362,207
Other miscellaneous revenues	1,555,810	1,413,824			1,555,810	1,413,824
Total revenues	39,121,924	37,797,713	4,409,257	5,448,042	43,531,181	43,245,755
Expenses:						
Public safety	15,082,521	14,266,472			15,082,521	14,266,472
General government	7,153,916	8,201,944			7,153,916	8,201,944
Public services	5,678,985	5,166,944			5,678,985	5,166,944
Parks and recreation	3,268,785	3,141,798			3,268,785	3,141,798
Community development	943,737	853,445			943,737	853,445
Interest on long-term debt	958,406	1,110,904			958,406	1,110,904
Water Surcharge			317,536	333,052	317,536	333,052
Sewer Surcharge			700,162	659,630	700,162	659,630
Stormwater			704,370	692,218	704,370	692,218
Swimming pools			625,982	602,674	625,982	602,674
Solid Waste			1,948,969	1,983,025	1,948,969	1,983,025
Total expenses	33,086,350	32,741,507	4,297,019	4,270,599	37,383,369	37,012,106
Increase (decrease) in net assets before transfers	6,035,574	5,056,206	112,238	1,177,443	6,147,812	6,233,649
Transfers	–	(160,400)	–	160,400	–	–
Increase (decrease) in net assets	6,035,574	4,895,806	112,238	1,337,843	6,147,812	6,233,649
Net assets ---- January 1 st	68,033,912	63,138,106	21,103,419	19,765,576	89,137,331	82,903,682
Net assets---- December 31st	\$ 74,069,486	\$ 68,033,912	\$ 21,215,657	\$ 21,103,419	\$ 95,285,143	\$ 89,137,331

Business-type activities. Business-type activities increased the City's net assets by \$112,238. The key element of the increase was the overall positive results of the business type operations offset by the continued repayment of debt outstanding and the loss on operations in the solid waste fund of (\$129,710) and in the stormwater fund of (\$87,521).

The following chart illustrates both 2007 revenues and expenses for the business type activities.



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 close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$44,806,193, an increase of \$1,211,135 in comparison with the prior year. Approximately 93.4% of this total amount, or \$41,841,695, 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 \$6.8 million a year, or a total infrastructure improvement plan of \$47.7 million. Accordingly, the City has set aside \$10,879,394 within capital project funds and \$685,173 within its debt service fund. In addition, the City has designated \$6,985,742 of the General Fund balance for payment of pension obligations as well as capital acquisitions and related debt. Another \$2,722,763 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 \$20,568,623.

The remainder of the governmental fund balances is reserved. It has already been committed to liquidate contracts and purchase orders for the prior period (\$2,175,046), risk management utilization (\$585,527) and inventory (\$203,925).

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 \$27,554,365, while the total fund balance was \$28,431,896. The City has designated \$493,743 of the General Fund balance for payment of pension obligations and \$6,491,999 for capital acquisitions and related debt.

The fund balance of the City's General Fund increased by \$931,497 in 2007. The key factors in this increase are as follows:

- An increase in monies from operations of \$6,583,025, off-set by
- Transfers in the amount of \$5,826,138 for on-going assistance to other funds.

The fund balance of the City's Street Maintenance and Repair Fund increased by \$75,619.

The fund balance of the City's General Obligation Bond Retirement Fund decreased by \$231,001. This decrease in fund balance was a result of the use of the funds to continue to repay existing debt.

The fund balance of the City's Bonded Improvement Fund decreased by \$705,114. 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 increased by \$1,273,632. The major factor in this increase was the transfer of excess estate tax revenues from the General Fund of \$2,443,501, offset by 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, with the exception of the allocation of the internal service fund net assets and related net income, but in more detail.

Unrestricted net assets at the end of the year amounted to \$215,627 for Water Surcharge Fund; \$81,108 for the Sewer Surcharge Fund; \$3,050,456 for the Stormwater Fund; \$330,277 for the Swimming Pools Fund; and a deficit of (\$156,119) for the Solid Waste Fund. The change in net assets for the proprietary funds was \$12,396, (\$2,096), \$105,743, \$32,159, and (\$117,164) respectively. As previously discussed, effective April 6 2008, the City outsourced certain solid waste operations to a third party.

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, 2007, amounts to \$69,835,651 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 \$3,210,852, or 4.8%.

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 street, waterline, and stormwater projects that have begun or will begin in future years included: Donna & Hillview Roads, Collingswood Road, Ramsgate Road, Ridgeview & Farleigh Roads, Crafton Park, and Riverside Dr. and Kioka.

Construction-in-progress infrastructure projects included: Kenny Road, Dorchester Road, and the 2007 Annual Street Maintenance Program

Completed infrastructure projects included: Beaumont Road and waterline improvements, the 2006 Annual Street Maintenance program, the police firing range roofing system, and the Langston tennis courts improvements.

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2007	2006	2007	2006	2007	2006
Land	\$ 4,454,512	\$ 4,686,063	\$ 1,236,573	\$ 1,236,573	\$ 5,691,085	\$ 5,922,636
Building	1,207,416	1,290,455	75,508	80,379	1,282,924	1,370,834
Improvements	2,967,230	2,816,716	4,303,629	4,393,638	7,270,859	7,210,354
Machinery and equipment	3,328,976	3,198,890	499,483	609,913	3,828,459	3,808,803
Infrastructure	30,811,288	31,241,150	14,775,205	13,660,127	45,586,493	44,901,277
Construction in progress	5,962,191	1,529,871	213,640	1,881,024	6,175,831	3,410,895
Total	\$48,731,613	\$44,763,145	\$21,104,038	\$21,861,654	\$69,835,651	\$66,624,799

Additional information on the City's capital assets can be found in note 4 on pages 52 - 53 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$19,748,319. This debt is backed by the full faith and credit of the City. The City does not have any revenue bonds.

City of Upper Arlington's Outstanding Bonded General Obligation Debt

	Governmental Activities		Business-type Activities		Total	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
General						
Obligation Bonds	\$18,173,319	\$19,256,567	\$ 1,575,000	\$ 1,750,400	\$ 19,748,319	\$ 21,006,967
Total	<u>\$18,173,319</u>	<u>\$19,256,567</u>	<u>\$ 1,575,000</u>	<u>\$ 1,750,400</u>	<u>\$ 19,748,319</u>	<u>\$ 21,006,967</u>

During the current fiscal year, the City's total bonded debt decreased by \$1,258,648, or 6.0%.

The City continues to benefit from an "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 \$162,582,970, 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. In December 2007, the City issued an additional Bond Anticipation Note in the amount of \$3,972,000. The notes were issued with an interest rate of 3.5% and a premium of \$15,840. The City used the proceeds of these notes to refinance the notes that were due in January 2008. The new notes are due October 1, 2008, and are included as a fund liability in the General Obligation Retirement Fund at year end.

The City intends to bond this note in 2008.

Additional information on the City's long-term debt can be found in note 6 on pages 54 - 58 of this report.

General Fund Budgetary Highlights

In 2007, the City amended the 2007 General Fund budget by an increase of \$5,037,618. Major factors included \$3,967,557 in transfers to capital projects funds in accordance with capital improvement management policies, \$71,593 for appropriation of grants and donations received by the City, \$225,000 in personnel costs related to the settlement of the police forces contract, \$30,000 for consulting contracts in the City Clerk and City Manager divisions, \$200,000 for increases in fuel due to rising prices, \$51,425 for additional worker's compensation premiums, \$200,000 for higher than estimated overtime and out-of-class pay and related fringe benefits in

the fire division, \$92,043 for equipment purchases, and \$200,000 for an unused contingency for emergencies during City Council's winter break.

Economic Factors and Next Year's Budgets and Rates

- ❑ The unemployment rate for 2007 for the Columbus area (Upper Arlington is a first-tier suburb) was 4.9 percent, which is an increase from a rate of 4.7 percent a year ago. This compares favorably to the state's average unemployment rate of 5.8 percent and unfavorably to the national average rate of 4.6 percent.
- ❑ Income tax collections were slightly above budget projections for 2007 at \$13.7 million. The increase of \$.8 million from the previous year is attributed to increases in net profits taxes and withholdings.
- ❑ Estate tax collections of \$3.4 million in 2007 will provide for \$1.3 million in funding for the City's capital improvement plan and exceeded the prior year's collections by approximately \$180 thousand.
- ❑ Residents continued to support the safety forces through passage of a 5-year police and fire pension levy which will provide more than \$12 million over the next five years for the safety forces pensions.
- ❑ The assessed value of the property in the City remained stable, and the related property tax collections remained relatively constant at approximately \$8.1 million in 2007.
- ❑ The Development Department issued 376 residential and commercial permits in 2007, with a total construction value of approximately \$61.2 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 \$6.8 million a year or a total infrastructure improvement plan of \$47.7 million. Issuing debt and utilizing unrestricted fund balances are the planned funding sources for this infrastructure improvement plan.

All of these factors were considered in preparing the City's Budget for the 2008 fiscal year.

During the current fiscal year, unreserved fund balance in the General Fund increased \$1,092,344 to a fund balance of \$27,554,365. The City has appropriated \$31,997,713 for spending in the 2008 fiscal year budget, which includes the 2008 budgeted revenues.

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. In the previous year City Council re-examined the sewer surcharge utility rate which had remained constant since 1996; beginning in 2007, the surcharge changed 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. Similarly, Council adopted a 10% water surcharge rate, effective beginning in 2007, and as anticipated, the effective collections were comparable to the previous \$2.25 per MCF surcharge-rate system. In the previous year, Council made the decision to raise the trash sticker price effective January 1, 2007 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. In late 2007 following extensive study of the current collection method and other solid waste collection options,

Council passed legislation to contract with an outside provider to collect the City's solid waste. In conjunction with this change, Council approved an annual solid waste service fee of \$30 for each household beginning in 2008. Residents were also given the option to elect garage-side pick-up for an additional \$150 per year. 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 23.6% during the current fiscal year. Increases in employee contributions for health care and the offering of Health Savings Accounts were introduced in an effort to contain these costs. The worker's compensation premium rate per dollar of payroll increased from 3.1% to 4.1% to cover increased costs. The Ohio Public Employee Retirement System (OPERS) contribution rate for employers increased in 2007 and will increase again in 2008 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**

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City of Upper Arlington, Ohio
Statement of Net Assets
December 31, 2007

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	The Upper Arlington Community Improvement Corporation
ASSETS				
Cash, cash equivalents and investments	\$ 46,585,610	\$ 3,721,144	\$ 50,306,754	
Cash, cash equivalents in segregated accounts	31,660		31,660	\$ 12,064
Accounts receivable (net of allowance for uncollectibles)	19,714,504	153,435	19,867,939	
Inventories	203,925		203,925	
Deferred charges	79,014		79,014	
Internal Balances	(68,449)	68,449	-	
Capital assets:				
Land	4,454,512	1,236,573	5,691,085	
Construction in progress	5,962,191	213,640	6,175,831	
Other capital assets, net of accumulated depreciation	38,314,910	19,653,825	57,968,735	
Total assets	<u>\$ 115,277,877</u>	<u>\$ 25,047,066</u>	<u>\$ 140,324,943</u>	<u>\$ 12,064</u>
LIABILITIES				
Accounts payable	\$ 1,020,325	\$ 28,514	\$ 1,048,839	
Accrued liabilities	815,168	52,666	867,834	
Unearned revenue	10,303,995	43,276	10,347,271	
Note payable	3,972,000		3,972,000	
Noncurrent liabilities:				
Due within one year				
Accrued vacation and sick leave	956,307	160,437	1,116,744	
Installment loan payable	102,372		102,372	
Ohio Public Works Commission Loans - current		230,236	230,236	
Bonds & notes payable, net - current	4,861,988	170,000	5,031,988	
Due in more than one year:				
Accrued vacation and sick leave	1,788,059	55,586	1,843,645	
Installment loan payable	104,846		104,846	
Ohio Public Works Commission Loans		1,685,694	1,685,694	
Bonds & notes payable, net	17,283,331	1,405,000	18,688,331	
Total liabilities	<u>41,208,391</u>	<u>3,831,409</u>	<u>45,039,800</u>	<u>-</u>
NET ASSETS				
Invested in capital assets, net of related debt	26,458,090	17,613,108	44,071,198	
Restricted for:				
Capital Projects	2,491,435		2,491,435	
Debt Service	526,511		526,511	
Special revenues & other purposes	3,885,372		3,885,372	
Unrestricted	40,708,078	3,602,549	44,310,627	\$ 12,064
Total net assets	<u>\$ 74,069,486</u>	<u>\$ 21,215,657</u>	<u>\$ 95,285,143</u>	<u>\$ 12,064</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, 2007

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Public Safety	\$ 15,082,521	\$ 1,296,780	\$ 7,856	\$ 247,796
General Government	7,153,916	616,098	84,764	
Public Services	5,678,985	105,308	1,610,764	
Parks and Recreation	3,268,785	805,096		
Community Development	943,737	781,167		
Interest on long-term debt	958,406			
Total governmental activities	<u>33,086,350</u>	<u>3,604,449</u>	<u>1,703,384</u>	<u>247,796</u>
Business-type activities:				
Water Surcharge	317,536	331,769		863
Sewer Surcharge	700,162	707,767		4,199
Stormwater	704,370	552,515		
Swimming Pools	625,982	658,141		
Solid Waste	1,948,969	1,871,859	5,000	1,451
Total business-type activities	<u>4,297,019</u>	<u>4,122,051</u>	<u>5,000</u>	<u>6,513</u>
Total primary government	<u>\$ 37,383,369</u>	<u>\$ 7,726,500</u>	<u>\$ 1,708,384</u>	<u>\$ 254,309</u>
Component Unit -				
Community Improvement Corporation of Upper Arlington	<u>\$ 1,530</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ -</u>
General revenues:				
Income taxes				
Property taxes				
Estate taxes				
Intergovernmental unrestricted				
Unrestricted investment earnings				
Miscellaneous				
Total general revenues				
Changes in net assets				
Net assets - beginning, as restated				
Net assets - ending				

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

<u>Primary Government</u>			<u>Component Unit</u>
Net (Expense) Revenue and Changes in Net Assets			
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>The Upper Arlington Community Improvement Corporation</u>
\$ (13,530,089)		\$ (13,530,089)	
(6,453,054)		(6,453,054)	
(3,962,913)		(3,962,913)	
(2,463,689)		(2,463,689)	
(162,570)		(162,570)	
(958,406)		(958,406)	
<u>(27,530,721)</u>		<u>(27,530,721)</u>	
	\$ 15,096	15,096	
	11,804	11,804	
	(151,855)	(151,855)	
	32,159	32,159	
	<u>(70,659)</u>	<u>(70,659)</u>	
	<u>(163,455)</u>	<u>(163,455)</u>	
<u>(27,530,721)</u>	<u>(163,455)</u>	<u>(27,694,176)</u>	
			<u>\$ 8,470</u>
14,615,795		14,615,795	
8,825,950		8,825,950	
2,282,087		2,282,087	
3,593,847		3,593,847	
2,692,806	275,693	2,968,499	409
1,555,810		1,555,810	1,400
<u>33,566,295</u>	<u>275,693</u>	<u>33,841,988</u>	<u>1,809</u>
6,035,574	112,238	6,147,812	10,279
68,033,912	21,103,419	89,137,331	1,785
<u>\$ 74,069,486</u>	<u>\$ 21,215,657</u>	<u>\$ 95,285,143</u>	<u>\$ 12,064</u>

City of Upper Arlington, Ohio
 Balance Sheet
 Governmental Funds
 December 31, 2007

ASSETS	<u>General</u>	<u>Street Construction Maintenance and Repair</u>
Cash, cash equivalents and investments	\$ 25,560,789	\$ 877,669
Cash, cash equivalents in segregated accounts	31,660	
Receivables (net of allowance for uncollectibles)	17,766,287	782,744
Inventories	121,894	82,031
Total assets	<u>\$ 43,480,630</u>	<u>\$ 1,742,444</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 454,624	\$ 28,077
Due to other funds	102,621	6,331
Deferred revenue	13,840,237	511,588
Accrued liabilities	619,203	24,217
Accrued vacation & sick leave liability	32,049	
Note payable		
Total liabilities	<u>15,048,734</u>	<u>570,213</u>
Fund balances:		
Reserved for:		
Encumbrances	170,110	
Inventory	121,894	82,031
Self-Insurance	585,527	
Unreserved:		
Designated for capital acquisitions & related debt	6,491,999	
Designated for pension obligations	493,743	
Undesignated, reported in:		
General fund	20,568,623	
Special revenue funds		1,090,200
Capital project funds		
Debt service funds		
Total fund balances	<u>28,431,896</u>	<u>1,172,231</u>
Total liabilities and fund balances	<u>\$ 43,480,630</u>	<u>\$ 1,742,444</u>

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

General Obligation Bond Retirement	Bonded Improvement	Estate Tax Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 4,605,880	\$ 1,161,344	\$ 10,339,440	\$ 3,268,243	\$ 45,813,365
741,319		120,166	303,988	31,660
				19,714,504
				203,925
<u>\$ 5,347,199</u>	<u>\$ 1,161,344</u>	<u>\$ 10,459,606</u>	<u>\$ 3,572,231</u>	<u>\$ 65,763,454</u>
	\$ 78,248	\$ 240,055	\$ 64,090	\$ 865,094
\$ 690,026			247	109,199
			290,241	15,332,092
			3,407	646,827
				32,049
3,972,000				3,972,000
<u>4,662,026</u>	<u>78,248</u>	<u>240,055</u>	<u>357,985</u>	<u>20,957,261</u>
	957,223	380,611	667,102	2,175,046
				203,925
				585,527
				6,491,999
				493,743
				20,568,623
			1,632,563	2,722,763
	125,873	9,838,940	914,581	10,879,394
685,173				685,173
<u>685,173</u>	<u>1,083,096</u>	<u>10,219,551</u>	<u>3,214,246</u>	<u>44,806,193</u>
<u>\$ 5,347,199</u>	<u>\$ 1,161,344</u>	<u>\$ 10,459,606</u>	<u>\$ 3,572,231</u>	<u>\$ 65,763,454</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, 2007

Total Governmental Fund Balances	\$	44,806,193
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.		48,731,613
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes		138,333
Income taxes		2,834,033
Estate taxes		582,043
Intergovernmental revenues		1,473,688
Deferred charges		79,014
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		(168,341)
Accrued vacation and sick leave		(2,712,317)
Installment loan payable		(207,218)
Bonds and Notes payable		(22,145,319)
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.		657,764
Net Assets of Governmental Activities	<u>\$</u>	<u>74,069,486</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, 2007

REVENUES	<u>General</u>	<u>Street Construction Maintenance and Repair</u>	<u>General Obligation Bond Retirement</u>
Taxes:			
Property	\$ 8,121,117		\$ 744,188
Income	13,912,952		
Estate	3,297,131		
Motor Fuel		\$ 1,186,211	
Intergovernmental	3,599,103	424,553	86,916
Licenses and permits	916,869		
Charges for services	1,470,871	1,703	
Fines and forfeits	335,467		
Investment earnings	1,357,117	56,782	
Net increase in fair value of investments	277,405	13,944	
Miscellaneous	1,518,242	29,245	
Total revenues	<u>34,806,274</u>	<u>1,712,438</u>	<u>831,104</u>
EXPENDITURES			
Current:			
Public Safety	14,654,625		
General Government	6,763,930		
Public Services	2,190,371	1,636,819	
Parks and Recreation	2,712,728		
Community Development	935,594		
Debt service:			
Principal	99,951		1,094,600
Interest	7,443		964,481
Capital outlay:			
Capital outlay	858,607		
Total expenditures	<u>28,223,249</u>	<u>1,636,819</u>	<u>2,059,081</u>
Excess (deficiency) of revenues over (under) expenditures	6,583,025	75,619	(1,227,977)
OTHER FINANCING SOURCES (USES)			
Transfers in			957,106
Transfers out	(5,826,138)		
Issuance of refunding notes			3,972,000
Premium on issuance of refunding notes			39,870
Repayment of refunding notes			(3,972,000)
Proceeds from sale of capital assets	174,610		
Total other financing sources and uses	<u>(5,651,528)</u>	<u>-</u>	<u>996,976</u>
Net change in fund balances	931,497	75,619	(231,001)
Fund balances -- January 1, as restated	27,500,399	1,096,612	916,174
Fund balances -- December 31	<u>\$ 28,431,896</u>	<u>\$ 1,172,231</u>	<u>\$ 685,173</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>
			\$ 8,865,305
			13,912,952
			3,297,131
			1,186,211
		\$ 183,834	4,294,406
			916,869
		339,037	1,811,611
		26,958	362,425
\$ 24,610	\$ 705,363	74,032	2,217,904
	165,422	18,131	474,902
	4,177	24,843	1,576,507
<u>24,610</u>	<u>874,962</u>	<u>666,835</u>	<u>38,916,223</u>
		22,722	14,677,347
7,200		137,576	6,908,706
		48,499	3,875,689
		312,469	3,025,197
			935,594
			1,194,551
			971,924
<u>2,322,524</u>	<u>2,044,831</u>	<u>1,459,823</u>	<u>6,685,785</u>
<u>2,329,724</u>	<u>2,044,831</u>	<u>1,981,089</u>	<u>38,274,793</u>
(2,305,114)	(1,169,869)	(1,314,254)	641,430
1,600,000	2,443,501	825,531	5,826,138
			(5,826,138)
			3,972,000
			39,870
			(3,972,000)
		355,225	529,835
<u>1,600,000</u>	<u>2,443,501</u>	<u>1,180,756</u>	<u>569,705</u>
<u>(705,114)</u>	<u>1,273,632</u>	<u>(133,498)</u>	<u>1,211,135</u>
1,788,210	8,945,919	3,347,744	43,595,058
<u>\$ 1,083,096</u>	<u>\$ 10,219,551</u>	<u>\$ 3,214,246</u>	<u>\$ 44,806,193</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, 2007

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)		\$ 1,211,135
<p>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.</p>		
Capital outlay	6,699,819	
Depreciation	<u>(2,700,876)</u>	3,998,943
Net carrying value of governmental assets disposal of in 2007.		(278,271)
Contributions of capital assets.		247,796
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.		(287,146)
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.		1,168,199
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.		(357,731)
The net revenue of certain activities of internal service funds is reported with governmental activities.		332,649
Change in net assets of governmental activities (page 21)		<u>\$ 6,035,574</u>

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, 2007

	Business-type Activities - Enterprise Funds		
	Major Funds		
ASSETS	Water Surcharge	Sewer Surcharge	Stormwater
Current assets:			
Cash, cash equivalents and investments	\$ 193,031	\$ 72,131	\$ 3,064,685
Accounts receivable (net of allowance for uncollectibles)	30,322	55,795	51,125
Due from other funds			
Total current assets	<u>223,353</u>	<u>127,926</u>	<u>3,115,810</u>
Noncurrent assets:			
Capital assets:			
Land	514		
Buildings			
Improvements	238,244		
Infrastructure	9,969,930	9,604,329	11,036,981
Machinery and equipment	76,502	502,233	277,462
Construction in progress	203,346		10,294
Less accumulated depreciation	<u>(4,351,467)</u>	<u>(5,232,841)</u>	<u>(7,154,990)</u>
Total capital assets (net of accumulated depreciation)	<u>6,137,069</u>	<u>4,873,721</u>	<u>4,169,747</u>
Total noncurrent assets	<u>6,137,069</u>	<u>4,873,721</u>	<u>4,169,747</u>
Total assets	<u>\$ 6,360,422</u>	<u>\$ 5,001,647</u>	<u>\$ 7,285,557</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 2,547	\$ 123	\$ 4,166
Due to other funds	656	2,645	1,470
Unearned revenue			
Accrued liabilities	2,768	10,385	6,906
Accrued vacation and sick leave	649	12,456	19,541
Ohio Public Works Commission Loans - current	94,567	135,669	
General obligation bonds - current		45,000	125,000
Total current liabilities	<u>101,187</u>	<u>206,278</u>	<u>157,083</u>
Noncurrent liabilities:			
Accrued vacation and sick leave	1,106	21,209	33,271
General obligation bonds payable (net of unamortized discounts)			1,405,000
Ohio Public Works Commission Loans	<u>715,755</u>	<u>969,939</u>	
Total noncurrent liabilities	<u>716,861</u>	<u>991,148</u>	<u>1,438,271</u>
Total liabilities	<u>818,048</u>	<u>1,197,426</u>	<u>1,595,354</u>
NET ASSETS			
Invested in capital assets, net of related debt	5,326,747	3,723,113	2,639,747
Unrestricted	215,627	81,108	3,050,456
Total net assets	<u>\$ 5,542,374</u>	<u>\$ 3,804,221</u>	<u>\$ 5,690,203</u>

Adjustment to consolidate the internal service fund activities related to the enterprise funds.
Net assets of business-type activities.

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
Major Fund Swimming Pools	Non-major Fund Solid Waste	Total	
\$ 331,599	\$ 59,698	\$ 3,721,144	\$ 772,245
	16,193	153,435	
<u>331,599</u>	<u>75,891</u>	<u>3,874,579</u>	<u>121,950</u>
			<u>894,195</u>
1,236,059		1,236,573	
	219,218	219,218	
4,558,808		4,797,052	
		30,611,240	
28,556	1,486,985	2,371,738	
		213,640	
<u>(262,616)</u>	<u>(1,343,509)</u>	<u>(18,345,423)</u>	
<u>5,560,807</u>	<u>362,694</u>	<u>21,104,038</u>	
<u>5,560,807</u>	<u>362,694</u>	<u>21,104,038</u>	<u>-</u>
<u>\$ 5,892,406</u>	<u>\$ 438,585</u>	<u>\$ 24,978,617</u>	<u>\$ 894,195</u>
\$ 348	\$ 21,330	\$ 28,514	\$ 155,231
	7,980	12,751	
385	42,891	43,276	
589	32,018	52,666	
	127,791	160,437	
		230,236	
		170,000	
<u>1,322</u>	<u>232,010</u>	<u>697,880</u>	<u>155,231</u>
		55,586	
		1,405,000	
		1,685,694	
<u>-</u>	<u>-</u>	<u>3,146,280</u>	<u>-</u>
<u>1,322</u>	<u>232,010</u>	<u>3,844,160</u>	<u>155,231</u>
5,560,807	362,694	17,613,108	
330,277	(156,119)	3,521,349	738,964
<u>\$ 5,891,084</u>	<u>\$ 206,575</u>	<u>21,134,457</u>	<u>\$ 738,964</u>
		81,200	
		<u>\$ 21,215,657</u>	

City of Upper Arlington, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2007

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Water Surcharge	Sewer Surcharge	Stormwater
Operating revenues:			
Charges for sales and services:			
Charges for services	\$ 331,769	\$ 707,767	\$ 552,515
Total operating revenues	331,769	707,767	552,515
Operating expenses:			
Personal services	64,646	383,881	352,252
Materials and supplies	13,829	69,536	37,728
Self-insurance			
Depreciation	213,868	213,692	250,056
Total operating expenses	292,343	667,109	640,036
Operating income (loss)	39,426	40,658	(87,521)
Nonoperating revenues (expenses):			
Grants / Donations			
Investment earnings			269,598
Interest expense	(27,893)	(46,953)	(76,334)
Total nonoperating revenue (expenses)	(27,893)	(46,953)	193,264
Income (loss) before contributions	11,533	(6,295)	105,743
Capital contributions	863	4,199	
Change in net assets	12,396	(2,096)	105,743
Total net assets -- January 1	5,529,978	3,806,317	5,584,460
Total net assets -- December 31	\$ 5,542,374	\$ 3,804,221	\$ 5,690,203

Adjustment to consolidate the internal service fund activities related to the enterprise funds.

Change in net assets of business-type activities.

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
Major Fund Swimming Pools	Non-major Fund Solid Waste	Total	
\$ 658,141	\$ 1,871,859	\$ 4,122,051	\$ 3,247,859
658,141	1,871,859	4,122,051	3,247,859
394,673	1,363,908	2,559,360	
136,030	526,299	783,422	
95,279	111,362	884,257	2,834,010
625,982	2,001,569	4,227,039	2,834,010
32,159	(129,710)	(104,988)	413,849
	5,000	5,000	
	6,095	275,693	
		(151,180)	
-	11,095	129,513	-
32,159	(118,615)	24,525	413,849
	1,451	6,513	
32,159	(117,164)	31,038	413,849
5,858,925	323,739	21,103,419	325,115
\$ 5,891,084	\$ 206,575	21,134,457	\$ 738,964
		81,200	
		\$ 21,215,657	

City of Upper Arlington, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2007

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Water Surcharge	Sewer Surcharge	Stormwater
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 324,981	\$ 696,336	\$ 560,060
Payments to suppliers	(11,342)	(69,911)	(46,859)
Payments to employees	(61,625)	(372,292)	(344,857)
Net cash provided (used) by operating activities	<u>252,014</u>	<u>254,133</u>	<u>168,344</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Grants			
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES			
Purchases of capital assets		(20,495)	(110,162)
Principal paid on capital debt	(91,610)	(186,443)	(120,000)
Interest paid on capital debt	(27,893)	(46,953)	(76,334)
Net cash provided (used) by capital and related financial activities	<u>(119,503)</u>	<u>(253,891)</u>	<u>(306,496)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received			<u>272,298</u>
Net increase (decrease) in cash and cash equivalents	132,511	242	134,146
Cash and cash equivalents, January 1	<u>60,520</u>	<u>71,889</u>	<u>2,930,539</u>
Cash and cash equivalents, December 31	<u>\$ 193,031</u>	<u>\$ 72,131</u>	<u>\$ 3,064,685</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 Pools	Solid Waste	Total	Internal Service Fund - Employee Benefits
\$ 657,756	\$ 1,830,092	\$ 4,069,225	\$ 3,125,909
(145,430)	(582,515)	(856,057)	(2,795,406)
(394,713)	(1,328,164)	(2,501,651)	
<u>117,613</u>	<u>(80,587)</u>	<u>711,517</u>	<u>330,503</u>
	5,000	5,000	
-	5,000	5,000	-
(1,700)	(15,416)	(147,773)	
		(398,053)	
		(151,180)	
<u>(1,700)</u>	<u>(15,416)</u>	<u>(697,006)</u>	<u>-</u>
	7,277	279,575	
115,913	(83,726)	299,086	330,503
<u>215,686</u>	<u>143,424</u>	<u>3,422,058</u>	<u>441,742</u>
<u>\$ 331,599</u>	<u>\$ 59,698</u>	<u>\$ 3,721,144</u>	<u>\$ 772,245</u>

(continued)

City of Upper Arlington, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2007

	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)	\$ 39,426	\$ 40,658	\$ (87,521)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	213,868	213,692	250,056
(Increase) decrease in accounts receivable	(6,788)	(11,431)	7,545
(Increase) decrease in due from other funds			
Increase (decrease) in accounts payable	2,487	(375)	(36,776)
Increase (decrease) in amounts payable related to equipment purchases			27,645
Increase (decrease) in due to other funds	656	2,645	1,470
Increase (decrease) in unearned revenue			
Increase (decrease) in accrued liabilities	1,679	1,207	441
Increase (decrease) in accrued vacation and sick leave	686	7,737	5,484
Total adjustments	<u>212,588</u>	<u>213,475</u>	<u>255,865</u>
Net cash provided (used) by operating activities	<u>\$ 252,014</u>	<u>\$ 254,133</u>	<u>\$ 168,344</u>
Non cash investing, capital, and financing activities:			
Contributions of capital assets from governmental activities	\$ 863	\$ 4,199	\$ -
Increase in fair value of investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,907</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 -
Pool	Waste		Employee
			Benefits
\$ 32,159	\$ (129,710)	\$ (104,988)	\$ 413,849
95,279	111,362	884,257	
	(15,500)	(26,174)	
(9,400)	(56,216)	(100,280)	(121,950)
			38,604
		27,645	
	7,980	12,751	
(385)	(26,267)	(26,652)	
(40)	2,289	5,576	
	25,475	39,382	
85,454	49,123	816,505	(83,346)
<u>\$ 117,613</u>	<u>\$ (80,587)</u>	<u>\$ 711,517</u>	<u>\$ 330,503</u>
\$ -	\$ 1,451	\$ 6,513	
\$ -	\$ 1,031	\$ 53,938	

City of Upper Arlington, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2007

	Agency Funds
ASSETS:	
Cash and investments	\$ 2,168,695
Total assets	<u>\$ 2,168,695</u>
LIABILITIES:	
Due to others	\$ 2,168,695
Total liabilities	<u>\$ 2,168,695</u>

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

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements
December 31, 2007

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. Elected officials include seven council members.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Upper Arlington this includes the departments that provide the following services as authorized by its charter: public safety, public service, parks and recreation, and community development.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board, and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes. The City has one component unit, the Upper Arlington Community Improvement Corporation (CIC).

The CIC was formed pursuant to Resolution 19-93 passed December 13, 1993. The CIC was designated as a not-for-profit organization of the City to assist in the revitalization and enhancement of property through advancing, encouraging and promoting industrial, economic, commercial and civic development. The CIC is governed by a twelve member board. The CIC is dependent upon the City for financial support and therefore presented as a component unit of the City. Financial statements can be obtained from Catherine Armstrong, Finance Director, 3600 Tremont Road, Upper Arlington, Ohio 43221.

(b) Government-wide and fund financial statements

Beginning January 1, 2003, the City changed its financial reporting to comply with Governmental Accounting Standards Board (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 discretely presented 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.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2007

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.

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 (RSI) is comprised of budgetary comparison schedules and other types of data required by GASB.

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 implementation of GASB Statement No. 49 had no impact on these financial statements.

In May 2007, the GASB issued Statement No. 50, "*Pension Disclosures.*" This statement is to amend Statements 25 and 27 and requires defined benefit pension plans to present additional information related to note disclosure or RSI. The provisions of this statement are effective for fiscal periods beginning after June 15, 2007. The implementation of GASB Statement No. 50 had no impact on these financial statements.

In June 2007, the GASB issued Statement No. 51, "*Accounting and Financial Reporting for Intangible Assets.*" This statement is to establish accounting and reporting requirements for intangible assets to reduce inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The provisions of this statement are effective for fiscal periods beginning after June 15, 2009. The City has not determined the effect, if any, GASB Statement No. 51 will have on its financial statements.

In November 2007, the GASB issued Statement No. 52, "*Land and Other Real Estate Held as Investments by Endowments.*" This statement is to improve the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency among similar entities. The provisions of this statement are effective for fiscal periods beginning after June 15, 2008. The implementation of GASB Statement No. 52 had no impact on these 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

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2007

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.

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 enterprise 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 Principles 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 unrestricted intergovernmental revenues. Unrestricted 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

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2007

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 City's policy to use restricted resources first, and then unrestricted resources as they are needed.

The City 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 General Obligation Bond Retirement Fund, a debt service fund, is used to account for the accumulation of resources for, and the payment of, general obligation long-term debt principal, interest and related costs. The fund is reported as a major fund due to having over 10% of the governmental assets and 5% of total governmental and enterprise assets combined.

The Bonded Improvement Fund, although not having over 10% of the governmental assets and 5% of total governmental and enterprise assets combined in the current year, is still treated as a major fund in 2007 as it was in 2006, as expected resources in 2008 will require it to be a major fund again. 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 Estate Tax Capital Projects Fund is reported as a major fund due to 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.

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, and Neighborhood Lighting.

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

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2007

has three nonmajor capital project funds: the Infrastructure Improvement Fund, the Chelsea TIF Fund, and the Horizon TIF 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.

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.

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.

The property tax receivable is the amount levied for collection in 2007 and remained uncollected at December 31, 2007, and the amount assessed in 2007 for collection in 2008. Delinquent property taxes 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, 2007. 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 22, 2007 and

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2007

June 20, 2007 for those taxes due during 2007. 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 2007 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the true value as of December 31, 2006. Tangible personal property is being phased out; the assessment percentage for property, including inventory, is 12.5% for 2007. This percentage will be reduced to 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.

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.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2007

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 compensated absences are: the General Fund, the Life Long Learning and Leisure Fund, the Street Construction Maintenance and Repair Fund, the Neighborhood Lighting Fund, the Water Surcharge Fund, the Sewer Surcharge Fund, the Stormwater Fund, and the Solid Waste Fund.

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.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2007

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 \$10,879,354 within capital project funds, and \$685,173 within its debt service fund. Within the General Fund balance, the City has designated \$493,743 for payment of pension obligations and \$6,491,999 for capital acquisitions and related debt. In addition, another \$2,722,763 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, 2007, \$493,743 of the City's \$6,854,999 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, 2007 fair value was \$569,926 above the City's net cost for its investments. At December 31, 2006 fair value was \$45,557 above 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.

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, 2007.

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, 2007 were 41 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 investments permitted by the City Code as well as limitations on investments are described in detail below. The average days to maturity of the City's investments at December 31, 2007 were 550 days.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2007

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

(A) 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. GNMA mortgage-backed, pass-through securities are considered as eligible investments of the City and are not derivative securities, as defined under Ohio Revised Code § 135.14(C). Eligible investments include securities that may be "called", by the issuer, prior to the final maturity date. Any eligible investment may be purchased at a premium or a discount. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.

(B) Bonds and other obligations of the State of Ohio.

(C) Bonds and other obligations of any county, township, school district, municipal corporation, or other 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.

(D) 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. Certificates of deposit shall be collateralized using eligible securities or instruments as defined under Ohio Revised Code § 135.18 or 135.181. The selection of Ohio Revised Code § 135.18 or 135.181 for purposes of collateralization, shall be determined by the Finance Director. Under either method, the Finance Director may require an additional percentage of eligible collateral to compensate for any depreciation of market value of such pledged collateral, less any portion insured by the FDIC.

(E) 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. Repurchase agreements transacted with eligible securities dealers shall be executed on a delivery vs. payment basis. Eligible repurchase agreement collateral is restricted to securities listed in C.O. § 221.06(A), limited to final maturity dates of ten (10) years. The market value of securities subject to a repurchase agreement must exceed the principal value of the repurchase agreement amount by at least two percent (2%). Term repurchase agreements shall be limited to a maximum of thirty (30) days.

(F) Banker's acceptances issued by any domestic bank rated in the highest category by one of two nationally recognized rating agencies.

(G) 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. Eligible money market funds shall comply with Ohio Revised Code § 135.01, regarding limitations and restrictions.

(H) Commercial paper issues of companies incorporated under the laws of the United States, rated A1+, A1 by Standard & Poor's and P1 by Moody's. The

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
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maximum maturity of commercial paper shall be two hundred and seventy (270) days from the date of purchase.

(I) 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 highly rated, at the time of purchase, by Standard & Poor's or Moody's.

If a security has a split rating, the higher of the two ratings shall be used to determine the eligibility for investment purposes. In no event shall a corporate security, at the time of purchase, be rated less than A- by Standard & Poor's or less than an A3 by Moody's.

(J) The State Treasurer's investment pool (STAR OHIO), pursuant to Ohio Revised Code § 135.45.

Limitations on Investments by Chapter 221 of the Upper Arlington City Code are as follows:

(A) Limitations on investments of any single institution or issuer:

(1) 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.

(2) The total value of certificates of deposit, purchased from any individual financial institution, shall not exceed three percent (3%) of that institutions total time deposits, provided that such total deposits do not exceed five percent (5%) of the City's average portfolio at the time of purchase.

(B) Limitations on the investment of interim funds:

The aggregate investments in bankers acceptances and commercial paper shall not exceed twenty five percent (25%) of the City's average portfolio, at the time of purchase.

(1) The aggregate total of all corporate medium term notes shall not exceed fifteen percent (15%) of the average portfolio, based upon purchase cost or book value, at the time of purchase. Commercial paper and bankers acceptances shall not be considered when calculating the maximum holdings in any single issuer.

(2) The use of derivative securities, as defined in Ohio Revised Code § 135.14 (C), is expressly prohibited.

(3) Collateralized mortgage obligations (CMOs) of any kind are expressly prohibited.

(C) All eligible investments will mature within five (5) years from the date of settlement, unless the investment is matched to a specific obligation or debt of the City, and the investment is specifically approved by the Finance Director.

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

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Notes to the Basic Financial Statements, continued
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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, 2007, the carrying value of the City's cash deposits was \$6,519,804, of which \$300,000 was non-negotiable certificates of deposit and \$7,213,000 was included in an overnight repurchase agreement. The carrying balance exclusive of the repurchase agreement is (\$693,196), which is included in investments below. A liability was not recorded for the negative carrying amount of deposits because there was no actual overdraft due to the "zero-balance" nature of the City's bank accounts. Cash balances per the banks, exclusive of the repurchase agreement were \$515,975. \$200,000 of the City's bank deposits were insured by Federal depository insurance while the repurchase agreement was individually collateralized. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of December 31, 2007, \$315,975 of the City's bank balance of \$515,975 was exposed to custodial risk as follows:

Uninsured and collateral held by the pledging financial institutions agents not in the City's name	\$ 315,975
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The carrying amount of deposits for CIC, a discretely presented component unit, was \$12,064 with a cash balance per the bank of \$12,089. 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 \$31,660.

Investments

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

<u>Investment Type</u>	<u>Fair Value</u>	Investment Maturities				
		12 months or less	13 to 24 Months	25 to 36 Months	37 to 48 months	49 to 60 months
STAR Ohio	\$787,942	\$787,942				
Federal Agency--FHLB	17,042,977	2,431,258	\$10,096,562	\$3,015,313	\$1,499,844	-
Federal Agency--FHLMC	11,021,658	4,000,168	6,019,525	1,001,965	-	-
Federal Agency--FNMA	15,028,906	8,485,000	3,013,750	3,022,812	507,344	-
Repurchase Agreement	7,213,000	7,213,000				
Total investments	\$51,094,483	\$22,917,368	\$19,129,837	\$7,040,090	\$2,007,188	-

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.

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.

City of Upper Arlington, Ohio
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Standard and Poor's has assigned STAR Ohio an AAAM money market rating. Additionally, the Money Market funds held by Trustees have an AAAM money market rating. The overnight repurchase agreement had an AAA rating by Standard & Poor's. The City's investment policy limits investments held to those issued by the U.S. Government or any of its agencies; STAR Ohio, and only very highly-rated money market funds, commercial paper, banker's acceptances, repurchase agreements, bonds and other obligations of the State of Ohio, Bonds and other obligations of any county, township, school district, municipal corporation, or other 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. Additionally, the City may invest in medium term notes issued by a corporation, domiciled within the United States and having assets in excess of \$500 million provided that they are highly rated by Standard & Poors and/or Moodys.

Concentration of Credit Risk. The City through its investment policy limits investments with any individual issuer to 5% of such issuer's total outstanding issue in banker's acceptances, commercial paper, or corporate medium notes, and limits the value of certificates of deposits to 3% of that institution's total time deposits, provided that such total deposits do not exceed 5% of the City's average portfolio at the time of purchase.

Custodial Credit Risk. The City's investments are not exposed to custodial credit risk, as defined by GASB Statement No. 40 as they are either insured, registered, held by the City, or held by an agent in the name of the City.

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, 2007:

Investments (summarized previous page)	\$50,306,541
Certificates of deposit	300,000
Carrying amount of the City's deposits	(961,536)
Star Ohio	787,942
Money Market Funds held by Trustee	2,074,162
Total	\$52,507,109
 Governmental Activities	
Governmental Funds	
Cash and investments with treasurer	\$45,845,025
Internal Service Fund	
Cash and investments with treasurer	772,245
	\$46,617,270
 Business-Type Activities	
Enterprise Funds	
Cash and cash equivalents	3,721,144
Total Cash and Investments - Business-Type Activities	3,721,144
 Agency Funds	
	2,168,695
Total	\$52,507,109

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
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Note (3) – Receivables

Receivables as of year-end for the City's funds, including the applicable allowances for uncollectibles, are as follows:

	GOVERNMENTAL MAJOR FUNDS					Governmental Total
	General	Street Maint.	General Obligation Bond Retirement	Estate Tax	Nonmajor Governmental Funds	
Receivables:						
Interest	\$204,160	\$10,200		\$120,166	\$12,846	\$347,372
Taxes	15,372,199		699,062			\$16,071,261
Intergovernmental	1,675,025	772,544	42,257		291,142	\$2,780,968
Other	514,903					\$514,903
Total receivables	<u>\$17,766,287</u>	<u>\$782,744</u>	<u>\$741,319</u>	<u>\$120,166</u>	<u>\$303,988</u>	<u>\$19,714,504</u>

	BUSINESS-TYPE MAJOR FUNDS			Nonmajor Business- type Solid Waste	Business- type Total
	Water Surcharge	Sewer Surcharge	Stormwater		
Receivables:					
Interest Customer Accounts			\$35,618	\$693	\$36,311
	\$30,322	\$55,795	15,507	15,500	117,124
Total receivables	<u>\$30,322</u>	<u>\$55,795</u>	<u>\$51,125</u>	<u>\$16,193</u>	<u>\$153,435</u>

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

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

	GOVERNMENTAL				Total
	General	Street Maint.	General Obligation Bond Retirement	Nonmajor Governmental Funds	
Deferred Revenue:					
Taxes receivable	\$12,983,323		\$690,026		\$13,673,349
Intergovernmental	671,859	\$511,588		\$290,241	1,473,688
Other	185,055				185,055
Total unearned revenue	<u>\$13,840,237</u>	<u>\$511,588</u>	<u>\$690,026</u>	<u>\$290,241</u>	<u>\$15,332,092</u>

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2007

Note (4) – Capital Assets

Capital asset activity for the year ended December 31, 2007 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$4,686,063		(\$231,551)		\$4,454,512
Construction in progress	1,529,871	\$5,642,557		(\$1,210,237)	5,962,191
Total capital assets, not being depreciated	<u>6,215,934</u>	<u>5,642,557</u>	<u>(\$231,551)</u>	<u>(1,210,237)</u>	<u>10,416,703</u>
Capital assets, being depreciated:					
Buildings	9,518,648				9,518,648
Improvements other than buildings	4,144,144	143,537		95,532	4,383,213
Machinery and equipment	12,315,220	1,120,523	(461,289)	(15,121)	12,959,333
Infrastructure	41,389,767	47,511		1,109,643	42,546,921
Total capital assets being depreciated	<u>67,367,779</u>	<u>1,311,571</u>	<u>(461,289)</u>	<u>1,190,054</u>	<u>69,408,115</u>
Less accumulated depreciation for:					
Buildings	8,228,193	83,039			8,311,232
Improvements other than buildings	1,327,428	88,555			1,415,983
Machinery and equipment	9,116,330	942,266	(414,569)	(13,670)	9,630,357
Infrastructure	10,148,617	1,587,016			11,735,633
Total accumulated depreciation	<u>28,820,568</u>	<u>2,700,876</u>	<u>(414,569)</u>	<u>(13,670)</u>	<u>31,093,205</u>
Total capital assets being depreciated, net	<u>38,547,211</u>	<u>(1,389,305)</u>	<u>(46,720)</u>	<u>1,203,724</u>	<u>38,314,910</u>
Governmental capital assets, net	<u>\$44,763,145</u>	<u>\$4,253,252</u>	<u>(\$278,271)</u>	<u>(\$6,513)</u>	<u>\$48,731,613</u>
Business-type activities:					
Capital assets, not being depreciated					
Land	\$1,236,573				\$1,236,573
Construction in progress	1,881,024	52,617		(1,720,001)	213,640
Total capital assets, not being depreciated	<u>3,117,597</u>	<u>52,617</u>		<u>(1,720,001)</u>	<u>1,450,213</u>
Capital assets, being depreciated:					
Buildings	219,218				219,218
Improvements other than buildings	4,795,352	1,700			4,797,052
Machinery and equipment	2,437,207	65,811	(146,401)	15,121	2,371,738
Infrastructure	28,886,177			1,725,063	30,611,240
Total capital asset being depreciated	<u>36,337,954</u>	<u>67,511</u>	<u>(146,401)</u>	<u>1,740,184</u>	<u>37,999,248</u>
Less accumulated depreciation for:					
Buildings	138,839	4,871			143,710
Improvements other than buildings	401,714	91,709			493,423
Machinery and equipment	1,827,294	177,692	(146,401)	13,670	1,872,255
Infrastructure	15,226,050	609,985			15,836,035
Total accumulated depreciation	<u>17,593,897</u>	<u>884,257</u>	<u>(146,401)</u>	<u>13,670</u>	<u>18,345,423</u>
Total capital assets being depreciated, net	<u>18,744,057</u>	<u>(816,746)</u>		<u>1,726,514</u>	<u>19,653,825</u>
Business-type capital assets, net	<u>\$21,861,654</u>	<u>(\$764,129)</u>		<u>\$6,513</u>	<u>\$21,104,038</u>

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
Public safety	\$ 461,913
General government	230,827
Public services	1,788,318
Parks and recreation	210,913
Community development	8,905
Total depreciation expense - governmental activities	<u>\$ 2,700,876</u>
 Business-type activities:	
Water Surcharge	\$ 213,868
Sewer Surcharge	213,692
Stormwater	250,056
Solid Waste	111,362
Swimming pools	95,279
Total depreciation expense - business-type activities	<u>\$ 884,257</u>

Construction commitments

The City has active construction projects as of December 31, 2007. 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>
Kenny Road Improvement	\$2,230,322	\$182,108
South Dorchester Road & waterline	1,916,325	194,601
Engineering for new fire station	113,149	257,051
2007 Street Maintenance Program	1,244,425	104,011
Park Improvements	157,456	201,683
Southern sanitary sewer	43,844	24,457
Riverside/Kioka Waterline	81,321	21,265
Collingswood Road Engineering	55,664	43,887
Ridgeview/Farleigh Engineering	41,915	42,500
Cranford Road Engineering	38,105	59,849
Donna/Hillview Engineering	49,394	25,122
Ramsgate Road Engineering	40,831	23,964
Crafton Park Engineering	42,071	6,026
Other projects	121,009	149,864
Total	<u>\$6,175,831</u>	<u>\$1,336,388</u>

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2007

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.

Interfund balances at December 31, 2007 represent the premium charges payable to the Internal Service Fund – Employee Benefit Fund for the funding of medical insurance payments.

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 Obligation Bond Retirement	Bonded Improvement	Estate Tax	Other Governmental Funds
General Fund					
Debt Service	\$ 957,106	\$957,106			
Infrastructure Improvement	750,000				\$750,000
Bonded Improvement	1,600,000		1,600,000		
Estate tax	2,443,501			\$2,443,501	
Civil Service	20,000				20,000
Life Long Learning & Leisure	54,006				54,006
Law Enforcement	1,525				1,525
Total Transfers	\$ 5,826,138	\$957,106	\$1,600,000	\$2,443,501	\$825,531

Note (6) – Long-term Liabilities

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

	Governmental Activities	Business-type Activities
Bonds and notes payable outstanding at December 31, 2007	\$ 21,976,987	\$ 1,575,000
Accumulated accretion on bonds	168,332	
Bonds and notes payable per the statement of net assets	\$ 22,145,319	\$ 1,575,000

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2007

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. 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 \$168,332 are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.00% - 6.375%	\$ 22,145,319
Business-type activities	2.98% - 4.76%	<u>1,575,000</u>
		<u>\$ 23,720,319</u>

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

<u>Year Ending</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
<u>December 31:</u>				
2008	\$ 4,861,988	\$ 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	1,235,000	608,283	150,000	47,836
2013 – 2017	7,005,000	2,202,629	850,000	127,786
2018 – 2022	4,740,000	730,045		
2023	704,999	31,373		
	<u>\$ 21,976,987</u>	<u>\$ 6,785,261</u>	<u>\$ 1,575,000</u>	<u>\$ 428,900</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.

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, 2007, 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.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2007

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%	\$ 810,321
Sewer Surcharge	3.50%	1,105,609
Total		<u>\$ 1,915,930</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>	
2008	\$ 230,236	\$ 62,455	
2009	238,080	54,611	
2010	246,192	46,499	
2011	254,582	38,110	
2012	263,258	29,434	
2013 – 2016	683,582	35,968	
	<u>\$ 1,915,930</u>	<u>\$ 267,077</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.

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

<u>Year Ending</u>	<u>Governmental Activities</u>		
<u>December 31:</u>	<u>Principal</u>	<u>Interest</u>	
2008	\$ 102,372	\$ 5,022	
2009	104,846	2,548	
Total	<u>\$ 207,218</u>	<u>\$ 7,570</u>	

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2007

Changes in long-term liabilities:

Long-term liability activity for the year ended December 31, 2007, was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions/</u> <u>Accretion</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
Debt payable:					
General obligation bonds	\$ 19,256,567	\$ 11,352	\$ 1,094,600	\$ 18,173,319	\$ 889,988
Notes payable	3,972,000	3,972,000	3,972,000	3,972,000	3,972,000
Installment loan	307,169		99,951	207,218	102,372
Total debt payable	23,535,736	3,983,352	5,166,551	22,352,537	4,964,360
Accrued vacation & sick leave	2,354,586	1,891,109	1,501,329	2,744,366	\$956,307
Governmental activity					
Long-term liabilities	\$ 25,890,322	\$ 5,874,461	\$ 6,667,880	\$ 25,096,903	\$ 5,920,667
Business-type activities:					
Debt payable:					
General obligation bonds	\$ 1,750,400		\$ 175,400	\$ 1,575,000	\$ 170,000
Ohio Public Works Comm.	2,138,583		222,653	1,915,930	230,236
Total debt payable	3,888,983		398,053	3,490,930	400,236
Accrued vacation & sick leave	176,641	\$ 273,419	234,037	216,023	160,437
Business-type activity					
Long-term liabilities	\$ 4,065,624	\$ 273,419	\$ 632,090	\$ 3,706,953	\$ 560,673

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 Neighborhood Lighting Fund, the Water Surcharge Fund, the Sewer Surcharge Fund, the Stormwater Fund, and the Solid Waste Fund.

Short Term Note

In December 2007, the City issued Capital Improvement Bond Anticipation Notes of \$3,972,000. The notes were issued with an interest rate of 3.5% and a premium of \$15,840. The City used the proceeds of these notes to refinance the notes that were due in January 2008. The new notes are due October 1, 2008, and are included as a fund liability in the General Obligation Bond Retirement Fund at year end.

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, 2007. The future minimum lease payments for these leases are as follows:

<u>Year ending</u>	<u>Amount</u>
December 31, 2008	\$ 13,295

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
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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, 2007 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 \$585,527 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.

As part of participating in CORMA, coverage is provided for up to \$20,000,000 annual umbrella/excess liability for liability claims and \$200,000,000 limit for property claims for the pool. Coverage is provided on an annual aggregate basis for crime (\$975,000 blanket public employee dishonesty, \$475,000 forgery/computer fraud, and \$75,000 money and securities). Coverage is provided for general liability (\$900,000/\$2,000,000), law enforcement liability (\$900,000/\$2,000,000), public official liability (\$900,000/\$2,000,000), employment practices liability (\$1,900,000/\$2,000,000) and automobile liability (\$900,000). Pool retentions are \$25,000 per loss for property and \$550,000 aggregate for liability, with a \$100,000 per loss self-insurance retention. A third-party broker, with expertise in public entity pools, markets the program, identifies coverage lines and limits, and recommends the best insurer and insurance for procurement.

The City self-administers deductible amounts and any other amounts not covered by CORMA. Claims liabilities and expenses are estimated through a case by case review of all claims.

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 2005, 2006, and 2007. There were no reductions in insurance coverage from the prior year.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2007

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

	<u>2005</u>	
	<u>General Liability</u>	<u>Health Claims</u>
Unpaid claims - January 1, 2005	\$ 5,481	\$ 267,212
Incurring 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
Incurring 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>
	<u>2007</u>	
Unpaid claims - January 1, 2007	\$ 61,949	\$ 116,627
Incurring claims	26,389	2,834,010
Payment of claims	<u>(85,267)</u>	<u>(2,795,406)</u>
Unpaid claims - December 31, 2007	<u>\$ 3,071</u>	<u>\$ 155,231</u>

A claims liability of \$155,231 in the internal service fund accounts payable balance represents an estimate for incurred but unpaid claims liabilities and incurred but not reported claims liabilities.

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 Section 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 reimbursed the City for one half the cost of the project, up to a maximum reimbursement of \$300,000. As of December 31, 2007, the City has received the full \$300,000 of reimbursement 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 Basic Financial Statements, continued
December 31, 2007

Note (9) – Subsequent Event

On December 14, 2007, the City's Council authorized the City Manager and the Solid Waste Division to enter into an agreement with Inland Service Corporation (ISC) to outsource the collection of all solid waste. Effective April 6, 2008, ISC began collection of the solid waste. As part of the agreement, the City's finance department continues to bill and collect all fees from the citizens for services provided by ISC. Subsequent to year end the City has agreed to pay a severance amount to certain Solid Waste employees of approximately \$351,000. Additionally, assets with a net book value of approximately \$55,082 at December 31, 2007 were sold to Inland for \$366,500 in April 2008.

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, 2007.

Note (11) – Defined Benefit Pension Plans

Ohio Police and Fire Pension Fund

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The City's contribution was 19.5 percent for police officers and 24 percent for firefighters. Contribution rates are established by State statute. For 2007, a portion of the City's contribution equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. The City's required and actual pension contributions to OP&F for police and firefighters for the years ended December 31, 2007, 2006, and 2005 were \$1,847,001, \$1,712,878, and \$1,683,018, respectively.

Ohio Public Employees Retirement System

Plan Description – All other full-time, non-uniformed employees of the City participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension 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

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2007

ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for members and employer contributions. For the year ended December 31, 2007, members in state and local classifications contributed 9.5% of covered payroll, public safety members contributed 9.75%, and law enforcement members contributed 10.1%.

The City's contribution rate for 2007 was 13.85 percent. For the period January 1 through June 30, a portion of the City's contribution equal to 5 percent of covered payroll was allocated to fund the post-employment health care plan; for the period July 1 through December 31, 2007 this amount was increased to 6 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14 percent.

The City's required and actual contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$1,234,054, \$1,165,706, and \$1,145,772, respectively.

Note (12) – Postemployment Benefits

Police and Firemen's Disability and Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium reimbursement and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement healthcare 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.

The Ohio Revised Code allows, but does not mandate, OP&F to provide other postemployment benefits (OPEB). Authority for the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – OP&F's post-employment healthcare plan was established and is administered as an Internal Revenue Code 401 (h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.50 percent and 24.00 percent of covered payroll for police and fire employers, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2007, the employer contribution allocated to the healthcare plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustee's primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2007

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the OPEB Plan.

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters for the years ended December 31, 2007, 2006, and 2005 were \$568,328, \$605,348, and \$594,977, respectively.

The City has implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* prospectively, and reports a zero net OPEB obligation as of December 31, 2007.

Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost sharing multiple employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B Premium reimbursement.

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2007, local government employers contributed 13.85 percent of covered payroll (17.17 percent for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of the employer contributions, which was allocated to fund post-employment health care, was 5.00 percent of covered payroll from January 1 through June 30, 2007, and 6.00 percent from July 1 to December 31, 2007.

The retirement board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2007, 2006, and 2005 were \$492,586, \$387,364, and \$339,488.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan, which was effective January 1, 2007. Members and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2007

The City has implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* prospectively, and reports a zero net OPEB obligation as of December 31, 2007.

Note (13) – Upper Arlington Community Improvement Corporation (CIC)

Description of Reporting Entity

The Upper Arlington Community Improvement Corporation (CIC) was formed pursuant to Resolution 19-93 passed on December 13, 1993 and incorporated as a corporation not-for-profit under Sections 1702 and 1724 of the Ohio Revised Code. The CIC was created to assist the City in the revitalization and enhancement of property, and to advance, encourage, and promote industrial, economic, commercial and civic development of the City of Upper Arlington. The CIC has been designated as the City of Upper Arlington’s agent for economic development.

Summary of Significant Accounting Policies

Basis of Accounting.

The Financial Statements of the CIC are prepared using the accrual basis of accounting.

Federal Income Tax.

The CIC is exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code.

Estimates.

The preparation of financial statements, in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reported period. Actual results could differ from these estimates.

Note (14) – Restatement

The City has restated beginning net assets of the primary government entity-wide statements, as well as fund balance of its governmental statements in the current year to present the Community Improvement Corporation of Upper Arlington (CIC) as a discretely presented component unit. In prior years the CIC, based on services being provided solely for the economic benefit of the City, was blended as part of the primary government, and presented as a Special Revenue fund. The net assets and fund balance restatements are as follows:

	Governmental Activities	Governmental Funds
Net assets/Fund balance at December 31, 2006, as previously reported	\$68,035,697	\$43,596,843
Restatement	<u>(1,785)</u>	<u>(1,785)</u>
Net assets/Fund balance at December 31, 2006, as restated	<u>\$68,033,912</u>	<u>\$43,595,058</u>



CITY OF | **UPPER ARLINGTON**

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

City of Upper Arlington, Ohio
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2007

	General Fund			
	Original Budget	Final Budget	Actual	Variance positive (negative)
REVENUES:				
Income tax	\$ 13,558,214	\$ 13,552,876	\$ 13,725,325	\$ 172,449
Property taxes	8,221,000	8,221,000	8,176,834	(44,166)
Intergovernmental	3,497,000	3,497,000	3,581,402	84,402
Estate Tax	2,100,000	3,300,000	3,411,846	111,846
Charges for services	600,000	700,000	662,313	(37,687)
Investment earnings	743,000	1,252,000	1,381,714	129,714
Fines and forfeits	375,000	335,000	335,467	467
Licenses and permits	750,000	900,000	916,869	16,869
Miscellaneous	694,232	958,049	910,986	(47,063)
Reimbursements	690,000	503,450	391,304	(112,146)
Total revenues	<u>31,228,446</u>	<u>33,219,375</u>	<u>33,494,060</u>	<u>274,685</u>
EXPENDITURES:				
Current:				
Police				
Personal services	6,337,752	6,562,752	6,428,150	134,602
Other than personal services	294,525	357,030	294,454	62,576
Capital outlay	181,400	181,380	122,407	58,973
Fire				
Personal services	7,234,172	7,434,172	7,292,803	141,369
Other than personal services	315,760	324,848	306,979	17,869
Capital outlay	-	18,756	18,756	-
Board of Health				
Other than personal services	168,250	173,584	173,584	-
Parks and recreation				
Personal services	1,969,174	2,024,674	2,007,033	17,641
Other than personal services	801,073	771,073	697,423	73,650
Capital outlay	67,000	67,000	64,370	2,630
Development				
Personal services	809,052	824,052	820,538	3,514
Other than personal services	140,036	140,036	115,439	24,597
Public Service Administration				
Personal services	893,627	913,627	912,122	1,505
Other than personal services	37,780	42,238	42,231	7
Capital outlay	14,950	14,950	14,950	-
Streets Administration				
Personal services	349,980	349,980	260,106	89,874
Other than personal services	7,846	7,846	4,630	3,216
Capital outlay	245,010	255,557	249,616	5,941
Electrical Division				
Capital outlay	-	62,760	42,547	20,213
Fleet Maintenance				
Personal services	767,771	767,771	730,540	37,231
Other than personal services	251,223	251,223	241,422	9,801
Capital outlay	16,100	16,100	7,580	8,520
City Manager:				
Personal services	936,998	939,498	927,753	11,745
Other than personal services	194,263	206,763	146,811	59,952
City Attorney				
Personal services	559,874	568,074	564,190	3,884
Other than personal services	131,125	128,625	105,635	22,990
City Clerk:				
Personal services	265,189	265,189	244,441	20,748
Other than personal services	13,464	28,464	20,685	7,779

(continued)

City of Upper Arlington, Ohio
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2007
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
City Council:				
Personal services	91,025	97,825	95,805	2,020
Other than personal services	12,950	12,950	8,550	4,400
Clerk of Court				
Personal services	149,535	153,435	151,829	1,606
Other than personal services	153,846	149,946	105,837	44,109
Finance				
Personal services	796,657	796,657	765,213	31,444
Other than personal services	120,285	120,285	107,202	13,083
Capital outlay	3,000	3,000	-	3,000
Facilities Maintenance				
Personal services	199,249	209,249	205,989	3,260
Other than personal services	893,567	879,109	860,247	18,862
Capital outlay	240,000	240,000	28,235	211,765
Information Technology				
Personal services	370,418	370,418	330,318	40,100
Other than personal services	523,757	574,257	433,767	140,490
Capital outlay	239,500	189,000	181,903	7,097
General Administration				
Personal services	151,173	78,173	50,904	27,269
Other than personal services	1,398,380	1,844,471	1,364,068	480,403
 Total expenditures	<u>28,346,736</u>	<u>29,416,797</u>	<u>27,547,062</u>	<u>1,869,735</u>
 Excess (deficiency) of revenues over expenditures	2,881,710	3,802,578	5,946,998	2,144,420
<u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from sale of Capital outlay assets	-	-	174,610	174,610
Operating transfers-out	(2,403,737)	(6,371,294)	(5,826,138)	545,156
 Total other financing sources (uses)	<u>(2,403,737)</u>	<u>(6,371,294)</u>	<u>(5,651,528)</u>	<u>719,766</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	477,973	(2,568,716)	295,470	2,864,186
 Fund balances at beginning of year	22,954,315	22,954,315	22,954,315	
Lapsed encumbrances	113,217	113,217	113,217	
Fund balances at end of year	<u>\$ 23,545,505</u>	<u>\$ 20,498,816</u>	<u>\$ 23,363,002</u>	<u>\$ 2,864,186</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	\$ 295,470
(Increases) decreases from revenues:	1,312,214
(Increases) decreases from expenditures:	(676,187)
 Net change in fund balance per the Statement of Revenues, Expenditures, and and Changes in Fund Balance	<u>\$ 931,497</u>

City of Upper Arlington, Ohio
 Budgetary Comparison Schedule
 Street Construction and Maintenance Repair Fund
 For the Year Ended December 31, 2007

	Street Construction Maintenance and Repair Fund			
	Original Budget	Final Budget	Actual	Variance positive (negative)
REVENUES:				
Intergovernmental	\$ 1,350,000	\$ 1,540,000	\$ 1,545,088	\$ 5,088
Investment earnings	25,000	54,500	57,262	2,762
Miscellaneous	12,000	12,000	30,948	18,948
Total revenues	<u>1,387,000</u>	<u>1,606,500</u>	<u>1,633,298</u>	<u>26,798</u>
EXPENDITURES:				
Current:				
Streets Division				
Personal services	854,416	854,416	827,397	27,019
Other than personal services	293,250	287,520	243,365	44,155
Electrical Division				
Personal services	459,353	459,353	395,825	63,528
Other than personal services	160,400	166,130	144,546	21,584
Total expenditures	<u>1,767,419</u>	<u>1,767,419</u>	<u>1,611,133</u>	<u>85,112</u>
Excess (deficiency) of revenues over expenditures	(380,419)	(160,919)	22,165	183,084
OTHER FINANCING SOURCES (USES):				
Transfers in from the General Fund	\$230,631	-	-	-
Total other financing sources (uses)	<u>230,631</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(149,788)	(160,919)	22,165	183,084
Fund balances at beginning of year	839,713	839,713	839,712	
Lapsed encumbrances	454	454	455	
Fund balances at end of year	<u>\$ 690,379</u>	<u>\$ 679,248</u>	<u>\$ 862,332</u>	<u>\$ 183,084</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	\$ 22,165
(Increases) decreases from revenues:	79,140
(Increases) decreases from expenditures:	(25,686)
Net change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balance	<u><u>\$ 75,619</u></u>

City of Upper Arlington, Ohio
Notes to the Required Supplementary Information
December 31, 2007

Budgetary Information

The City adopts annual expenditure budgets for all governmental, proprietary, and agency fund types, with the exception of the Flexible Benefits Fund. The CIC, a component unit of the City, does not adopt an annual expenditure budget. The City Council follows procedures outlined below in establishing the expenditure budget data reported in the Municipal Service Program Biennial Budget Supplement adopted for 2007-2008.

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 2007 various transfers of appropriations, supplemental appropriations, and reductions in appropriation were made in the following amounts:

General Fund	\$5,037,618
Special Revenue Funds	(\$11,500)
Capital Project Funds	(\$2,672,000)
Enterprise Funds	(\$275,100)

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 \$5,037,618 and is summarized as follows:

- ❑ \$3,967,557 in fund transfers to capital projects funds.
- ❑ \$71,593 in appropriation of grants and donations received by the City.
- ❑ \$225,000 for additional salary in connection with the settling of the negotiated contract for police forces.
- ❑ \$30,000 for consulting contracts in the City Clerk and City Manager divisions.
- ❑ \$200,000 for increases in fuel due to rising prices.

City of Upper Arlington, Ohio
Notes to the Required Supplementary Information
December 31, 2007

- \$51,425 for additional worker's compensation premiums.
- \$200,000 for higher than estimated overtime and out-of-class pay, and related fringe benefits in the fire division.
- \$92,043 for equipment purchases.
- \$200,000 for an unused contingency for emergencies during City Council's winter break.

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.

CITY OF UPPER ARLINGTON

MAJOR GOVERNMENTAL FUNDS, continued

General Obligation Bond Retirement Fund

The fund, a debt service 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.

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, 2007

	General Operating Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Income tax	\$ 11,746,277	\$ 11,746,277	\$ 11,896,795	\$ 150,518
Property taxes	5,490,279	5,490,279	5,422,350	\$ (67,929)
Intergovernmental	3,165,000	3,165,000	3,246,293	\$ 81,293
Estate Tax	2,100,000	3,300,000	3,411,846	\$ 111,846
Charges for services	600,000	700,000	662,313	\$ (37,687)
Investment earnings	720,000	1,220,000	1,342,434	\$ 122,434
Fines and forfeits	375,000	335,000	335,467	\$ 467
Licenses and permits	750,000	900,000	916,869	\$ 16,869
Miscellaneous	575,000	838,817	794,194	\$ (44,623)
Reimbursements	625,000	438,450	357,635	\$ (80,815)
 Total revenues	 <u>26,146,556</u>	 <u>28,133,823</u>	 <u>28,386,196</u>	 <u>252,373</u>
EXPENDITURES:				
Current:				
Police				
Personal services	6,337,752	6,562,752	6,428,150	134,602
Other than personal services	294,525	357,030	294,454	62,576
Fire				
Personal services	7,234,172	7,434,172	7,292,803	141,369
Other than personal services	315,760	324,848	306,979	17,869
Board of Health				
Other than personal services	168,250	173,584	173,584	-
Parks and recreation				
Personal services	1,969,174	2,024,674	2,007,033	17,641
Other than personal services	801,073	771,073	697,423	73,650
Development				
Personal services	809,052	824,052	820,538	3,514
Other than personal services	140,036	140,036	115,439	24,597
Public Service Administration				
Personal services	893,627	913,627	912,122	1,505
Other than personal services	37,780	42,238	42,231	7
Streets Administration				
Personal services	349,980	349,980	260,106	89,874
Other than personal services	7,846	7,846	4,630	3,216
Fleet Maintenance				
Personal services	767,771	767,771	730,540	37,231
Other than personal services	251,223	251,223	241,422	9,801
City Manager:				
Personal services	936,998	939,498	927,753	11,745
Other than personal services	194,263	206,763	146,811	59,952
City Attorney				
Personal services	559,874	568,074	564,190	3,884
Other than personal services	131,125	128,625	105,635	22,990
City Clerk:				
Personal services	265,189	265,189	244,441	20,748
Other than personal services	13,464	28,464	20,685	7,779
City Council:				
Personal services	91,025	97,825	95,805	2,020
Other than personal services	12,950	12,950	8,550	4,400
Clerk of Court				
Personal services	149,535	153,435	151,829	1,606
Other than personal services	153,846	149,946	105,837	44,109

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.

	Adopted Budget	Revised Budget	Actual	Variance
Finance				
Personal services	796,657	796,657	765,213	31,444
Other than personal services	120,285	120,285	107,202	13,083
Facilities Maintenance				
Personal services	199,249	209,249	205,989	3,260
Other than personal services	786,173	771,715	752,853	18,862
Information Technology				
Personal services	370,418	370,418	330,318	40,100
Other than personal services	498,757	498,757	383,388	115,369
General Administration				
Personal services	151,173	78,173	50,904	27,269
Other than personal services	1,348,380	1,794,471	1,340,180	454,291
 Total expenditures	<u>27,157,382</u>	<u>28,135,400</u>	<u>26,635,037</u>	<u>1,500,363</u>
 Excess (deficiency) of revenues over expenditures	<u>(1,010,826)</u>	<u>(1,577)</u>	<u>1,751,159</u>	<u>1,752,736</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from sale of capital assets	-	-	174,610	
Interaccount transfers-in	2,361,685	2,361,685	2,309,797	(51,888)
Operating transfers-in				
Operating transfers-out	(966,631)	(4,934,188)	(4,869,032)	65,156
Total other financing sources (uses)	<u>1,395,054</u>	<u>(2,572,503)</u>	<u>(2,384,625)</u>	<u>13,268</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	384,228	(2,574,080)	(633,466)	1,940,614
 Fund balances at beginning of year	16,906,604	16,906,604	16,906,604	
Lapsed encumbrances	54,170	54,170	54,170	
 Fund balances at end of year	<u>\$ 17,345,002</u>	<u>\$ 14,386,694</u>	<u>\$ 16,327,308</u>	<u>\$ 1,940,614</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, 2007

	Capital Asset Management Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Income tax	\$ 1,811,937	\$ 1,806,599	\$ 1,828,530	\$ 21,931
Total revenues	<u>1,811,937</u>	<u>1,806,599</u>	<u>1,828,530</u>	<u>21,931</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>1,704,543</u>	<u>1,699,205</u>	<u>1,721,136</u>	<u>21,931</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-out	(1,437,106)	(1,437,106)	(957,106)	480,000
Total other financing sources (uses)	<u>(1,437,106)</u>	<u>(1,437,106)</u>	<u>(957,106)</u>	<u>480,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	267,437	262,099	764,030	501,931
Fund balances at beginning of year	3,529,802	3,529,802	3,529,802	
Fund balances at end of year	<u>\$ 3,797,239</u>	<u>\$ 3,791,901</u>	<u>\$ 4,293,832</u>	<u>\$ 501,931</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, 2007

	Police and Fire Pension Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Property taxes	\$ 2,022,013	\$ 2,022,013	\$ 2,053,968	\$ 31,955
Intergovernmental	250,000	250,000	249,234	(766)
Total revenues	<u>2,272,013</u>	<u>2,272,013</u>	<u>2,303,202</u>	<u>31,189</u>
EXPENDITURES:				
Current:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>2,272,013</u>	<u>2,272,013</u>	<u>2,303,202</u>	<u>31,189</u>
OTHER FINANCING SOURCES (USES):				
Interaccount transfers-out	<u>(2,361,685)</u>	<u>(2,361,685)</u>	<u>(2,309,797)</u>	51,888
Total other financing sources (uses)	<u>(2,361,685)</u>	<u>(2,361,685)</u>	<u>(2,309,797)</u>	51,888
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(89,672)	(89,672)	(6,595)	83,077
Fund balances at beginning of year	320,819	320,819	320,819	
Lapsed encumbrances	-	-	-	
Fund balances at end of year	<u>\$ 231,147</u>	<u>\$ 231,147</u>	<u>\$ 314,224</u>	<u>\$ 83,077</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
For the Fiscal Year Ended December 31, 2007

	Capital Equipment Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Property taxes	\$708,708	\$708,708	\$700,516	(\$8,192)
Intergovernmental	82,000	82,000	85,875	3,875
Miscellaneous	-	-	2,384	2,384
Total revenues	<u>790,708</u>	<u>790,708</u>	<u>788,775</u>	<u>(1,933)</u>
EXPENDITURES:				
Current:				
Police				
Capital outlay	181,400	181,380	122,407	58,973
Fire				
Capital outlay	-	18,756	18,756	-
Parks and recreation				
Capital Outlay	67,000	67,000	64,370	2,630
Public Service Administration				
Capital Outlay	14,950	14,950	14,950	-
Electrical Division				
Capital Outlay	-	62,760	42,547	20,213
Streets Administration				
Capital Outlay	245,010	255,557	249,616	5,941
Fleet Maintenance				
Capital Outlay	16,100	16,100	7,580	8,520
Finance				
Capital Outlay	3,000	3,000	-	3,000
Facilities Maintenance				
Capital Outlay	240,000	240,000	28,235	211,765
Information Technology				
Other than personal services	25,000	25,000	937	24,063
Capital outlay	106,000	106,000	98,998	7,002
Total expenditures	<u>898,460</u>	<u>990,503</u>	<u>648,396</u>	<u>342,107</u>
Excess (deficiency) of revenues over expenditures	<u>(107,752)</u>	<u>(199,795)</u>	<u>140,379</u>	<u>340,174</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	(107,752)	(199,795)	140,379	340,174
Fund balances at beginning of year	1,639,607	1,639,607	1,639,607	
Lapsed encumbrances	59,047	59,047	59,047	
Fund balances at end of year	<u>\$ 1,590,902</u>	<u>\$ 1,498,859</u>	<u>\$ 1,839,033</u>	<u>\$ 340,174</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, 2007

	Self-Insured Loss Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Investment earnings	\$ 23,000	\$ 32,000	\$ 39,280	\$ 7,280
Reimbursements	65,000	65,000	33,669	(31,331)
Total revenues	<u>88,000</u>	<u>97,000</u>	<u>72,949</u>	<u>(24,051)</u>
EXPENDITURES:				
Current:				
General Administration				
Other than personal services	50,000	50,000	23,888	26,112
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>23,888</u>	<u>26,112</u>
Excess (deficiency) of revenues over expenditures	<u>38,000</u>	<u>47,000</u>	<u>49,061</u>	<u>2,061</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	38,000	47,000	49,061	2,061
Fund balances at beginning of year	522,608	522,608	522,608	
Fund balances at end of year	<u>\$ 560,608</u>	<u>\$ 569,608</u>	<u>\$ 571,669</u>	<u>\$ 2,061</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, 2007

	Communications and Technology Account			
	Adopted	Revised	Actual	Variance
	Budget	Budget		
<u>REVENUES:</u>				
Miscellaneous	\$ 119,232	\$ 119,232	\$ 114,408	\$ (4,824)
Total revenues	<u>119,232</u>	<u>119,232</u>	<u>114,408</u>	<u>(4,824)</u>
<u>EXPENDITURES:</u>				
Current:				
Information Technology				
Capital outlay	133,500	83,000	82,905	95
Other than Personal Services	-	50,500	49,442	1,058
Total expenditures	<u>133,500</u>	<u>133,500</u>	<u>132,347</u>	<u>1,153</u>
Excess (deficiency) of revenues over expenditures	<u>(14,268)</u>	<u>(14,268)</u>	<u>(17,939)</u>	<u>(3,671)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Interaccount 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	(14,268)	(14,268)	(17,939)	(3,671)
Fund balances at beginning of year	34,875	34,875	34,875	
Lapsed encumbrances	-	-	-	
Fund balances at end of year	<u>\$ 20,607</u>	<u>\$ 20,607</u>	<u>\$ 16,936</u>	<u>\$ (3,671)</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)
Total General Fund Accounts
For the Fiscal Year Ended December 31, 2007

	Total General Fund Accounts			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Income tax	\$ 13,558,214	\$ 13,552,876	\$ 13,725,325	\$ 172,449
Property taxes	8,221,000	8,221,000	8,176,834	(44,166)
Intergovernmental	3,497,000	3,497,000	3,581,402	84,402
Estate Tax	2,100,000	3,300,000	3,411,846	111,846
Charges for services	600,000	700,000	662,313	(37,687)
Investment earnings	743,000	1,252,000	1,381,714	129,714
Fines and forfeits	375,000	335,000	335,467	467
Licenses and permits	750,000	900,000	916,869	16,869
Miscellaneous	694,232	958,049	910,986	(47,063)
Reimbursements	690,000	503,450	391,304	(112,146)
 Total revenues	 <u>31,228,446</u>	 <u>33,219,375</u>	 <u>33,494,060</u>	 <u>274,685</u>
EXPENDITURES:				
Current:				
Police				
Personal services	6,337,752	6,562,752	6,428,150	134,602
Other than personal services	294,525	357,030	294,454	62,576
Capital outlay	181,400	181,380	122,407	58,973
Fire				
Personal services	7,234,172	7,434,172	7,292,803	141,369
Other than personal services	315,760	324,848	306,979	17,869
Capital outlay	-	18,756	18,756	-
Board of Health				
Other than personal services	168,250	173,584	173,584	-
Parks and recreation				
Personal services	1,969,174	2,024,674	2,007,033	17,641
Other than personal services	801,073	771,073	697,423	73,650
Capital outlay	67,000	67,000	64,370	2,630
Development				
Personal services	809,052	824,052	820,538	3,514
Other than personal services	140,036	140,036	115,439	24,597
Public Service Administration				
Personal services	893,627	913,627	912,122	1,505
Other than personal services	37,780	42,238	42,231	7
Capital outlay	14,950	14,950	14,950	0
Streets Administration				
Personal services	349,980	349,980	260,106	89,874
Other than personal services	7,846	7,846	4,630	3,216
Capital outlay	245,010	255,557	249,616	5,941
Electrical Division				
Capital outlay	-	62,760	42,547	20,213
Fleet Maintenance				
Personal services	767,771	767,771	730,540	37,231
Other than personal services	251,223	251,223	241,422	9,801
Capital outlay	16,100	16,100	7,580	8,520
City Manager:				
Personal services	936,998	939,498	927,753	11,745
Other than personal services	194,263	206,763	146,811	59,952
City Attorney				
Personal services	559,874	568,074	564,190	3,884
Other than personal services	131,125	128,625	105,635	22,990
City Clerk:				
Personal services	265,189	265,189	244,441	20,748
Other than personal services	13,464	28,464	20,685	7,779
City Council:				
Personal services	91,025	97,825	95,805	2,020
Other than personal services	12,950	12,950	8,550	4,400
Clerk of Court				
Personal services	149,535	153,435	151,829	1,606
Other than personal services	153,846	149,946	105,837	44,109

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, 2007

Finance				
Personal services	796,657	796,657	765,213	31,444
Other than personal services	227,679	227,679	214,596	13,083
Capital outlay	3,000	3,000	-	3,000
Facilities Maintenance				
Personal services	199,249	209,249	205,989	3,260
Other than personal services	786,173	771,715	752,853	18,862
Capital outlay	240,000	240,000	28,235	211,765
Information Technology				
Personal services	370,418	370,418	330,318	40,100
Other than personal services	523,757	574,257	433,767	140,490
Capital outlay	239,500	189,000	181,903	7,097
General Administration				
Personal services	151,173	78,173	50,904	27,269
Other than personal services	1,398,380	1,844,471	1,364,068	480,403
Total expenditures	<u>28,346,736</u>	<u>29,416,797</u>	<u>27,547,062</u>	<u>1,869,735</u>
Excess (deficiency) of revenues over expenditures	<u>2,881,710</u>	<u>3,802,578</u>	<u>5,946,998</u>	<u>2,144,420</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from sale of capital assets	-	-	174,610	174,610
Operating transfers-out	(2,403,737)	(6,371,294)	(5,826,138)	545,156
Interaccount transfers-in	2,361,685	2,361,685	2,309,797	(51,888)
Interaccount transfers-out	(2,361,685)	(2,361,685)	(2,309,797)	51,888
Total other financing sources (uses)	<u>(2,403,737)</u>	<u>(6,371,294)</u>	<u>(5,651,528)</u>	<u>719,766</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	477,973	(2,568,716)	295,470	2,864,186
Fund balances at beginning of year	22,954,315	22,954,315	22,954,315	-
Lapsed encumbrances	113,217	113,217	113,217	-
Fund balances at end of year	<u>\$ 23,545,505</u>	<u>\$ 20,498,816</u>	<u>\$ 23,363,002</u>	<u>\$ 2,864,186</u>



CITY OF | **UPPER ARLINGTON**

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City of Upper Arlington, Ohio
Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
General Obligation Bond Retirement Fund
For the Fiscal Year Ended December 31, 2007

	General Obligation Bond Retirement Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Property taxes	\$ 863,538	\$ 863,538	\$ 745,213	\$ (118,325)
Intergovernmental	80,000	80,000	75,570	(4,430)
Total revenues	<u>943,538</u>	<u>943,538</u>	<u>820,783</u>	<u>(122,755)</u>
<u>EXPENDITURES:</u>				
Current:				
Finance				
Other than personal services	<u>6,929,185</u>	<u>6,929,185</u>	<u>6,287,621</u>	<u>641,564</u>
Total expenditures	<u>6,929,185</u>	<u>6,929,185</u>	<u>6,287,621</u>	<u>641,564</u>
Excess (deficiency) of revenues over expenditures	<u>(5,985,647)</u>	<u>(5,985,647)</u>	<u>(5,466,838)</u>	<u>518,809</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Issuance of notes	3,972,000	7,944,000	7,983,870	39,870
Operating transfers-in	<u>2,013,647</u>	<u>2,013,647</u>	<u>1,213,647</u>	<u>(800,000)</u>
Total other financing sources (uses)	<u>5,985,647</u>	<u>9,957,647</u>	<u>9,197,517</u>	<u>(760,130)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	3,972,000	3,730,679	(241,321)
Fund balances at beginning of year	875,201	875,201	875,201	-
Fund balances at end of year	<u>\$ 875,201</u>	<u>\$ 4,847,201</u>	<u>\$ 4,605,880</u>	<u>\$ (241,321)</u>

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, 2007

	Bonded Improvement Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Investment earnings	\$ 300,000	\$ 30,000	\$ 28,491	\$ (1,509)
Total revenues	<u>300,000</u>	<u>30,000</u>	<u>28,491</u>	<u>(1,509)</u>
EXPENDITURES:				
Current:				
Fire				
Capital	4,000,000	684,724	684,724	-
Streets				
Capital	2,010,000	2,188,926	2,179,484	9,442
Finance				
Other than personal services	-	6,350	6,350	-
Total expenditures	<u>6,010,000</u>	<u>2,880,000</u>	<u>2,870,558</u>	<u>9,442</u>
Excess (deficiency) of revenues over expenditures	<u>(5,710,000)</u>	<u>(2,850,000)</u>	<u>(2,842,067)</u>	<u>7,933</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	-	-
Proceeds from sale of bonds	6,000,000	6,000,000	-	\$ (6,000,000)
Operating transfers-in	-	1,600,000	1,600,000	-
Total other financing sources (uses)	<u>6,000,000</u>	<u>7,600,000</u>	<u>1,600,000</u>	<u>(6,000,000)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	290,000	4,750,000	(1,242,067)	(5,992,067)
Fund balances at beginning of year	1,276,306	1,276,306	1,276,306	-
Lapsed encumbrances	98,798	98,798	98,798	-
Fund balances at end of year	<u>\$ 1,665,104</u>	<u>\$ 6,125,104</u>	<u>\$ 133,037</u>	<u>\$ (5,992,067)</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, 2007

	Estate Tax Capital Projects Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Investment earnings	\$ 400,000	\$ 560,000	\$ 700,544	\$ 140,544
Reimbursements	-	-	4,177	4,177
Total revenues	<u>400,000</u>	<u>560,000</u>	<u>704,721</u>	<u>144,721</u>
EXPENDITURES:				
Current:				
Streets				
Capital	2,499,000	2,499,000	2,232,980	266,020
Utilities				
Capital	364,000	364,000	92,700	271,300
Total expenditures	<u>2,863,000</u>	<u>2,863,000</u>	<u>2,325,680</u>	<u>537,320</u>
Excess (deficiency) of revenues over expenditures	<u>(2,463,000)</u>	<u>(2,303,000)</u>	<u>(1,620,959)</u>	<u>682,041</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-in	-	2,443,501	2,443,501	-
Total other financing sources (uses)	<u>-</u>	<u>2,443,501</u>	<u>2,443,501</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(2,463,000)</u>	140,501	822,542	682,041
Fund balances at beginning of year	8,566,293	8,566,293	8,566,293	-
Lapsed encumbrances	149,265	149,265	149,265	-
Fund balances at end of year	<u>\$ 6,252,558</u>	<u>\$ 8,856,059</u>	<u>\$ 9,538,100</u>	<u>\$ 682,041</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.

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.

City of Upper Arlington, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007

ASSETS	Law Enforcement	Enforcement Education	Civil Service
Cash, cash equivalents and investments	\$ 686,586	\$ 15,997	\$ 5,045
Receivables (net of allowance for uncollectibles)	7,979		
Total assets	<u>\$ 694,565</u>	<u>\$ 15,997</u>	<u>\$ 5,045</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable			
Due to other funds			
Deferred revenue			
Accrued liabilities			
Accrued vacation & sick leave liability			
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balances:			
Reserved for:			
Encumbrances			
Unreserved, reported in:			
Special revenue funds	\$ 694,565	\$ 15,997	\$ 5,045
Capital project funds			
Debt service funds			
Total fund balances	<u>694,565</u>	<u>15,997</u>	<u>5,045</u>
Total liabilities and fund balances	<u>\$ 694,565</u>	<u>\$ 15,997</u>	<u>\$ 5,045</u>

Tax Incentive Review	Tree Planting	Life Long Learning & Leisure	Mayor's Court Computer	Clerk of Court
\$ 19,585	\$ 19,854	\$ 9,116	\$ 64,350	\$ 61,999
<u>\$ 19,585</u>	<u>\$ 19,854</u>	<u>\$ 9,116</u>	<u>\$ 64,350</u>	<u>\$ 61,999</u>
		\$ 6,528		\$ 7
		187		
		3,235		
<u>-</u>	<u>-</u>	<u>9,950</u>	<u>-</u>	<u>7</u>
		3,644		
\$ 19,585	\$ 19,854	(4,478)	\$ 64,350	61,992
<u>19,585</u>	<u>19,854</u>	<u>(834)</u>	<u>64,350</u>	<u>61,992</u>
<u>\$ 19,585</u>	<u>\$ 19,854</u>	<u>\$ 9,116</u>	<u>\$ 64,350</u>	<u>\$ 61,999</u>

(continued)

City of Upper Arlington, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007

	Neighborhood Lighting	Economic Development Venture	Total Special Revenue
ASSETS			
Cash, cash equivalents and investments	\$ 418,709	\$ 553,091	\$ 1,854,332
Receivables (net of allowance for uncollectibles)	4,867		12,846
Total assets	<u>\$ 423,576</u>	<u>\$ 553,091</u>	<u>\$ 1,867,178</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 881	\$ 50,201	\$ 57,617
Due to other funds	60		247
Deferred revenue			
Accrued liabilities	172		3,407
Accrued vacation & sick leave liability			
Total liabilities	<u>1,113</u>	<u>50,201</u>	<u>61,271</u>
 Fund balances:			
Reserved for:			
Encumbrances		169,700	173,344
Unreserved, reported in:			
Special revenue funds	422,463	333,190	1,632,563
Capital project funds			
Debt service funds			
Total fund balances	<u>422,463</u>	<u>502,890</u>	<u>1,805,907</u>
Total liabilities and fund balances	<u>\$ 423,576</u>	<u>\$ 553,091</u>	<u>\$ 1,867,178</u>

Capital Projects			Total
Infrastructure Improvement	Chelsea TIF	Horizon TIF	Nonmajor Governmental Funds
\$ 1,174,226	\$ 83,192	\$ 156,493	\$ 3,268,243
290,241	901		303,988
<u>\$ 1,464,467</u>	<u>\$ 84,093</u>	<u>\$ 156,493</u>	<u>\$ 3,572,231</u>
\$ 6,473			\$ 64,090
290,241			247
			290,241
			3,407
<u>296,714</u>	<u>-</u>	<u>-</u>	<u>357,985</u>
493,758			667,102
673,995	\$ 84,093	\$ 156,493	1,632,563
			914,581
<u>1,167,753</u>	<u>84,093</u>	<u>156,493</u>	<u>3,214,246</u>
<u>\$ 1,464,467</u>	<u>\$ 84,093</u>	<u>\$ 156,493</u>	<u>\$ 3,572,231</u>

City of Upper Arlington, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	<u>Law Enforcement</u>	<u>Enforcement Education</u>	<u>Civil Service</u>
REVENUES			
Intergovernmental	\$ 7,856		
Charges for services			
Fines and forfeits		\$ 3,154	
Investment earnings	44,132		
Net increase in fair value of investments	11,424		
Miscellaneous	125		
Total revenues	<u>63,537</u>	<u>3,154</u>	<u>-</u>
EXPENDITURES			
Current:			
Public Safety	\$ 2,167		
General Government			\$ 27,365
Public Services			
Parks and Recreation			
Capital outlay:			
Capital outlay	22,517	4,150	
Total expenditures	<u>24,684</u>	<u>4,150</u>	<u>27,365</u>
Excess (deficiency) of revenues over (under) expenditures	38,853	(996)	(27,365)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,525		20,000
Proceeds from sale of capital assets	355,225		
Total other financing sources and uses	<u>356,750</u>	<u>-</u>	<u>20,000</u>
Net change in fund balances	395,603	(996)	(7,365)
Fund balances -- January 1	298,962	16,993	12,410
Fund balances -- December 31	<u>\$ 694,565</u>	<u>\$ 15,997</u>	<u>\$ 5,045</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>
	\$ 27,535	\$ 249,848	\$ 10,381	\$ 13,423
<u>\$ 5,699</u>	<u>27,535</u>	<u>249,848</u>	<u>10,381</u>	<u>13,423</u>
			11,516	9,039
2,500	10,928	301,541		
<u>2,500</u>	<u>10,928</u>	<u>301,541</u>	<u>11,516</u>	<u>9,039</u>
3,199	16,607	(51,693)	(1,135)	4,384
		54,006		
<u>-</u>	<u>-</u>	<u>54,006</u>	<u>-</u>	<u>-</u>
3,199	16,607	2,313	(1,135)	4,384
<u>16,386</u>	<u>3,247</u>	<u>(3,147)</u>	<u>65,485</u>	<u>57,608</u>
<u>\$ 19,585</u>	<u>\$ 19,854</u>	<u>\$ (834)</u>	<u>\$ 64,350</u>	<u>\$ 61,992</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, 2007

	<u>Neighborhood Lighting</u>	<u>Economic Development Venture</u>	<u>Total Nonmajor Special Revenue</u>
REVENUES			
Intergovernmental			\$ 7,856
Charges for services	\$ 61,654		339,037
Fines and forfeits			26,958
Investment earnings	29,900		74,032
Net increase in fair value of investments	6,707		18,131
Miscellaneous	12,706		18,530
Total revenues	110,967	-	484,544
EXPENDITURES			
Current:			
Public Safety			22,722
General Government		\$ 107,711	137,576
Public Services	48,499		48,499
Parks and Recreation			312,469
Capital outlay:			
Capital outlay		-	26,667
Total expenditures	48,499	107,711	547,933
Excess (deficiency) of revenues over (under) expenditures	62,468	(107,711)	(63,389)
OTHER FINANCING SOURCES (USES)			
Transfers in			75,531
Proceeds from sale of capital assets			355,225
Total other financing sources and uses	-	-	430,756
Net change in fund balances	62,468	(107,711)	367,367
Fund balances -- January 1	359,995	610,601	1,438,540
Fund balances -- December 31	\$ 422,463	\$ 502,890	\$ 1,805,907

Capital Projects			Total
Infrastructure Improvement	Chelsea TIF	Horizon TIF	Nonmajor Governmental Funds
-	\$ 83,942	\$ 92,036	\$ 183,834
			339,037
			26,958
			74,032
			18,131
-		6,313	24,843
<u>-</u>	<u>83,942</u>	<u>98,349</u>	<u>666,835</u>
			22,722
			137,576
			48,499
			312,469
\$ 1,426,843	-	6,313	1,459,823
<u>1,426,843</u>	<u>-</u>	<u>6,313</u>	<u>1,981,089</u>
(1,426,843)	83,942	92,036	(1,314,254)
750,000			825,531
			355,225
<u>750,000</u>	<u>-</u>	<u>-</u>	<u>1,180,756</u>
(676,843)	83,942	92,036	(133,498)
1,844,596	151	64,457	3,347,744
<u>\$ 1,167,753</u>	<u>\$ 84,093</u>	<u>\$ 156,493</u>	<u>\$ 3,214,246</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, 2007

	Law Enforcement Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Investment earnings	\$ 7,000	\$ 27,000	\$ 39,868	\$ 12,868
Intergovernmental	-	-	7,855	7,855
Miscellaneous	7,500	7,500	125	(7,375)
Total revenues	<u>14,500</u>	<u>34,500</u>	<u>47,848</u>	<u>13,348</u>
<u>EXPENDITURES:</u>				
Current:				
Police				
Other than personal services	25,000	2,400	2,167	233
Capital	-	22,600	22,517	83
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>24,684</u>	<u>316</u>
Excess (deficiency) of revenues over expenditures	<u>(10,500)</u>	<u>9,500</u>	<u>23,164</u>	<u>13,664</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in		1,525	1,525	-
Proceeds from sale of capital assets	50,000	315,475	355,225	39,750
Total other financing sources (uses)	<u>50,000</u>	<u>317,000</u>	<u>356,750</u>	<u>39,750</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	39,500	326,500	379,914	53,414
Fund balances at beginning of year	294,674	294,674	294,674	-
Fund balances at end of year	<u>\$ 334,174</u>	<u>\$ 621,174</u>	<u>\$ 674,588</u>	<u>\$ 53,414</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, 2007

	Enforcement Education Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Fines and forfeitures	\$ 2,800	\$ 2,800	\$ 3,154	\$ 354
Total revenues	<u>2,800</u>	<u>2,800</u>	<u>3,154</u>	<u>354</u>
EXPENDITURES:				
Current:				
Police				
Other than personal services	2,800	2,800	-	2,800
Capital	4,800	4,800	4,150	650
Total expenditures	<u>7,600</u>	<u>7,600</u>	<u>4,150</u>	<u>3,450</u>
Excess (deficiency) of revenues over expenditures	<u>(4,800)</u>	<u>(4,800)</u>	<u>(996)</u>	<u>3,804</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	(4,800)	(4,800)	(996)	3,804
Fund balances at beginning of year	16,993	16,993	16,993	-
Fund balances at end of year	<u>\$ 12,193</u>	<u>\$ 12,193</u>	<u>\$ 15,997</u>	<u>\$ 3,804</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, 2007

	Civil Service Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:				
Current:				
City Manager:				
Other than personal services	30,000	30,000	27,365	2,635
Total expenditures	30,000	30,000	27,365	2,635
Excess (deficiency) of revenues over expenditures	(30,000)	(30,000)	(27,365)	2,635
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	(10,000)	(10,000)	(7,365)	2,635
Fund balances at beginning of year	12,410	12,410	12,410	-
Fund balances at end of year	\$ 2,410	\$ 2,410	\$ 5,045	\$ 2,635

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, 2007

	Tax Incentive Review Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Miscellaneous	\$ 4,500	\$ 4,500	\$ 5,699	\$ 1,199
Total revenues	<u>4,500</u>	<u>4,500</u>	<u>5,699</u>	<u>1,199</u>
EXPENDITURES:				
Current:				
City Manager:				
Personal services	-	2,500	2,500	-
Finance				
Other than personal services	2,500	-	-	-
Total expenditures	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>2,000</u>	<u>2,000</u>	<u>3,199</u>	<u>1,199</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	2,000	2,000	3,199	1,199
Fund balances at beginning of year	16,386	16,386	16,386	-
Fund balances at end of year	<u>\$ 18,386</u>	<u>\$ 18,386</u>	<u>\$ 19,585</u>	<u>\$ 1,199</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, 2007

	Tree Planting Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Charges for services	\$ 3,500	\$ 11,200	\$ 27,535	\$ 16,335
Total revenues	3,500	11,200	27,535	16,335
<u>EXPENDITURES:</u>				
Current:				
Parks and recreation				
Other than personal services	3,500	12,000	10,927	1,073
Total expenditures	3,500	12,000	10,927	1,073
Excess (deficiency) of revenues over expenditures	-	(800)	16,608	17,408
<u>OTHER FINANCING SOURCES (USES):</u>				
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	(800)	16,608	17,408
Fund balances at beginning of year	3,246	3,246	3,246	-
Fund balances at end of year	\$ 3,246	\$ 2,446	\$ 19,854	\$ 17,408

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, 2007

	Life Long Learning and Leisure Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Charges for services	\$ 431,534	\$ 431,534	\$ 249,848	\$ (181,686)
Total revenues	431,534	431,534	249,848	(181,686)
 <u>EXPENDITURES:</u>				
Current:				
Parks and recreation				
Personal services	181,534	161,534	134,681	26,853
Other than personal services	250,000	250,000	172,399	77,601
Total expenditures	431,534	411,534	307,080	104,454
 Excess (deficiency) of revenues over expenditures	-	20,000	(57,232)	(77,232)
 <u>OTHER FINANCING SOURCES (USES):</u>				
Operating transfers-in	-	54,006	54,006	-
Total other financing sources (uses)	-	54,006	54,006	-
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	74,006	(3,226)	(77,232)
 Fund balances at beginning of year	1	1	1	-
Lapsed encumbrances	3,700	3,700	3,700	-
Fund balances at end of year	\$ 3,701	\$ 77,707	\$ 475	\$ (77,232)

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, 2007

	Mayor's Court Computer Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Fines and forfeitures	\$ 12,000	\$ 12,000	\$ 10,381	\$ (1,619)
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>10,381</u>	<u>(1,619)</u>
EXPENDITURES:				
Current:				
Clerk of Court				
Other than personal services	10,400	11,600	11,516	84
Capital outlay	4,000	2,800	-	2,800
Total expenditures	<u>14,400</u>	<u>14,400</u>	<u>11,516</u>	<u>2,884</u>
Excess (deficiency) of revenues over expenditures	<u>(2,400)</u>	<u>(2,400)</u>	<u>(1,135)</u>	<u>1,265</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	(2,400)	(2,400)	(1,135)	1,265
Fund balances at beginning of year	65,485	65,485	65,485	-
Fund balances at end of year	<u>\$ 63,085</u>	<u>\$ 63,085</u>	<u>\$ 64,350</u>	<u>\$ 1,265</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, 2007

	Clerk of Court Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Fines and forfeitures	\$ 12,500	\$ 12,500	\$ 13,423	\$ 923
	<u>12,500</u>	<u>12,500</u>	<u>13,423</u>	<u>923</u>
<u>EXPENDITURES:</u>				
Current:				
Clerk of Court				
Other than personal services	10,000	10,000	9,112	888
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>9,112</u>	<u>888</u>
Excess (deficiency) of revenues over expenditures	<u>2,500</u>	<u>2,500</u>	<u>4,311</u>	<u>1,811</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	2,500	2,500	4,311	1,811
Fund balances at beginning of year	57,688	57,688	57,688	-
Fund balances at end of year	<u>\$ 60,188</u>	<u>\$ 60,188</u>	<u>\$ 61,999</u>	<u>\$ 1,811</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, 2007

	Neighborhood Lighting Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Charges for services	\$ 62,000	\$ 62,000	\$ 62,634	\$ 634
Investment earnings	15,000	24,000	29,627	5,627
Reimbursements	-	-	12,705	12,705
Total revenues	<u>77,000</u>	<u>86,000</u>	<u>104,966</u>	<u>18,966</u>
<u>EXPENDITURES:</u>				
Current:				
Public Service Administration				
Personal services	-	34,000	21,467	12,533
Other than personal services	54,000	54,000	26,772	27,228
Total expenditures	<u>54,000</u>	<u>88,000</u>	<u>48,239</u>	<u>39,761</u>
Excess (deficiency) of revenues over expenditures	<u>23,000</u>	<u>(2,000)</u>	<u>56,727</u>	<u>58,727</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating transfers-out	(34,000)	-	-	-
Total other financing sources (uses)	<u>(34,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(11,000)	(2,000)	56,727	58,727
Fund balances at beginning of year	355,617	355,617	355,617	-
Lapsed encumbrances	1,652	1,652	1,652	
Fund balances at end of year	<u>\$ 346,269</u>	<u>\$ 355,269</u>	<u>\$ 413,996</u>	<u>\$ 58,727</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, 2007

	Economic Development Venture Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Reimbursements	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXPENDITURES:</u>				
Current:				
City Manager:				
Other than personal services	500,000	500,000	166,609	333,391
Total expenditures	<u>500,000</u>	<u>500,000</u>	<u>166,609</u>	<u>333,391</u>
Excess (deficiency) of revenues over expenditures	<u>(500,000)</u>	<u>(500,000)</u>	<u>(166,609)</u>	<u>333,391</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	(500,000)	(500,000)	(166,609)	333,391
Fund balances at beginning of year	500,000	500,000	500,000	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 333,391</u>	<u>\$ 333,391</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, 2007

	Emergency Medical Services Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 600,000	\$ 600,000	\$ 808,037	\$ 208,037
Total revenues	<u>600,000</u>	<u>600,000</u>	<u>808,037</u>	<u>208,037</u>
EXPENDITURES:				
Current:				
Fire				
Other than personal services	120,750	131,450	130,893	557
Capital	391,820	381,120	140,104	241,016
Total expenditures	<u>512,570</u>	<u>512,570</u>	<u>270,997</u>	<u>241,573</u>
Excess (deficiency) of revenues over expenditures	<u>87,430</u>	<u>87,430</u>	<u>537,040</u>	<u>449,610</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-out	(320,000)	(320,000)	-	320,000
Total other financing sources (uses)	<u>(320,000)</u>	<u>(320,000)</u>	<u>-</u>	<u>320,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(232,570)	(232,570)	537,040	769,610
Fund balances at beginning of year	915,457	915,457	915,457	-
Lapsed encumbrances	1,805	1,805	1,805	
Fund balances at end of year	<u>\$ 684,692</u>	<u>\$ 684,692</u>	<u>\$ 1,454,302</u>	<u>\$ 769,610</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)
Infrastructure Improvement Fund
For the Fiscal Year Ended December 31, 2007

Infrastructure Improvement Fund				
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Miscellaneous	\$ -	\$ 150,000	\$ 150,000	\$ -
Total revenues	-	150,000	150,000	-
EXPENDITURES:				
Current:				
Parks and recreation				
Other than personal services	-	6,959	6,959	-
Capital	350,000	493,041	414,701	78,340
Streets				
Capital	1,185,000	1,493,000	1,438,600	54,400
Total expenditures	1,535,000	1,993,000	1,860,260	132,740
Excess (deficiency) of revenues over expenditures	(1,535,000)	(1,843,000)	(1,710,260)	132,740
OTHER FINANCING SOURCES (USES):				
Operating transfers-in	750,000	750,000	750,000	-
Total other financing sources (uses)	750,000	750,000	750,000	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(785,000)	(1,093,000)	(960,260)	132,740
Fund balances at beginning of year	1,563,774	1,563,774	1,563,774	-
Lapsed encumbrances	76,224	76,224	76,224	-
Fund balances at end of year	<u>\$ 854,998</u>	<u>\$ 546,998</u>	<u>\$ 679,738</u>	<u>\$ 132,740</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, 2007

	Chelsea TIF Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Payments in lieu of taxes	\$ 57,525	\$ 83,000	\$ 82,890	\$ (110)
Intergovernmental	-	-	302	302
Total revenues	<u>\$ 57,525</u>	<u>\$ 83,000</u>	<u>\$ 83,192</u>	<u>\$ 192</u>
<u>EXPENDITURES:</u>				
City Manager:				
Capital	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>57,525</u>	<u>83,000</u>	<u>83,192</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	<u>57,525</u>	<u>83,000</u>	<u>83,192</u>	<u>192</u>
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	<u>\$ 57,525</u>	<u>\$ 83,000</u>	<u>\$ 83,192</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, 2007

	Horizon TIF Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Payments in lieu of taxes	\$ 17,740	\$ 92,000	\$ 92,036	\$ 36
Total revenues	<u>\$ 17,740</u>	<u>\$ 92,000</u>	<u>\$ 92,036</u>	<u>\$ 36</u>
<u>EXPENDITURES:</u>				
Current:				
City Manager:				
Capital	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>17,740</u>	<u>92,000</u>	<u>92,036</u>	<u>36</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	17,740	92,000	92,036	36
Fund balances at beginning of year	64,457	64,457	64,457	-
Fund balances at end of year	<u>\$ 82,197</u>	<u>\$ 156,457</u>	<u>\$ 156,493</u>	<u>\$ 36</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, 2007

	Water Surcharge Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Charges for services	\$ 327,250	\$ 302,250	\$ 323,487	\$ 21,237
Miscellaneous	-	-	1,494	1,494
Total revenues	<u>327,250</u>	<u>302,250</u>	<u>324,981</u>	<u>22,731</u>
<u>EXPENDITURES:</u>				
Current:				
Utilities				
Personal services	66,014	66,014	61,625	4,389
Other than personal services	170,853	170,853	138,698	32,155
Total expenditures	<u>236,867</u>	<u>236,867</u>	<u>200,323</u>	<u>36,544</u>
Excess (deficiency) of revenues over expenditures	<u>90,383</u>	<u>65,383</u>	<u>124,658</u>	<u>59,275</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	90,383	65,383	124,658	59,275
Fund balances at beginning of year	55,454	55,454	55,454	-
Lapsed encumbrances	95	95	95	
Fund balances at end of year	<u>\$ 145,932</u>	<u>\$ 120,932</u>	<u>\$ 180,207</u>	<u>\$ 59,275</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, 2007

	Sanitary Sewer Surcharge Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 883,464	\$ 668,464	\$ 695,046	\$ 26,582
Miscellaneous	800	1,300	1,290	(10)
Total revenues	<u>884,264</u>	<u>669,764</u>	<u>696,336</u>	<u>26,572</u>
EXPENDITURES:				
Current:				
Utilities				
Personal services	399,157	389,157	372,292	16,865
Other than personal services	319,589	254,589	244,535	10,054
Capital outlay	176,400	96,400	70,368	26,032
Total expenditures	<u>895,146</u>	<u>740,146</u>	<u>687,195</u>	<u>52,951</u>
Excess (deficiency) of revenues over expenditures	<u>(10,882)</u>	<u>(70,382)</u>	<u>9,141</u>	<u>79,523</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets				-
Operating transfers-in	-	65,156	-	(65,156)
Operating transfers-out	(60,207)	(60,207)	(60,207)	-
Total other financing sources (uses)	<u>(60,207)</u>	<u>4,949</u>	<u>(60,207)</u>	<u>(65,156)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(71,089)	(65,433)	(51,066)	14,367
Fund balances at beginning of year	71,889	71,889	71,889	-
Fund balances at end of year	<u>\$ 800</u>	<u>\$ 6,456</u>	<u>\$ 20,823</u>	<u>\$ 14,367</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, 2007

	Stormwater Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 525,000	\$ 525,000	\$ 524,091	\$ (909)
Investment earnings	130,000	205,000	223,007	18,007
Total revenues	<u>655,000</u>	<u>730,000</u>	<u>747,098</u>	<u>17,098</u>
EXPENDITURES:				
Current:				
Utilities				
Personal services	360,568	360,568	344,857	15,711
Other than personal services	104,100	104,100	59,911	44,189
Capital outlay	-	54,900	50,690	4,210
Total expenditures	<u>464,668</u>	<u>519,568</u>	<u>455,458</u>	<u>64,110</u>
Excess (deficiency) of revenues over expenditures	<u>190,332</u>	<u>210,432</u>	<u>291,640</u>	<u>81,208</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-out	(196,334)	(196,334)	(196,334)	-
Total other financing sources (uses)	<u>(196,334)</u>	<u>(196,334)</u>	<u>(196,334)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(6,002)	14,098	95,306	81,208
Fund balances at beginning of year	2,772,671	2,772,671	2,772,671	-
Lapsed encumbrances	101,742	101,742	101,742	-
Fund balances at end of year	<u>\$ 2,868,411</u>	<u>\$ 2,888,511</u>	<u>\$ 2,969,719</u>	<u>\$ 81,208</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, 2007

	Swimming Pools Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 610,000	\$ 625,000	\$ 642,857	\$ 17,857
Miscellaneous	-	-	14,898	14,898
Total revenues	<u>610,000</u>	<u>625,000</u>	<u>657,755</u>	<u>32,755</u>
EXPENDITURES:				
Current:				
Parks and recreation				
Personal services	433,218	433,218	394,712	38,506
Other than personal services	177,675	175,975	146,000	29,975
Capital outlay	-	1,700	1,700	-
Total expenditures	<u>610,893</u>	<u>610,893</u>	<u>542,412</u>	<u>68,481</u>
Excess (deficiency) of revenues over expenditures	<u>(893)</u>	<u>14,107</u>	<u>115,343</u>	<u>101,236</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	<u>(893)</u>	<u>14,107</u>	<u>115,343</u>	<u>101,236</u>
Fund balances at beginning of year	215,686	215,686	215,686	-
Fund balances at end of year	<u>\$ 214,793</u>	<u>\$ 229,793</u>	<u>\$ 331,029</u>	<u>\$ 101,236</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, 2007

	Solid Waste Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 5,000	\$ 5,000
Charges for services	1,972,066	1,722,066	1,588,910	(133,156)
Investment earnings	2,500	7,100	6,442	(658)
Miscellaneous	141,000	242,000	241,166	(834)
Total revenues	<u>2,115,566</u>	<u>1,971,166</u>	<u>1,841,518</u>	<u>(129,648)</u>
EXPENDITURES:				
Current:				
Solid Waste				
Personal services	1,440,484	1,413,656	1,328,164	85,492
Other than personal services	479,350	506,178	506,171	7
Capital outlay	211,100	36,100	15,416	20,684
Total expenditures	<u>2,130,934</u>	<u>1,955,934</u>	<u>1,849,751</u>	<u>106,183</u>
Excess (deficiency) of revenues over expenditures	<u>(15,368)</u>	<u>15,232</u>	<u>(8,233)</u>	<u>(23,465)</u>
OTHER FINANCING SOURCES (USES):				
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	<u>(15,368)</u>	<u>15,232</u>	<u>(8,233)</u>	<u>(23,465)</u>
Fund balances at beginning of year	60,098	60,098	60,098	-
Lapsed encumbrances	4,613	4,613	4,613	
Fund balances at end of year	<u>\$ 49,343</u>	<u>\$ 79,943</u>	<u>\$ 56,478</u>	<u>\$ (23,465)</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, 2007

	Employee Benefits Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 3,267,311	\$ 3,267,311	\$ 3,095,622	\$ (171,689)
Reimbursements	-	-	30,286	30,286
Total revenues	<u>3,267,311</u>	<u>3,267,311</u>	<u>3,125,908</u>	<u>(141,403)</u>
EXPENDITURES:				
Current:				
Finance				
Personal services	2,687,462	2,687,462	2,286,551	400,911
Other than personal services	579,989	579,989	552,047	27,942
Total expenditures	<u>3,267,451</u>	<u>3,267,451</u>	<u>2,838,598</u>	<u>428,853</u>
Excess (deficiency) of revenues over expenditures	<u>(140)</u>	<u>(140)</u>	<u>287,310</u>	<u>287,450</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	<u>(140)</u>	<u>(140)</u>	<u>287,310</u>	<u>287,450</u>
Fund balances at beginning of year	441,743	441,743	441,743	-
Fund balances at end of year	<u>\$ 441,603</u>	<u>\$ 441,603</u>	<u>\$ 729,053</u>	<u>\$ 287,450</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, 2007

	Agency Funds				
	Returnable Bonds Fund	Unclaimed Funds	Construction Withholding Fund	Mayor's Court Fund	Flexible Benefits Fund
ASSETS:					
Cash and investments	\$ 26,629	\$ 8,546	\$ 475,807	\$ 43,809	\$ 31,660
Total assets	<u>\$ 26,629</u>	<u>\$ 8,546</u>	<u>\$ 475,807</u>	<u>\$ 43,809</u>	<u>\$ 31,660</u>
LIABILITIES:					
Due to others	\$ 26,629	\$ 8,546	\$ 475,807	\$ 43,809	\$ 31,660
Total liabilities	<u>\$ 26,629</u>	<u>\$ 8,546</u>	<u>\$ 475,807</u>	<u>\$ 43,809</u>	<u>\$ 31,660</u>

	<u>Agency Funds</u>		<u>Total Agency Funds</u>
	<u>Payroll Clearing Fund</u>	<u>Revolving Fund</u>	
ASSETS:			
Cash and investments	\$ 1,565,107	\$ 17,137	\$ 2,168,695
Total assets	<u>\$ 1,565,107</u>	<u>\$ 17,137</u>	<u>\$ 2,168,695</u>
LIABILITIES:			
Due to others	\$ 1,565,107	\$ 17,137	\$ 2,168,695
Total liabilities	<u>\$ 1,565,107</u>	<u>\$ 17,137</u>	<u>\$ 2,168,695</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, 2007

	Balances Jan. 1, 2007	Additions	Deductions	Balances Dec. 31, 2007
RETURNABLE BONDS				
Assets				
Cash and investments	\$ 38,596		11,967	\$ 26,629
Liabilities				
Due to others	\$ 38,596		11,967	\$ 26,629
UNCLAIMED FUNDS				
Assets				
Cash and investments	\$ 11,141	245	2,840	\$ 8,546
Liabilities				
Due to others	\$ 11,141	245	2,840	\$ 8,546
CONSTRUCTION WITHHOLDING				
Assets				
Cash and investments	\$ 239,871	486,318	250,382	\$ 475,807
Liabilities				
Due to others	\$ 239,871	486,318	250,382	\$ 475,807
MAYOR'S COURT				
Assets				
Cash and investments	\$ 3,992	491,685	451,868	\$ 43,809
Liabilities				
Due to others	\$ 3,992	491,685	451,868	\$ 43,809
FLEXIBLE BENEFITS FUND				
Assets				
Cash and investments	\$ 11,428	195,677	175,445	\$ 31,660
Liabilities				
Due to others	\$ 11,428	195,677	175,445	\$ 31,660
PAYROLL CLEARING FUND				
Assets				
Cash and investments	\$ 1,395,666	29,519,582	29,350,141	\$ 1,565,107
Liabilities				
Due to others	\$ 1,395,666	29,519,582	29,350,141	\$ 1,565,107
REVOLVING FUND				
Assets				
Cash and investments	\$ 127,797	144,482	255,142	\$ 17,137
Liabilities				
Due to others	\$ 127,797	144,482	255,142	\$ 17,137
TOTAL AGENCY FUNDS				
Assets				
Cash and investments	\$ 1,828,491	30,837,989	30,497,785	\$ 2,168,695
Liabilities				
Due to others	\$ 1,828,491	30,837,989	30,497,785	\$ 2,168,695

CITY OF UPPER ARLINGTON

E. 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 Five Years (1)
(accrual basis of accounting)
(amounts expressed in thousands)

	Year				
	<u>2007</u>	<u>2006</u> <u>(as restated)</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities					
Invested in capital assets, net of related debt	\$ 26,458	\$ 23,100	\$ 22,915	\$ 19,492	\$ 19,581
Restricted	6,903	6,252	7,184	5,178	1,241
Unrestricted	40,708	38,682	33,047	34,869	41,647
Total Governmental Activities Net Assets	\$ 74,069	\$ 68,034	\$ 63,146	\$ 59,539	\$ 62,469
Business-type activities					
Invested in capital assets, net of related debt	\$ 17,613	\$ 17,972	\$ 16,539	\$ 12,460	\$ 10,539
Restricted	-	-	-	-	-
Unrestricted	3,603	3,131	3,227	5,489	3,085
Total Business-Type Activities Net Assets	\$ 21,216	\$ 21,103	\$ 19,766	\$ 17,949	\$ 13,624
Primary Government					
Invested in capital assets, net of related debt	\$ 44,071	\$ 41,072	\$ 39,454	\$ 31,952	\$ 30,120
Restricted	6,903	6,252	7,184	5,178	1,241
Unrestricted	44,311	41,813	36,274	40,358	44,732
Total Primary Government Net Assets	\$ 95,285	\$ 89,137	\$ 82,912	\$ 77,488	\$ 76,093

Note:

- (1) GASB Statement No. 44, *Economic Condition Reporting*: The Statistical Section recommended that this information be presented starting with the year in which a government implemented GASB Statement No. 34.
- (2) For comparative purposes, data for year 2006 has been restated for the reclassification of the Community Improvement Corporation discretely presented component unit from the Governmental Activities Net Assets.

Source:

1. City of Upper Arlington Finance Department

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

	Year				
	<u>2007</u>	(as restated) <u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses					
Governmental Activities:					
Public Safety	\$ 15,082	\$ 14,266	\$ 13,436	\$ 13,227	\$ 12,172
General Government	7,154	8,200	8,710	8,212	7,067
Public Services	5,679	5,167	4,882	4,868	4,317
Parks and Recreation	3,269	3,142	3,025	3,021	2,897
Community Development	944	853	875	870	724
Interest on long-term debt	958	1,111	1,095	1,006	977
<i>Total Governmental Activities Expenses</i>	<u>33,086</u>	<u>32,739</u>	<u>32,023</u>	<u>31,204</u>	<u>28,154</u>
Business-Type activities:					
Water	318	333	325	643	341
Sewer	700	660	697	671	718
Stormwater	704	692	635	643	686
Swimming pool	626	603	635	539	555
Sanitation	1,949	1,983	1,855	1,789	1,688
<i>Total Business-Type Activities Expenses</i>	<u>4,297</u>	<u>4,271</u>	<u>4,147</u>	<u>4,285</u>	<u>3,988</u>
<i>Total Primary Government Expenses</i>	<u>\$ 37,383</u>	<u>\$ 37,010</u>	<u>\$ 36,170</u>	<u>\$ 35,489</u>	<u>\$ 32,142</u>
Program Revenues					
Governmental Activities:					
Charges for services:					
Public Safety	\$ 1,297	\$ 988	\$ 1,275	\$ 8	\$ 10
General Government	616	173	59	68	-
Public Services	106	76	65	321	1
Parks and Recreation	805	815	741	503	965
Community Development	781	774	796	964	614
Health Services	-	-	-	-	-
Operating grants and contributions	1,703	1,704	1,688	70	84
Capital grants and contributions	248	300	91	-	119
<i>Total Governmental Activities Program Revenues</i>	<u>5,556</u>	<u>4,830</u>	<u>4,715</u>	<u>1,934</u>	<u>1,793</u>
Business-Type Activities:					
Charges for services:					
Water	332	288	368	324	315
Sewer	708	550	680	629	605
Stormwater	552	521	531	555	571
Swimming pools	658	632	603	445	375
Solid Waste	1,872	1,794	1,780	1,823	1,375
Operating grants and contributions	5	-	-	-	-
Capital grants and contributions	6	1,434	1,814	610	-
<i>Total Business-Type Activities Program Revenues</i>	<u>4,133</u>	<u>5,219</u>	<u>5,776</u>	<u>4,386</u>	<u>3,241</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 9,689</u>	<u>\$ 10,049</u>	<u>\$ 10,491</u>	<u>\$ 6,320</u>	<u>\$ 5,034</u>

	Year				
	<u>2007</u>	(as restated) <u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net(Expense)Revenue					
Governmental Activities	\$ (27,530)	\$ (27,909)	\$ (27,308)	\$ (29,270)	\$ (26,361)
Business-Type Activities	(164)	948	1,629	101	(747)
<i>Total Primary Government Net Expense</i>	<u>(27,694)</u>	<u>(26,961)</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	14,615	12,944	14,292	11,109	12,580
Property taxes	8,826	9,098	7,834	7,881	7,350
Estate taxes	2,282	3,761	3,775	3,287	1,581
Intergovernmental	3,594	3,616	2,866	5,780	5,644
Unrestricted investment earnings	2,693	2,134	1,078	855	1,097
Miscellaneous	1,556	1,414	1,319	1,578	1,599
Transfers	-	(160)	(250)	(4,150)	(2,273)
Total governmental activities	<u>33,566</u>	<u>32,807</u>	<u>30,914</u>	<u>26,340</u>	<u>27,578</u>
Business-type activities:					
Investment earnings	276	228	109	75	91
Miscellaneous	-	-	(172)	-	4
Transfers	-	160	251	4,150	2,273
<i>Total Business-Type Activities</i>	<u>276</u>	<u>388</u>	<u>188</u>	<u>4,225</u>	<u>2,368</u>
<i>Total Primary Government</i>	<u>33,842</u>	<u>33,195</u>	<u>31,102</u>	<u>30,565</u>	<u>29,946</u>
Change in Net Assets					
Governmental activities	6,036	4,898	3,606	(2,930)	1,217
Business-type activities	112	1,336	1,817	4,326	1,621
<i>Total Primary Government Change in Net Assets</i>	<u>\$ 6,148</u>	<u>\$ 6,234</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 year in which a government implemented GASB Statement No. 34.
- (2) Years 2003-2005 include reclasses for consistency in presentation.
- (3) For comparative purposes, the revenue and expenditure data for year 2006 has been restated for the reclassification of the Community Improvement Corporation discretely presented component unit from the Governmental Activities Net Assets.

Sources:

1. City of Upper Arlington Finance Department

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

	Year			
	<u>2007</u>	(as restated) <u>2006</u>	<u>2005</u>	<u>2004</u>
General fund				
Reserved	\$ 878	\$ 1,038	\$ 820	\$ 1,929
Unreserved	27,554	26,462	21,739	22,180
<i>Total General Fund</i>	<u>\$ 28,432</u>	<u>\$ 27,500</u>	<u>\$ 22,559</u>	<u>\$ 24,109</u>
All other governmental funds				
Reserved	\$ 2,087	\$ 1,103	\$ 1,373	\$ 4,384
Unreserved, reported in:				
Special revenue funds	2,723	2,324	1,646	1,244
Capital projects funds	10,879	11,752	13,866	12,272
Debt service funds	685	916	986	926
<i>Total All Other Governmental Funds</i>	<u>\$ 16,374</u>	<u>\$ 16,095</u>	<u>\$ 17,871</u>	<u>\$ 18,826</u>

Sources:

1. City of Upper Arlington Finance Department

Note:

- (1) For comparative purposes, data for year 2006 has been restated for the reclassification of the Community Improvement Corporation discretely presented component unit from the Governmental Fund Balances.

Table 3

Year					
<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
\$ 3,000	\$ 6,906	\$ 6,086	\$ 5,144	\$ 3,655	\$ 4,481
24,326	24,117	17,636	14,726	14,243	11,487
<u>\$ 27,326</u>	<u>\$ 31,023</u>	<u>\$ 23,722</u>	<u>\$ 19,870</u>	<u>\$ 17,898</u>	<u>\$ 15,968</u>
\$ 2,621	\$ 1,732	\$ 2,767	\$ 1,124	\$ 1,978	\$ 354
1,258	1,218	1,234	886	985	620
14,134	10,209	15,445	7,577	5,414	5,271
1,043	1,246	749	747	650	559
<u>\$ 19,056</u>	<u>\$ 14,405</u>	<u>\$ 20,195</u>	<u>\$ 10,334</u>	<u>\$ 9,027</u>	<u>\$ 6,804</u>

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

	Year			
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenues		(as restated)		
Taxes	\$ 27,261	\$ 26,228	\$ 27,056	\$ 23,881
Intergovernmental	4,295	4,783	3,510	4,427
Licenses and permits	917	733	866	703
Charges for services	1,812	1,585	1,561	1,139
Fines and forfeits	362	394	439	414
Investment earnings	2,218	2,134	1,365	855
Miscellaneous	2,051	2,045	1,005	1,121
<i>Total Revenues</i>	<u>38,916</u>	<u>37,902</u>	<u>35,802</u>	<u>32,540</u>
Expenditures				
Public Safety	14,677	13,531	13,079	12,723
General Government	6,909	6,538	6,239	6,045
Public Services	3,875	3,453	3,490	3,648
Parks and Recreation	3,025	2,897	2,858	2,791
Community Development	936	850	863	855
Health Services			161	167
Capital outlay	6,686	4,667	8,585	10,759
Debt services				
Principal	1,195	1,848	1,821	1,757
Interest	972	991	1,103	967
Other charges				15
<i>Total Expenditures</i>	<u>38,275</u>	<u>34,775</u>	<u>38,199</u>	<u>39,727</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	641	3,127	(2,397)	(7,187)
Other Financing Sources (Uses)				
Transfers in	5,826	2,661	8,026	3,399
Transfers out	(5,826)	(2,822)	(8,277)	(7,539)
Bonds/Notes issued	3,972	3,972	3,972	3,972
Refunding bonds and escrow transfer				
Premium on bonds/notes issued	40	25	33	35
Payment of refunding notes	(3,972)	(3,972)	(3,972)	
Installment loan issued				500
Sale of capital assets	530	174	110	64
<i>Total Other Financing Sources (Uses)</i>	<u>570</u>	<u>38</u>	<u>(108)</u>	<u>431</u>
<i>Net Change in Fund Balances</i>	<u>\$ 1,211</u>	<u>\$ 3,165</u>	<u>\$ (2,505)</u>	<u>\$ (6,756)</u>
 Debt Service as a Percentage of Noncapital Expenditures	 6.86%	 9.43%	 9.87%	 9.40%

Sources:

1. City of Upper Arlington Finance Department

Note:

(1) For comparative purposes, the revenue and expenditure data for year 2006 has been restated for the reclassification of the Community Improvement Corporation discretely presented component unit from the Governmental Funds.

Table 4

Year						
	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
\$	24,580	\$ 27,772	\$ 27,048	\$ 24,203	\$ 25,537	\$ 22,561
	3,896	3,372	2,687	2,623	2,483	2,417
	624	623	307	333	299	269
	966	1,435	905	843	840	778
	355	342	367	379	317	279
	1,096	1,870	2,172	2,202	684	1,816
	1,355	1,306	1,261	1,309	1,179	1,369
	<u>32,872</u>	<u>36,720</u>	<u>34,747</u>	<u>31,892</u>	<u>31,339</u>	<u>29,489</u>
	11,821	11,472	10,698	9,916	10,350	9,534
	6,600	7,311	6,437	6,620	6,054	5,150
	2,601	2,044	2,383	2,019	1,951	1,842
	2,618	2,967	2,316	1,981	2,079	2,008
	719	622	602	492	567	550
	157	154	161	138	109	121
	10,499	9,020	3,505	5,198	4,168	4,931
	1,311	1,331	1,506	1,236	1,188	8,326
	955	714	608	529	580	672
	102					
	<u>37,383</u>	<u>35,635</u>	<u>28,216</u>	<u>28,129</u>	<u>27,046</u>	<u>33,134</u>
	(4,511)	1,085	6,531	3,763	4,293	(3,645)
	5,337	2,341	6,859	9,095	6,602	2,843
	(5,885)	(2,421)	(6,939)	(9,577)	(6,741)	(3,006)
	10,000		6,778			9,354
						44
	105		482			
	112					
	<u>9,669</u>	<u>(80)</u>	<u>7,180</u>	<u>(482)</u>	<u>(139)</u>	<u>9,235</u>
\$	<u>5,158</u>	<u>\$ 1,005</u>	<u>\$ 13,711</u>	<u>\$ 3,281</u>	<u>\$ 4,154</u>	<u>\$ 5,590</u>
	8.43%	7.68%	8.55%	7.70%	7.73%	31.90%

City of Upper Arlington, Ohio
Governmental Activities Tax Revenues by Source
Last Five Years
 (accrual basis of accounting)
 (amounts expressed in thousands)

<u>Year</u>	<u>Income Tax</u>	<u>Property Tax</u>	<u>Estate Tax</u>	<u>Motor Fuel Tax (2)</u>	<u>Total</u>
2007	\$ 14,616	\$ 8,826	\$ 2,282	\$ 1,131	\$ 26,855
2006	\$ 12,944	\$ 9,098	\$ 3,761	\$ 1,132	\$ 26,935
2005	\$ 14,292	\$ 7,834	\$ 3,775	\$ 1,095	\$ 26,996
2004	\$ 11,109	\$ 7,881	\$ 3,287	\$ 960	\$ 23,237
2003	\$ 12,580	\$ 7,350	\$ 1,581	\$ 964	\$ 22,475

Note:

- (1) GASB Statement No. 44, Economic Condition Reporting: The Statistical Section recommended that this information be presented starting with the year in which a government implemented GASB Statement No. 34.
- (2) Years 2003 through 2006 include reclasses for consistency in presentation.

Sources:

1. City of Upper Arlington Finance Department

**City of Upper Arlington, Ohio
Principal Property Taxpayers
Current and Nine Years Ago**

	2007		1998	
	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
<u>Public Utilities</u>				
Columbus Southern Power Co.	\$9,217,850	0.60%	\$11,564,630	1.13%
Columbia Gas of Ohio Inc.	1,220,550	0.08%	3,884,050	0.38%
Ohio Bell Telephone			9,508,270	0.93%
<u>Real Estate</u>				
Time Warner Inc	8,050,040	0.52%		
Lane Avenue 450 LLC	7,497,480	0.48%		
RRC Acquisitions Inc.	7,315,010	0.47%	4,777,530	0.47%
Scioto Country Club Inc.	4,052,230	0.26%	3,235,680	0.32%
First Community Village	3,578,190	0.23%	6,512,050	0.64%
Kimco Development Corporation	3,500,570	0.23%	2,278,180	0.22%
New Plan Financing I Inc.	3,487,760	0.23%	2,574,660	0.25%
Kenbrook Village Company	2,310,000	0.15%		
Lane Avenue Office	1,960,000	0.13%		
Huntington National Bank	1,892,170	0.12%		
Compuserve Interactive			5,074,970	0.50%
UAP-Columbus JV-326132			5,050,700	0.49%
<u>Tangible Personal Property (1)</u>				
Ohio Bell Telephone Company	1,068,250	0.07%		
CBC Companies Inc.	525,735	0.03%		
AOL, LLC	493,680	0.03%		
Time Warner Entertainment Company LP	492,125	0.03%	1,634,600	0.16%
Honeywell International Incorporated	459,955	0.03%		
Kroger Company	236,155	0.02%	517,830	0.05%
Tamarkin Company	163,520	0.01%		
Ohio Orthopedic Center of Excellence Inc.	146,945	0.01%		
New Par	103,555	0.01%		
Federated Retail Holdings, Inc.	103,000	0.01%		
Compuserv			25,957,260	2.54%
Ameritech New Media, Inc.			365,890	0.04%
Comdisco, Inc.			1,953,270	0.19%
AT&T Systems Leasing Corporation			9,445,090	0.93%
Lazarus, Inc.			1,321,780	0.13%
Robert W. Johnson, Inc./Diamond Cellar			1,247,540	0.12%
CBC Companies, Inc.			565,950	0.06%
Xerox Corporation			537,210	0.05%
ALL OTHERS	<u>1,490,534,471</u>	<u>96.26%</u>	<u>922,489,927</u>	<u>94.45%</u>
TOTAL ASSESSED VALUATION	<u>\$1,548,409,241</u>	<u>100.00%</u>	<u>\$1,020,497,067</u>	<u>100.00%</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 2007 assessed valuation listed above for TPP is 50% of the 2007 actual assessed valuation.

**City of Upper Arlington, Ohio
Property Tax Rates
Direct and Overlapping Governments
Last Ten 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>
2007	3.90	0.44	1.54	0.50	6.38	1.47	16.37	0.65	18.49
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

Notes:

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

Source: Franklin County, Ohio; County Auditor

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	122.75
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

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

<u>Year Ended December 31</u>	<u>Real Property</u>			<u>Personal Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Public Utility Property</u>	<u>General</u>				
2007	\$ 1,403,290,100	\$ 128,782,010	\$ 10,411,260	\$ 5,925,871	\$ 1,548,409,241	6.38	\$ 4,430,798,827	34.95%
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%

Source: Franklin County, Ohio; County Auditor

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

Employer	2007		2006		2005		2004	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
UA Board of Education	890	5.5%	883	5.2%	741	4.4%	758	4.3%
AOL Midwest	107	0.7%	230	1.4%	350	2.1%	442	2.5%
First Community Village	384	2.4%	350	2.1%	340	2.0%	350	2.0%
City of Upper Arlington	263	1.6%	260	1.5%	265	1.6%	265	1.5%
Kroger	113	0.7%	140	0.8%	140	0.8%	-	-
Giant Eagle	160	1.0%	150	0.9%	182	1.1%	-	-
Scioto Country Club	157	1.0%	197	1.2%	182	1.1%	-	-
Wellington School	170	1.1%	170	1.0%	167	1.0%	-	-
National Church Residences	173	1.1%	165	1.0%	161	0.9%	-	-
Hilb, Rogal & Hobbs	130	0.8%	150	0.9%	150	0.9%	165	0.9%
Total	2,547	15.90%	2,695	16.0%	2,678	15.9%	1,980	11.2%
Total City Employees	16,064 (1)		16,064		16,976		17,487	

Sources: City of Upper Arlington Finance Department
Regional Income Tax Authority

Notes:

(1) Total City Employees data for 2006 was used as data from 2007 was not yet available.

(2) Data prior to 2004 was not available or kept.

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

Income Averages for Upper Arlington Tax Years 2001-2006

Tax Year	Income Range Tax Year	Individual Resident Filers	Percent of Filers	Local Taxable Income	Percent of Taxable Income
2006	0-19,999	3,695	30.29%	\$24,800,947	2.3%
2006	20,000-49,999	1,672	13.71%	55,616,909	5.1%
2006	50,000-74,999	1,451	11.89%	82,344,261	7.5%
2006	75,000-99,999	1,267	10.39%	100,839,642	9.2%
2006	Over 100,000	<u>4,114</u>	33.72%	<u>828,269,041</u>	75.9%
	Total	12,199		\$1,091,870,800	
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		\$1,010,421,308	
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
Income Tax Statistics
Last Six Years**

Local Taxes Paid by Upper Arlington Residents for Tax Years 2001-2006

Tax Year	Taxes Paid by Upper Arlington Residents	%	Taxes credited to other municipalities	%	Total Local Income tax Paid by Residents
2006	\$3,093,888	14.2%	\$18,743,528	85.8%	\$21,837,416
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.
- (4) Information for 2007 and years prior to 2001 was not available.

City of Upper Arlington, Ohio
Income Tax Revenue Base and Collections (Cash Basis)
Last Ten 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
2007	2.0%	\$ 13,725	\$ 8,976	65%	\$ 1,590	12%	\$ 3,159	23%
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%

Sources:

1. City of Upper Arlington Finance Department

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

Year	Assessment Billings	Assessment Collections
2007	\$ 176,749	\$ 170,283
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

Source: Franklin County, Ohio; County Auditor

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

<u>Year Ended December 31</u>	<u>Total Tax Levy for Year</u>	<u>Collected within the Year of the Levy</u>		<u>Total Collections to Date</u>			<u>Outstanding Delinquent Taxes</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	<u>Delinquent Amount</u>	<u>Total Collected</u>	<u>Percentage of Levy</u>	
2007	\$ 9,825	\$ 9,783	99.6%	\$ 216	\$ 9,999	101.8%	\$ 271
2006	9,922	9,748	98.2%	154	9,902	99.8%	327
2005	8,676	8,538	98.4%	132	8,670	99.9%	231
2004	8,612	8,462	98.2%	192	8,654	100.5%	238
2003	8,560	8,404	98.2%	177	8,581	100.2%	291
2002	7,333	7,181	97.9%	197	7,378	100.6%	730
2001	6,931	6,763	97.6%	164	6,927	99.9%	882
2000	6,923	6,824	98.6%	129	6,953	100.4%	319
1999	6,412	6,314	98.5%	157	6,471	100.9%	215
1998	6,947	6,827	98.3%	296	7,123	102.6%	239

Sources:

1. Franklin County, Ohio Auditor's Office



CITY OF | **UPPER ARLINGTON**

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

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Water Surcharge Fund										
Assets	\$6,360,422	\$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
Net Assets	5,542,374	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
Operating Revenue	331,769	287,526	367,837	323,738	315,387	361,719	322,848	451,220	375,174	361,226
Operating (Expense)	(292,343)	(297,320)	(281,602)	(592,922)	(283,715)	(233,576)	(245,057)	(212,019)	(250,178)	(249,136)
Non-operating										
Investment income	-	-	-	-	-	-	-	-	-	-
Interest expense	(27,893)	(35,732)	(43,170)	(50,303)	(57,141)	(39,750)	(89,717)	(118,007)	(102,678)	(126,040)
Other, net	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	12,166	132,500	-	-	-	-	-	24,186
Changes in net asset/net income	12,396	740,277	869,808	(33,927)	(25,469)	180,340	78,576	204,713	94,199	81,996
Rate per 1000 cubic feet (MCF)	n/a	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25
Surcharge rate on commodity	10%	n/a								
Sewer Surcharge Fund										
Assets	\$5,001,647	\$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
Net Assets	3,804,221	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
Operating Income	707,767	550,432	679,508	628,936	605,311	679,076	632,288	844,449	689,728	674,945
Operating (Expense)	(667,109)	(602,141)	(615,965)	(595,873)	(634,287)	(610,517)	(599,254)	(496,296)	(516,877)	(544,191)
Non-operating										
Investment income	-	-	-	-	-	-	-	-	370	-
Interest expense	(46,953)	(56,772)	(81,605)	(75,066)	(83,827)	(66,502)	(107,423)	(153,302)	(516,877)	(141,381)
Other, net	-	(717)	-	-	-	-	-	-	-	-
Transfers in	-	-	115,407	111,892	80,000	80,000	80,000	-	-	-
Changes in net asset/net income	(2,096)	454,242	424,556	138,771	(32,803)	177,685	103,784	294,285	140,970	85,881
Rate per 1000 cubic feet (MCF)	\$4.90	\$4.90	\$4.90	\$4.90	\$4.90	\$4.90	\$4.65	\$4.65	\$4.65	\$4.65
Surcharge rate on commodity	18%	n/a								
Stormwater Fund										
Assets	\$7,285,557	\$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
Net Assets	5,690,203	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
Operating Income	552,515	521,393	531,407	554,837	570,524	481,247	532,081	531,840	524,553	521,358
Operating (Expense)	(640,036)	(609,646)	(546,910)	(549,591)	(587,402)	(494,722)	(469,460)	(452,112)	(484,602)	(564,924)
Non-operating										
Investment income	269,598	224,481	106,217	72,928	91,524	135,425	108,322	128,905	87,525	103,988
Interest expense	(76,334)	(82,367)	(88,005)	(93,333)	(98,357)	(103,212)	(112,624)	(117,442)	(121,743)	(175,592)
Other, net	-	(205)	-	-	-	14,706	34,700	38,892	279,757	-
Transfers in	-	-	-	-	-	-	-	346,913	-	-
Changes in net asset/net income	105,743	136,538	523,909	1,721	200,654	174,215	224,758	605,853	468,969	7,138
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									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Swimming Pools Fund										
Assets	\$5,892,406	\$5,870,072	\$5,834,355	\$6,689,387	\$1,701,313	n/a	n/a	n/a	n/a	n/a
Net Assets	5,891,084	5,858,925	5,818,409	5,870,319	1,687,186	n/a	n/a	n/a	n/a	n/a
Operating Income	658,141	632,090	602,636	444,735	375,077	n/a	n/a	n/a	n/a	n/a
Operating (Expense)	(625,982)	(602,674)	(634,911)	(539,115)	(555,090)	n/a	n/a	n/a	n/a	n/a
Non-operating	-	-	634,911	-	-	n/a	n/a	n/a	n/a	n/a
Investment income	-	-	-	-	-	n/a	n/a	n/a	n/a	n/a
Interest expense	-	-	-	-	-	n/a	n/a	n/a	n/a	n/a
Other, net	-	-	(172,202)	-	-	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
Changes in net asset/net income	32,159	40,516	(51,910)	4,183,133	1,687,186	n/a	n/a	n/a	n/a	n/a
Cost of a resident family membership	\$200.00	\$180.00	\$180.00	\$180.00	\$150.00	n/a	n/a	n/a	n/a	n/a
Solid Waste Fund										
Assets	\$438,585	\$602,488	\$507,750	\$632,074	\$822,501	\$827,703	\$633,994	\$711,178	\$514,529	\$388,669
Net Assets	206,575	323,739	357,469	307,684	271,550	479,359	283,890	256,465	(28,847)	(163,341)
Operating Income	1,871,859	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
Operating (Expense)	2,201,569	(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)
Non-operating	5,000	-	-	-	-	-	-	-	-	-
Investment income	6,095	5,933	2,611	2,405	4,168	10,420	7,899	19,017	9,246	6,732
Interest expense	-	-	-	-	-	-	-	-	-	-
Other, net	-	(1,478)	-	-	-	(1,603)	(1,531)	(3,329)	(2,350)	-
Transfers in	1,451	149,300	121,641	-	101,250	-	-	135,410	139,110	139,111
Changes in net asset/net income	(117,164)	(33,730)	49,785	36,134	(207,809)	202,928	28,671	292,813	141,139	252,612
Cost of a single trash sticker	\$3.10	\$2.50	\$2.50	\$2.50	\$2.25	\$2.25	\$2.25	\$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 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 Works Commission Loans</u>			
2007	\$21,977	\$207	\$1,575	\$1,916	\$25,675	1.81%	\$762
2006	23,072	307	1,750	2,139	27,268	1.93%	809
2005	24,731	405	2,130	2,354	29,620	2.09%	879
2004	26,357	600	2,491	2,562	32,010	2.49%	950
2003	24,046	196	2,839	2,764	29,845	2.59%	886
2002	15,265	289	3,176	2,958	21,688	1.92%	644
2001	16,405	378	3,504	3,147	23,434	2.17%	696
2000	10,917	-	3,853	3,329	18,099	1.70%	537
1999	11,524	-	4,186	3,505	19,215	1.85%	563
1998	13,342	-	4,508	3,675	21,525	2.14%	631

Notes:

(1) See the Schedule of Demographic and Economic Statistics on page 154 for personal income and population data.

Sources:

1. City of Upper Arlington Finance Department

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

<u>Year</u>	<u>General Obligation Bonds and notes</u>	<u>Less Amounts Available in G.O. Bond Retirement Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2007	\$21,977	\$685	\$21,292	1.38%	\$632
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

City of Upper Arlington, Ohio
Direct and Overlapping Governmental Activities Debt
As of December 31, 2007

<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	\$ 1,548,409,241	\$ 22,381,988	100.00%	\$ 22,381,988
Overlapping				
Franklin County	28,030,793,232	243,805,000	5.52%	13,467,686
Columbus City School District	10,061,264,574	383,226,346	0.02%	74,034
Dublin City School District	2,939,307,193	182,306,182	0.16%	300,194
Upper Arlington City School District	1,562,512,079	30,004,354	98.66%	29,603,278
Central Ohio JVS	4,740,079,221	<u>6,590,000</u>	0.10%	6,729
Total overlapping		845,931,882		
Total direct and overlapping debt		<u>\$ 868,313,870</u>		

Source: Auditor, Franklin County; Settlement Division



CITY OF | **UPPER ARLINGTON**

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

	Year		
	<u>1998</u>	<u>1999</u>	<u>2000</u>
Overall debt limit	\$ 107,152	\$ 115,692	\$ 115,860
Total net debt applicable to limit	17,291	15,690	14,022
Legal debt margin	\$ 89,861	\$ 100,002	\$ 101,838
Total net debt applicable to the limit as a percentage of debt limit	16.14%	13.56%	12.10%
Unvoted Debt limit	\$ 56,127	\$ 60,600	\$ 60,689
Total net debt applicable to limit	12,171	10,770	9,312
Legal debt margin	\$ 43,956	\$ 49,830	\$ 51,377
Total net debt applicable to the limit as a percentage of debt limit	21.68%	17.77%	15.34%
<u>Overall (Voted and Unvoted) Debt Limitation:</u>			
Total assessed value		\$1,548,409 (2)	
Debt limit (10 1/2% of total assessed value)		162,583	
Debt applicable to limit:			
General obligation bonds and notes		23,552	
Less: Amount set aside for repayment of general obligation debt		685	
Total net debt applicable to limit		22,867	
Legal debt margin		\$ 139,716	

Notes:

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

		<u>Year</u>											
		<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>					
\$	116,237	\$	134,369	\$	134,896	\$	136,134	\$	162,292	\$	162,600	\$	162,583
	19,160		17,195		23,004		25,431		26,861		24,822		23,552
\$	97,077	\$	117,174	\$	111,892	\$	110,703	\$	135,431	\$	137,778	\$	139,031
	16.48%		12.80%		17.05%		18.68%		16.55%		15.27%		14.49%
\$	60,886	\$	70,384	\$	70,660	\$	71,308	\$	85,010	\$	85,171	\$	85,162
	14,597		8,219		14,438		17,290		18,101		16,496		15,917
\$	46,289	\$	62,165	\$	56,222	\$	54,018	\$	66,909	\$	68,675	\$	69,245
	23.97%		11.68%		20.43%		24.25%		21.29%		19.37%		18.69%

Unvoted Debt Limitation:

Total assessed value	\$ 1,548,409
Debt limit (5 1/2% of total assessed value)	85,162
Debt applicable to limit:	
General obligation bonds and notes	23,552
Less: Debt outside limitations	<u>6,950</u>
Debt within limitation	16,602
Less: Amount set aside for repayment of general obligation debt	<u>685</u>
Total net debt applicable to limit	<u>15,917</u>
Legal debt margin for unvoted debt	<u><u>\$ 69,245</u></u>

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

<u>Year</u>	<u>Population 1</u>	<u>Personal Income (amounts expressed in thousands)</u>	<u>Per Capita Personal Income 1</u>	<u>Median Age 1</u>	<u>School Enrollment 2</u>	<u>Unemployment</u>	
						<u>Local Rate 3</u>	<u>State Rate 3</u>
2007	33,686	\$1,415,654	42,025	42.6	5,492	4.9%	5.8%
2006	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%
1995	34,128	866,817	25,399	42.5	**	3.2%	4.8%

Notes:

** Data not available or kept

Sources:

1. U.S. Census Bureau, Census 1990 and 2000
2. Ohio Department of Education Report Card
3. U.S. Bureau of Labor Statistics

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

Function	Full-time Equivalent Employees as of December 31				
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Public Safety					
Police	62.0	61.0	61.0	60.0	60.0
Fire	64.0	63.0	64.0	64.0	64.0
General Government	44.0	45.0	45.0	45.0	45.0
Public Services	31.0	31.0	31.0	32.0	32.0
Parks and Recreation (1)	26.8	26.2	23.0	23.0	23.0
Community Development	10.0	10.0	10.0	10.0	10.0
Utilities (2)	11.0	10.0	10.0	11.0	11.0
Sanitation	19.0	19.0	19.0	20.0	20.0
Total	267.8	265.2	263.0	265.0	265.0

Function	Full-time Equivalent Employees as of December 31				
	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Public Safety					
Police	60.0	60.0	60.5	60.5	59.5
Fire	64.0	64.0	64.0	64.0	64.0
General Government	45.0	45.0	40.5	40.5	38.5
Public Services	32.0	32.0	30.0	30.0	29.0
Parks and Recreation (1)	21.0	21.0	19.0	19.0	19.0
Community Development	8.0	8.0	8.0	8.0	8.0
Utilities (2)	11.0	11.0	11.0	11.0	11.0
Sanitation	20.0	20.0	18.0	18.0	18.0
Total	261.0	261.0	251.0	251.0	247.0

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
Last Three Years

Function	2007	2006	2005
Public Safety - Police			
Number of police stations	1	1	1
Number of police cruisers	13	15	13
Number of pieces of equipment	255	257	251
Public Safety - Fire			
Number of fire stations	3	3	3
Number of fire engines	3	3	3
Number of medics	3	3	3
Number of pieces of equipment	306	319	299
Public Services			
Miles of roads	154	153	153
Number of traffic signals	52	54	54
Number of streetlights	809	659	659
Parks and Recreation			
Number of parks	25	22	25
Acres of parkland	180	180	169
Number of swimming pools	3	3	3
Number of tennis courts	23	23	16
Number of senior centers	1	1	1
Utilities			
Number of fire hydrants	1,958	1,958	1,958
Number of catch basins	3,400	3,400	3,400
Miles of sanitary sewer	145	143	143
Solid Waste			
Number of packer trucks	10	11	10
Number of satellite vehicles	21	22	23
Roll-Off Truck	1	1	n/a
Stake Bed Truck	1	1	n/a
Pick-up Trucks	4	3	n/a

Note:

Data for years prior to 2005 is not available.

Sources:

1. City of Upper Arlington departments

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

Function	Operating Indicators by Function			
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Public Safety - Police				
Number of citations issued	4,293	3,616	5,014	5,275
Number of arrests	586	734	806	872
Number of accidents	516	555	549	583
Public Safety - Fire				
Number of fire responses	3,493	3,300	3,410	2,438
Number of EMS responses	3,954	3,533	2,894	2,914
Number of inspections	1,437	1,700	1,757	1,138
General Government				
Number of probation cases	195	244	244	236
Number of traffic cases	2,939	3,178	3,486	3,520
Number of fleet management repairs	2,898	2,874	3,194	3,242
Public Services				
Roadway repairs-surface (sq. ft.)	109,082	131,774	121,610	105,439
Street cleaning-leaf collection (cu. Yds.)	21,668	22,235	23,941	21,091
Street cleaning-snow removal (hours)	2002	294	1,465	1,000
Parks and Recreation				
Number of registrations for programs	11,406	22,409	25,663	10,816
Number of programs/classes	802	1,146	927	612
Number of trees planted (less removed trees)	306	173	390	170
Community Development				
Number of building permits issued	376	380	433	406
Number of building inspections conducted	2,455	2,542	2,481	2,469
Number of code investigations	934	698	664	964
Utilities				
Number of fire hydrant repairs (water)	75	106	175	117
Number of catch basin repairs (stormwater)	244	82	57	108
Number of manhole repairs (sewer)	42	63	113	119
Solid Waste				
Number of refuse collected (tons)	6,814	7,120	6,406	7,542
Number of yard waste collected (tons)	391	599	640	667
Number of recyclables collected (tons)	4,362	5,747	5,701	5,456

Note:

** Data not available or kept

Sources:

1. City of Upper Arlington departments

Operating Indicators by Function

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
5,265	4,902	5,182	5,394	5,096	4,597
907	824	808	776	892	935
609	638	627	721	725	747
3,491	3,640	3,474	2,142	2,605	2,588
3,621	3,777	3,045	2,674	4,000	3,489
1,517	1,027	1,647	1,065	2,134	2,068
223	289	218	252	186	282
4,114	4,022	4,586	4,540	4,357	3,821
3,661	3,428	3,125	**	**	**
108,308	107,050	145,298	136,865	421,043	52,920
20,068	22,470	20,687	18,905	18,452	22,906
661	584	188	1,114	2,348	225
13,697	9,578	8,314	15,153	15,228	15,221
639	647	557	482	596	578
280	240	210	**	**	**
432	383	350	360	384	362
2,318	1,639	1,407	1,578	1,516	1,788
862	536	450	331	318	339
88	95	99	81	73	81
137	101	155	247	118	260
120	119	43	**	**	**
7,693	7,538	7,766	8,408	8,370	8,151
855	733	955	1,095	1,269	1,322
5,750	5,586	5,677	5,410	4,572	4,721



CITY OF | **UPPER**
ARLINGTON

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



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 15, 2008**