

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2008**

ISSUED BY:

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

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CITY OF | **UPPER ARLINGTON**



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, 2008 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 25, 2009

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**CITY OF UPPER ARLINGTON, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For The Year Ended December 31, 2008**

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May 20, 2009

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, 2008, 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 (e.g., 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. Employment in the Columbus Metropolitan Statistical Area (MSA) is expected to decline in 2009 – a net decline of 0.4% (3,500 jobs) – albeit at a rate below national expectations. Regional estimates for key business sectors in Upper Arlington are mixed: Healthcare/Social Services are projected to grow by 2.4%; Business and Professional Services should see 0.2% growth; Financial Activities are projected to decline 0.9%. The Financial Services downturn is likely a result of tightened credit, slowing home sales, and diminished financial portfolio values impacting commission-based incomes. Economists surveyed by *The Wall Street Journal* generally expect U.S. output declines to continue over the first half of 2009, with the recession ending in the summer, however, in keeping with typical cycles, a positive impact on employment levels is likely to be delayed.

As a fully developed community, opportunities for expanding the commercial tax base are typically reliant on higher density redevelopments. In 2008, Upper Arlington's commercial office building vacancy rate was under 10%, compared to submarket and regional vacancy rates of approximately 17%. This vacancy rate is expected to increase however, with announcements of pending building availability anticipated. Retail vacancies remained low, with the Kingsdale Shopping Center accounting for most of the available space. The redevelopment of Kingsdale is scheduled to occur 2009-2011, at which time exceptional retail occupancy rates are anticipated. Neighborhood and convenience retail will remain desirable to satisfy resident needs, but will not contribute significantly to the overall financial health of the City.

Economic development activity remains steady, with increased awareness of Upper Arlington as a business- and development-friendly community. Continuing efforts to attract and retain a diverse mix of smaller medical and professional office users will be key to maintaining a healthy business base. Some 2008 economic development projects of note include:

- ❖ Completion of the Chase Bank on Lane Avenue and approval of the Arlington Commons project on Lane near Northwest Boulevard. Arlington Commons is a 13,000+ square foot mixed use project, appearing as a village streetscape of shops, restaurants and offices. Both projects continue implementation of the Master Plan's goal for creating more pedestrian-friendly streetscapes on Lane Avenue. Other retail properties, such as SciotoView Shopping Center, continued to remodel and update buildings and landscapes.
- ❖ Approval was granted to Kohr Royer Griffith, for the construction of an 11,500 square foot office building at Lane Avenue and Vassar Drive adjacent to the OSU Development Office.
- ❖ In November, voters upheld City Council's decision to rezone .9 acres of land on Tremont Road north of the Five Points intersection, from residential to office. A one-story medical office structure of at least 12,000 square feet is slated for construction at the site.
- ❖ Tech Resources, Inc. completed the purchase and remodeling of 2025 Riverside Drive. This Battelle spin-off has already met three-year hiring projections, quickly becoming a leading corporate citizen.
- ❖ National Church Residences (NCR) completed its purchase and remodeling of 2233 North Bank Drive. In connection with key business acquisitions, NCR launched its new InCare Division at the facility, a comprehensive in-home service provider for older adults. Incentives recommended by the Upper Arlington Community Improvement Corporation (UACIC), guarantee that NCR will add 47 new positions while maintaining existing employment within Upper Arlington.
- ❖ Other significant corporate citizens enjoyed growth in 2008, including Orthopedic Center for Excellence, TeamWork Solutions, UBS, and Willis/HRH. The City welcomed new businesses including Central Ohio Behavioral Medicine, and Cor-Ben Consultants. Incentives recommended by the UACIC paved the way to retain and expand American Insurance Administrators, a significant corporate citizen at 3070 Riverside Drive.
- ❖ Arlington Falls completed 5005 Horizons Drive. This 20,000 square foot building was divided into three office condominiums, with TeamWork Solutions relocating into a suite three times its original space in 5003 Horizons Drive. TeamWork Solutions' previous location was immediately occupied by the real estate brokerage of Pickett Holstlaw Byrne Realty. Wealth Advantage Group also purchased a unit within the building.
- ❖ Arlington Falls broke ground on its fifth and final building - 5007 Horizons Drive - its second 20,000 square foot building. Occupancy was expected to occur in early 2009, with announcement of an expanded office for UBS.
- ❖ The year concluded with a proposal for the redevelopment of the City's most significant commercial property, the Kingsdale Shopping Center. The project promises to upgrade the site significantly, with an enlarged 110,000 square foot Giant Eagle, new stores and restaurants, civic plaza and the potential for up to 104,000 square feet of Class A multi-story office space along Zollinger Road.

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 \$6.4 million annually through 2015.

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 incorporates \$6 million of bonds issued in 2008 and proposes an additional \$20 million in bond issues in years 2009 through 2015. The remaining \$19.1 million of the 2009-2015 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 20% of the General Fund operating budget.

Major initiatives.

Amidst all the financial challenges, we achieved the remarkable feat of an upgrade to Aaa for our financial rating from Moody's Investors Service and a new rating, also AAA, from Standard & Poor's. These are the highest ratings available, and reaffirm the City takes its fiscal responsibilities seriously. It also means the City can expect to benefit from the lowest possible interest rates in the marketplace at any given time for future bond sales.

Significant progress was made toward realizing a long-awaited community goal – the redevelopment of the Kingsdale Shopping Center. When Giant Eagle made known its desire for an expanded store at Kingsdale in late 2007, as sole developer for Giant Eagle stores in Central Ohio, the possibilities for Continental Real Estate Companies to purchase and redevelop the site took hold. Discussions with the City intensified over the course of the summer and fall, with Continental publicly announcing its intent to purchase the site in October, and filing its proposed Preliminary Development Plan with the City – for review by the Board of Zoning and Planning – at the close of December 2008.

Work began in the fall on the new firehouse on Reed Road, scheduled for completion by winter 2009/2010. This project will provide state-of-the-art facilities for the City's fire and emergency medical equipment and personnel, enabling the division to integrate new technologies and upgraded equipment in future years. At an approximate cost of \$6.3 million, the new 32,000 square foot station replaces the current 10,000 square foot facility built in 1959. In August 2008, City Council approved legislation authorizing the City to issue \$6 million in bonds to help finance the construction. It will be repaid using a portion of the annual revenues generated by the Emergency Medical Services Billing program.

Plans for Upper Arlington's newest park, Sunny 95 Park – a rare occurrence for a landlocked community – moved into the community outreach and master planning stages in 2008. The Parks & Recreation Department hosted a series of public meetings to gather input and ideas from surrounding neighbors and other interested residents – both to help begin the design process and obtain feedback as drafts of the site master plan were developed. Facilities proposed for this 14-acre park include two athletic fields, an all-weather shelter house with outdoor performance area, sledding hill, playground, restroom facilities, sensory garden, multiple walkways, a pond with fountain, off-street parking and more. Initial site preparation began in the spring of 2009.

Upper Arlington became the first Central Ohio community to measure its carbon footprint, through a partnership with the Mid-Ohio Regional Planning Commission (MORPC). This effort included examining City buildings, utilities usage, the City's fleet, and operations to establish a baseline carbon footprint and explore how energy efficiency can be improved for the betterment of the environment but also to realize long-term organizational cost savings.

For much of 2008, the issue of solid waste was subject to community debate, after the City contracted with Inland Service Corporation as its provider, and switched to at-the-curb collection beginning in April. At the same time, the City and Inland worked hard to ensure the new service would become and continue to be successful and cost effective, allowing residents to maintain a level of control over their solid waste costs, while continuing to encourage good environmental stewardship through recycling collection at no additional charge. A ballot issue brought forward by some residents was ultimately removed from the November ballot by the Ohio Supreme Court, which ruled the issue was not the proper subject of initiative or referendum since the City's action was administrative. This ruling ensured the continuation of the new service, avoiding additional costs to the City and residents that would have run into millions of dollars had the City been required to reinstate its old collection approach.

Following many years of community discussion on the best way to marry a desire by many to preserve the community's historically significant homes with others wishing to preserve the private property rights of homeowners, legislation has been put in place relative to homes in the Historic District south of Lane Avenue. This occurred at the close of 2008, when City Council adopted historic preservation legislation relative to complete or substantial demolition of historically significant structures. Any of the homes within the Historic District designated as contributing structures are subject to the legislation, in an attempt to encourage the preservation of these homes and to uphold the unique character of the district. Under this law a six-month delay is imposed on a property owner who wishes to completely or substantially demolish a home of historic significance. The delay was put in place so that alternatives to total demolition can be considered before any action is taken or expenses incurred. It also was designed to only apply to plans for extreme exterior renovations or replacements, allowing homeowners to make many different upgrades to their homes to meet with modern-day standards, without finding their plans have fallen subject to the legislation.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the 21st 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, 2007.

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

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

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

Respectfully submitted,



Catherine M. Armstrong, CPA
Finance Director



Virginia L. Barney
City Manager



CITY OF | **UPPER ARLINGTON**

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Upper Arlington
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

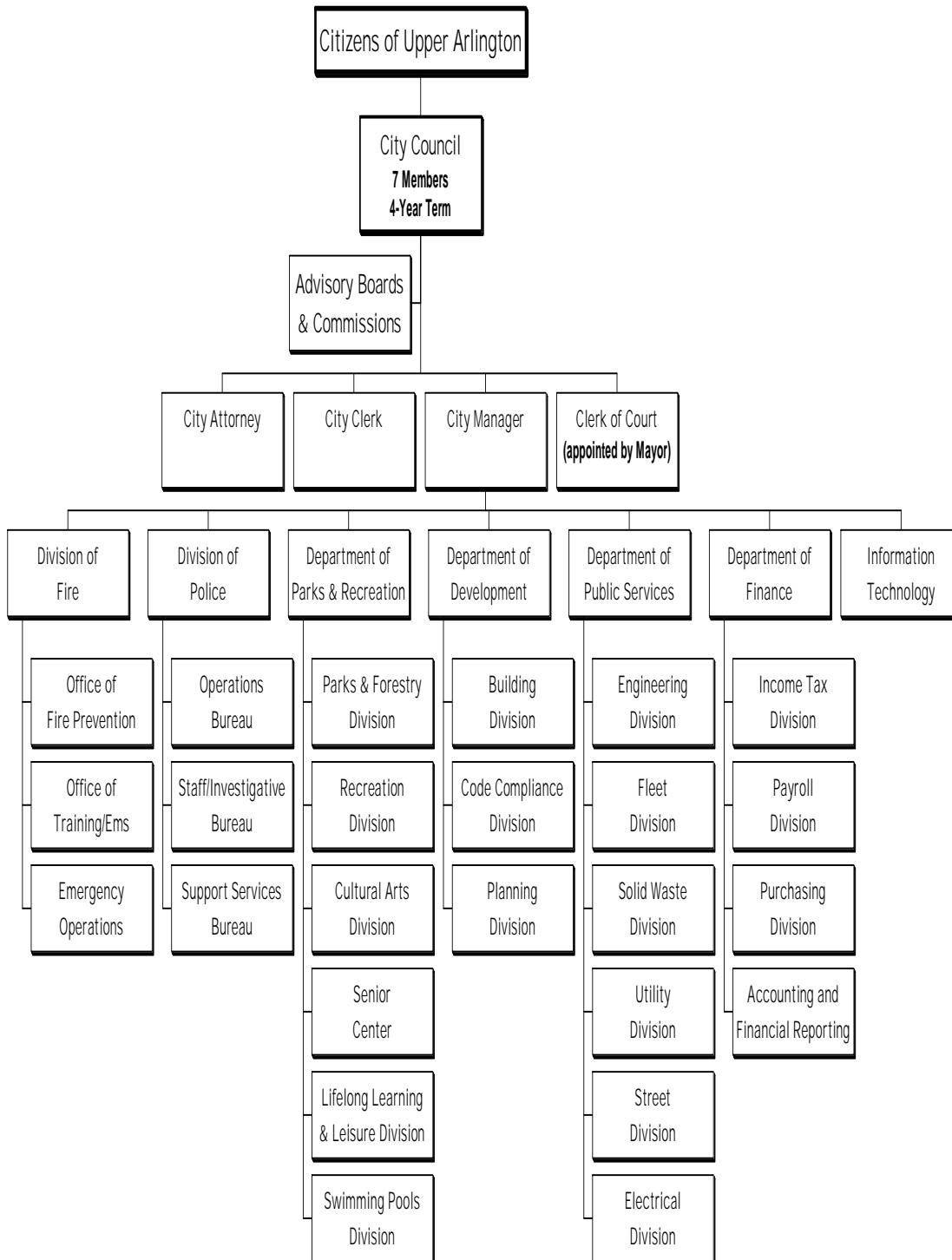
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

Organizational Chart



CITY OF UPPER ARLINGTON, OHIO
LIST OF CITY OFFICIALS
December 31, 2008

City Council

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

Appointed Officials

City Manager	Virginia L. Barney
City Attorney	Jeanine Hummer
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 financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Upper Arlington, Franklin County, Ohio, as of and for the year ended December 31, 2008, 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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Upper Arlington as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2009 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 on pages 4 - 16 and budgetary comparison information and notes on pages 65 - 70 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 20, 2009

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, 2008. 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 \$99,190,985 (net assets). Of this amount, \$40,505,801 (unrestricted net assets) may be used to meet the government's ongoing governmental activities obligations and \$3,857,942 (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 \$3,905,842, or 4.1%.
- At the end of the current fiscal year, the unreserved fund balance for the General Fund was \$21,627,406, or 72.4% 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 \$49,359,769, an increase of \$4,553,576 in comparison with the prior year. Approximately 82.7% of this total amount, or \$40,807,296, is considered unreserved at December 31, 2008. Though unreserved, the City has committed through the budgeting process to a seven-year infrastructure improvement plan of approximately \$6.4 million a year, or a total infrastructure improvement plan of \$45.1 million. Accordingly, the City has set aside \$9,279,207 within capital project funds and \$228,648 within its debt service fund. In addition, the City has designated \$7,043,979 of the General Fund balance for payment of pension obligations as well as capital acquisitions and related debt. Another \$2,628,056 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 \$21,627,406.
- 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 to outsource the collection of all solid waste. Effective April 6, 2008, Inland 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 Inland. As part of this transaction the City sold and disposed of certain asset items resulting in a net gain on sale and disposal of capital assets in the amount of \$270,943.

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, Sanitary Sewer Surcharge, Stormwater, Swimming Pools, and Solid Waste Fund, which are considered to be major funds of the City. 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 – 64 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 66 – 70 of this report.

Other Supplementary Information, including additional budgetary schedules, and the combining statements referred to earlier in connection with non-major governmental 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 72 – 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)						
	<u>Governmental activities</u>		<u>Business-type activities</u>		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Current and other assets	\$ 68,236	\$ 66,546	\$ 4,173	\$ 3,943	\$ 72,409	\$ 70,489
Capital assets	<u>52,103</u>	<u>48,731</u>	<u>21,116</u>	<u>21,104</u>	<u>73,219</u>	<u>69,835</u>
Total assets	\$ <u>120,339</u>	\$ <u>115,277</u>	\$ <u>25,289</u>	\$ <u>25,047</u>	\$ <u>145,628</u>	\$ <u>140,324</u>
Long-term liabilities outstanding	\$ 30,212	\$ 25,097	\$ 3,195	\$ 3,707	\$ 33,407	\$ 28,804
Other liabilities	<u>12,819</u>	<u>16,111</u>	<u>211</u>	<u>124</u>	<u>13,030</u>	<u>16,235</u>
Total liabilities	\$ <u>43,031</u>	\$ <u>41,208</u>	\$ <u>3,406</u>	\$ <u>3,831</u>	\$ <u>46,437</u>	\$ <u>45,039</u>
Net assets:						
Invested in capital assets, net of related debt	\$ 29,923	\$ 26,458	\$ 18,025	\$ 17,613	\$ 47,948	\$ 44,071
Restricted	6,879	6,903			6,879	6,903
Unrestricted	<u>40,506</u>	<u>40,708</u>	<u>3,858</u>	<u>3,603</u>	<u>44,364</u>	<u>44,311</u>
Total net assets	\$ <u>77,308</u>	\$ <u>74,069</u>	\$ <u>21,883</u>	\$ <u>21,216</u>	\$ <u>99,191</u>	\$ <u>95,285</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 \$99,190,985 at the close of 2008.

A large portion of the City's net assets (48.3 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, (6.9 percent) represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net assets, \$44,363,743, 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 \$44,363,743, the unrestricted net assets of the City's business-type activities, \$3,857,942, 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 \$5,061,170, or 4.4%.
- The increase in governmental activities total liabilities was \$1,822,920, or 4.4%.

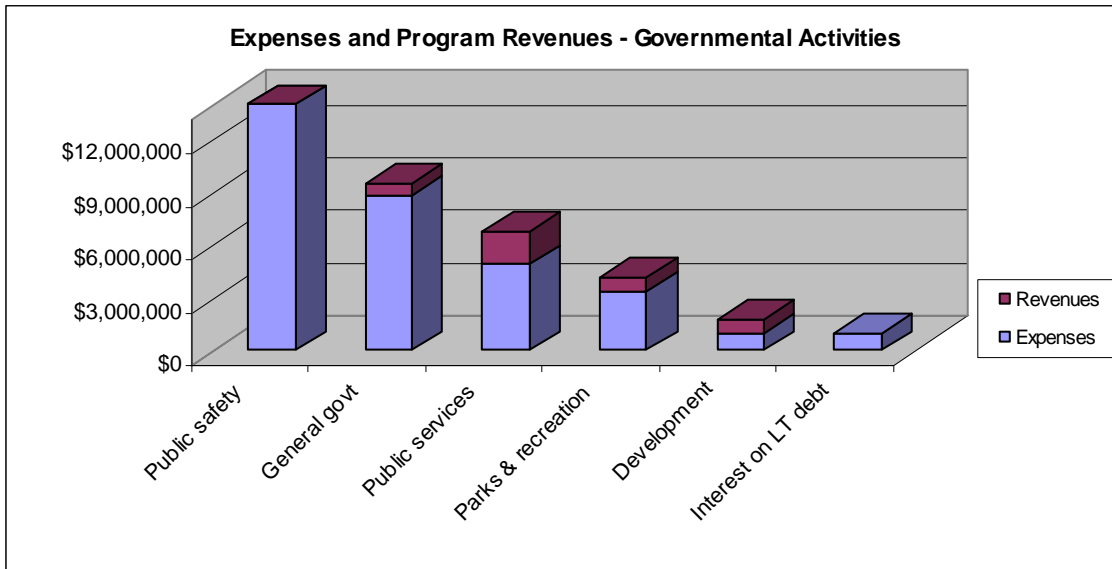
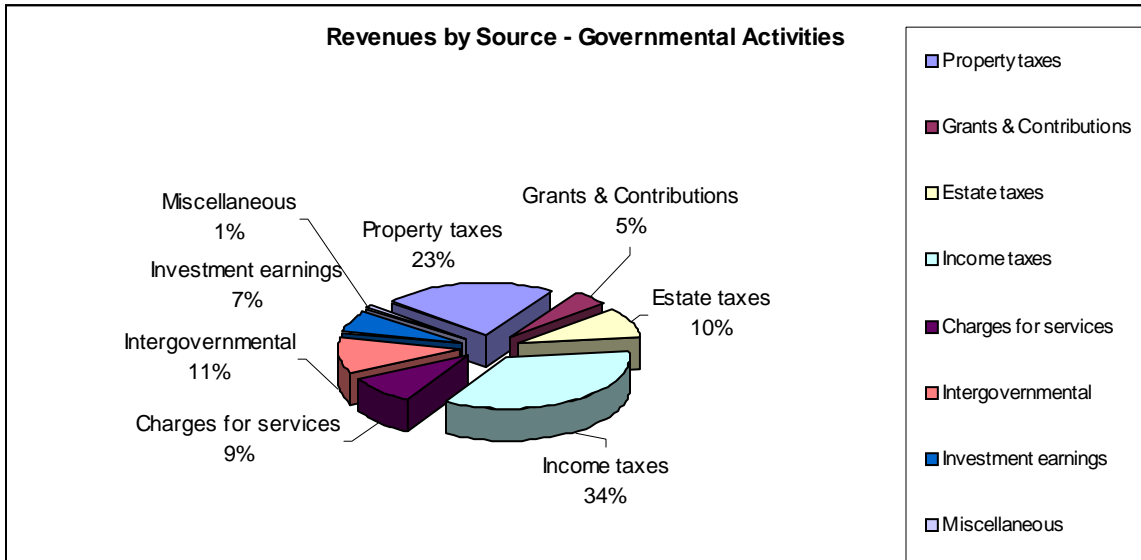
These increases were a result of the issuance of \$9,972,000 in bonds in September of 2008 which were used to repay \$3.9 million in notes that were due in October 2008, as well as, revenues exceeding expenses by approximately \$3.2 million.

- The increase in business-type activities total assets was \$241,638, or 1.0%.
- The business-type activities total liabilities decreased by \$425,954, or 11.1%.

The overall increase in net business type assets was primarily due to the continued repayment of long-term debt from continued increases from operations.

Governmental activities. Governmental net assets increased by \$3,238,250, or 4.4%. The City's income tax revenue was slightly below projections for 2008 at \$13.6 million, and below the 2007 revenue total of \$14.6 million. Overall revenues decreased approximately \$154 thousand as revenues from estate taxes increased \$1.5 million and unrestricted intergovernmental revenue increased \$588 thousand. Property tax revenues remained constant. Governmental expenses increased by \$1.75 million, or approximately 5.3% as a result of increases in salaries and benefits, retirements, professional services, and clean-up costs associated with two federal weather emergency declarations.

The following charts illustrate both the 2008 revenues and expenses for governmental activities.

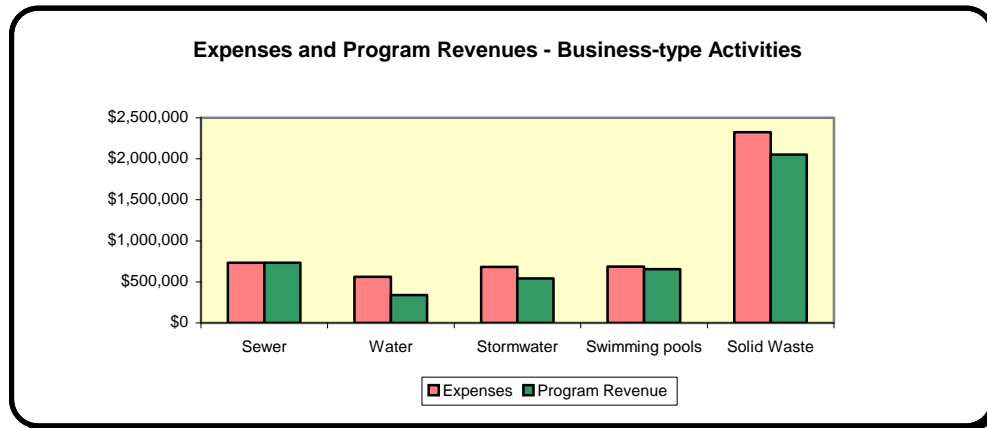
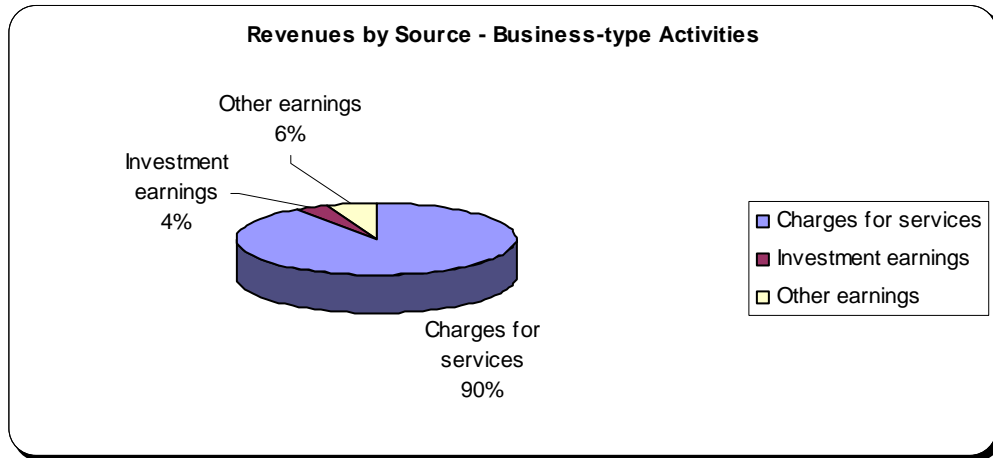


**City of Upper Arlington
Changes in Net Assets**

	Governmental Activities		Business – Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
<i>Program revenues:</i>						
Charges for services	\$ 3,693,331	\$ 3,604,449	\$ 4,305,362	\$ 4,122,051	\$ 7,998,693	\$ 7,726,500
Operating grants & contributions	1,632,317	1,703,384	32,340	5,000	1,664,657	1,708,384
Capital grants & contributions	194,607	247,796	13,837	6,513	208,444	254,309
<i>General revenues:</i>						
Income taxes	13,626,518	14,615,795			13,626,518	14,615,795
Estate taxes	3,742,723	2,282,087			3,742,723	2,282,087
Property taxes	8,847,280	8,825,950			8,847,280	8,825,950
Intergovernmental unrestricted	4,182,228	3,593,847			4,182,228	3,593,847
Unrestricted investment earnings	2,562,328	2,692,806	185,049	275,693	2,747,377	2,968,499
Other miscellaneous revenues	486,370	1,555,810	238,603		724,973	1,555,810
Total revenues	38,967,702	39,121,924	4,775,191	4,409,257	43,742,893	43,531,181
Expenses:						
Public safety	15,775,860	15,082,521			15,775,860	15,082,521
General government	8,850,818	7,153,916			8,850,818	7,153,916
Public services	4,888,768	5,678,985			4,888,768	5,678,985
Parks and recreation	3,330,706	3,268,785			3,330,706	3,268,785
Community development	991,681	943,737			991,681	943,737
Interest on long-term debt	996,509	958,406			996,509	958,406
Water Surcharge			563,901	317,536	563,901	317,536
Sanitary Sewer Surcharge			735,634	700,162	735,634	700,162
Stormwater			683,075	704,370	683,075	704,370
Swimming pools			686,328	625,982	686,328	625,982
Solid Waste			2,333,771	1,948,969	2,333,771	1,948,969
Total expenses	34,834,342	33,086,350	5,002,709	4,297,019	39,837,051	37,383,369
Increase (decrease) in net assets before transfers	4,133,360	6,035,574	(227,518)	112,238	3,905,842	6,147,812
Transfers	(895,110)	-	895,110	-	-	-
Increase (decrease) in net assets	3,238,250	6,035,574	667,592	112,238	3,905,842	6,147,812
Net assets ---- January 1 st	74,069,486	68,033,912	21,215,657	21,103,419	95,285,143	89,137,331
Net assets---- December 31st	77,307,736	\$ 74,069,486	\$ 21,883,249	\$ 21,215,657	\$ 99,190,985	\$ 95,285,143

Business-type activities. Business-type activities increased the City's net assets by \$667,592. The key element of the increase was the current year transfers of capital assets from governmental sources, as well as, the gain on sale of capital assets related to the outsourcing of solid waste activities. This increase is somewhat offset by the Water Surcharge fund loss on operations of \$225,314. The key element of this loss was a charge by the City of Columbus for significant repairs on water lines of approximately \$186,000.

The following chart illustrates both 2008 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 \$49,359,769, an increase of \$4,553,576 in comparison with the prior year. Approximately 82.7% of this total amount, or \$40,807,296, 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 \$6.4 million a year, or a total infrastructure improvement plan of \$45.1 million. Accordingly, the City has set aside \$9,279,207 within capital project funds and \$228,648 within its debt service fund. In addition, the City has designated \$7,043,979 of the General Fund balance for payment of pension obligations as well as capital acquisitions and related debt. Another \$2,628,056 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 \$21,627,406.

The remainder of the governmental fund balances is reserved. It has already been committed to liquidate contracts and purchase orders for the prior period (\$7,745,016), risk management utilization (\$616,039) and inventory (\$191,418).

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 \$28,671,385, while the total fund balance was \$29,973,349. The City has designated \$335,762 of the General Fund balance for payment of pension obligations and \$6,708,217 for capital acquisitions and related debt.

The fund balance of the City's General Fund increased by \$1,541,453 in 2008. The key factors in this increase are as follows:

- An increase in monies from operations of \$4,912,083, off-set by
- Transfers in the amount of \$3,395,661 for on-going assistance to other funds and proceeds from sale of capital assets of \$25,031.

The fund balance of the City's Street Maintenance and Repair Fund decreased by \$57,580.

The fund balance of the City's General Obligation Bond Retirement Fund decreased by \$456,525. 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 increased by \$5,296,976. This increase was the result of the issuance general obligation bonds in the amount of \$9,972,000. A portion of these bonds were issued to repay the \$3,972,000 notes outstanding that were previously issued for various capital improvements. The remaining \$6,000,000 was issued for the purpose of demolishing the Reed Road Fire Station, and constructing, furnishing, and equipping a new Reed Road Fire Station.

The Estate Tax Fund balance decreased by \$2,138,005. The major factor in this decrease was planned expenditures of monies for various 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 \$122,366 for Water Surcharge Fund; \$88,966 for the Sanitary Sewer Surcharge Fund; \$3,170,990 for the Stormwater Fund; \$367,707 for the Swimming Pools Fund; and \$31,978 for the Solid Waste Fund. The change in net assets for the proprietary funds was \$233,151, 43,085, \$544,635, (\$32,674), and (\$115,340) 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, 2008, amounts to \$73,219,143 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 \$3,383,492, or 4.8%.

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

- **Key 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, Cranford Road Waterline, Ridgeview & Farleigh Roads, Crafton Park, Riverside Dr., and Arlington Avenue.

Key Construction-in-progress infrastructure projects included: Reed Road Fire Station, Ramsgate Waterline, and the 2008 Annual Street Maintenance Program.

Key Completed infrastructure projects included: Kenny Road Improvement and South Dorchester Road and waterline improvements, and the 2007 Annual Street Maintenance program.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land	\$ 4,454,512	\$ 4,454,512	\$ 1,236,573	\$ 1,236,573	\$ 5,691,085	\$ 5,691,085
Building	1,195,016	1,207,416	-	75,508	1,195,016	1,282,924
Improvements	3,358,921	2,967,230	4,232,674	4,303,629	7,591,595	7,270,859
Machinery and equipment	3,385,050	3,328,976	272,971	499,483	3,658,021	3,828,459
Infrastructure	33,838,040	30,811,288	15,246,866	14,775,205	49,084,906	45,586,493
Construction in progress	<u>5,871,603</u>	<u>5,962,191</u>	<u>126,917</u>	<u>213,640</u>	<u>5,998,520</u>	<u>6,175,831</u>
Total	<u>\$52,103,142</u>	<u>\$48,731,613</u>	<u>\$21,116,001</u>	<u>\$21,104,038</u>	<u>\$73,219,143</u>	<u>\$69,835,651</u>

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 \$28,613,550. 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>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
General						
Obligation Bonds	\$27,208,550	\$18,173,319	\$ 1,405,000	\$ 1,575,000	\$ 28,613,550	\$ 19,748,319
Total	\$27,208,550	\$18,173,319	\$ 1,405,000	\$ 1,575,000	\$ 28,613,550	\$ 19,748,319

During the current fiscal year, the City's total bonded debt increased by \$8,865,231. This increase was the result of the issuance general obligation bonds in the amount of \$9,972,000. A portion of these bonds were issued to repay the \$3,972,000 notes outstanding that were previously issued for various capital improvements. The remaining \$6,000,000 was issued for the purpose of demolishing the Reed Road Fire Station, and constructing, furnishing, and equipping a new Reed Road Fire Station.

The City has received a "Aaa" rating from Moody's and a "AAA" rating from Standard & Poor's for general obligation debt. These are the highest ratings available, and Upper Arlington is one of just four 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 \$165,142,485, which is significantly greater than the City's outstanding general obligation debt.

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 2008, the City amended the 2008 General Fund budget by an increase of \$1,874,416. Major factors included \$1,291,081 in transfers to capital projects funds in accordance with capital improvement management policies, \$70,759 for appropriation of grants and donations received by the City, \$255,000 in personnel costs related to the settlement of the firefighters contract, \$199,792 for purchases of capital equipment and improvements, (\$156,370) for reductions in budgeted subsidies to other funds, \$50,000 for support to the City's Community Improvement Corporation, \$16,154 for increases in the City's contract with the county health department, (\$52,000) reduction in budgeted salaries due to staffing vacancies net of increases due to

changes in employee health care elections, and \$200,000 for an unused contingency for emergencies during City Council's winter break.

The increase in transfers to capital projects fund was possible due to additional estate tax revenue received. The additional personnel costs, purchases of capital equipment, support to the City's Community Improvement Corporation, and county health department contract costs were made possible from the existing budgeted General Fund revenues. The unused contingency for emergencies was budgeted from the existing unappropriated fund balance. The reduction in subsidies to other funds resulted from lower than anticipated expenditures for economic development. An unfilled vacancy within the Fleet Division and employee health care election changes within the City Clerk Division allowed for the net reduction in budgeted salaries.

Economic Factors and Next Year's Budgets and Rates

- ❑ The unemployment rate for 2008 for the Columbus area (Upper Arlington is a first-tier suburb) was 5.3 percent, which is an increase from a rate of 4.9 percent a year ago. This compares favorably to both the state's 2008 average unemployment rate of 6.5 percent and to the national average rate of 5.8 percent.
- ❑ Income tax collections were 4.1% below budget projections for 2008 at \$13.5 million. This resulted in a decrease of \$266 thousand in actual collections in 2008 as compared to 2007, and can be primarily attributed to the net profits component of the income tax collections.
- ❑ Estate tax collections of \$3.4 million in 2008 will provide for \$1.3 million in funding for the City's capital improvement plan and approximated the prior year's collections.
- ❑ 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 2008.
- ❑ The Development Department issued 383 residential and commercial permits in 2008, with a total construction value of approximately \$74.0 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 \$6.4 million a year or a total infrastructure improvement plan of \$45.1 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 2009 fiscal year.

During the current fiscal year, unreserved fund balance in the General Fund increased \$1,541,453 to a fund balance of \$29,973,349. The City has appropriated \$33,422,595 for operating expenditures in the 2009 fiscal year budget, which includes the 2009 budgeted revenues of \$33,092,040.

Other Budgetary Highlights

Rate changes: Effective April 2008, following extensive study of the current collection method and other collection options, the City contracted 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 9.5% during the current fiscal year. The City continues its efforts to contain these costs through requiring employee contributions for health care and the offering of Health Savings Accounts. The Ohio Public Employee Retirement System (OPERS) contribution rate for employers increased in 2008 and completed three years of planned increases in the required pension contribution rates. The contribution rates for the last three years are 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, 2008

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>The Upper Arlington Community Improvement Corporation</u>
ASSETS				
Cash, cash equivalents and investments	\$ 47,655,768	\$ 3,944,221	\$ 51,599,989	
Cash, cash equivalents in segregated accounts				\$ 65,998
Accounts receivable (net of allowance for uncollectibles)	20,266,820	157,854	20,424,674	
Inventories	191,418		191,418	
Deferred charges	192,527		192,527	
Internal balances	(70,628)	70,628	-	
Capital assets:				
Land	4,454,512	1,236,573	5,691,085	
Construction in progress	5,871,603	126,917	5,998,520	
Other capital assets, net of accumulated depreciation	41,777,027	19,752,511	61,529,538	
Total assets	<u>\$ 120,339,047</u>	<u>\$ 25,288,704</u>	<u>\$ 145,627,751</u>	<u>\$ 65,998</u>
LIABILITIES				
Accounts payable	\$ 1,554,056	\$ 180,383	\$ 1,734,439	
Accrued liabilities	857,510	30,037	887,547	
Unearned revenue	10,407,457	1,015	10,408,472	
Noncurrent liabilities:				
Due within one year				
Accrued vacation and sick leave	1,191,938	84,724	1,276,662	
Installment loan payable	104,846		104,846	
Ohio Public Works Commission Loans - current		238,081	238,081	
Bonds & notes payable, net - current	1,382,000	130,000	1,512,000	
Due in more than one year:				
Accrued vacation and sick leave	1,706,954	18,602	1,725,556	
Ohio Public Works Commission Loans		1,447,613	1,447,613	
Bonds & notes payable, net	25,826,550	1,275,000	27,101,550	
Total liabilities	<u>43,031,311</u>	<u>3,405,455</u>	<u>46,436,766</u>	<u>-</u>
NET ASSETS				
Invested in capital assets, net of related debt	29,923,172	18,025,307	47,948,479	
Restricted for:				
Capital projects	2,956,314		2,956,314	
Debt service	137,202		137,202	
Street construction and maintenance	2,025,586		2,025,586	
Public safety	973,354		973,354	
Economic development	354,515		354,515	
Pension obligations	365,152		365,152	
Other purposes	66,640		66,640	
Unrestricted	40,505,801	3,857,942	44,363,743	\$ 65,998
Total net assets	<u>\$ 77,307,736</u>	<u>\$ 21,883,249</u>	<u>\$ 99,190,985</u>	<u>\$ 65,998</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, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Public Safety	\$ 15,775,860	\$ 1,295,822	\$ 6,596	
General Government	8,850,818	698,136		
Public Services	4,888,768	79,136	1,625,721	194,607
Parks and Recreation	3,330,706	860,495		
Community Development	991,681	759,742		
Interest on long-term debt	996,509			
Total governmental activities	34,834,342	3,693,331	1,632,317	194,607
Business-type activities:				
Water Surcharge	563,901	338,368		
Sanitary Sewer Surcharge	735,634	733,944		
Stormwater	683,075	541,393		
Swimming Pools	686,328	639,817		13,837
Solid Waste	2,333,771	2,051,840	32,340	
Total business-type activities	5,002,709	4,305,362	32,340	13,837
Total primary government	\$ 39,837,051	\$ 7,998,693	\$ 1,664,657	\$ 208,444
Component Unit - Community Improvement Corporation of Upper Arlington	\$ 7,035	\$ -	\$ 60,000	\$ -
General revenues:				
Income taxes				
Property taxes				
Estate taxes				
Intergovernmental unrestricted				
Unrestricted investment earnings				
Miscellaneous				
Transfers				
Total general revenues				
Changes in net assets				
Net assets - beginning				
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>
<u>Net (Expense) Revenue and Changes in Net Assets</u>			
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>The Upper Arlington Community Improvement Corporation</u>
\$ (14,473,442)		\$ (14,473,442)	
(8,152,682)		(8,152,682)	
(2,989,304)		(2,989,304)	
(2,470,211)		(2,470,211)	
(231,939)		(231,939)	
(996,509)		(996,509)	
<u>(29,314,087)</u>		<u>(29,314,087)</u>	
	\$ (225,533)	(225,533)	
	(1,690)	(1,690)	
	(141,682)	(141,682)	
	(32,674)	(32,674)	
	(249,591)	(249,591)	
	<u>(651,170)</u>	<u>(651,170)</u>	
<u>(29,314,087)</u>	<u>(651,170)</u>	<u>(29,965,257)</u>	
			<u>\$ 52,965</u>
13,626,518		13,626,518	
8,847,280		8,847,280	
3,742,723		3,742,723	
4,182,228		4,182,228	
2,562,328	185,049	2,747,377	969
486,370	238,603	724,973	
(895,110)	895,110	-	
<u>32,552,337</u>	<u>1,318,762</u>	<u>33,871,099</u>	<u>969</u>
3,238,250	667,592	3,905,842	53,934
74,069,486	21,215,657	95,285,143	12,064
<u>\$ 77,307,736</u>	<u>\$ 21,883,249</u>	<u>\$ 99,190,985</u>	<u>\$ 65,998</u>

City of Upper Arlington, Ohio
Balance Sheet
Governmental Funds
December 31, 2008

ASSETS	General	Street Construction Maintenance and Repair
Cash, cash equivalents and investments	\$ 26,961,851	\$ 832,876
Receivables (net of allowance for uncollectibles)	18,386,820	785,862
Inventories	111,128	80,290
Total assets	<u>\$ 45,459,799</u>	<u>\$ 1,699,028</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 419,607	\$ 10,331
Due to other funds	120,061	9,663
Deferred revenue	14,178,306	525,990
Accrued liabilities	714,508	38,393
Accrued vacation & sick leave liability	53,968	
Total liabilities	<u>15,486,450</u>	<u>584,377</u>
Fund balances:		
Reserved for:		
Encumbrances	574,797	7,057
Inventory	111,128	80,290
Self-Insurance	616,039	
Unreserved:		
Designated for capital acquisitions & related debt	6,708,217	
Designated for pension obligations	335,762	
Undesignated, reported in:		
General fund	21,627,406	
Special revenue funds		1,027,304
Capital project funds		
Debt service funds		
Total fund balances	<u>29,973,349</u>	<u>1,114,651</u>
Total liabilities and fund balances	<u>\$ 45,459,799</u>	<u>\$ 1,699,028</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
\$ 216,381	\$ 6,977,592	\$ 8,228,643	\$ 3,598,302	\$ 46,815,645
878,869		55,355	145,716	20,252,622
				191,418
<u>\$ 1,095,250</u>	<u>\$ 6,977,592</u>	<u>\$ 8,283,998</u>	<u>\$ 3,744,018</u>	<u>\$ 67,259,685</u>
	\$ 597,520	\$ 202,452	\$ 17,279	\$ 1,247,189
\$ 866,602			163	129,887
			141,878	15,712,776
			3,195	756,096
				53,968
<u>866,602</u>	<u>597,520</u>	<u>202,452</u>	<u>162,515</u>	<u>17,899,916</u>
	5,999,720	326,242	837,200	7,745,016
				191,418
				616,039
				6,708,217
				335,762
				21,627,406
			1,600,752	2,628,056
	380,352	7,755,304	1,143,551	9,279,207
228,648				228,648
<u>228,648</u>	<u>6,380,072</u>	<u>8,081,546</u>	<u>3,581,503</u>	<u>49,359,769</u>
<u>\$ 1,095,250</u>	<u>\$ 6,977,592</u>	<u>\$ 8,283,998</u>	<u>\$ 3,744,018</u>	<u>\$ 67,259,685</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, 2008

Total Governmental Fund Balances	\$	49,359,769
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.		52,103,142
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes		123,705
Income taxes		3,128,523
Estate taxes		67,226
Intergovernmental revenues		1,985,865
Deferred charges		192,527
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		(101,414)
Accrued vacation and sick leave		(2,844,924)
Installment loan payable		(104,846)
Bonds and Notes payable		(27,087,000)
Premium on bonds, net		(121,550)
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.		606,713
Net Assets of Governmental Activities	<u>\$</u>	<u>77,307,736</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, 2008

REVENUES	<u>General</u>	<u>Street Construction Maintenance and Repair</u>	<u>General Obligation Bond Retirement</u>
Taxes:			
Property	\$ 8,144,832		\$ 717,076
Income	13,332,028		
Estate	4,257,540		
Motor Fuel		\$ 1,125,002	
Intergovernmental	3,258,423	486,317	43,142
Licenses and permits	862,566		
Charges for services	1,582,583	1,180	
Fines and forfeits	336,954		
Investment earnings	1,503,729	29,122	
Net increase in fair value of investments	519,179	5,725	
Miscellaneous	981,881	16,879	
Total revenues	<u>34,779,715</u>	<u>1,664,225</u>	<u>760,218</u>
EXPENDITURES			
Current:			
Public Safety	15,162,557		
General Government	8,330,316		
Public Services	1,231,200	1,721,805	
Parks and Recreation	2,852,267		
Community Development	968,152		
Debt service:			
Principal	102,372		4,861,987
Interest	5,022		1,221,686
Bond issuance costs			120,112
Capital outlay:			
Capital outlay	1,215,746		
Total expenditures	<u>29,867,632</u>	<u>1,721,805</u>	<u>6,203,785</u>
Excess (deficiency) of revenues over (under) expenditures	4,912,083	(57,580)	(5,443,567)
OTHER FINANCING SOURCES (USES)			
Transfers in			891,953
Transfers out	(3,395,661)		
Issuance of bonds			3,972,000
Premium on issuance of bonds			123,089
Proceeds from sale of capital assets	25,031		
Total other financing sources and uses	<u>(3,370,630)</u>	<u>-</u>	<u>4,987,042</u>
Net change in fund balances	1,541,453	(57,580)	(456,525)
Fund balances -- January 1	28,431,896	1,172,231	685,173
Fund balances -- December 31	<u>\$ 29,973,349</u>	<u>\$ 1,114,651</u>	<u>\$ 228,648</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>
			\$ 8,861,908
			13,332,028
			4,257,540
			1,125,002
		\$ 584,091	4,371,973
			862,566
		327,504	1,911,267
		24,716	361,670
\$ 31,077	\$ 361,177	71,599	1,996,704
	27,765	12,955	565,624
		4,252	1,003,012
<u>31,077</u>	<u>388,942</u>	<u>1,025,117</u>	<u>38,649,294</u>
		25,843	15,188,400
		179,787	8,510,103
		44,851	2,997,856
		294,766	3,147,033
			968,152
			4,964,359
			1,226,708
			120,112
<u>1,059,101</u>	<u>3,823,172</u>	<u>1,016,078</u>	<u>7,114,097</u>
<u>1,059,101</u>	<u>3,823,172</u>	<u>1,561,325</u>	<u>44,236,820</u>
(1,028,024)	(3,434,230)	(536,208)	(5,587,526)
325,000	1,296,225	834,451	3,347,629
			(3,395,661)
6,000,000			9,972,000
			123,089
		69,014	94,045
<u>6,325,000</u>	<u>1,296,225</u>	<u>903,465</u>	<u>10,141,102</u>
<u>5,296,976</u>	<u>(2,138,005)</u>	<u>367,257</u>	<u>4,553,576</u>
<u>1,083,096</u>	<u>10,219,551</u>	<u>3,214,246</u>	<u>44,806,193</u>
<u>\$ 6,380,072</u>	<u>\$ 8,081,546</u>	<u>\$ 3,581,503</u>	<u>\$ 49,359,769</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, 2008

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)		\$ 4,553,576
<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 and capital contributions exceed depreciation in the current period.</p>		
Capital outlay	7,085,131	
Depreciation	<u>(2,842,631)</u>	4,242,500
Net carrying value of governmental assets disposal of in 2008.		(10,056)
Contributions of capital assets from enterprise funds	182,716	
Capital contributions to enterprise funds	<u>(1,043,631)</u>	(860,915)
<p>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.</p>		
		277,222
<p>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.</p>		
		(4,780,419)
<p>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.</p>		
		(132,607)
<p>The net revenue of certain activities of internal service funds is reported with governmental activities.</p>		
		(51,051)
Change in net assets of governmental activities (page 21)		<u>\$ 3,238,250</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, 2008

Business-type Activities - Enterprise Funds			
	Major Funds		
	Water Surcharge	Sanitary Sewer Surcharge	Stormwater
ASSETS			
Current assets:			
Cash, cash equivalents and investments	\$ 112,545	\$ 86,790	\$ 3,188,300
Accounts receivable (net of allowance for uncollectibles)	20,822	40,525	45,903
Due from other funds			
Total current assets	<u>133,367</u>	<u>127,315</u>	<u>3,234,203</u>
Noncurrent assets:			
Capital assets:			
Land	514		
Improvements	238,244		
Infrastructure	10,507,760	9,648,173	11,574,760
Machinery and equipment	76,502	531,632	308,542
Construction in progress	123,981	2,936	
Less accumulated depreciation	<u>(4,578,087)</u>	<u>(5,454,462)</u>	<u>(7,414,454)</u>
Total capital assets (net of accumulated depreciation)	<u>6,368,914</u>	<u>4,728,279</u>	<u>4,468,848</u>
Total noncurrent assets	<u>6,368,914</u>	<u>4,728,279</u>	<u>4,468,848</u>
Total assets	<u>\$ 6,502,281</u>	<u>\$ 4,855,594</u>	<u>\$ 7,703,051</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,913	\$ 2,628	\$ 1,865
Due to other funds	1,154	2,415	1,124
Unearned revenue			
Accrued liabilities	4,967	11,665	7,324
Accrued vacation and sick leave	1,227	20,554	37,125
Ohio Public Works Commission Loans - current	97,621	140,460	
General obligation bonds - current			130,000
Total current liabilities	<u>106,882</u>	<u>177,722</u>	<u>177,438</u>
Noncurrent liabilities:			
Accrued vacation and sick leave	1,740	1,087	15,775
General obligation bonds payable (net of unamortized discounts)			1,275,000
Ohio Public Works Commission Loans	<u>618,134</u>	<u>829,479</u>	
Total noncurrent liabilities	<u>619,874</u>	<u>830,566</u>	<u>1,290,775</u>
Total liabilities	<u>726,756</u>	<u>1,008,288</u>	<u>1,468,213</u>
NET ASSETS			
Invested in capital assets, net of related debt	5,653,159	3,758,340	3,063,848
Unrestricted	<u>122,366</u>	<u>88,966</u>	<u>3,170,990</u>
Total net assets	<u>\$ 5,775,525</u>	<u>\$ 3,847,306</u>	<u>\$ 6,234,838</u>

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

Business-type Activities - Enterprise Funds			Governmental
Major Funds			Activities
Swimming Pools	Solid Waste	Total	Internal Service Fund - Employee Benefits
\$ 372,084	\$ 184,502	\$ 3,944,221	\$ 840,123
	50,604	157,854	14,198
<u>372,084</u>	<u>235,106</u>	<u>4,102,075</u>	<u>135,194</u>
			<u>989,515</u>
1,236,059		1,236,573	
4,570,343		4,808,587	
		31,730,693	
45,022	700,424	1,662,122	
		126,917	
<u>(360,721)</u>	<u>(641,167)</u>	<u>(18,448,891)</u>	
5,490,703	59,257	21,116,001	
<u>5,490,703</u>	<u>59,257</u>	<u>21,116,001</u>	
\$ <u>5,862,787</u>	\$ <u>294,363</u>	\$ <u>25,218,076</u>	\$ <u>989,515</u>
\$ 2,867	\$ 171,110	\$ 180,383	\$ 306,867
	614	5,307	
1,015		1,015	
495	5,586	30,037	
	25,818	84,724	
		238,081	
		130,000	
<u>4,377</u>	<u>203,128</u>	<u>669,547</u>	<u>306,867</u>
		18,602	
		1,275,000	
		1,447,613	
		2,741,215	
<u>4,377</u>	<u>203,128</u>	<u>3,410,762</u>	<u>306,867</u>
5,490,703	59,257	18,025,307	
367,707	31,978	3,782,007	682,648
\$ <u>5,858,410</u>	\$ <u>91,235</u>	<u>21,807,314</u>	\$ <u>682,648</u>
		75,935	
		\$ <u>21,883,249</u>	

City of Upper Arlington, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2008

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Water Surcharge	Sanitary Sewer Surcharge	Stormwater
Operating revenues:			
Charges for sales and services:			
Charges for services	\$ 338,368	\$ 733,944	\$ 541,393
Total operating revenues	<u>338,368</u>	<u>733,944</u>	<u>541,393</u>
Operating expenses:			
Personal services	78,530	368,979	300,413
Materials and supplies	233,596	104,558	51,249
Self-insurance			
Depreciation	226,620	221,621	259,464
Total operating expenses	<u>538,746</u>	<u>695,158</u>	<u>611,126</u>
Operating income (loss)	<u>(200,378)</u>	<u>38,786</u>	<u>(69,733)</u>
Nonoperating revenues (expenses):			
Grants / Donations			
Investment earnings			158,057
Interest expense	(24,936)	(39,545)	(71,174)
Gain on sale of assets			
Total nonoperating revenue (expenses)	<u>(24,936)</u>	<u>(39,545)</u>	<u>86,883</u>
Income (loss) before contributions	(225,314)	(759)	17,150
Capital contributions	458,465	43,844	527,485
Transfers in			
Transfers out	-	-	-
Change in net assets	233,151	43,085	544,635
Total net assets -- January 1	<u>5,542,374</u>	<u>3,804,221</u>	<u>5,690,203</u>
Total net assets -- December 31	<u>\$ 5,775,525</u>	<u>\$ 3,847,306</u>	<u>\$ 6,234,838</u>

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	
Major Funds			Internal Service Fund - Employee Benefits	
Swimming Pools	Solid Waste	Total		
\$ 639,817	\$ 2,051,840	\$ 4,305,362	\$	3,216,974
<u>639,817</u>	<u>2,051,840</u>	<u>4,305,362</u>		<u>3,216,974</u>
420,587	608,623	1,777,132		
167,636	1,729,014	2,286,053		
				3,273,290
98,105	25,134	830,944		
<u>686,328</u>	<u>2,362,771</u>	<u>4,894,129</u>		<u>3,273,290</u>
<u>(46,511)</u>	<u>(310,931)</u>	<u>(588,767)</u>		<u>(56,316)</u>
	32,340	32,340		
	26,992	185,049		
		(135,655)		
	270,943	270,943		-
<u>-</u>	<u>330,275</u>	<u>352,677</u>		<u>-</u>
(46,511)	19,344	(236,090)		(56,316)
13,837		1,043,631		
	48,032	48,032		
<u>-</u>	<u>(182,716)</u>	<u>(182,716)</u>		<u>-</u>
(32,674)	(115,340)	672,857		(56,316)
5,891,084	206,575			738,964
<u>\$ 5,858,410</u>	<u>\$ 91,235</u>		<u>\$</u>	<u>682,648</u>
		(5,265)		
		<u>\$ 667,592</u>		

City of Upper Arlington, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2008

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Water Surcharge	Sanitary Sewer Surcharge	Stormwater
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 347,868	\$ 749,214	\$ 532,445
Payments to suppliers	(234,230)	(102,053)	(53,550)
Payments to employees	(74,621)	(379,953)	(300,253)
Net cash provided (used) by operating activities	<u>39,017</u>	<u>267,208</u>	<u>178,642</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfer in			
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		(32,335)	(31,080)
Principal paid on capital debt	(94,567)	(180,669)	(125,000)
Interest paid on capital debt	(24,936)	(39,545)	(71,174)
Proceeds from sales of capital assets			
Net cash provided (used) by capital and related financial activities	<u>(119,503)</u>	<u>(252,549)</u>	<u>(227,254)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received			<u>172,227</u>
Net increase (decrease) in cash and cash equivalents	(80,486)	14,659	123,615
Cash and cash equivalents, January 1	<u>193,031</u>	<u>72,131</u>	<u>3,064,685</u>
Cash and cash equivalents, December 31	<u>\$ 112,545</u>	<u>\$ 86,790</u>	<u>\$ 3,188,300</u>

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

Business-type Activities - Enterprise Funds			Governmental Activities	
Major Funds			Internal Service Fund - Employee Benefits	
Swimming Pools	Solid Waste	Total		
\$ 640,447	\$ 2,007,426	\$ 4,277,400	\$	3,203,730
(165,117)	(1,579,234)	(2,134,184)		(3,135,852)
(420,681)	(744,394)	(1,919,902)		
54,649	(316,202)	223,314		67,878
	48,032	48,032		
-	48,032	48,032		-
(14,164)		(77,579)		
		(400,236)		
		(135,655)		
	366,530	366,530		
(14,164)	366,530	(246,940)		-
	26,444	198,671		
40,485	124,804	223,077		67,878
331,599	59,698	3,721,144		772,245
\$ 372,084	\$ 184,502	\$ 3,944,221	\$	840,123

(continued)

City of Upper Arlington, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2008

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Water Surcharge	Sanitary Sewer Surcharge	Stormwater
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (200,378)	\$ 38,786	\$ (69,733)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	226,620	221,621	259,464
(Increase) decrease in accounts receivable	9,500	15,270	(8,948)
(Increase) decrease in due from other funds			
Increase (decrease) in accounts payable	(634)	2,505	(2,301)
Increase (decrease) in due to other funds	498	(230)	(346)
Increase (decrease) in unearned revenue			
Increase (decrease) in accrued liabilities	2,199	1,280	418
Increase (decrease) in accrued vacation and sick leave	1,212	(12,024)	88
Total adjustments	<u>239,395</u>	<u>228,422</u>	<u>248,375</u>
Net cash provided (used) by operating activities	<u>\$ 39,017</u>	<u>\$ 267,208</u>	<u>\$ 178,642</u>
Non cash investing, capital, and financing activities:			
Contributions of capital assets from governmental activities	<u>\$ 458,465</u>	<u>\$ 43,844</u>	<u>\$ 527,485</u>
Increase in fair value of investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,918</u>
Transfer of capital assets to Governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Business-type Activities - Enterprise Funds			Governmental Activities	
Major Funds			Internal Service Fund - Employee Benefits	
Swimming Pool	Solid Waste	Total		
\$ (46,511)	\$ (310,931)	\$ (588,767)	\$	(56,316)
98,105	25,134 (1,523)	830,944 14,299		(14,198) (13,244)
2,519	149,780 (7,366)	151,869 (7,444)		151,636
630	(42,891)	(42,261)		
(94)	(26,432)	(22,629)		
	(101,973)	(112,697)		
101,160	(5,271)	812,081		124,194
<u>\$ 54,649</u>	<u>\$ (316,202)</u>	<u>\$ 223,314</u>	<u>\$</u>	<u>67,878</u>
<u>\$ 13,837</u>	<u>\$ -</u>	<u>\$ 1,043,631</u>		
<u>\$ -</u>	<u>\$ 4,625</u>	<u>\$ 84,543</u>		
<u>\$ -</u>	<u>\$ 182,716</u>	<u>\$ 182,716</u>		

City of Upper Arlington, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2008

	Agency Funds
ASSETS:	
Cash and investments	\$ 1,888,430
Cash with third party fiscal agent	12,523
Total assets	<u>\$ 1,900,953</u>
LIABILITIES:	
Due to others	\$ 1,900,953
Total liabilities	<u>\$ 1,900,953</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, 2008

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, 2008

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 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. As of December 31, 2008, the City has implemented GASB 51 and there was no impact to the financial position and results of operations.

(c) Measurement focus and basis of accounting

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

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

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

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.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2008

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 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 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,

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2008

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, a capital projects fund, receives the proceeds from the issuance of bonds and records expenditures in connection with significant capital projects with useful lives of more than five years. 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 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, Sanitary Sewer Surcharge, Stormwater, Swimming Pools, and Solid Waste Funds are the major proprietary funds of the City. The Water Surcharge, Sanitary Sewer Surcharge, Stormwater, and Solid Waste 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 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.

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.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2008

(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 2008 and remained uncollected at December 31, 2008, and the amount assessed in 2008 for collection in 2009. 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, 2008. 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, 2008 and June 20, 2008 for those taxes due during 2008. 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 County elected not to conduct a revaluation of residential real estate during the most recent November 2008 appraisal period. 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 2008 (other than public utility property) represent the collection of 2008 taxes. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value as of December 31, 2007. Tangible personal property is being phased out; the assessment percentage for property, including inventory, is 6.25% for 2008. This percentage will be phased out to 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, 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.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2008

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.

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

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

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

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2008

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

6. Long-term obligations

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

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

7. Fund equity/Restricted Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purpose. In addition, though unreserved, the City has committed through the budgeting process to a seven-year infrastructure improvement plan of \$45.1 million. Accordingly, the City has set aside \$9,279,207 within capital project funds, and \$228,648 within its debt service fund. Within the General Fund balance, the City has designated \$335,762 for payment of pension obligations and \$6,708,217 for capital acquisitions and related debt. In addition, another \$2,628,056 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, 2008, none of the City's \$6,878,763 restricted net assets on the Statement of Net Assets were restricted by enabling legislation, as defined by GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2008

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, 2008 fair value was \$1,166,156 above the City's net cost for its investments. At December 31, 2007 fair value was \$569,926 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, 2008.

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, 2008 were 55 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, 2008 were 715 days.

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.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2008

(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 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:

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2008

(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.

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, 2008, the carrying value of the City's cash deposits, exclusive of money market funds in the amount of \$717,890 held by bond trustees, was \$1,151,186. \$300,000 of this amount was non-negotiable certificates of deposit. Cash balances per the banks were \$1,323,681. \$500,000 of the City's bank deposits were insured by Federal depository insurance. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of December 31, 2008, \$823,681 of the City's bank balance of \$1,323,681 was exposed to custodial risk as follows:

Uninsured and collateral held by the pledging financial institutions agents not in the City's name	\$ 823,681
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City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2008

The carrying amount of deposits for CIC, a discretely presented component unit, was \$65,998 with a cash balance per the bank of \$65,998. The CIC deposit was insured by Federal depository insurance.

Additionally, within its agency funds, the City had cash on hand with a third-party fiscal agent in the amount of \$12,523.

Investments

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>				
		<u>12 months or less</u>	<u>13 to 24 Months</u>	<u>25 to 36 Months</u>	<u>37 to 48 months</u>	<u>49 to 60 months</u>
STAR Ohio	\$6,041,016	\$6,041,016				
Federal Agency—FFCB	10,024,923		\$4,600,391	\$3,560,782	\$1,863,750	
Federal Agency--FHLB	8,157,968	4,061,562	1,033,750	3,062,656		
Federal Agency--FHLMC	12,741,842	4,579,863	2,038,216	4,136,241	1,987,522	
Federal Agency--FNMA	14,653,594		7,141,250	5,020,938	512,031	\$1,979,375
Total investments	<u>\$51,619,343</u>	<u>\$14,682,441</u>	<u>\$14,813,607</u>	<u>\$15,780,617</u>	<u>\$4,363,303</u>	<u>\$1,979,375</u>

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

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2008

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, 2008:

Investments (summarized previous page)	\$45,578,327
Certificates of deposit	300,000
Carrying amount of the City's deposits	851,186
Star Ohio	6,041,016
Money Market Funds held by Trustee	717,890
Amount held by third party agent	12,523
Total	\$53,500,942
 Governmental Activities	
Governmental Funds	
Cash and investments with treasurer	\$46,815,645
Internal Service Fund	
Cash and investments with treasurer	840,123
	\$47,655,758
 Business-Type Activities	
Enterprise Funds	
Cash and cash equivalents	3,944,221
Total Cash and Investments - Business-Type Activities	3,944,221
 Agency Funds	1,900,953
Total	\$53,500,942

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						
	General	Street	Bond	Estate	Nonmajor	Governmental	Internal
	Obligation	Maint.	Retirement	Tax	Funds	Total	Service
	General	Fund	Fund	Fund	Fund	Fund	Fund
Receivables:							
Interest	\$220,724	\$5,603		\$55,355	\$8,598	\$290,280	
Taxes	14,774,696		827,575			\$15,602,271	
Intergovernmental	2,875,728	780,259	51,294		134,423	\$3,841,704	
Other	515,672				2,695	\$518,367	\$14,198
Total receivables	\$18,386,820	\$785,862	\$878,869	\$55,355	\$145,716	\$20,252,622	\$14,198

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2008

	BUSINESS-TYPE MAJOR FUNDS				Business- type Total
	Water Surcharge	Sanitary Sewer Surcharge	Stormwater	Solid Waste	
Receivables:					
Interest			\$21,448	\$1,241	\$22,689
Customer					
Accounts	\$20,822	\$40,525	24,455	17,023	102,825
Intergovernmental				32,340	32,340
Total receivables	<u>\$20,822</u>	<u>\$40,525</u>	<u>\$45,903</u>	<u>\$50,604</u>	<u>\$157,854</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	\$12,626,086		\$815,308		\$13,441,394
Intergovernmental	1,341,384	\$525,990	51,294	\$134,423	2,053,091
Other	210,836			7,455	218,291
Total deferred revenue	<u>\$14,178,306</u>	<u>\$525,990</u>	<u>\$866,602</u>	<u>\$141,878</u>	<u>\$15,712,776</u>

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2008

Note (4) – Capital Assets

Capital asset activity for the year ended December 31, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$4,454,512				\$4,454,512
Construction in progress	5,962,191	\$6,003,265		(\$6,093,853)	5,871,603
Total capital assets, not being depreciated	10,416,703	6,003,265		(6,093,853)	10,326,115
Capital assets, being depreciated:					
Buildings	9,518,648			219,218	9,737,866
Improvements other than buildings	4,383,213	88,832		397,525	4,869,570
Machinery and equipment	12,959,333	942,138	(152,508)	140,431	13,889,394
Infrastructure	42,546,921	50,896		4,654,999	47,252,816
Total capital assets being depreciated	69,408,115	1,081,866	(152,508)	5,412,173	75,749,646
Less accumulated depreciation for:					
Buildings	8,311,232	87,908		143,710	8,542,850
Improvements other than buildings	1,415,983	94,666			1,510,649
Machinery and equipment	9,630,357	980,914	(142,452)	35,525	10,504,344
Infrastructure	11,735,633	1,679,143			13,414,776
Total accumulated depreciation	31,093,205	2,842,631	(142,452)	179,235	33,972,619
Total capital assets being depreciated, net	38,314,910	(1,760,765)	(10,056)	5,232,938	41,777,027
Governmental capital assets, net	<u>\$48,731,613</u>	<u>\$4,242,500</u>	<u>(\$10,056)</u>	<u>(\$860,915)</u>	<u>\$52,103,142</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$1,236,573				\$1,236,573
Construction in progress	213,640	2,936		(89,659)	126,917
Total capital assets, not being depreciated	1,450,213	2,936		(89,659)	1,363,490
Capital assets, being depreciated:					
Buildings	219,218			(219,218)	-
Improvements other than buildings	4,797,052			11,535	4,808,587
Machinery and equipment	2,371,738	74,643	(643,828)	(140,431)	1,662,122
Infrastructure	30,611,240			1,119,453	31,730,693
Total capital assets being depreciated	37,999,248	74,643	(643,828)	771,339	38,201,402
Less accumulated depreciation for:					
Buildings	143,710			(143,710)	-
Improvements other than buildings	493,423	82,490			575,913
Machinery and equipment	1,872,255	100,662	(548,241)	(35,525)	1,389,151
Infrastructure	15,836,035	647,792			16,483,827
Total accumulated depreciation	18,345,423	830,944	(548,241)	(179,235)	18,448,891
Total capital assets being depreciated, net	19,653,825	(756,301)	(95,587)	950,574	19,752,511
Business-type capital assets, net	<u>\$21,104,038</u>	<u>(\$753,365)</u>	<u>(\$95,587)</u>	<u>\$860,915</u>	<u>\$21,116,001</u>

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2008

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

Governmental activities:	
Public safety	\$ 442,746
General government	294,459
Public services	1,897,015
Parks and recreation	200,914
Community development	7,497
Total depreciation expense - governmental activities	<u>\$ 2,842,631</u>
Business-type activities:	
Water Surcharge	\$ 226,620
Sewer Surcharge	221,621
Stormwater	259,464
Solid Waste	25,134
Swimming pools	98,105
Total depreciation expense - business-type activities	<u>\$ 830,944</u>

Construction commitments

The City has active construction projects as of December 31, 2008. 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>
Fire station construction	\$1,302,544	\$6,559,445
Annual street maintenance	2,398,357	414,000
Ramsgate waterline	1,287,274	187,929
Cranford Road waterline engineering	39,996	57,958
Coventry Road engineering	37,798	53,962
Ridgeview-Farleigh engineering	55,817	28,595
Oxford & Wickliffe engineering	99,657	28,564
Donna/Hillview waterline engineering	56,380	18,138
Collingswood waterline engineering	127,031	12,105
Lyon-Windham Road engineering	95,862	3,415
Henderson Road Corridor study	62,823	750
Riverside waterline engineering	87,797	9,371
Crafton Park waterline engineering	42,071	3,981
Station 71 Parking Lot	175,993	16,441
Other projects	31,510	12,804
Sunny 95 Park	97,610	16,930
Total	<u>\$5,998,520</u>	<u>\$7,424,388</u>

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2008

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, 2008 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 To-----

	Bonded Improvement Fund	General Obligation Bond Retirement Fund	Estate Tax Capital Projects Fund	Nonmajor Governmental Funds	Solid Waste Enterprise Fund	Total
Transfers From: General Fund	\$325,000	\$891,953	\$1,296,225	\$834,451	\$48,032	\$3,395,661
	<u>\$325,000</u>	<u>\$891,953</u>	<u>\$1,295,225</u>	<u>\$834,451</u>	<u>\$48,032</u>	<u>\$3,395,661</u>

Governmental activities received \$182,716 in capital contributions from the Solid Waste Fund during 2008. This amount, which is not included in the schedule above, is shown as a transfer on the statement of revenues, expenses, and changes in net assets – proprietary funds. This amount is included in transfers in governmental activities and business-type activities on the statement of activities. In 2008, the Bonded Improvement Fund received \$325,000 in transfers from the EMS Fund, which is included as part of the General Fund for GAAP reporting purposes.

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, 2008	\$ 27,087,000	\$ 1,405,000
Unamortized premium on bonds	121,550	
Bonds and notes payable per the statement of net assets	<u>\$ 27,208,550</u>	<u>\$ 1,405,000</u>

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2008

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 September 2008, the City issued general obligation bonds in the amount of \$9,972,000. These bonds were issued to repay the \$3,972,000 notes outstanding that were previously issued for various capital improvements such as, but not limited to construction, resurfacing and improvements of the City streets, including wheelchair ramps, curbing, sidewalks, utility installations, improvement of pools, and acquisition and construction of various other capital improvement projects throughout the City. The remaining \$6,000,000 was issued for the purpose of demolishing the Reed Road Fire Station, and constructing, furnishing, and equipping a new Reed Road Fire Station. These bonds were issued with an interest rates ranging from 2.875% to 4.375%, a premium of \$123,089, and related issuance costs of \$120,112. General obligation bonds and notes currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.00% - 6.375%	27,087,000
Business-type activities	2.98% - 4.76%	<u>1,405,000</u>
		<u>\$ 28,492,000</u>

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

<u>Year Ending</u> <u>December 31:</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 1,382,000	\$ 1,202,901	\$ 130,000	\$ 65,799
2010	1,510,000	1,081,482	135,000	60,144
2011	1,560,000	1,026,703	140,000	54,136
2012	1,615,000	968,068	150,000	47,836
2013	1,680,000	905,795	155,000	41,011
2014 – 2018	9,110,000	3,426,241	695,000	86,775
2019 – 2023	6,925,000	1,587,667		
2024 – 2028	3,305,000	439,791		
	<u>\$ 27,087,000</u>	<u>\$ 10,638,648</u>	<u>\$ 1,405,000</u>	<u>\$ 355,701</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 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, 2008

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%	\$ 715,755
Sewer Surcharge	3.50%	969,939
Total		<u>\$ 1,685,694</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>
2009	238,081	54,611
2010	246,192	46,499
2011	254,582	38,110
2012	263,258	29,434
2013	272,231	20,460
2014 – 2016	411,350	15,508
	<u>\$ 1,685,694</u>	<u>\$ 204,622</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 was \$500,000 and bears interest at a rate of 2.4%, and is being repaid over five years in equal installments.

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>
2009	104,846	2,348
Total	<u>\$ 104,846</u>	<u>\$ 2,348</u>

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2008

Changes in long-term liabilities:

Long-term liability activity for the year ended December 31, 2008, was as follows:

	<u>Beginning Balance</u>	<u>Additions/ Accretion</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Debt payable:					
General obligation bonds	\$ 18,004,987	\$9,972,000	\$ 889,987	\$ 27,087,000	\$ 1,382,000
Accretion	168,332	11,680	180,012		
Premium	0	123,089	1,539	121,550	
Long-term note payable	3,972,000		3,972,000		
Installment loan	207,218		102,372	104,846	104,846
Total debt payable	22,352,537	10,106,769	5,145,910	27,313,396	1,486,846
Accrued vacation & sick leave	2,744,366	2,093,349	1,938,823	2,898,892	\$1,191,938
Governmental activity					
Long-term liabilities	\$ 25,096,903	\$ 12,200,118	\$ 7,084,733	\$ 30,212,288	\$ 2,678,784
Business-type activities:					
Debt payable:					
General obligation bonds	\$ 1,575,000		\$ 170,000	\$ 1,405,000	\$ 130,000
Ohio Public Works Comm.	1,915,930		230,236	1,685,694	238,081
Total debt payable	3,490,930	0	400,236	3,090,694	368,081
Accrued vacation & sick leave	216,023	102,363	215,060	103,326	84,724
Business-type activity					
Long-term liabilities	\$ 3,706,953	\$ 102,363	\$ 615,296	\$ 3,194,020	\$ 452,805

Accrued vacation and sick leave will be paid with available resources within the appropriate fund that relates to each particular employee. These funds include the General Fund, the Street Construction Maintenance and Repair Fund, the Life Long Learning and Leisure Fund, the Water Surcharge Fund, the Sanitary Sewer Surcharge Fund, the Stormwater Fund, and the Solid Waste Fund.

Short Term Note

The City repaid short-term bond anticipation notes of \$3,972,000 on October 1, 2008. The notes were originally issued in December 2007 with an interest rate of 3.5% and a premium of \$15,840.

	<u>Beginning balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending balance</u>
Short-term note payable	\$3,972,000		\$3,972,000	

Operating Leases:

The City has no non-cancelable operating leases as of December 31, 2008.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2008

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, 2008 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 \$616,039 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 2006, 2007, and 2008. 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, 2008

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

	<u>2006</u>	
	<u>General Liability</u>	<u>Health Claims</u>
Unpaid claims - January 1, 2006	\$ 10,108	\$ 106,856
Incurred claims	141,085	2,654,296
Payment of claims	<u>(89,244)</u>	<u>(2,644,525)</u>
Unpaid claims - December 31, 2006	<u>\$ 61,949</u>	<u>\$ 116,627</u>
	<u>2007</u>	
Unpaid claims - January 1, 2007	\$ 61,949	\$ 116,627
Incurred 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>
	<u>2008</u>	
Unpaid claims - January 1, 2008	\$ 3,071	\$ 155,231
Incurred claims	39,834	2,927,075
Payment of claims	<u>(36,736)</u>	<u>(2,775,439)</u>
Unpaid claims - December 31, 2008	<u>\$ 6,169</u>	<u>\$ 306,867</u>

A claims liability of \$306,867 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.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2008

Note (9) – Subsequent Event

There were no significant subsequent events.

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, 2008.

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 10.00% of their annual covered salary, while employers are required to contribute 19.50% and 24.00% respectively for police officers and firefighters. The City's required and actual pension contributions to OP&F for police and firefighters for the years ended December 31, 2008, 2007, and 2006 were \$1,981,153, \$1,847,001, and \$1,712,878, 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 Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2008

Funding Policy – The Ohio Revised Code provides statutory authority for members and employer contributions. The 2008 member contribution rates were 10.0% for members in state and local classifications. Public safety and law enforcement members contributed 10.1%.

The City's contribution rate for 2008 was 14.0%. For both the law enforcement and public safety divisions, the employer contribution rate for 2008 was 17.40%. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14%.

The City's required and actual contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$1,256,676, \$1,234,054, and \$1,165,706, respectively.

Note (12) – Post Employment 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 health care program, a cost-sharing multiple-employer defined post employment health care plan administered by OP&F. OP&F provides health care 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 health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22, if attending school full-time or on a 2/3 basis. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statements 12 and 45.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care 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 – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). 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% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts: one for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. For the year ended December 31, 2008, the employer contribution allocated to the health care plan was 6.75% of covered payroll. In addition, since July 1, 1992, most retirees and survivors were required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit. Beginning in 2001, all retirees and survivors have monthly health care contributions. The amount of employer contributions allocated to the health care

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2008

plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401 (h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care 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.

The number of participants eligible to receive health care benefits as of December 31, 2007, the date of the last actuarial valuation available, are 14,295 for Police and 10,583 for Firefighters.

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, 2008, 2007, and 2006 were \$608,884, \$568,328, and \$605,348, respectively.

OP&F's total health care expense for the year ending December 31, 2007, the date of the last actuarial valuation available, was \$92,205,319, which was net of member contributions of \$56,031,875.

Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost-sharing multiple employer defined post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statements 12 and 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB 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 healthcare plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, Attention: Finance Director, 277 E Town St. Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits. The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007, and 2006 were \$628,338, \$492,586, and \$387,364.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, state and local employers contributed at a rate of 14.00% of covered payroll, and public safety and law enforcement employers contributed at 17.40%. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll for state and local employer units and 18.10% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2008

For 2008, the employer contribution allocated to the health care plan was 7.0% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Summary of Assumptions:

Actuarial Review – The assumptions and calculations below were based on OPERS' latest actuarial review performed as of December 31, 2007.

Funding Method – The individual entry age actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

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

Investment Return – The investment assumption rate for 2007 was 6.50%.

Active Employee Total Payroll – An annual increase of 4.00%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. In addition, annual pay increases over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%.

Health Care – Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50% to 4% for the next 7 years. In subsequent years, (8 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

OPEB is advance-funded on an actuarially determined basis. The following disclosures are required.

1. The Traditional Pension and Combined Plans had 363,503 active contributing participants as of December 31, 2008. The number of active contributing participants for both plans used in the December 31, 2007, actuarial valuation was 364,076.
2. The amount of \$12.8 billion represents the actuarial funding value of OPERS' net assets available for OPEB at December 31, 2007.
3. Based on the actuarial cost method used, the Actuarial Valuation as of December 31, 2007, reported the actuarially accrued liability and the unfunded actuarially accrued liability for OPEB at \$29.8 billion and \$17.0 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member 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, 2008

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) (6) 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) – Solid Waste Activities

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. As part of this agreement, Capital assets with a net book value of approximately \$55,082 were sold to Inland for \$366,500. Other capital assets were disposed of, sold or transferred to governmental activities resulting in a net loss of approximately \$40,000. Additionally, the City incurred severance cost in the amount of approximately \$351,000.

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

City of Upper Arlington, Ohio
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2008

	General Fund			
	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>positive (negative)</u>
REVENUES:				
Income tax	\$ 14,027,226	\$ 14,027,226	\$ 13,458,603	\$ (568,623)
Property taxes	8,282,787	8,188,787	8,126,839	(61,948)
Intergovernmental	3,567,388	3,511,388	3,720,247	208,859
Estate Tax	2,100,000	3,370,000	3,396,225	26,225
Charges for services	690,000	690,000	732,857	42,857
Investment earnings	1,250,000	1,256,000	1,490,357	234,357
Fines and forfeits	348,000	348,000	336,954	(11,046)
Licenses and permits	922,000	872,000	862,565	(9,435)
Miscellaneous	787,144	900,431	747,190	(153,241)
Reimbursements	374,200	331,825	287,275	(44,550)
Total revenues	<u>32,348,745</u>	<u>33,495,657</u>	<u>33,159,112</u>	<u>(336,545)</u>
EXPENDITURES:				
Current:				
Police				
Personal services	6,929,242	6,929,242	6,616,112	313,130
Other than personal services	322,450	322,450	281,181	41,269
Capital outlay	141,047	145,605	145,605	-
Fire				
Personal services	7,670,420	7,965,420	7,800,959	164,461
Other than personal services	348,950	316,237	280,898	35,339
Board of Health				
Other than personal services	169,950	186,104	186,104	-
Parks and recreation				
Personal services	2,122,849	2,122,849	2,100,553	22,296
Other than personal services	819,469	832,941	735,725	97,216
Capital outlay	878,600	845,024	407,876	437,148
Development				
Personal services	876,601	883,601	865,996	17,605
Other than personal services	141,450	134,450	94,930	39,520
Public Service Administration				
Personal services	957,508	957,508	757,180	200,328
Other than personal services	43,942	43,942	34,064	9,878
Capital outlay	-	8,195	8,195	-
Streets Administration				
Personal services	324,893	394,893	360,965	33,928
Other than personal services	8,625	79,625	35,352	44,273
Capital outlay	214,870	219,597	216,434	3,163
Fleet Maintenance				
Personal services	831,978	761,028	707,180	53,848
Other than personal services	253,760	239,710	239,707	3
Capital outlay	26,000	36,237	17,265	18,972
City Manager:				
Personal services	1,002,030	1,002,030	961,751	40,279
Other than personal services	197,025	197,025	167,496	29,529
City Attorney				
Personal services	599,117	599,117	585,523	13,594
Other than personal services	132,650	132,650	129,682	2,968
Capital outlay	-	3,949	3,949	-
City Clerk:				
Personal services	284,858	297,858	284,613	13,245
Other than personal services	13,600	13,600	12,340	1,260
	-	27,978	27,978	-

(continued)

City of Upper Arlington, Ohio
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2008
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
City Council:				
Personal services	119,563	119,563	97,160	22,403
Other than personal services	10,090	10,090	6,601	3,489
Clerk of Court				
Personal services	159,911	159,911	157,073	2,838
Other than personal services	155,400	139,400	120,378	19,022
Finance				
Personal services	853,546	853,546	807,734	45,812
Other than personal services	228,894	228,894	211,032	17,862
Facilities Maintenance				
Personal services	213,502	213,513	213,511	2
Other than personal services	840,907	740,896	730,047	10,849
Capital outlay	-	239,397	168,331	71,066
Information Technology				
Personal services	395,493	395,493	384,632	10,861
Other than personal services	503,595	428,595	413,112	15,483
Capital outlay	529,933	514,260	466,435	47,825
General Administration				
Personal services	152,750	295,250	210,508	84,742
Other than personal services	1,462,000	1,906,500	1,698,480	208,020
 Total expenditures	<u>30,937,468</u>	<u>31,944,173</u>	<u>29,750,647</u>	<u>2,193,526</u>
 Excess (deficiency) of revenues over expenditures	1,411,277	1,551,484	3,408,465	1,856,981
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of Capital outlay assets	-	-	25,031	25,031
Operating transfers-out	(2,738,323)	(3,606,034)	(3,070,661)	535,373
 Total other financing sources (uses)	<u>(2,738,323)</u>	<u>(3,606,034)</u>	<u>(3,045,630)</u>	<u>560,404</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(1,327,046)	(2,054,550)	362,835	2,417,385
 Fund balances at beginning of year	23,363,002	23,363,002	23,363,002	
Lapsed encumbrances	60,531	60,531	60,531	
Fund balances at end of year	<u>\$ 22,096,487</u>	<u>\$ 21,368,983</u>	<u>\$ 23,786,368</u>	<u>\$ 2,417,385</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	\$ 362,835
(Increases) decreases from revenues	770,749
(Increases) decreases from expenditures	113,904
Change in EMS Fund budgeted as special revenue fund	293,965
 Net change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 1,541,453</u>

City of Upper Arlington, Ohio
 Budgetary Comparison Schedule
 Street Construction and Maintenance Repair Fund
 For the Year Ended December 31, 2008

	Street Construction Maintenance and Repair Fund			
	Original Budget	Final Budget	Actual	Variance positive (negative)
REVENUES:				
Intergovernmental	\$ 1,540,000	\$ 1,598,598	\$ 1,618,006	\$ 19,408
Charges for services	-	-	1,180	1,180
Investment earnings	39,000	49,000	33,891	(15,109)
Reimbursements	12,000	12,000	16,879	4,879
Total revenues	<u>1,591,000</u>	<u>1,659,598</u>	<u>1,669,956</u>	<u>10,358</u>
EXPENDITURES:				
Current:				
Streets Division				
Personal services	910,327	910,327	828,394	81,933
Other than personal services	310,050	350,050	341,477	8,573
Electrical Division				
Personal services	467,143	467,143	398,590	68,553
Other than personal services	160,400	160,400	158,898	1,502
Total expenditures	<u>1,847,920</u>	<u>1,887,920</u>	<u>1,727,359</u>	<u>160,561</u>
Excess (deficiency) of revenues over expenditures	(256,920)	(228,322)	(57,403)	170,919
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	(256,920)	(228,322)	(57,403)	170,919
Fund balances at beginning of year	862,332	862,332	862,332	
Fund balances at end of year	<u>\$ 605,412</u>	<u>\$ 634,010</u>	<u>\$ 804,929</u>	<u>\$ 170,919</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	\$ (57,403)
(Increases) decreases from revenues	(5,731)
(Increases) decreases from expenditures	5,554
Net change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ (57,580)</u>

City of Upper Arlington, Ohio
Notes to the Required Supplementary Information
December 31, 2008

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 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 2008, various transfers of appropriations and supplemental appropriations were made in the following amounts:

General Fund	\$1,874,416
Special Revenue Funds	\$41,628
Debt Service Fund	\$3,568,854
Capital Project Funds	\$445,000
Enterprise Funds	\$255,500

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 \$1,874,416 and is summarized as follows:

- ❑ \$1,291,081 in fund transfers to capital projects funds.
- ❑ \$199,792 for purchases of capital equipment and improvements.
- ❑ (\$156,370) reduction in budgeted subsidies to other funds.
- ❑ \$70,759 in appropriations of grants and donations received by the City.
- ❑ \$255,000 for additional salaries and benefits in connection with the bargaining unit agreement with the firefighters.

City of Upper Arlington, Ohio
Notes to the Required Supplementary Information
December 31, 2008

- ❑ \$50,000 for support to the City's Community Improvement Corporation.
- ❑ \$16,154 for increases in City's contract with the county health department.
- ❑ \$(52,000) reduction in budgeted salaries due to staffing vacancies net of increases due to changes in employee health care elections.
- ❑ \$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, 2008

	General Operating Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Income tax	\$ 12,157,397	\$ 12,157,397	\$ 11,665,267	\$ (492,130)
Property taxes	5,485,279	5,405,279	5,366,795	(38,484)
Intergovernmental	3,170,000	3,050,000	3,274,301	224,301
Estate Tax	2,100,000	3,370,000	3,396,225	26,225
Charges for services	690,000	690,000	732,857	42,857
Investment earnings	1,220,000	1,220,000	1,463,898	243,898
Fines and forfeits	348,000	348,000	336,954	(11,046)
Licenses and permits	922,000	872,000	862,565	(9,435)
Miscellaneous	661,000	774,287	633,718	(140,569)
Reimbursements	309,200	266,825	249,275	(17,550)
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	27,062,876	28,153,788	27,981,855	(171,933)
EXPENDITURES:				
Current:				
Police				
Personal services	6,929,242	6,929,242	6,616,112	313,130
Other than personal services	322,450	322,450	281,181	41,269
Fire				
Personal services	7,670,420	7,965,420	7,800,959	164,461
Other than personal services	348,950	316,237	280,898	35,339
Board of Health				
Other than personal services	169,950	186,104	186,104	-
Parks and recreation				
Personal services	2,122,849	2,122,849	2,100,553	22,296
Other than personal services	819,469	832,941	735,725	97,216
Development				
Personal services	876,601	883,601	865,996	17,605
Other than personal services	141,450	134,450	94,930	39,520
Public Service Administration				
Personal services	957,508	957,508	757,180	200,328
Other than personal services	43,942	43,942	34,064	9,878
Streets Administration				
Personal services	324,893	394,893	360,965	33,928
Other than personal services	8,625	79,625	35,352	44,273
Fleet Maintenance				
Personal services	831,978	761,028	707,180	53,848
Other than personal services	253,760	239,710	239,707	3
City Manager:				
Personal services	1,002,030	1,002,030	961,751	40,279
Other than personal services	197,025	197,025	167,496	29,529
City Attorney				
Personal services	599,117	599,117	585,523	13,594
Other than personal services	132,650	132,650	129,682	2,968
City Clerk:				
Personal services	284,858	297,858	284,613	13,245
Other than personal services	13,600	13,600	12,340	1,260
City Council:				
Personal services	119,563	119,563	97,160	22,403
Other than personal services	10,090	10,090	6,600	3,490
Clerk of Court				
Personal services	159,911	159,911	157,073	2,838
Other than personal services	155,400	139,400	120,378	19,022

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	853,546	853,546	807,734	45,812
Other than personal services	121,500	121,500	103,638	17,862
Facilities Maintenance				
Personal services	213,502	213,513	213,511	2
Other than personal services	840,907	740,896	730,047	10,849
Information Technology				
Personal services	395,493	395,493	384,632	10,861
Other than personal services	503,595	428,595	413,112	15,483
General Administration				
Personal services	152,750	295,250	210,508	84,742
Other than personal services	1,412,000	1,832,703	1,624,683	208,020
 Total expenditures	<u>28,989,624</u>	<u>29,722,740</u>	<u>28,107,387</u>	<u>1,615,353</u>
 Excess (deficiency) of revenues over expenditures	<u>(1,926,748)</u>	<u>(1,568,952)</u>	<u>(125,532)</u>	<u>1,443,420</u>
 <u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from sale of capital assets	-	-	25,031	25,031
Interaccount transfers-in	2,456,152	2,456,152	2,397,817	(58,335)
Operating transfers-in				
Operating transfers-out	<u>(1,366,370)</u>	<u>(2,234,081)</u>	<u>(2,178,708)</u>	<u>55,373</u>
Total other financing sources (uses)	<u>1,089,782</u>	<u>222,071</u>	<u>244,140</u>	<u>22,069</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(836,966)</u>	<u>(1,346,881)</u>	<u>118,608</u>	<u>1,465,489</u>
 Fund balances at beginning of year	16,327,308	16,327,308	16,327,308	
Lapsed encumbrances	45,084	45,084	45,084	
 Fund balances at end of year	<u>\$ 15,535,426</u>	<u>\$ 15,025,511</u>	<u>\$ 16,491,000</u>	<u>\$ 1,465,489</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, 2008

	Capital Asset Management Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Income tax	\$ 1,869,829	\$ 1,869,829	\$ 1,793,336	\$ (76,493)
Total revenues	<u>1,869,829</u>	<u>1,869,829</u>	<u>1,793,336</u>	<u>(76,493)</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>1,762,435</u>	<u>1,762,435</u>	<u>1,685,942</u>	<u>(76,493)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-out	<u>(1,371,953)</u>	<u>(1,371,953)</u>	<u>(891,953)</u>	<u>480,000</u>
Total other financing sources (uses)	<u>(1,371,953)</u>	<u>(1,371,953)</u>	<u>(891,953)</u>	<u>480,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	390,482	390,482	793,989	403,507
Fund balances at beginning of year	4,293,832	4,293,832	4,293,832	
Fund balances at end of year	<u>\$ 4,684,314</u>	<u>\$ 4,684,314</u>	<u>\$ 5,087,821</u>	<u>\$ 403,507</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, 2008

	Police and Fire Pension Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Property taxes	\$ 2,097,508	\$ 2,097,508	\$ 2,084,286	\$ (13,222)
Intergovernmental	314,829	314,829	298,902	(15,927)
Total revenues	<u>2,412,337</u>	<u>2,412,337</u>	<u>2,383,188</u>	<u>(29,149)</u>
EXPENDITURES:				
Current:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>2,412,337</u>	<u>2,412,337</u>	<u>2,383,188</u>	<u>(29,149)</u>
OTHER FINANCING SOURCES (USES):				
Interaccount transfers-out	(2,456,152)	(2,456,152)	(2,397,817)	58,335
Total other financing sources (uses)	<u>(2,456,152)</u>	<u>(2,456,152)</u>	<u>(2,397,817)</u>	<u>58,335</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(43,815)	(43,815)	(14,629)	29,186
Fund balances at beginning of year	314,224	314,224	314,224	-
Fund balances at end of year	<u>\$ 270,409</u>	<u>\$ 270,409</u>	<u>\$ 299,595</u>	<u>\$ 29,186</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, 2008

	Capital Equipment Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Property taxes	\$700,000	\$686,000	\$675,758	(\$10,242)
Intergovernmental	82,559	146,559	147,044	485
Total revenues	<u>782,559</u>	<u>832,559</u>	<u>822,802</u>	<u>(9,757)</u>
EXPENDITURES:				
Current:				
Police				
Capital outlay	141,047	145,605	145,605	-
Parks and recreation				
Capital Outlay	878,600	845,024	407,876	437,148
Public Service Administration				
Capital Outlay	-	8,195	8,195	-
Streets Administration				
Capital Outlay	214,870	219,597	216,435	3,162
Fleet Maintenance				
Capital Outlay	26,000	36,237	17,265	18,972
City Attorney				
Capital outlay	-	3,949	3,949	-
City Clerk				
Capital outlay	-	27,978	27,978	-
Facilities Maintenance				
Capital Outlay	-	239,397	168,331	71,066
Information Technology				
Capital outlay	410,933	395,260	348,329	46,931
Total expenditures	<u>1,671,450</u>	<u>1,921,242</u>	<u>1,343,963</u>	<u>577,279</u>
Excess (deficiency) of revenues over expenditures	<u>(888,891)</u>	<u>(1,088,683)</u>	<u>(521,161)</u>	<u>567,522</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	(888,891)	(1,088,683)	(521,161)	567,522
Fund balances at beginning of year	1,839,033	1,839,033	1,839,033	-
Lapsed encumbrances	15,447	15,447	15,447	-
Fund balances at end of year	<u>\$ 965,589</u>	<u>\$ 765,797</u>	<u>\$ 1,333,319</u>	<u>\$ 567,522</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, 2008

	Self-Insured Loss Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Investment earnings	\$ 30,000	\$ 36,000	\$ 26,459	\$ (9,541)
Reimbursements	65,000	65,000	38,000	(27,000)
 Total revenues	<u>95,000</u>	<u>101,000</u>	<u>64,459</u>	<u>(36,541)</u>
EXPENDITURES:				
Current:				
General Administration				
Other than personal services	50,000	73,797	73,797	-
 Total expenditures	<u>50,000</u>	<u>73,797</u>	<u>73,797</u>	<u>-</u>
 Excess (deficiency) of revenues over expenditures	<u>45,000</u>	<u>27,203</u>	<u>(9,338)</u>	<u>(36,541)</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	45,000	27,203	(9,338)	(36,541)
 Fund balances at beginning of year	571,669	571,669	571,669	-
 Fund balances at end of year	<u>\$ 616,669</u>	<u>\$ 598,872</u>	<u>\$ 562,331</u>	<u>\$ (36,541)</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, 2008

	Communications and Technology Account			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Miscellaneous	\$ 126,144	\$ 126,144	\$ 113,472	\$ (12,672)
Total revenues	<u>126,144</u>	<u>126,144</u>	<u>113,472</u>	<u>(12,672)</u>
<u>EXPENDITURES:</u>				
Current:				
Information Technology				
Capital outlay	119,000	119,000	118,106	894
Total expenditures	<u>119,000</u>	<u>119,000</u>	<u>118,106</u>	<u>894</u>
Excess (deficiency) of revenues over expenditures	<u>7,144</u>	<u>7,144</u>	<u>(4,634)</u>	<u>(11,778)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>7,144</u>	<u>7,144</u>	<u>(4,634)</u>	<u>(11,778)</u>
Fund balances at beginning of year	16,936	16,936	16,936	
Fund balances at end of year	<u>\$ 24,080</u>	<u>\$ 24,080</u>	<u>\$ 12,302</u>	<u>\$ (11,778)</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, 2008

	Total General Fund Accounts			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Income tax	\$ 14,027,226	\$ 14,027,226	\$ 13,458,603	\$ (568,623)
Property taxes	8,282,787	8,188,787	8,126,839	(61,948)
Intergovernmental	3,567,388	3,511,388	3,720,247	208,859
Estate Tax	2,100,000	3,370,000	3,396,225	26,225
Charges for services	690,000	690,000	732,857	42,857
Investment earnings	1,250,000	1,256,000	1,490,357	234,357
Fines and forfeits	348,000	348,000	336,954	(11,046)
Licenses and permits	922,000	872,000	862,565	(9,435)
Miscellaneous	787,144	900,431	747,190	(153,241)
Reimbursements	374,200	331,825	287,275	(44,550)
 Total revenues	 <u>32,348,745</u>	 <u>33,495,657</u>	 <u>33,159,112</u>	 <u>(336,545)</u>
EXPENDITURES:				
Current:				
Police				
Personal services	6,929,242	6,929,242	6,616,112	313,130
Other than personal services	322,450	322,450	281,181	41,269
Capital outlay	141,047	145,605	145,605	-
Fire				
Personal services	7,670,420	7,965,420	7,800,959	164,461
Other than personal services	348,950	316,237	280,898	35,339
Board of Health				
Other than personal services	169,950	186,104	186,104	-
Parks and recreation				
Personal services	2,122,849	2,122,849	2,100,553	22,296
Other than personal services	819,469	832,941	735,725	97,216
Capital outlay	878,600	845,024	407,876	437,148
Development				
Personal services	876,601	883,601	865,996	17,605
Other than personal services	141,450	134,450	94,930	39,520
Public Service Administration				
Personal services	957,508	957,508	757,180	200,328
Other than personal services	43,942	43,942	34,064	9,878
Capital outlay	-	8,195	8,195	-
Streets Administration				
Personal services	324,893	394,893	360,965	33,928
Other than personal services	8,625	79,625	35,352	44,273
Capital outlay	214,870	219,597	216,435	3,162
Fleet Maintenance				
Personal services	831,978	761,028	707,180	53,848
Other than personal services	253,760	239,710	239,707	3
Capital outlay	26,000	36,237	17,265	18,972
City Manager:				
Personal services	1,002,030	1,002,030	961,751	40,279
Other than personal services	197,025	197,025	167,496	29,529
City Attorney				
Personal services	599,117	599,117	585,523	13,594
Other than personal services	132,650	132,650	129,682	2,968
Capital outlay	-	3,949	3,949	-
City Clerk:				
Personal services	284,858	297,858	284,613	13,245
Other than personal services	13,600	13,600	12,340	1,260
Capital outlay	-	27,978	27,978	-
City Council:				
Personal services	119,563	119,563	97,160	22,403
Other than personal services	10,090	10,090	6,600	3,490

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, 2008

Clerk of Court				
Personal services	159,911	159,911	157,073	2,838
Other than personal services	155,400	139,400	120,378	19,022
Finance				
Personal services	853,546	853,546	807,734	45,812
Other than personal services	228,894	228,894	211,032	17,862
Facilities Maintenance				
Personal services	213,502	213,513	213,511	2
Other than personal services	840,907	740,896	730,047	10,849
Capital outlay	-	239,397	168,331	71,066
Information Technology				
Personal services	395,493	395,493	384,632	10,861
Other than personal services	503,595	428,595	413,112	15,483
Capital outlay	529,933	514,260	466,435	47,825
General Administration				
Personal services	152,750	295,250	210,508	84,742
Other than personal services	1,462,000	1,906,500	1,698,480	208,020
Total expenditures	<u>30,937,468</u>	<u>31,944,173</u>	<u>29,750,647</u>	<u>2,193,526</u>
Excess (deficiency) of revenues over expenditures	<u>1,411,277</u>	<u>1,551,484</u>	<u>3,408,465</u>	<u>1,856,981</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from sale of capital assets	-	-	25,031	25,031
Operating transfers-out	(2,738,323)	(3,606,034)	(3,070,661)	535,373
Interaccount transfers-in	2,456,152	2,456,152	2,397,817	(58,335)
Interaccount transfers-out	<u>(2,456,152)</u>	<u>(2,456,152)</u>	<u>(2,397,817)</u>	<u>58,335</u>
Total other financing sources (uses)	<u>(2,738,323)</u>	<u>(3,606,034)</u>	<u>(3,045,630)</u>	<u>560,404</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(1,327,046)	(2,054,550)	362,835	2,417,385
Fund balances at beginning of year	23,363,002	23,363,002	23,363,002	-
Lapsed encumbrances	60,531	60,531	60,531	-
Fund balances at end of year	<u>\$ 22,096,487</u>	<u>\$ 21,368,983</u>	<u>\$ 23,786,368</u>	<u>\$ 2,417,385</u>



CITY OF | **UPPER ARLINGTON**

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Schedule 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, 2008

General Obligation Bond Retirement Fund				
REVENUES:	Adopted Budget	Revised Budget	Actual	Variance
Property taxes	\$ 747,174	\$ 747,174	\$ 713,845	\$ (33,329)
Intergovernmental	75,000	75,000	85,399	10,399
Total revenues	<u>822,174</u>	<u>822,174</u>	<u>799,244</u>	<u>(22,930)</u>
EXPENDITURES:				
Current:				
Finance				
Other than personal services	6,853,107	10,298,872	10,298,871	1
Total expenditures	<u>6,853,107</u>	<u>10,298,872</u>	<u>10,298,871</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	<u>(6,030,933)</u>	<u>(9,476,698)</u>	<u>(9,499,627)</u>	<u>(22,929)</u>
OTHER FINANCING SOURCES (USES):				
Bonding of notes	-	3,972,000	3,972,000	-
Bond premium	-	-	123,089	123,089
Bond issuance costs	-	(123,089)	(120,113)	2,976
Operating transfers-in	2,095,152	2,095,152	1,135,152	(960,000)
Total other financing sources (uses)	<u>2,095,152</u>	<u>5,944,063</u>	<u>5,110,128</u>	<u>(833,935)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(3,935,781)</u>	<u>(3,532,635)</u>	<u>(4,389,499)</u>	<u>(856,864)</u>
Fund balances at beginning of year	4,605,880	4,605,880	4,605,880	-
Fund balances at end of year	<u>\$ 670,099</u>	<u>\$ 1,073,245</u>	<u>\$ 216,381</u>	<u>\$ (856,864)</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, 2008

	Bonded Improvement Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Investment earnings	\$ 300,000	\$ 300,000	\$ 23,894	\$ (276,106)
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>23,894</u>	<u>(276,106)</u>
EXPENDITURES:				
Current:				
Fire				
Capital	6,000,000	6,430,500	6,415,684	14,816
Streets				
Capital	-	7,300	7,290	10
Finance				
Other than personal services	-	7,200	7,200	-
Total expenditures	<u>6,000,000</u>	<u>6,445,000</u>	<u>6,430,174</u>	<u>14,826</u>
Excess (deficiency) of revenues over expenditures	<u>(5,700,000)</u>	<u>(6,145,000)</u>	<u>(6,406,280)</u>	<u>(261,280)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of bonds	10,000,000	6,000,000	6,000,000	-
Transfers in	-	325,000	325,000	-
Total other financing sources (uses)	<u>10,000,000</u>	<u>6,325,000</u>	<u>6,325,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	4,300,000	180,000	(81,280)	(261,280)
Fund balances at beginning of year	133,037	133,037	133,037	-
Lapsed encumbrances	332,243	332,243	332,243	-
Fund balances at end of year	<u>\$ 4,765,280</u>	<u>\$ 645,280</u>	<u>\$ 384,000</u>	<u>\$ (261,280)</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, 2008

	Estate Tax Capital Projects Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Investment earnings	\$ 375,000	\$ 545,000	\$ 428,040	\$ (116,960)
Total revenues	<u>375,000</u>	<u>545,000</u>	<u>428,040</u>	<u>(116,960)</u>
EXPENDITURES:				
Current:				
Streets				
Capital	4,702,000	4,702,000	3,877,920	824,080
Total expenditures	<u>4,702,000</u>	<u>4,702,000</u>	<u>3,877,920</u>	<u>824,080</u>
Excess (deficiency) of revenues over expenditures	<u>(4,327,000)</u>	<u>(4,157,000)</u>	<u>(3,449,880)</u>	<u>707,120</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-in	-	1,296,225	1,296,225	-
Total other financing sources (uses)	<u>-</u>	<u>1,296,225</u>	<u>1,296,225</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(4,327,000)</u>	<u>(2,860,775)</u>	<u>(2,153,655)</u>	<u>707,120</u>
Fund balances at beginning of year	9,538,100	9,538,100	9,538,100	-
Lapsed encumbrances	106,340	106,340	106,340	-
Fund balances at end of year	<u>\$ 5,317,440</u>	<u>\$ 6,783,665</u>	<u>\$ 7,490,785</u>	<u>\$ 707,120</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, 2008

ASSETS	Law Enforcement	Enforcement Education	Civil Service
Cash, cash equivalents and investments	\$ 818,968	\$ 18,800	\$ 27,445
Receivables (net of allowance for uncollectibles)	5,509		
Total assets	<u>\$ 824,477</u>	<u>\$ 18,800</u>	<u>\$ 27,445</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable			
Due to other funds			
Deferred revenue			
Accrued liabilities			
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Reserved for:			
Encumbrances			
Unreserved, reported in:			
Special revenue funds	\$ 824,477	\$ 18,800	\$ 27,445
Capital project funds			
Debt service funds			
Total fund balances	<u>824,477</u>	<u>18,800</u>	<u>27,445</u>
Total liabilities and fund balances	<u>\$ 824,477</u>	<u>\$ 18,800</u>	<u>\$ 27,445</u>

Tax Incentive Review	Tree Planting	Life Long Learning & Leisure	Mayor's Court Computer	Clerk of Court
\$ 23,812	\$ 24,956	\$ 37,966	\$ 69,788	\$ 60,326
<u>\$ 23,812</u>	<u>\$ 24,956</u>	<u>\$ 37,966</u>	<u>\$ 69,788</u>	<u>\$ 60,326</u>
		\$ 10,179	\$ 30	\$ 7
		55		
		4,760		
		2,796		
<u>-</u>	<u>-</u>	<u>17,790</u>	<u>30</u>	<u>7</u>
		263		
\$ 23,812	\$ 24,956	19,913	69,758	60,319
<u>23,812</u>	<u>24,956</u>	<u>20,176</u>	<u>69,758</u>	<u>60,319</u>
<u>\$ 23,812</u>	<u>\$ 24,956</u>	<u>\$ 37,966</u>	<u>\$ 69,788</u>	<u>\$ 60,326</u>

(continued)

City of Upper Arlington, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2008

	Neighborhood Lighting	Economic Development Venture	Total Nonmajor Special Revenue
ASSETS			
Cash, cash equivalents and investments	\$ 459,120	\$ 330,703	\$ 1,871,884
Receivables (net of allowance for uncollectibles)	5,784		11,293
Total assets	<u>\$ 464,904</u>	<u>\$ 330,703</u>	<u>\$ 1,883,177</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 238	\$ -	\$ 10,454
Due to other funds	108		163
Deferred revenue	2,695		7,455
Accrued liabilities	399		3,195
Total liabilities	<u>3,440</u>	<u>-</u>	<u>21,267</u>
Fund balances:			
Reserved for:			
Encumbrances	7,695	253,200	261,158
Unreserved, reported in:			
Special revenue funds	453,769	77,503	1,600,752
Capital project funds			
Debt service funds			
Total fund balances	<u>461,464</u>	<u>330,703</u>	<u>1,861,910</u>
Total liabilities and fund balances	<u>\$ 464,904</u>	<u>\$ 330,703</u>	<u>\$ 1,883,177</u>

Capital Projects			Total
Infrastructure Improvement	Chelsea TIF	Horizon TIF	Nonmajor Governmental Funds
\$ 1,190,837	\$ 303,153	\$ 232,428	\$ 3,598,302
133,457	966		145,716
<u>\$ 1,324,294</u>	<u>\$ 304,119</u>	<u>\$ 232,428</u>	<u>\$ 3,744,018</u>
\$ 6,662	163		\$ 17,279
133,457	966		163
			141,878
			3,195
<u>140,119</u>	<u>1,129</u>	<u>-</u>	<u>162,515</u>
576,042			837,200
			1,600,752
608,133	\$ 302,990	\$ 232,428	1,143,551
<u>1,184,175</u>	<u>302,990</u>	<u>232,428</u>	<u>3,581,503</u>
<u>\$ 1,324,294</u>	<u>\$ 304,119</u>	<u>\$ 232,428</u>	<u>\$ 3,744,018</u>

City of Upper Arlington, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2008

	<u>Law Enforcement</u>	<u>Enforcement Education</u>	<u>Civil Service</u>
REVENUES			
Intergovernmental	\$ 6,596		
Charges for services			
Fines and forfeits		\$ 2,803	
Investment earnings	53,267		
Net increase in fair value of investments	8,675		
Miscellaneous	25		
Total revenues	<u>68,563</u>	<u>2,803</u>	<u>-</u>
EXPENDITURES			
Current:			
Public Safety	\$ 7,665		
General Government			\$ 7,600
Public Services			
Parks and Recreation			
Community Development			
Health Services			
Debt service:			
Principal			
Interest			
Capital outlay:			
Capital outlay			
Total expenditures	<u>7,665</u>	<u>-</u>	<u>7,600</u>
Excess (deficiency) of revenues over (under) expenditures	60,898	2,803	(7,600)
OTHER FINANCING SOURCES (USES)			
Transfers in			30,000
Proceeds from sale of capital assets	69,014		
Total other financing sources and uses	<u>69,014</u>	<u>-</u>	<u>30,000</u>
Net change in fund balances	129,912	2,803	22,400
Fund balances -- January 1	694,565	15,997	5,045
Fund balances -- December 31	<u>\$ 824,477</u>	<u>\$ 18,800</u>	<u>\$ 27,445</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>
	\$ 13,580	\$ 252,847	\$ 10,956	\$ 10,957
<u>\$ 4,227</u>	<u>13,580</u>	<u>252,847</u>	<u>10,956</u>	<u>10,957</u>
			5,548	12,630
	8,478	286,288		
<u>-</u>	<u>8,478</u>	<u>286,288</u>	<u>5,548</u>	<u>12,630</u>
4,227	5,102	(33,441)	5,408	(1,673)
		54,451		
<u>-</u>	<u>-</u>	<u>54,451</u>	<u>-</u>	<u>-</u>
4,227	5,102	21,010	5,408	(1,673)
<u>19,585</u>	<u>19,854</u>	<u>(834)</u>	<u>64,350</u>	<u>61,992</u>
<u>\$ 23,812</u>	<u>\$ 24,956</u>	<u>\$ 20,176</u>	<u>\$ 69,758</u>	<u>\$ 60,319</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, 2008

	Neighborhood Lighting	Economic Development Venture	Total Nonmajor Special Revenue
REVENUES			
Intergovernmental			\$ 6,596
Charges for services	\$ 61,077		327,504
Fines and forfeits			24,716
Investment earnings	18,332		71,599
Net increase in fair value of investments	4,280		12,955
Miscellaneous			4,252
Total revenues	<u>83,689</u>	<u>-</u>	<u>447,622</u>
EXPENDITURES			
Current:			
Public Safety			25,843
General Government		\$ 172,187	179,787
Public Services	44,688		44,688
Parks and Recreation			294,766
Community Development			
Health Services			
Debt service:			
Principal			
Interest			
Capital outlay:			
Capital outlay		-	
Total expenditures	<u>44,688</u>	<u>172,187</u>	<u>545,084</u>
Excess (deficiency) of revenues over (under) expenditures	39,001	(172,187)	(97,462)
OTHER FINANCING SOURCES (USES)			
Transfers in			84,451
Proceeds from sale of capital assets			69,014
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>153,465</u>
Net change in fund balances	39,001	(172,187)	56,003
Fund balances -- January 1	422,463	502,890	1,805,907
Fund balances -- December 31	<u>\$ 461,464</u>	<u>\$ 330,703</u>	<u>\$ 1,861,910</u>

Capital Projects			Total
Infrastructure Improvement	Chelsea TIF	Horizon TIF	Nonmajor Governmental Funds
282,500	\$ 219,060	\$ 75,935	\$ 584,091
			327,504
			24,716
			71,599
			12,955
			4,252
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,025,117</u>
<u>282,500</u>	<u>219,060</u>	<u>75,935</u>	
			25,843
			179,787
	163		44,851
			294,766
\$ 1,016,078	-	-	1,016,078
<u>1,016,078</u>	<u>163</u>	<u>-</u>	<u>1,561,325</u>
(733,578)	218,897	75,935	(536,208)
750,000			834,451
			69,014
<u>750,000</u>	<u>-</u>	<u>-</u>	<u>903,465</u>
16,422	218,897	75,935	367,257
1,167,753	84,093	156,493	3,214,246
<u>\$ 1,184,175</u>	<u>\$ 302,990</u>	<u>\$ 232,428</u>	<u>\$ 3,581,503</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, 2008

	Law Enforcement Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Investment earnings	\$ 34,000	\$ 46,000	\$ 55,870	\$ 9,870
Intergovernmental	-	-	6,596	6,596
Miscellaneous	7,500	7,500	25	(7,475)
Total revenues	<u>41,500</u>	<u>53,500</u>	<u>62,491</u>	<u>8,991</u>
<u>EXPENDITURES:</u>				
Current:				
Police				
Other than personal services	25,000	37,000	7,665	29,335
Total expenditures	<u>25,000</u>	<u>37,000</u>	<u>7,665</u>	<u>29,335</u>
Excess (deficiency) of revenues over expenditures	<u>16,500</u>	<u>16,500</u>	<u>54,826</u>	<u>38,326</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from sale of capital assets	115,000	115,000	69,014	(45,986)
Total other financing sources (uses)	<u>115,000</u>	<u>115,000</u>	<u>69,014</u>	<u>(45,986)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	131,500	131,500	123,840	(7,660)
Fund balances at beginning of year	674,588	674,588	674,588	-
Fund balances at end of year	<u>\$ 806,088</u>	<u>\$ 806,088</u>	<u>\$ 798,428</u>	<u>\$ (7,660)</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, 2008

	Enforcement Education Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Fines and forfeitures	\$ 2,800	\$ 2,800	\$ 2,803	\$ 3
Total revenues	<u>2,800</u>	<u>2,800</u>	<u>2,803</u>	<u>3</u>
<u>EXPENDITURES:</u>				
Current:				
Police				
Other than personal services	2,800	2,800	-	2,800
Total expenditures	<u>2,800</u>	<u>2,800</u>	<u>-</u>	<u>2,800</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>2,803</u>	<u>2,803</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>2,803</u>	<u>2,803</u>
Fund balances at beginning of year	15,997	15,997	15,997	-
Fund balances at end of year	<u>\$ 15,997</u>	<u>\$ 15,997</u>	<u>\$ 18,800</u>	<u>\$ 2,803</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, 2008

	Civil Service Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:				
Current:				
City Manager:				
Other than personal services	30,000	30,000	7,600	22,400
Total expenditures	30,000	30,000	7,600	22,400
Excess (deficiency) of revenues over expenditures	(30,000)	(30,000)	(7,600)	22,400
OTHER FINANCING SOURCES (USES):				
Operating transfers-in	30,000	30,000	30,000	-
Total other financing sources (uses)	30,000	30,000	30,000	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	-	22,400	22,400
Fund balances at beginning of year	5,045	5,045	5,045	-
Fund balances at end of year	\$ 5,045	\$ 5,045	\$ 27,445	\$ 22,400

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, 2008

	Tax Incentive Review Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Miscellaneous	\$ 4,500	\$ 4,500	\$ 4,227	\$ (273)
Total revenues	<u>4,500</u>	<u>4,500</u>	<u>4,227</u>	<u>(273)</u>
EXPENDITURES:				
Current:				
Finance				
Other than personal services	2,500	2,500	-	2,500
Total expenditures	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Excess (deficiency) of revenues over expenditures	<u>2,000</u>	<u>2,000</u>	<u>4,227</u>	<u>2,227</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	4,227	2,227
Fund balances at beginning of year	19,585	19,585	19,585	-
Fund balances at end of year	<u>\$ 21,585</u>	<u>\$ 21,585</u>	<u>\$ 23,812</u>	<u>\$ 2,227</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, 2008

	Tree Planting Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Charges for services	\$ 13,500	\$ 13,500	\$ 13,580	\$ 80
Total revenues	<u>13,500</u>	<u>13,500</u>	<u>13,580</u>	<u>80</u>
<u>EXPENDITURES:</u>				
Current:				
Parks and recreation				
Other than personal services	13,500	13,500	8,478	5,022
Total expenditures	<u>13,500</u>	<u>13,500</u>	<u>8,478</u>	<u>5,022</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>5,102</u>	<u>5,102</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	-	-	5,102	5,102
Fund balances at beginning of year	19,854	19,854	19,854	-
Fund balances at end of year	<u>\$ 19,854</u>	<u>\$ 19,854</u>	<u>\$ 24,956</u>	<u>\$ 5,102</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Life Long Learning and Leisure Fund
For the Fiscal Year Ended December 31, 2008

	Life Long Learning and Leisure Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 410,000	\$ 312,000	\$ 257,607	\$ (54,393)
Total revenues	410,000	312,000	257,607	(54,393)
 EXPENDITURES:				
Current:				
Parks and recreation				
Personal services	190,077	128,077	123,934	4,143
Other than personal services	214,000	184,000	164,089	19,911
Total expenditures	404,077	312,077	288,023	24,054
Excess (deficiency) of revenues over expenditures	5,923	(77)	(30,416)	(30,339)
 OTHER FINANCING SOURCES (USES):				
Operating transfers-in	-	54,451	54,451	-
Total other financing sources (uses)	-	54,451	54,451	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	5,923	54,374	24,035	(30,339)
Fund balances at beginning of year	475	475	475	-
Lapsed encumbrances	3,645	3,645	3,645	-
Fund balances at end of year	\$ 10,043	\$ 58,494	\$ 28,155	\$ (30,339)

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, 2008

	Mayor's Court Computer Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Fines and forfeitures	\$ 12,000	\$ 12,000	\$ 10,956	\$ (1,044)
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>10,956</u>	<u>(1,044)</u>
EXPENDITURES:				
Current:				
Clerk of Court				
Other than personal services	10,400	10,400	5,518	4,882
Capital outlay	<u>6,500</u>	<u>6,500</u>	<u>-</u>	<u>6,500</u>
Total expenditures	<u>16,900</u>	<u>16,900</u>	<u>5,518</u>	<u>11,382</u>
Excess (deficiency) of revenues over expenditures	<u>(4,900)</u>	<u>(4,900)</u>	<u>5,438</u>	<u>10,338</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	(4,900)	(4,900)	5,438	10,338
Fund balances at beginning of year	64,350	64,350	64,350	-
Fund balances at end of year	<u>\$ 59,450</u>	<u>\$ 59,450</u>	<u>\$ 69,788</u>	<u>\$ 10,338</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, 2008

	Clerk of Court Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Fines and forfeitures	\$ 12,500	\$ 12,500	\$ 10,957	\$ (1,543)
	<u>12,500</u>	<u>12,500</u>	<u>10,957</u>	<u>(1,543)</u>
<u>EXPENDITURES:</u>				
Current:				
Clerk of Court				
Other than personal services	10,000	10,000	7,138	2,862
Capital	-	5,492	5,492	-
Total expenditures	<u>10,000</u>	<u>15,492</u>	<u>12,630</u>	<u>2,862</u>
Excess (deficiency) of revenues over expenditures	<u>2,500</u>	<u>(2,992)</u>	<u>(1,673)</u>	<u>1,319</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	(2,992)	(1,673)	1,319
Fund balances at beginning of year	61,999	61,999	61,999	-
Fund balances at end of year	<u>\$ 64,499</u>	<u>\$ 59,007</u>	<u>\$ 60,326</u>	<u>\$ 1,319</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, 2008

	Neighborhood Lighting Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 62,000	\$ 62,000	\$ 59,748	\$ (2,252)
Investment earnings	23,000	27,000	20,191	(6,809)
Total revenues	<u>85,000</u>	<u>89,000</u>	<u>79,939</u>	<u>(9,061)</u>
EXPENDITURES:				
Current:				
Public Service Administration				
Personal services	21,239	21,389	21,387	2
Other than personal services	15,000	34,095	31,364	2,731
Total expenditures	<u>36,239</u>	<u>55,484</u>	<u>52,751</u>	<u>2,733</u>
Excess (deficiency) of revenues over expenditures	<u>48,761</u>	<u>33,516</u>	<u>27,188</u>	<u>(6,328)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	48,761	33,516	27,188	(6,328)
Fund balances at beginning of year	413,996	413,996	413,996	-
Fund balances at end of year	<u>\$ 462,757</u>	<u>\$ 447,512</u>	<u>\$ 441,184</u>	<u>\$ (6,328)</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, 2008

	Economic Development Venture Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:				
Current:				
City Manager:				
Other than personal services	500,000	341,891	264,388	77,503
Total expenditures	500,000	341,891	264,388	77,503
Excess (deficiency) of revenues over expenditures	(500,000)	(341,891)	(264,388)	77,503
OTHER FINANCING SOURCES (USES):				
Operating transfers-in	500,000	55,373	-	(55,373)
Total other financing sources (uses)	500,000	55,373	-	(55,373)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	(286,518)	(264,388)	22,130
Fund balances at beginning of year	333,391	333,391	333,391	-
Lapsed encumbrances	8,500	8,500	8,500	-
Fund balances at end of year	<u>\$ 341,891</u>	<u>\$ 55,373</u>	<u>\$ 77,503</u>	<u>\$ 22,130</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, 2008

	Emergency Medical Services Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Charges for services	\$ 600,000	\$ 725,000	\$ 802,881	\$ 77,881
Total revenues	<u>600,000</u>	<u>725,000</u>	<u>802,881</u>	<u>77,881</u>
<u>EXPENDITURES:</u>				
Current:				
Fire				
Other than personal services	148,750	148,750	145,516	3,234
Capital	175,950	390,950	294,065	96,885
Total expenditures	<u>324,700</u>	<u>539,700</u>	<u>439,581</u>	<u>100,119</u>
Excess (deficiency) of revenues over expenditures	<u>275,300</u>	<u>185,300</u>	<u>363,300</u>	<u>178,000</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating transfers-out	<u>(480,000)</u>	<u>(480,000)</u>	<u>(325,000)</u>	<u>155,000</u>
Total other financing sources (uses)	<u>(480,000)</u>	<u>(480,000)</u>	<u>(325,000)</u>	<u>155,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(204,700)	(294,700)	38,300	333,000
Fund balances at beginning of year	1,454,302	1,454,302	1,454,302	-
Fund balances at end of year	<u>\$ 1,249,602</u>	<u>\$ 1,159,602</u>	<u>\$ 1,492,602</u>	<u>\$ 333,000</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, 2008

	Infrastructure Improvement Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Intergovernmental	\$ -	\$ 282,500	\$ 282,500	-
Total revenues	<u>-</u>	<u>282,500</u>	<u>282,500</u>	<u>-</u>
EXPENDITURES:				
Current:				
Streets				
Capital	1,274,700	1,274,700	1,203,078	71,622
Total expenditures	<u>1,274,700</u>	<u>1,274,700</u>	<u>1,203,078</u>	<u>71,622</u>
Excess (deficiency) of revenues over expenditures	<u>(1,274,700)</u>	<u>(992,200)</u>	<u>(920,578)</u>	<u>71,622</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-in	750,000	750,000	750,000	-
Total other financing sources (uses)	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(524,700)</u>	<u>(242,200)</u>	<u>(170,578)</u>	<u>71,622</u>
Fund balances at beginning of year	679,738	679,738	679,738	-
Lapsed encumbrances	105,635	105,635	105,635	-
Fund balances at end of year	<u>\$ 260,673</u>	<u>\$ 543,173</u>	<u>\$ 614,795</u>	<u>\$ 71,622</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, 2008

	Chelsea TIF Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Payments in lieu of taxes	\$ 83,000	\$ 218,000	\$ 219,961	\$ 1,961
Total revenues	<u>\$ 83,000</u>	<u>\$ 218,000</u>	<u>\$ 219,961</u>	<u>\$ 1,961</u>
<u>EXPENDITURES:</u>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>83,000</u>	<u>218,000</u>	<u>219,961</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>83,000</u>	<u>218,000</u>	<u>219,961</u>	<u>1,961</u>
Fund balances at beginning of year	83,192	83,192	83,192	-
Fund balances at end of year	<u><u>\$ 166,192</u></u>	<u><u>\$ 301,192</u></u>	<u><u>\$ 303,153</u></u>	<u><u>\$ 1,961</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, 2008

	Horizon TIF Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Payments in lieu of taxes	\$ 92,000	\$ 92,000	\$ 75,935	\$ (16,065)
Total revenues	<u>\$ 92,000</u>	<u>\$ 92,000</u>	<u>\$ 75,935</u>	<u>\$ (16,065)</u>
<u>EXPENDITURES:</u>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>92,000</u>	<u>92,000</u>	<u>75,935</u>	<u>(16,065)</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>92,000</u>	<u>92,000</u>	<u>75,935</u>	<u>(16,065)</u>
Fund balances at beginning of year	156,493	156,493	156,493	-
Fund balances at end of year	<u><u>\$ 248,493</u></u>	<u><u>\$ 248,493</u></u>	<u><u>\$ 232,428</u></u>	<u><u>\$ (16,065)</u></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, 2008

	Water Surcharge Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 327,250	\$ 327,250	\$ 347,868	\$ 20,618
Total revenues	<u>327,250</u>	<u>327,250</u>	<u>347,868</u>	<u>20,618</u>
EXPENDITURES:				
Current:				
Utilities				
Personal services	72,651	74,623	74,621	2
Other than personal services	188,853	351,881	343,909	7,972
Total expenditures	<u>261,504</u>	<u>426,504</u>	<u>418,530</u>	<u>7,974</u>
Excess (deficiency) of revenues over expenditures	<u>65,746</u>	<u>(99,254)</u>	<u>(70,662)</u>	<u>28,592</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	65,746	(99,254)	(70,662)	28,592
Fund balances at beginning of year	180,207	180,207	180,207	-
Fund balances at end of year	<u>\$ 245,953</u>	<u>\$ 80,953</u>	<u>\$ 109,545</u>	<u>\$ 28,592</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, 2008

	Sanitary Sewer Surcharge Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 815,000	\$ 815,000	\$ 744,576	\$ (70,424)
Miscellaneous	1,200	5,200	4,637	(563)
Total revenues	<u>816,200</u>	<u>820,200</u>	<u>749,213</u>	<u>(70,987)</u>
EXPENDITURES:				
Current:				
Utilities				
Personal services	421,995	400,995	379,953	21,042
Other than personal services	265,589	274,135	257,257	16,878
Capital outlay	100,000	22,674	15,000	7,674
Total expenditures	<u>787,584</u>	<u>697,804</u>	<u>652,210</u>	<u>45,594</u>
Excess (deficiency) of revenues over expenditures	<u>28,616</u>	<u>122,396</u>	<u>97,003</u>	<u>(25,393)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-out	(47,025)	(47,025)	(47,025)	-
Total other financing sources (uses)	<u>(47,025)</u>	<u>(47,025)</u>	<u>(47,025)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(18,409)	75,371	49,978	(25,393)
Fund balances at beginning of year	20,823	20,823	20,823	-
Lapsed encumbrances	989	989	989	-
Fund balances at end of year	<u>\$ 3,403</u>	<u>\$ 97,183</u>	<u>\$ 71,790</u>	<u>\$ (25,393)</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, 2008

	Stormwater Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 525,000	\$ 525,000	\$ 521,662	\$ (3,338)
Investment earnings	175,000	201,000	145,812	(55,188)
Total revenues	<u>700,000</u>	<u>726,000</u>	<u>667,474</u>	<u>(58,526)</u>
EXPENDITURES:				
Current:				
Utilities				
Personal services	385,140	385,140	300,253	84,887
Other than personal services	383,150	383,150	298,768	84,382
Capital outlay	30,000	98,780	79,070	19,710
Total expenditures	<u>798,290</u>	<u>867,070</u>	<u>678,091</u>	<u>188,979</u>
Excess (deficiency) of revenues over expenditures	<u>(98,290)</u>	<u>(141,070)</u>	<u>(10,617)</u>	<u>130,453</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-out	(196,174)	(196,174)	(196,174)	-
Total other financing sources (uses)	<u>(196,174)</u>	<u>(196,174)</u>	<u>(196,174)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(294,464)	(337,244)	(206,791)	130,453
Fund balances at beginning of year	2,969,719	2,969,719	2,969,719	-
Fund balances at end of year	<u>\$ 2,675,255</u>	<u>\$ 2,632,475</u>	<u>\$ 2,762,928</u>	<u>\$ 130,453</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, 2008

	Swimming Pools Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 625,000	\$ 637,000	\$ 634,425	\$ (2,575)
Miscellaneous	-	-	6,022	6,022
Total revenues	<u>625,000</u>	<u>637,000</u>	<u>640,447</u>	<u>3,447</u>
EXPENDITURES:				
Current:				
Parks and recreation				
Personal services	442,802	442,802	420,680	22,122
Other than personal services	220,875	220,875	201,958	18,917
Capital outlay	25,582	25,582	14,163	11,419
Total expenditures	<u>689,259</u>	<u>689,259</u>	<u>636,801</u>	<u>52,458</u>
Excess (deficiency) of revenues over expenditures	<u>(64,259)</u>	<u>(52,259)</u>	<u>3,646</u>	<u>55,905</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	(64,259)	(52,259)	3,646	55,905
Fund balances at beginning of year	331,029	331,029	331,029	-
Lapsed encumbrances	570	570	570	-
Fund balances at end of year	<u>\$ 267,340</u>	<u>\$ 279,340</u>	<u>\$ 335,245</u>	<u>\$ 55,905</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, 2008

	Solid Waste Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 2,015,000	\$ 1,955,213	\$ 1,761,903	\$ (193,310)
Investment earnings	2,500	31,500	22,860	(8,640)
Miscellaneous	175,000	225,000	236,695	11,695
Total revenues	<u>2,192,500</u>	<u>2,211,713</u>	<u>2,021,458</u>	<u>(190,255)</u>
EXPENDITURES:				
Current:				
Solid Waste				
Personal services	1,543,150	750,614	750,601	13
Other than personal services	538,550	1,640,086	1,580,500	59,586
Capital outlay	197,500	-	-	-
Total expenditures	<u>2,279,200</u>	<u>2,390,700</u>	<u>2,331,101</u>	<u>59,599</u>
Excess (deficiency) of revenues over expenditures	<u>(86,700)</u>	<u>(178,987)</u>	<u>(309,643)</u>	<u>(130,656)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	366,530	366,530	-
Operating transfers-in	86,370	48,032	48,032	-
Total other financing sources (uses)	<u>86,370</u>	<u>414,562</u>	<u>414,562</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(330)	235,575	104,919	(130,656)
Fund balances at beginning of year	56,478	56,478	56,478	-
Lapsed encumbrances	305	305	305	-
Fund balances at end of year	<u>\$ 56,453</u>	<u>\$ 292,358</u>	<u>\$ 161,702</u>	<u>\$ (130,656)</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, 2008

	Employee Benefits Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 3,486,884	\$ 3,486,884	\$ 3,038,590	\$ (448,294)
Reimbursements	183,600	183,600	165,140	(18,460)
Total revenues	<u>3,670,484</u>	<u>3,670,484</u>	<u>3,203,730</u>	<u>(466,754)</u>
EXPENDITURES:				
Current:				
Finance				
Personal services	3,093,350	3,093,350	2,635,987	457,363
Other than personal services	614,788	614,788	499,865	114,923
Total expenditures	<u>3,708,138</u>	<u>3,708,138</u>	<u>3,135,852</u>	<u>572,286</u>
Excess (deficiency) of revenues over expenditures	<u>(37,654)</u>	<u>(37,654)</u>	67,878	105,532
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>(37,654)</u>	<u>(37,654)</u>	67,878	105,532
Fund balances at beginning of year	729,053	729,053	729,053	-
Lapsed encumbrances	43,192	43,192	43,192	-
Fund balances at end of year	<u>\$ 734,591</u>	<u>\$ 734,591</u>	<u>\$ 840,123</u>	<u>\$ 105,532</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, 2008

	Agency Funds				
	Returnable Bonds Fund	Unclaimed Funds	Construction Withholding Fund	Mayor's Court Fund	Flexible Benefits Fund
ASSETS:					
Cash and investments	\$ -	\$ 1,964	\$ 313,418	\$ 5,014	
Cash with third party fiscal agent					\$ 12,523
Total assets	<u>\$ -</u>	<u>\$ 1,964</u>	<u>\$ 313,418</u>	<u>\$ 5,014</u>	<u>\$ 12,523</u>
LIABILITIES:					
Due to others	\$ -	\$ 1,964	\$ 313,418	\$ 5,014	\$ 12,523
Total liabilities	<u>\$ -</u>	<u>\$ 1,964</u>	<u>\$ 313,418</u>	<u>\$ 5,014</u>	<u>\$ 12,523</u>

	<u>Agency Funds</u>		
	<u>Payroll Clearing Fund</u>	<u>Revolving Fund</u>	<u>Total Agency Funds</u>
ASSETS:			
Cash and investments	\$ 1,547,759	\$ 20,275	\$ 1,888,430
Cash with third party fiscal agent			12,523
Total assets	<u>\$ 1,547,759</u>	<u>\$ 20,275</u>	<u>\$ 1,900,953</u>
LIABILITIES:			
Due to others	\$ 1,547,759	\$ 20,275	\$ 1,900,953
Total liabilities	<u>\$ 1,547,759</u>	<u>\$ 20,275</u>	<u>\$ 1,900,953</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, 2008

	Balances Jan. 1, 2008	Additions	Deductions	Balances Dec. 31, 2008
RETURNABLE BONDS FUNDS				
Assets				
Cash and investments	\$ 26,629		26,629	\$ -
Liabilities				
Due to others	\$ 26,629		26,629	\$ -
UNCLAIMED FUNDS				
Assets				
Cash and investments	\$ 8,546	103	6,685	\$ 1,964
Liabilities				
Due to others	\$ 8,546	103	6,685	\$ 1,964
CONSTRUCTION WITHHOLDING FUND				
Assets				
Cash and investments	\$ 475,807	384,604	546,993	\$ 313,418
Liabilities				
Due to others	\$ 475,807	384,604	546,993	\$ 313,418
MAYOR'S COURT FUND				
Assets				
Cash and investments	\$ 43,809	506,434	545,229	\$ 5,014
Liabilities				
Due to others	\$ 43,809	506,434	545,229	\$ 5,014
FLEXIBLE BENEFITS FUND				
Assets				
Cash with third party fiscal agent	\$ 31,660	161,364	180,501	\$ 12,523
Liabilities				
Due to others	\$ 31,660	161,364	180,501	\$ 12,523
PAYROLL CLEARING FUND				
Assets				
Cash and investments	\$ 1,565,107	27,401,932	27,419,280	\$ 1,547,759
Liabilities				
Due to others	\$ 1,565,107	27,401,932	27,419,280	\$ 1,547,759
REVOLVING FUND				
Assets				
Cash and investments	\$ 17,137	69,292	66,154	\$ 20,275
Liabilities				
Due to others	\$ 17,137	69,292	66,154	\$ 20,275
TOTAL AGENCY FUNDS				
Assets				
Cash and investments	\$ 2,137,035	28,362,365	28,610,970	\$ 1,888,430
Cash with third party fiscal agent	31,660	161,364	180,501	12,523
Total Assets	\$ 2,168,695	28,523,729	28,791,471	\$ 1,900,953
Liabilities				
Due to others	\$ 2,168,695	28,523,729	28,791,471	\$ 1,900,953

CITY OF UPPER ARLINGTON
STATISTICAL SECTION

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

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



CITY OF | **UPPER ARLINGTON**

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

	Year					
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities						
Invested in capital assets, net of related debt	\$ 29,923	\$ 26,458	\$ 23,100	\$ 22,915	\$ 19,492	\$ 19,581
Restricted	6,879	6,903	6,252	7,184	5,178	1,241
Unrestricted	40,506	40,708	38,682	33,047	34,869	41,647
Total Governmental Activities Net Assets	<u>\$ 77,308</u>	<u>\$ 74,069</u>	<u>\$ 68,034</u>	<u>\$ 63,146</u>	<u>\$ 59,539</u>	<u>\$ 62,469</u>
Business-type activities						
Invested in capital assets, net of related debt	\$ 18,025	\$ 17,613	\$ 17,972	\$ 16,539	\$ 12,460	\$ 10,539
Restricted	-	-	-	-	-	-
Unrestricted	3,858	3,603	3,131	3,227	5,489	3,085
Total Business-Type Activities Net Assets	<u>\$ 21,883</u>	<u>\$ 21,216</u>	<u>\$ 21,103</u>	<u>\$ 19,766</u>	<u>\$ 17,949</u>	<u>\$ 13,624</u>
Primary Government						
Invested in capital assets, net of related debt	\$ 47,948	\$ 44,071	\$ 41,072	\$ 39,454	\$ 31,952	\$ 30,120
Restricted	6,879	6,903	6,252	7,184	5,178	1,241
Unrestricted	44,364	44,311	41,813	36,274	40,358	44,732
Total Primary Government Net Assets	<u>\$ 99,191</u>	<u>\$ 95,285</u>	<u>\$ 89,137</u>	<u>\$ 82,912</u>	<u>\$ 77,488</u>	<u>\$ 76,093</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) 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 Six Years
 (accrual basis of accounting)
 (amounts expressed in thousands)

	Year					
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses						
Governmental Activities:						
Public Safety	\$ 15,776	\$ 15,082	\$ 14,266	\$ 13,436	\$ 13,227	\$ 12,172
General Government	8,851	7,154	8,200	8,710	8,212	7,067
Public Services	4,889	5,679	5,167	4,882	4,868	4,317
Parks and Recreation	3,331	3,269	3,142	3,025	3,021	2,897
Community Development	991	944	853	875	870	724
Interest on long-term debt	996	958	1,111	1,095	1,006	977
<i>Total Governmental Activities Expenses</i>	<u>34,834</u>	<u>33,086</u>	<u>32,739</u>	<u>32,023</u>	<u>31,204</u>	<u>28,154</u>
Business-Type activities:						
Water	564	318	333	325	643	341
Sewer	736	700	660	697	671	718
Stormwater	683	704	692	635	643	686
Swimming pool	686	626	603	635	539	555
Solid Waste	2,334	1,949	1,983	1,855	1,789	1,688
<i>Total Business-Type Activities Expenses</i>	<u>5,003</u>	<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>\$ 39,837</u>	<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	\$ 1,296	\$ 1,297	\$ 988	\$ 1,275	\$ 8	\$ 10
General Government	698	616	173	59	68	-
Public Services	79	106	76	65	321	1
Parks and Recreation	860	805	815	741	503	965
Community Development	760	781	774	796	964	614
Operating grants and contributions	1,632	1,703	1,704	1,688	70	84
Capital grants and contributions	195	248	300	91	-	119
<i>Total Governmental Activities Program Revenues</i>	<u>5,520</u>	<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	338	332	288	368	324	315
Sewer	734	708	550	680	629	605
Stormwater	542	552	521	531	555	571
Swimming pools	640	658	632	603	445	375
Solid Waste	2,052	1,872	1,794	1,780	1,823	1,375
Operating grants and contributions	32	5	-	-	-	-
Capital grants and contributions	14	6	1,434	1,814	610	-
<i>Total Business-Type Activities Program Revenues</i>	<u>4,352</u>	<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>\$ 9,872</u>	<u>\$ 9,689</u>	<u>\$ 10,049</u>	<u>\$ 10,491</u>	<u>\$ 6,320</u>	<u>\$ 5,034</u>

	Year					
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net(Expense)Revenue						
Governmental Activities	\$ (29,314)	\$ (27,530)	\$ (27,909)	\$ (27,308)	\$ (29,270)	\$ (26,361)
Business-Type Activities	(651)	(164)	948	1,629	101	(747)
<i>Total Primary Government Net Expense</i>	<u>(29,965)</u>	<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	13,627	14,615	12,944	14,292	11,109	12,580
Property taxes	8,847	8,826	9,098	7,834	7,881	7,350
Estate taxes	3,743	2,282	3,761	3,775	3,287	1,581
Intergovernmental	4,182	3,594	3,616	2,866	5,780	5,644
Unrestricted investment earnings	2,562	2,693	2,134	1,078	855	1,097
Miscellaneous	486	1,556	1,414	1,319	1,578	1,599
Transfers	(895)	-	(160)	(250)	(4,150)	(2,273)
<i>Total governmental activities</i>	<u>32,552</u>	<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	185	276	228	109	75	91
Miscellaneous	239	-	-	(172)	-	4
Transfers	895	-	160	251	4,150	2,273
<i>Total Business-Type Activities</i>	<u>1,319</u>	<u>276</u>	<u>388</u>	<u>188</u>	<u>4,225</u>	<u>2,368</u>
<i>Total Primary Government</i>	<u>33,871</u>	<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	3,238	6,036	4,898	3,606	(2,930)	1,217
Business-type activities	668	112	1,336	1,817	4,326	1,621
<i>Total Primary Government Change in Net Assets</i>	<u>\$ 3,906</u>	<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)

	<u>Year</u>				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General fund					
Reserved	\$ 1,302	\$ 878	\$ 1,038	\$ 820	\$ 1,929
Unreserved	28,671	27,554	26,462	21,739	22,180
<i>Total General Fund</i>	<u>\$ 29,973</u>	<u>\$ 28,432</u>	<u>\$ 27,500</u>	<u>\$ 22,559</u>	<u>\$ 24,109</u>
All other governmental funds					
Reserved	\$ 7,251	\$ 2,087	\$ 1,103	\$ 1,373	\$ 4,384
Unreserved, reported in:					
Special revenue funds	2,628	2,723	2,324	1,646	1,244
Capital projects funds	9,279	10,879	11,752	13,866	12,272
Debt service funds	229	685	916	986	926
<i>Total All Other Governmental Funds</i>	<u>\$ 19,387</u>	<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.

<u>Year</u>				
<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 3,000	\$ 6,906	\$ 6,086	\$ 5,144	\$ 3,655
<u>24,326</u>	<u>24,117</u>	<u>17,636</u>	<u>14,726</u>	<u>14,243</u>
<u>\$ 27,326</u>	<u>\$ 31,023</u>	<u>\$ 23,722</u>	<u>\$ 19,870</u>	<u>\$ 17,898</u>
\$ 2,621	\$ 1,732	\$ 2,767	\$ 1,124	\$ 1,978
1,258	1,218	1,234	886	985
14,134	10,209	15,445	7,577	5,414
<u>1,043</u>	<u>1,246</u>	<u>749</u>	<u>747</u>	<u>650</u>
<u>\$ 19,056</u>	<u>\$ 14,405</u>	<u>\$ 20,195</u>	<u>\$ 10,334</u>	<u>\$ 9,027</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>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues				
Taxes	\$ 27,576	\$ 27,261	\$ 26,228	\$ 27,056
Intergovernmental	4,372	4,295	4,783	3,510
Licenses and permits	862	917	733	866
Charges for services	1,911	1,812	1,585	1,561
Fines and forfeits	362	362	394	439
Investment earnings	1,997	2,218	2,134	1,365
Miscellaneous	1,569	2,051	2,045	1,005
<i>Total Revenues</i>	<u>38,649</u>	<u>38,916</u>	<u>37,902</u>	<u>35,802</u>
Expenditures				
Public Safety	15,188	14,677	13,531	13,079
General Government	8,510	6,909	6,538	6,239
Public Services	2,998	3,875	3,453	3,490
Parks and Recreation	3,147	3,025	2,897	2,858
Community Development	968	936	850	863
Health Services	-	-	-	161
Capital outlay	7,114	6,686	4,667	8,585
Debt services				
Principal	4,964	1,195	1,848	1,821
Interest	1,227	972	991	1,103
Other charges	120			
<i>Total Expenditures</i>	<u>44,236</u>	<u>38,275</u>	<u>34,775</u>	<u>38,199</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	(5,587)	641	3,127	(2,397)
Other Financing Sources (Uses)				
Transfers in	3,348	5,826	2,661	8,026
Transfers out	(3,396)	(5,826)	(2,822)	(8,277)
Bonds/Notes issued	9,972	3,972	3,972	3,972
Refunding bonds and escrow transfer				
Premium on bonds/notes issued	123	40	25	33
Payment of refunding notes	-	(3,972)	(3,972)	(3,972)
Installment loan issued	-			
Sale of capital assets	94	530	174	110
<i>Total Other Financing Sources (Uses)</i>	<u>10,141</u>	<u>570</u>	<u>38</u>	<u>(108)</u>
<i>Net Change in Fund Balances</i>	<u>\$ 4,554</u>	<u>\$ 1,211</u>	<u>\$ 3,165</u>	<u>\$ (2,505)</u>
 Debt Service as a Percentage of Noncapital Expenditures	 16.99%	 6.86%	 9.43%	 9.87%

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>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$	23,881	\$ 24,580	\$ 27,772	\$ 27,048	\$ 24,203	\$ 25,537
	4,427	3,896	3,372	2,687	2,623	2,483
	703	624	623	307	333	299
	1,139	966	1,435	905	843	840
	414	355	342	367	379	317
	855	1,096	1,870	2,172	2,202	684
	1,121	1,355	1,306	1,261	1,309	1,179
	<u>32,540</u>	<u>32,872</u>	<u>36,720</u>	<u>34,747</u>	<u>31,892</u>	<u>31,339</u>
	12,723	11,821	11,472	10,698	9,916	10,350
	6,045	6,600	7,311	6,437	6,620	6,054
	3,648	2,601	2,044	2,383	2,019	1,951
	2,791	2,618	2,967	2,316	1,981	2,079
	855	719	622	602	492	567
	167	157	154	161	138	109
	10,759	10,499	9,020	3,505	5,198	4,168
	1,757	1,311	1,331	1,506	1,236	1,188
	967	955	714	608	529	580
	15	102				
	<u>39,727</u>	<u>37,383</u>	<u>35,635</u>	<u>28,216</u>	<u>28,129</u>	<u>27,046</u>
	(7,187)	(4,511)	1,085	6,531	3,763	4,293
	3,399	5,337	2,341	6,859	9,095	6,602
	(7,539)	(5,885)	(2,421)	(6,939)	(9,577)	(6,741)
	3,972	10,000		6,778		
	35	105				
	500			482		
	64	112				
	<u>431</u>	<u>9,669</u>	<u>(80)</u>	<u>7,180</u>	<u>(482)</u>	<u>(139)</u>
\$	<u>(6,756)</u>	<u>5,158</u>	<u>1,005</u>	<u>13,711</u>	<u>3,281</u>	<u>4,154</u>
	9.40%	8.43%	7.68%	8.55%	7.70%	7.73%

City of Upper Arlington, Ohio
Governmental Activities Tax Revenues by Source
Last Six 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>
2008	\$ 13,627	\$ 8,847	\$ 3,743	\$ 1,139	\$ 27,356
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**

	2008		1999	
	<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.	\$9,542,740	0.61%	\$10,948,320	0.99%
Columbia Gas of Ohio Inc.	-	0.00%	3,607,880	0.33%
Ohio Bell Telephone	-	0.00%	7,529,720	0.68%
 <u>Real Estate</u>				
Time Warner Inc	8,050,040	0.51%		
Lane Avenue 450 LLC	7,509,380	0.48%		
RRC Acquisitions Inc.	8,046,510	0.51%	5,788,240	0.53%
Scioto Country Club Inc.	3,872,680	0.25%	3,220,530	0.29%
First Community Village	4,078,040	0.26%	6,597,510	0.60%
Kimco Development Corporation	3,850,640	0.24%	2,646,140	0.24%
New Plan Financing I Inc.	3,836,560	0.24%	3,246,600	0.29%
Kenbrook Village Company	2,541,000	0.16%		
Lane Avenue Office	2,156,000	0.14%		
Kingsdale Condominiums	7,546,000	0.48%		
Compuserve Interactive			5,085,320	0.46%
UAP-Columbus JV-326132			5,237,050	0.48%
 <u>Tangible Personal Property (1)</u>				
Ohio Bell Telephone Company	1,603,330	0.10%		
CBC Companies Inc.	566,810	0.04%		
AOL, LLC	182,440	0.01%		
Time Warner Entertainment Company LP	679,980	0.04%	2,179,050	0.20%
Honeywell International Incorporated	527,740	0.03%		
Kroger Company	236,820	0.02%		
Tamarkin Company	205,700	0.01%		
Ohio Orthopedic Center of Excellence Inc.	196,301	0.01%		
New Par	178,330	0.01%		
Federated Retail Holdings, Inc.	103,000	0.01%		
Compuserv	277,040	0.02%	2,520,870	0.23%
Ameritech New Media, Inc.			1,454,110	0.13%
Comdisco, Inc.			761,670	0.07%
Worldcom Advanced Networks, Inc.			9,380,640	0.85%
Lazarus, Inc.			1,582,840	0.14%
Fifth Third Bank of Columbus			1,080,850	0.10%
Stein Mart			725,400	0.07%
Circuit City Stores, Inc.			661,410	0.06%
Barnes & Noble Booksellers, Inc.			592,540	0.05%
 ALL OTHERS	 <u>1,511,755,990</u>	 <u>96.12%</u>	 <u>1,026,978,147</u>	 <u>93.21%</u>
 TOTAL ASSESSED VALUATION	 <u>\$1,572,785,580</u>	 <u>100.00%</u>	 <u>\$1,101,824,837</u>	 <u>100.00%</u>

Source: Franklin County, Ohio; County Auditor

**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>
2008	3.90	0.52	1.54	0.50	6.46	1.47	15.90	0.65	18.02
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

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	
94.46	1.97	96.43	2.00	2.00	122.91
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

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>				
2008	\$ 1,419,959,820	\$ 140,637,860	\$ 10,791,660	\$ 1,396,240	\$ 1,572,785,580	6.46	\$ 4,495,268,789	34.99%
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%

Source: Franklin County, Ohio; County Auditor

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

Employer	2008		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	Employees	Percentage of Total City Employment
UA Board of Education	880	4.9%	890	5.0%	883	5.2%	741	4.4%	758	4.3%
AOL Midwest	-	0.0%	107	0.6%	230	1.4%	350	2.1%	442	2.5%
First Community Village	410	2.3%	384	2.2%	350	2.1%	340	2.0%	350	2.0%
City of Upper Arlington	245	1.4%	263	1.5%	260	1.5%	265	1.6%	265	1.5%
Kroger	-	0.0%	113	0.6%	140	0.8%	140	0.8%	-	
Giant Eagle	200	1.1%	160	0.9%	150	0.9%	182	1.1%	-	
Scioto Country Club	-	0.0%	157	0.9%	197	1.2%	182	1.1%	-	
Wellington School	170	1.0%	170	1.0%	170	1.0%	167	1.0%	-	
National Church Residences	210	1.2%	173	1.0%	165	1.0%	161	0.9%	-	
Willis HRH	125	0.7%	130	0.7%	150	0.9%	150	0.9%	165	0.9%
Ohio State University	300	1.7%	309							
CBC Companies	170	1.0%	157							
Ohio Orthopaedic Center	170	1.0%	unknown							
Total	2,880	16.30%	3,013	14.40%	2,695	16.0%	2,678	15.9%	1,980	11.2%
Total City Employees	17,851 (1)		17,851 (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 2007 was used as data from 2008 was not yet available.

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

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

Income Averages for Upper Arlington Tax Years 2001-2007

<u>Tax Year</u>	<u>Income Range Tax Year</u>	<u>Individual Resident Filers</u>	<u>Percent of Filers</u>	<u>Local Taxable Income</u>	<u>Percent of Taxable Income</u>
2007	0-19,999	3,664	30.11%	\$26,359,565	2.4%
2007	20,000-49,999	1,637	13.45%	54,251,610	4.9%
2007	50,000-74,999	1,407	11.56%	79,693,160	7.2%
2007	75,000-99,999	1,245	10.23%	100,589,849	9.1%
2007	Over 100,000	<u>4,216</u>	34.65%	<u>849,276,468</u>	76.5%
	Total	12,169		\$1,110,170,652	
2006	0-19,999	3,695	30.29%	\$26,984,865	2.5%
2006	20,000-49,999	1,672	13.71%	55,616,909	5.2%
2006	50,000-74,999	1,451	11.89%	82,344,261	7.7%
2006	75,000-99,999	1,267	10.39%	100,839,642	9.4%
2006	Over 100,000	<u>4,114</u>	33.72%	<u>803,216,492</u>	75.1%
	Total	12,199		\$1,069,002,169	
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 Seven Years**

Local Taxes Paid by Upper Arlington Residents for Tax Years 2001-2007

Tax Year	Taxes Paid by Upper Arlington Residents	%	Taxes credited to other municipalities	%	Total Local Income tax Paid by Residents
2007	\$3,368,303	14.8%	\$19,335,641	85.2%	\$22,703,944
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 2008 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
2008	2.0%	\$ 13,459	\$ 8,861	66%	\$ 1,199	9%	\$ 3,399	25%
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%

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
2008	\$ 164,544	\$ 158,503
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

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>	
2008	\$ 9,956	\$ 9,924	99.7%	\$ 156	\$ 10,080	101.2%	\$ 276
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

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									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Water Surcharge Fund										
Assets	\$6,502,281	\$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
Net Assets	5,775,525	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
Operating Revenue	338,368	331,769	287,526	367,837	323,738	315,387	361,719	322,848	451,220	375,174
Operating (Expense)	(538,746)	(292,343)	(297,320)	(281,602)	(592,922)	(283,715)	(233,576)	(245,057)	(212,019)	(250,178)
Non-operating										
Investment income	-	-	-	-	-	-	-	-	-	-
Interest expense	(24,936)	(27,893)	(35,732)	(43,170)	(50,303)	(57,141)	(39,750)	(89,717)	(118,007)	(102,678)
Other, net	-	-	-	-	-	-	-	-	-	-
Capital contributions	458,465	863	785,803	814,577	153,060	-	-	-	-	-
Transfers in	-	-	-	12,166	132,500	-	-	-	-	-
Changes in net asset/net income	233,151	12,396	740,277	869,808	(33,927)	(25,469)	180,340	78,576	204,713	94,199
Rate per 1000 cubic feet (MCF)	\$0.00	n/a	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25
Surcharge rate on commodity	n/a	10%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sewer Surcharge Fund										
Assets	\$4,855,594	\$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
Net Assets	3,847,306	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
Operating Income	733,944	707,767	550,432	679,508	628,936	605,311	679,076	632,288	844,449	689,728
Operating (Expense)	695,158	(667,109)	(602,141)	(615,965)	(595,873)	(634,287)	(610,517)	(599,254)	(496,296)	(516,877)
Non-operating										
Investment income	-	-	-	-	-	-	-	-	-	370
Interest expense	(39,545)	(46,953)	(56,772)	(81,605)	(75,066)	(83,827)	(66,502)	(107,423)	(153,302)	(516,877)
Other, net	-	-	(717)	-	-	-	-	-	-	-
Capital contributions	43,844	4,199	563,440	327,211	68,882	-	-	-	-	-
Transfers in	-	-	-	115,407	111,892	80,000	80,000	80,000	-	-
Changes in net asset/net income	43,085	(2,096)	454,242	424,556	138,771	(32,803)	177,685	103,784	294,285	140,970
Rate per 1000 cubic feet (MCF)	n/a	n/a	\$4.90	\$4.90	\$4.90	\$4.90	\$4.90	\$4.65	\$4.65	\$4.65
Surcharge rate on commodity	18%	18%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Stormwater Fund										
Assets	\$7,703,051	\$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
Net Assets	6,234,838	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
Operating Income	541,393	552,515	521,393	531,407	554,837	570,524	481,247	532,081	531,840	524,553
Operating (Expense)	(611,126)	(640,036)	(609,646)	(546,910)	(549,591)	(587,402)	(494,722)	(469,460)	(452,112)	(484,602)
Non-operating										
Investment income	158,057	269,598	224,481	106,217	72,928	91,524	135,425	108,322	128,905	87,525
Interest expense	(71,174)	(76,334)	(82,367)	(88,005)	(93,333)	(98,357)	(103,212)	(112,624)	(117,442)	(121,743)
Other, net	-	-	(205)	-	-	-	14,706	34,700	38,892	279,757
Capital contributions	527,485	-	84,882	521,200	16,880	224,365	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	346,913	-
Changes in net asset/net income	544,635	105,743	136,538	523,909	1,721	200,654	174,215	224,758	605,853	468,969
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									
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Swimming Pools Fund										
Assets	\$5,862,787	\$5,892,406	\$5,870,072	\$5,834,355	\$6,689,387	\$1,701,313	n/a	n/a	n/a	n/a
Net Assets	5,858,410	5,891,084	5,858,925	5,818,409	5,870,319	1,687,186	n/a	n/a	n/a	n/a
Operating Income	639,817	658,141	632,090	602,636	444,735	375,077	n/a	n/a	n/a	n/a
Operating (Expense)	(636,328)	(625,982)	(602,674)	(634,911)	(539,115)	(555,090)	n/a	n/a	n/a	n/a
Non-operating	-	-	-	634,911	-	-	n/a	n/a	n/a	n/a
Investment income	-	-	-	-	-	-	n/a	n/a	n/a	n/a
Interest expense	-	-	-	-	-	-	n/a	n/a	n/a	n/a
Other, net	-	-	-	(172,202)	-	-	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
Capital contributions	13,837	-	151,007	-	371,513	1,500,503	-	-	-	-
Changes in net asset/net income	(32,674)	32,159	40,516	(51,910)	4,183,133	1,687,186	n/a	n/a	n/a	n/a
Cost of a resident family membership	\$200.00	\$200.00	\$180.00	\$180.00	\$180.00	\$150.00	n/a	n/a	n/a	n/a
Solid Waste Fund										
Assets	\$235,106	\$438,585	\$602,488	\$507,750	\$632,074	\$822,501	\$827,703	\$633,994	\$711,178	\$514,529
Net Assets	91,235	206,575	323,739	357,469	307,684	271,550	479,359	283,890	256,465	(28,847)
Operating Income	2,051,840	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
Operating (Expense)	2,362,771	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)
Non-operating	-	5,000	-	-	-	-	-	-	-	-
Investment income	26,992	6,095	5,933	2,611	2,405	4,168	10,420	7,899	19,017	9,246
Interest expense	-	-	-	-	-	-	-	-	-	-
Other, net	303,283	-	(1,478)	-	-	-	(1,603)	(1,531)	(3,329)	(2,350)
Transfers in	48,032	1,451	149,300	121,641	-	101,250	-	-	135,410	139,110
Transfers out	(182,716)	-	-	-	-	-	-	-	-	-
Changes in net asset/net income	(115,340)	(117,164)	(33,730)	49,785	36,134	(207,809)	202,928	28,671	292,813	141,139
Cost of a single trash sticker	\$2.40	\$3.10	\$2.50	\$2.50	\$2.50	\$2.25	\$2.25	\$2.25	\$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>			
2008	\$27,087	\$107	\$1,405	\$1,686	\$30,285	1.75%	\$890
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

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>
2008	\$27,087	\$228	\$26,859	1.72%	\$796
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

City of Upper Arlington, Ohio
Direct and Overlapping Governmental Activities Debt
As of December 31, 2008

Governmental Unit	Assessed Valuation	Gross General Obligation	Percent Applicable to District	Amount Applicable to District
Direct				
City of Upper Arlington	\$ 1,571,389,340	\$ 17,435,000	100.00%	\$ 17,435,000
Overlapping				
Franklin County	27,922,348,470	201,911,371	5.63%	11,362,990
Columbus City School District	9,934,256,920	501,010,000	0.02%	106,633
Dublin City School District	2,942,208,100	198,013,360	0.14%	281,120
Upper Arlington City School District	1,586,859,530	28,804,354	98.63%	28,409,342
Central Ohio JVS	4,759,003,490	6,055,000	0.09%	5,315
Total overlapping		935,794,085		
Total direct and overlapping debt		<u>\$ 953,229,085</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>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Overall debt limit	\$ 115,692	\$ 115,860	\$ 116,237	\$ 134,369
Total net debt applicable to limit	15,690	14,022	19,160	17,195
Legal debt margin	\$ 100,002	\$ 101,838	\$ 97,077	\$ 117,174
Total net debt applicable to the limit as a percentage of debt limit	13.56%	12.10%	16.48%	12.80%
Unvoted Debt limit	\$ 60,600	\$ 60,689	\$ 60,886	\$ 70,384
Total net debt applicable to limit	10,770	9,312	14,597	8,219
Legal debt margin	\$ 49,830	\$ 51,377	\$ 46,289	\$ 62,165
Total net debt applicable to the limit as a percentage of debt limit	17.77%	15.34%	23.97%	11.68%
 <u>Overall (Voted and Unvoted) Debt Limitation:</u>				
Total assessed value	\$1,572,786 (2)			
Debt limit (10 1/2% of total assessed value)	165,143			
Debt applicable to limit:				
General obligation bonds and notes	28,492			
Less: Amount set aside for repayment of general obligation debt	<u>229</u>			
Total net debt applicable to limit	<u>28,263</u>			
Legal debt margin	<u><u>\$ 136,880</u></u>			

Notes:

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

		Year									
		<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>				
\$	134,896	\$	136,134	\$	162,292	\$	162,600	\$	162,583	\$	165,143
	23,004		25,431		26,861		24,822		23,552		28,492
\$	111,892	\$	110,703	\$	135,431	\$	137,778	\$	139,031	\$	136,651
	17.05%		18.68%		16.55%		15.27%		14.49%		17.25%
\$	70,660	\$	71,308	\$	85,010	\$	85,171	\$	85,162	\$	86,503
	14,438		17,290		18,101		16,496		15,917		21,793
\$	56,222	\$	54,018	\$	66,909	\$	68,675	\$	69,245	\$	64,710
	20.43%		24.25%		21.29%		19.37%		18.69%		25.19%

Unvoted Debt Limitation:

Total assessed value	\$ 1,572,786
Debt limit (5 1/2% of total assessed value)	86,503
Debt applicable to limit:	
General obligation bonds and notes	28,492
Less: Debt outside limitations	6,470
Debt within limitation	<u>22,022</u>
Less: Amount set aside for repayment of general obligation debt	<u>229</u>
Total net debt applicable to limit	<u>21,793</u>
Legal debt margin for unvoted debt	<u><u>\$ 64,710</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>
2008	34,023	\$1,726,701	50,751	42.1	5,438	5.3%	6.5%
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%

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>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Public Safety					
Police	61.0	62.0	61.0	61.0	60.0
Fire	63.0	64.0	63.0	64.0	64.0
General Government	44.0	44.0	45.0	45.0	45.0
Public Services	30.0	31.0	31.0	31.0	32.0
Parks and Recreation (1)	25.0	26.8	26.2	23.0	23.0
Community Development	10.0	10.0	10.0	10.0	10.0
Utilities (2)	10.0	11.0	10.0	10.0	11.0
Sanitation	2.0	19.0	19.0	19.0	20.0
Total	245.0	267.8	265.2	263.0	265.0

Function	Full-time Equivalent Employees as of December 31				
	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Public Safety					
Police	60.0	60.0	60.0	60.5	60.5
Fire	64.0	64.0	64.0	64.0	64.0
General Government	45.0	45.0	45.0	40.5	40.5
Public Services	32.0	32.0	32.0	30.0	30.0
Parks and Recreation (1)	23.0	21.0	21.0	19.0	19.0
Community Development	10.0	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	20.0	18.0	18.0
Total	265.0	261.0	261.0	251.0	251.0

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 Four Years**

Function	2008	2007	2006	2005
Public Safety - Police				
Number of police stations	1	1	1	1
Number of police cruisers	15	13	15	13
Number of pieces of equipment	255	255	257	251
Public Safety - Fire				
Number of fire stations	3	3	3	3
Number of fire engines	3	3	3	3
Number of medics	3	3	3	3
Number of pieces of equipment	295	306	319	299
Public Services				
Miles of roads	154	154	153	153
Number of traffic signals	52	52	54	54
Number of streetlights	1427	809	659	659
Parks and Recreation				
Number of parks	25	25	22	25
Acres of parkland	180	180	180	169
Number of swimming pools	3	3	3	3
Number of tennis courts	23	23	23	16
Number of senior centers	1	1	1	1
Utilities				
Number of fire hydrants	1,958	1,958	1,958	1,958
Number of catch basins	3,400	3,400	3,400	3,400
Miles of sanitary sewer	145	145	143	143
Solid Waste				
Number of packer trucks	-	10	11	10
Number of satellite vehicles	7	21	22	23
Roll-Off Truck	-	1	1	-
Stake Bed Truck	-	1	1	-
Pick-up Trucks	3	4	3	-

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>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Public Safety - Police				
Number of citations issued	4,181	4,293	3,616	5,014
Number of arrests	711	586	734	806
Number of accidents	539	516	555	549
Public Safety - Fire				
Number of fire responses	3,500	3,493	3,300	3,410
Number of EMS responses	4,000	3,954	3,533	2,894
Number of inspections	1,437	1,437	1,700	1,757
General Government				
Number of probation cases	200	195	244	244
Number of traffic cases	3,200	2,939	3,178	3,486
Number of fleet management repairs	2,407	2,898	2,874	3,194
Public Services				
Roadway repairs-surface (sq. ft.)	116,686	109,082	131,774	121,610
Street cleaning-leaf collection (cu. Yds.)	22,669	21,668	22,235	23,941
Street cleaning-snow removal (hours)	1168	2002	294	1,465
Parks and Recreation				
Number of registrations for programs	8,999	11,406	22,409	25,663
Number of programs/classes	1,383	802	1,146	927
Number of trees planted (less removed trees)	275	306	173	390
Community Development				
Number of building permits issued	383	376	380	433
Number of building inspections conducted	2,259	2,455	2,542	2,481
Number of code investigations	1017	934	698	664
Utilities				
Number of fire hydrant repairs (water)	97	75	106	175
Number of catch basin repairs (stormwater)	225	244	82	57
Number of manhole repairs (sewer)	54	42	63	113
Solid Waste				
Number of refuse collected (tons)	6,700	6,814	7,120	6,406
Number of yard waste collected (tons)	300	391	599	640
Number of recyclables collected (tons)	4,400	4,362	5,747	5,701

Note:

** Data not available or kept

Sources:

1. City of Upper Arlington departments

Operating Indicators by Function

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
5,275	5,265	4,902	5,182	5,394	5,096
872	907	824	808	776	892
583	609	638	627	721	725
2,438	3,491	3,640	3,474	2,142	2,605
2,914	3,621	3,777	3,045	2,674	4,000
1,138	1,517	1,027	1,647	1,065	2,134
236	223	289	218	252	186
3,520	4,114	4,022	4,586	4,540	4,357
3,242	3,661	3,428	3,125	**	**
105,439	108,308	107,050	145,298	136,865	421,043
21,091	20,068	22,470	20,687	18,905	18,452
1,000	661	584	188	1,114	2,348
10,816	13,697	9,578	8,314	15,153	15,228
612	639	647	557	482	596
170	280	240	210	**	**
406	432	383	350	360	384
2,469	2,318	1,639	1,407	1,578	1,516
964	862	536	450	331	318
117	88	95	99	81	73
108	137	101	155	247	118
119	120	119	43	**	**
7,542	7,693	7,538	7,766	8,408	8,370
667	855	733	955	1,095	1,269
5,456	5,750	5,586	5,677	5,410	4,572

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

Supplemental Report

DECEMBER 31, 2008

CATHERINE M. ARMSTRONG, FINANCE DIRECTOR

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

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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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Upper Arlington, Franklin County, Ohio, as of and for the year ended December 31, 2008, which collectively comprise the City of Upper Arlington's basic financial statements and have issued our report thereon dated May 20, 2009. 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.



Julian & Grube, Inc.
May 20, 2009



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 7, 2009**