



CITY OF | **UPPER
ARLINGTON**
OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2011



Dave Yost • Auditor of State

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

We have reviewed the *Independent Accountants' Report* of the City of Upper Arlington, Franklin County, prepared by Julian & Grube, Inc., for the audit period January 1, 2011 through December 31, 2011. 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 10, 2012

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2011**

ISSUED BY:

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

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

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

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

**Mary S. Davis
*Examiner***

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

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

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

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

**Karen Elifritz
*Payroll Administrator***



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**CITY OF UPPER ARLINGTON, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For The Year Ended December 31, 2011**

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June 22, 2012

To the Honorable Frank Ciotola 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, 2011, 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 & Administrative Services 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 controls 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 13-member board governs the Upper Arlington Community Improvement Corporation (UA CIC). 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 68. 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 100.

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. Columbus-based Regionomics reports that the eight-county Columbus metropolitan area has recovered 15,000 of the more than 50,000 jobs lost at the peak of the recession. Furthermore, several industry sectors including professional and business services, finance and insurance, health care, and retail are surpassing national growth trends. The region is lagging behind other parts of the country in the government jobs, manufacturing, transportation, and warehousing sectors. The U.S. Department of Commerce private survey of business conditions indicate the economy within the Great Lakes region is slowly growing and that layoffs within Ohio have returned to normal levels. Ohio's economy is expected to continue to expand in 2012, paralleling the national recovery.

During continued slow economic recovery, reinvestment in Upper Arlington remained healthy in 2011. The City's Community & Economic Development Department reported a combined residential and commercial construction value of more than \$58 million, approximately \$10 million greater than the previous year. Residential construction value increased \$15 million to just under \$38 million, resulting from sixteen new single-family homes and thirteen new two and three-family dwellings at First Community Village. Commercial reinvestment decreased approximately \$6 million from the previous year.

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. In 2011 specifically, a number of businesses moved to Upper Arlington, or committed to expansions, including:

- Key Bank on Henderson Road
- Whole Foods Grocery Store redevelopment/expansion at the Shops on Lane Avenue
- Wine Bistro at Arlington Commons on Lane Avenue
- New Avenue and Kinexis
- Metrolinked
- UBS
- EMC2

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 is scheduled, a process that is currently underway.

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 plan of approximately \$6.0 million annually through 2016. Funding for 2017 has yet to be determined.

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 \$3.7 million in proceeds of bonds issued in 2010 as well as \$13.1 million in cash. Remaining sources are yet to be determined but may include bond proceeds, cash, intergovernmental grants, and final transfers of estate tax revenue. The State of Ohio legislature has abolished the estate tax effective January 1. Historically, the City has used the first \$2.1 million of estate tax collections for operations and any excess for infrastructure improvements. Future funding sources for the CIP have yet to be determined.

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 continuing financial challenges, the City has successfully retained Triple A financial ratings from Moody's Investors Service, and 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.

Since renovation and new construction work was completed for the first phase of the Kingsdale Shopping Center redevelopment, occupancy at the site has reached impressive levels, and this key commercial district now enjoys a renewed vibrancy. Plans are in progress for the construction of a Houlihan's Restaurant, to begin in 2012. As planned, the City completed its purchase of property adjacent to Zollinger Road and the site was cleared in the hopes of achieving more than 100,000 square feet of Class A office space at this end of the development. As outlined by the City's Development Agreement with Echo/Continental, efforts to market and secure professional/medical office users for this site are now in progress for a period of three years. If the goal is not accomplished within this timeframe, City Council may choose to continue marketing the site for office use, or could choose to sell the site back to Echo/Continental for additional retail development.

Plans for the community's first true mixed-use project became a primary issue in 2011, as developers brought forward their plans for a redevelopment project on Lane Avenue at the site of the Lane Avenue Baptist Church. After a series of public hearings, the project was approved by

the Board of Zoning and Planning (BZAP) in October 2011, with City Council upholding BZAP's decision at an appeal held in November. With plans for construction to begin early in 2012, the project will consist of an upscale, five-story Homewood Suites Hotel with 109 rooms, 108 luxury apartments, 26,000 square feet of retail, office and restaurant space, and a 300+ parking structure along with 130+ additional surface parking spaces. As the year drew to a close, the City and the developers were working together to craft a Development Agreement that would use Tax Increment Financing to help fund onsite and area infrastructure improvements.

In response to increasing levels of activity in the Lane Avenue commercial corridor, the City undertook a traffic and parking study designed to proactively address the impacts on surrounding neighborhoods. The resulting plan recommended: the use of traffic calming measures on side streets as redevelopment projects occurred over time; stricter parking requirements for businesses in the corridor to minimize overflow parking in neighborhoods; and the conversion of this section of Lane Avenue to a three-lane "road diet" configuration designed to slow traffic and increase safety, enhance pedestrian friendliness, and provide on-street public parking. Several traffic calming measures are to be installed in 2012 in response to the success of the Wine Bistro at Arlington Commons, and as the mixed-used project and Whole Foods redevelopment are completed.

Additionally, recognizing that revenue projections will decrease in the coming years with the losses in local government funding and the elimination of the estate tax from the State level, efforts continue to be made to bridge this gap. As retirements and terminations occur, many positions are being left vacant. Additionally, steps continue to transition non-union employees to paying the 10% pension pickup previously provided by the City, and any new hires receive a different vacation accrual program from their fellow non-union employees, with a cap of three weeks per year, and a maximum carryover of three times the annual accrual rate.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the 24th 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, 2010.

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.

Additionally, the City received its sixth consecutive Award for Outstanding Achievement in Popular Annual Financial Reporting from GFOA for the 2010 Popular Annual Financial Report, which provides a reader-friendly summary of the City's financial standing from year to year.

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

Respectfully submitted,



Catherine M. Armstrong, CPA
Finance Director



Theodore J. Staton
City Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Upper Arlington
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

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.



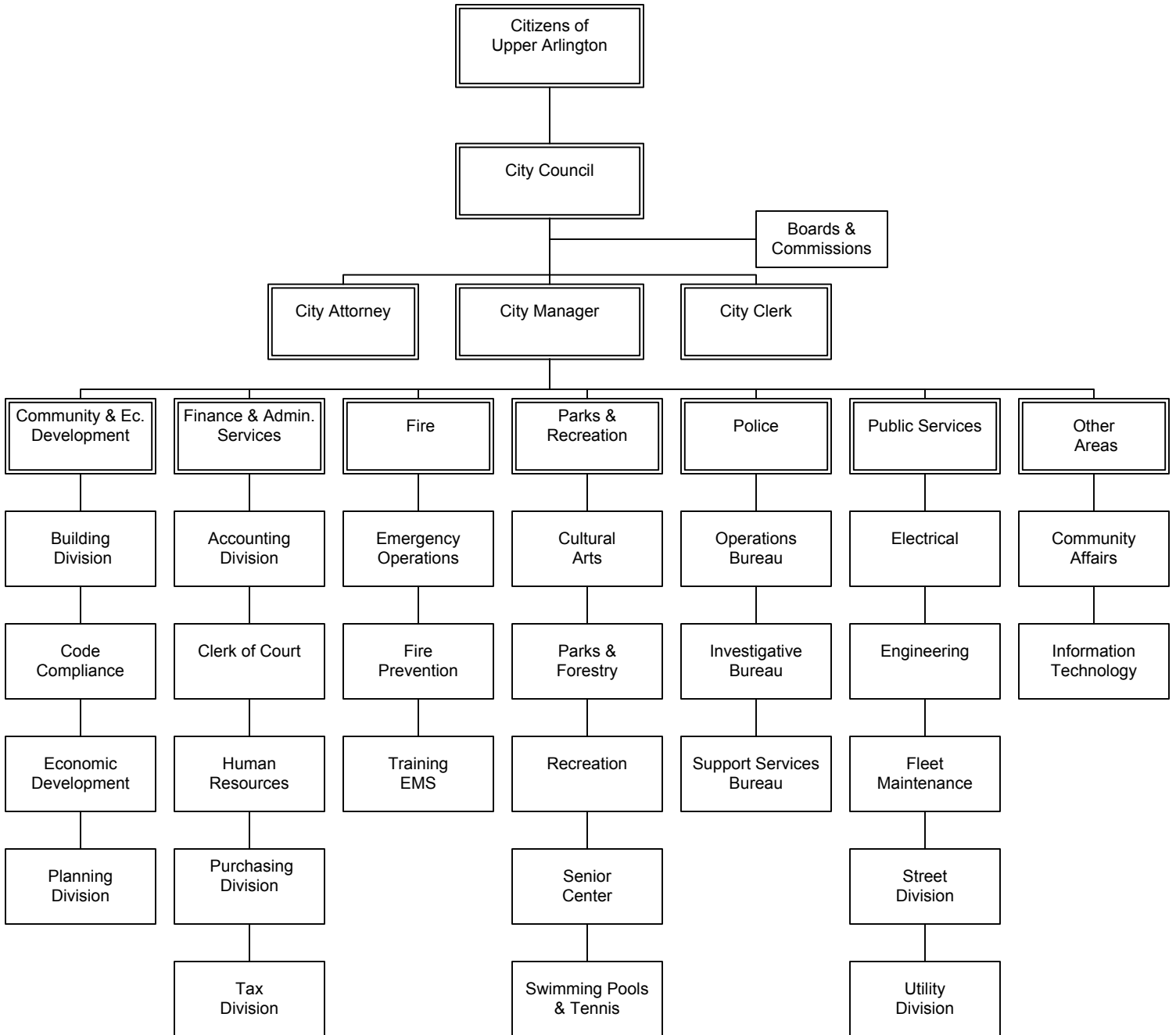
Linda C. Sandison

President

Jeffrey R. Emen

Executive Director

Organizational Chart City of Upper Arlington



CITY OF UPPER ARLINGTON, OHIO
LIST OF CITY OFFICIALS
December 31, 2011

City Council

President/Mayor	Frank Ciotola
Vice President/Vice Mayor	Donald B. Leach, Jr.
Council Member	John C. Adams
Council Member	David E. DeCapua
Council Member	Debbie Johnson
Council Member	Mike Schadek
Council Member	Erik F. Yassenoff

Appointed Officials

City Manager	Theodore J. Staton
City Attorney	Jeanine Hummer
City Clerk	Jennifer Delgado
Clerk of Court	Melissa Kohler

Executive Staff

Assistant City Manager	Joseph T. Valentino
Development Director	Dean Sivinski
Finance Director	Catherine M. Armstrong
Fire Division Chief	Jeff Young
Parks and Recreation Director	Timothy O. Moloney
Police Division Chief	Brian Quinn
Public Services Director	Darryl Hughes



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 Accountants' Report

City of Upper Arlington
3600 Tremont Road
Upper Arlington, OH 43221

To the Members of Council and Mayor:

We have audited the accompanying 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, 2011, 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe 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, Franklin County, Ohio, as of December 31, 2011, and the respective changes in financial position and where applicable, cash flows, thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 15, for the year ended December 31, 2011, the City of Upper Arlington adopted the provisions of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions".

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2012, on our consideration of the City of Upper Arlington's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Members of Council and Mayor
City of Upper Arlington

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis* and *required budgetary comparison schedules and notes*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the City of Upper Arlington's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion or any other assurance on them.



Julian & Grube, Inc.
June 22, 2012

A. REQUIRED SUPPLEMENTARY INFORMATION – MD&A



CITY OF | **UPPER ARLINGTON**

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

As management of the City of Upper Arlington (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Upper Arlington for the year ended December 31, 2011. 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 \$110,708,914 (net assets). Of this amount, \$38,920,174 (unrestricted net assets) may be used to meet the government's ongoing governmental activities obligations and \$3,529,123 (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 \$7,207,705, or 7.0%.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$17,620,641, or 51.7% 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 \$42,323,487, a decrease of \$10,991,921 in comparison with the prior year as restated. Of this total amount, \$185,856 represents non-spendable inventories. An additional \$10,264,402 or 24.3% of the fund balance is categorized as restricted. Restricted fund balances have constraints externally imposed by creditors, grantors, contributors, or laws or regulations of other governments. An additional \$19,001,262 or 44.9% of the fund balance is categorized as committed. Committed fund balances have constraints as to use imposed by formal action of the government's highest level of decision-making authority. These constraints can only be removed or changed by taking the same type of action it employed to commit those amounts. Assigned fund balances are constrained by the government's intent to use the funds for a specific purpose but are neither restricted nor committed. Unassigned fund balance is \$12,871,967 at the close of the year. The unassigned fund balance represents fund balance that has not been restricted, committed, or assigned.

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 21 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, General Obligation Bond Retirement Fund, Street Construction Maintenance and Repair Fund, Bonded Improvement Fund, Kingsdale Core TIF Fund, and the Estate Tax Capital Projects Fund, all of which are considered major funds. Data from the other 15 governmental funds are combined into a single, aggregated presentation. The Arlington Crossing TIF non-major capital projects fund did not have any activity for the year.

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 two internal service fund to recover costs and pay premiums for employee health and dental benefits; and to recover costs and pay premiums for workers compensation 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 funds are presented in the proprietary fund financial statements in one column.

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 – 66 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 67 – 72 of this report.

Other Supplementary Information, including additional budgetary schedules, the combining statements referred to earlier in connection with non-major governmental funds and non-major business-type funds, are presented immediately following the other required supplemental information. The additional budgetary schedules, and combining and individual fund statements and schedules can be found on pages 73 – 132 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 133-165.

City of Upper Arlington						
Net Assets						
(in thousands)						
	<u>Governmental activities</u>		<u>Business-type activities</u>		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 69,778	\$ 74,196	\$ 3,879	\$ 3,775	\$ 73,657	\$ 77,971
Capital assets	<u>79,406</u>	<u>67,469</u>	<u>22,850</u>	<u>21,678</u>	<u>102,256</u>	<u>89,147</u>
Total assets	\$ 149,184	\$ 141,665	\$ 26,729	\$ 25,453	\$175,913	\$ 167,118
Long-term liabilities outstanding	\$ 44,481	\$ 47,178	1,994	\$ 2,430	46,475	\$ 49,608
Other liabilities	<u>18,429</u>	<u>13,773</u>	<u>301</u>	<u>236</u>	<u>18,730</u>	<u>14,009</u>
Total liabilities	\$ 62,910	\$ 60,951	\$ 2,295	\$ 2,666	\$ 65,205	\$ 63,617
Net assets:						
Invested in capital assets, net of related debt	\$ 38,478	\$ 35,574	\$ 20,905	\$ 19,329	\$59,383	\$ 54,903
Restricted	8,876	7,388			8,876	7,388
Unrestricted	<u>38,920</u>	<u>37,753</u>	<u>3,529</u>	<u>3,458</u>	<u>42,449</u>	<u>41,211</u>
Total net assets	\$ 86,274	\$ 80,175	\$ 24,434	\$ 22,787	\$ 110,708	\$ 103,502

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 \$110,708,914 at the close of 2011.

A large portion of the City's net assets (53.6 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, (8.0 percent) represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net assets, \$42,449,297, 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 \$42,449,297, the unrestricted net assets of the City's business-type activities, \$3,529,123, 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 \$7,518,521, or 5.3%.
- ❑ The increase in governmental activities total liabilities was \$1,958,449, or 3.2%.

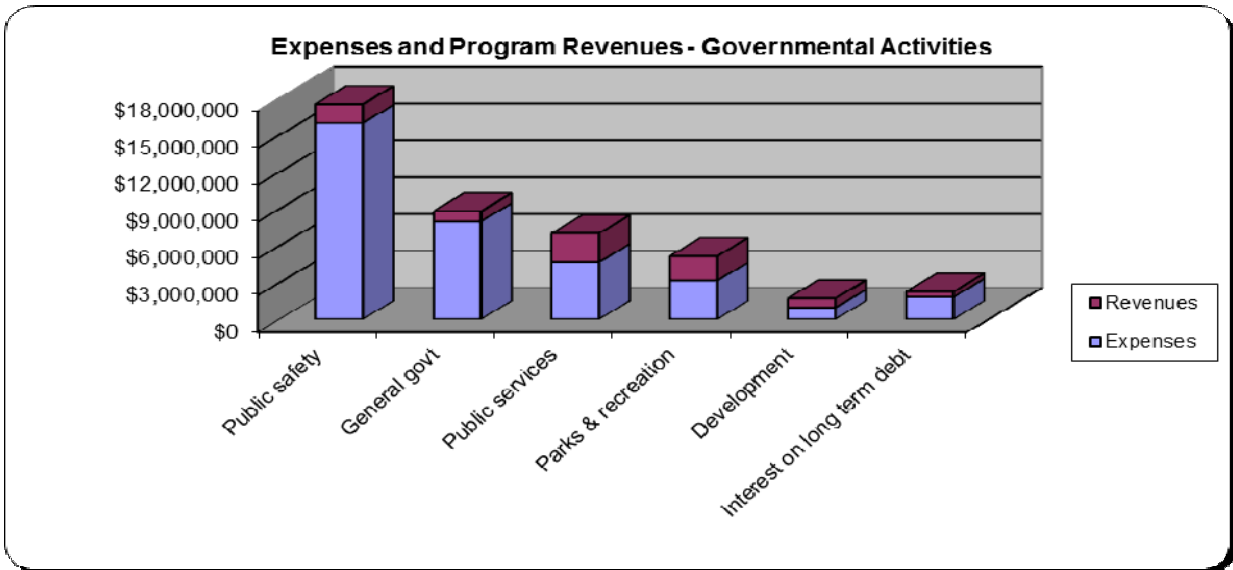
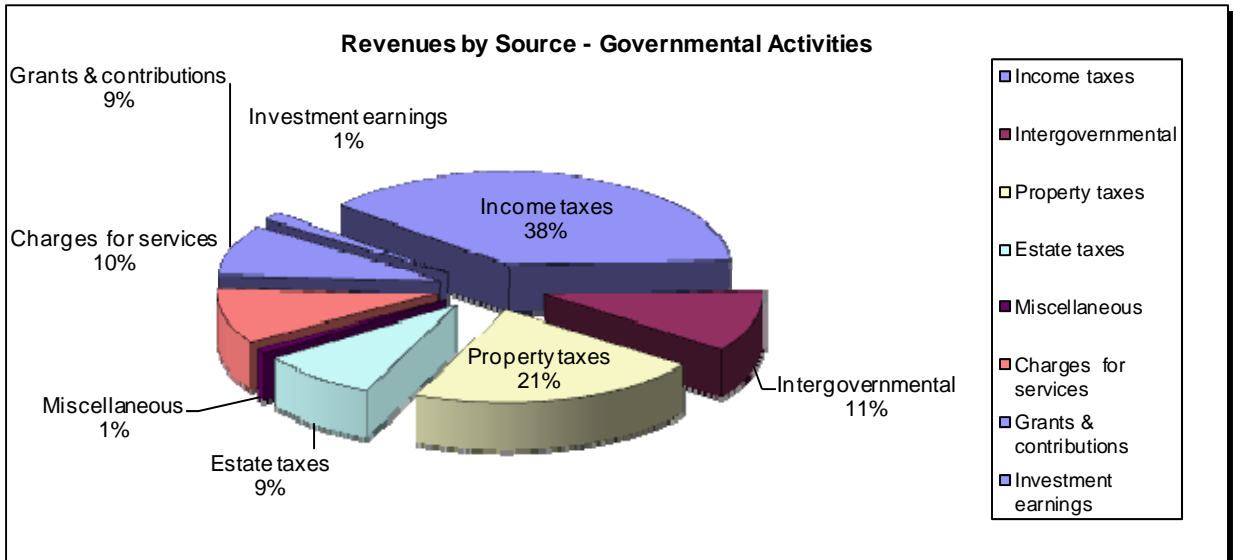
The increase in governmental activities assets was a result of land acquisition and capital improvements of \$11.9 million and increases in accounts receivable of \$1.8 net of decreases in cash and cash equivalents. The increase in governmental activities total liabilities was primarily a result of the increase in current notes payable, net of decreases in non-current bonds payable.

- The increase in business-type activities total assets was \$1,276,967, or 5.0%.
- The business-type activities total liabilities decreased by \$370,761, or 13.9%.

The overall increase in net business type assets was primarily due to contributed capital infrastructure offset by operating losses within the funds. The decrease in business-type liabilities is attributed to payments of long-term loans and bonds net of increases in accounts payable and accrued liabilities.

Governmental activities. Governmental activities increased net assets by \$5.6 million. Governmental revenues increased \$3.5 million primarily as a result of a \$2.9 million increase in income tax over the prior year. Estate taxes decreased \$810 thousand and investment earnings declined with falling interest rates. Intergovernmental revenues and operating grants and contributions increased slightly.

The following charts illustrate both the 2011 revenues and expenses for governmental activities.

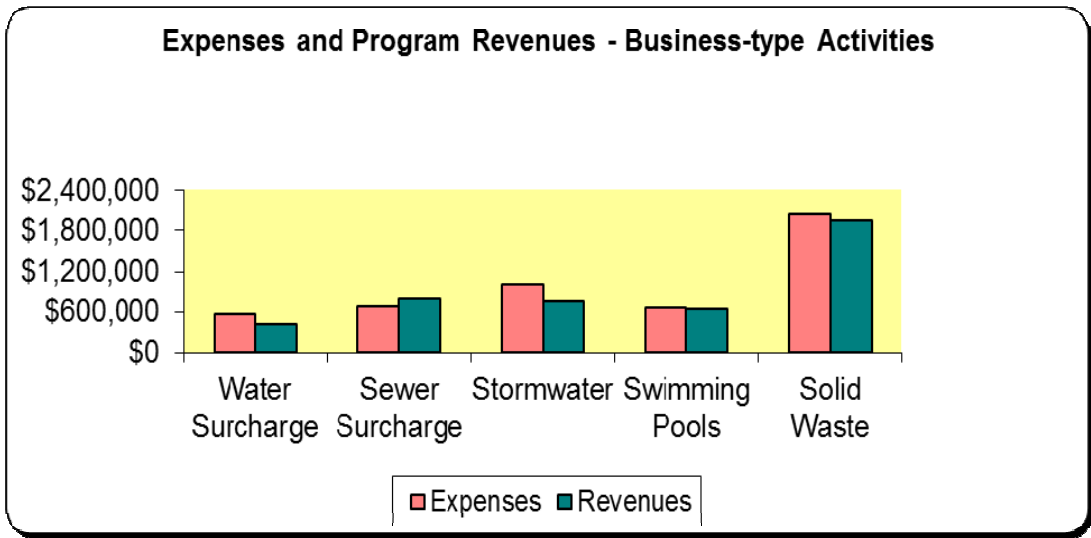
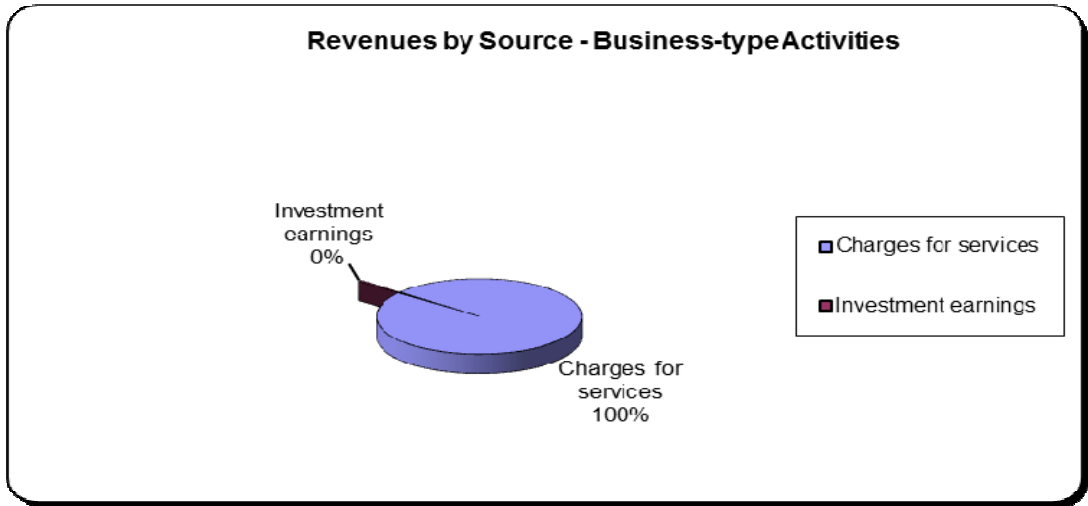


**City of Upper Arlington
Changes in Net Assets**

	Governmental Activities		Business – Type Activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues:						
<i>Program revenues:</i>						
Charges for services	\$4,074,076	\$ 4,221,002	\$4,559,354	\$ 4,035,300	\$8,633,430	\$ 8,256,302
Operating grants & contributions	2,181,629	2,060,117			2,181,629	2,060,117
Capital grants & contributions	1,538,728				1,538,728	
<i>General revenues:</i>						
Income taxes	16,045,185	13,165,348			16,045,185	13,165,348
Estate taxes	3,652,119	4,461,866			3,652,119	4,461,866
Property taxes	9,043,696	9,121,989			9,043,696	9,121,989
Intergovernmental unrestricted	4,593,081	4,416,591			3,054,353	4,416,591
Unrestricted investment earnings	609,097	866,063	22,147	50,874	631,244	916,937
Other miscellaneous revenues	354,982	293,267			1,893,710	293,267
Total revenues	42,092,593	38,606,243	4,581,501	4,086,174	46,674,094	42,692,417
Expenses:						
Public safety	15,972,628	15,724,322			15,972,628	15,724,322
General government	7,971,087	7,902,501			7,971,087	7,902,501
Public services	4,649,528	5,159,433			4,649,528	5,159,433
Parks and recreation	3,147,422	3,052,279			3,147,422	3,052,279
Community development	934,862	952,833			934,862	952,833
Interest on long-term debt	1,821,627	1,463,812			1,821,627	1,463,812
Water Surcharge			566,820	453,168	566,820	453,168
Sanitary Sewer Surcharge			675,861	650,943	675,861	650,943
Stormwater			1,027,551	1,068,505	1,027,551	1,068,505
Swimming pools			657,934	667,485	657,934	667,485
Solid Waste			2,041,069	2,008,974	2,041,069	2,008,974
Total expenses	34,497,154	34,255,180	4,969,235	4,849,075	39,466,389	39,104,255
Increase (decrease) in net assets before transfers	7,595,439	4,351,063	(387,734)	(762,901)	7,207,705	3,588,162
Transfers	(2,035,462)	(1,364,823)	2,035,462	1,364,823	–	–
Increase (decrease) in net assets	5,559,977	2,986,240	1,647,728	601,922	7,207,705	3,588,162
Net assets ---- January 1 st	80,714,555	77,728,315	22,786,654	22,184,732	103,501,209	99,913,047
Net assets---- December 31st	\$86,274,532	\$ 80,714,555	\$24,434,382	\$ 22,786,654	\$110,708,914	\$ 103,501,209

Business-type activities. Business-type activities increased the City's net assets by \$1.6 million. The key element of the increase was the current year transfers of capital assets from governmental sources of \$2,035,462. This increase is offset by combined operating losses of \$350,100 resulting from non-cash depreciation expenses of \$870,727.

The following chart illustrates both 2011 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, *unassigned 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 \$42,323,487, a decrease of \$10,991,921 in comparison with the prior year as restated. Of this total amount, \$185,856 represents non-spendable inventories. An additional \$10,264,402 or 24.3% of the fund balance is categorized as restricted. Restricted fund balances have constraints externally imposed by creditors, grantors, contributors, or laws or regulations of other governments. An additional \$19,001,262 or 44.9% of the fund balance is categorized as committed. Committed fund balances have constraints as to use imposed by formal action of the government's highest level of decision-making authority. These constraints can only be removed or changed by taking the same type of action it employed to commit those amounts. Assigned fund balances are constrained by the government's intent to use the funds for a specific purpose but are neither restricted nor committed. Unassigned fund balance is \$12,871,967 at the close of the year. The unassigned fund balance represents fund balance that has not been restricted, committed, or assigned.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$17,620,641, while the total fund balance was \$28,354,897. The City has restricted \$861,032 for pension obligations and capital improvements. The City has committed \$9,809,328 for capital improvements and/or payment of debt issued for capital improvements and general liability insurance. Non-spendable inventories represent \$63,896 of the general fund balance.

The fund balance of the City's General Fund as restated decreased by \$91,517 in 2011. The largest components of this decrease are as follows:

- ❑ An increase in income tax revenues of \$458,478 and
- ❑ An decrease in estate tax revenues of \$554,202 and
- ❑ A decrease in public service expenditures of \$210,540 and
- ❑ A decrease in capital outlay expenditures of \$809,427

The fund balance of the City's Street Construction Maintenance and Repair Fund decreased by \$172,758 in 2011. Operating revenues of motor fuel and motor vehicle license tax of \$1,593,538 were \$74,669 less than the previous year. In addition, although expenditures decreased by \$38,981 in the current year to \$1,766,296, they outpaced revenues and contributed to the decrease in fund balance.

The fund balance of the City's General Obligation Bond Retirement Fund increased by \$46,924 primarily due to an increase in intergovernmental revenue in the form of a federal interest subsidy.

The fund balance of the City's Bonded Improvement Fund decreased by \$6,688,327 as bond proceeds were spent.

The Estate Tax Fund balance increased by \$102,917 as a result of an increase of intergovernmental revenues and interest of \$303,214 and transfers in of \$1,025,089 net of capital outlay expenditures of \$1,225,386.

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 \$322,250 for the Water Surcharge Fund; \$416,657 for the Sanitary Sewer Surcharge Fund; \$2,179,589 for the Stormwater Fund; \$468,173 for the Swimming Pools Fund; and \$4,200 for the Solid Waste Fund. The change in net assets for the proprietary funds was \$636,263, \$810,560, \$292,368, (\$18,113), and (\$82,261), respectively.

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, 2011, amounts to \$102,255,491 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 \$13,109,622, or 14.7%.

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: Berkshire Road, Lane Avenue TIF district improvements, 2012 Street Maintenance and Street Reconstruction program, Collingswood Road, and Coventry Road.

Key Construction-in-progress infrastructure projects included: Waltham Road reconstruction, Fishinger Road reconstruction, Kingsdale CORE TIF district improvements, and 2011 Street reconstruction program.

Key Completed construction and infrastructure projects included: Cambridge Boulevard bridge and culvert improvements, Ridgeview and Farleigh waterlines, Donna Drive and Hillview Road waterline, 2011 Street Maintenance Program and Arlington Avenue reconstruction and sanitary sewer replacement.

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

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$9,264,600	\$ 4,454,512	\$1,236,573	\$ 1,236,573	\$10,501,173	\$ 5,691,085
Building	9,181,903	8,274,859	-	-	9,181,903	8,274,859
Improvement	4,738,068	4,738,571	3,958,042	4,049,743	8,696,110	8,788,314
Machinery and equipment	3,224,083	3,434,707	374,965	467,328	3,599,048	3,902,035
Infrastructure	45,456,928	38,249,917	17,238,260	15,849,851	62,695,188	54,099,768
Construction in progress	<u>7,540,117</u>	<u>8,316,002</u>	<u>41,952</u>	<u>73,806</u>	<u>7,582,069</u>	<u>8,389,808</u>
Total	<u>\$79,405,699</u>	<u>\$67,468,568</u>	<u>\$22,849,792</u>	<u>\$21,677,301</u>	<u>102,255,491</u>	<u>\$89,145,869</u>

Additional information on the City's capital assets can be found in note 4 on pages 53 - 54 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$42,940,808. 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	
	2011	2010	2011	2010	2011	2010
General Obligation Bonds	<u>\$41,793,533</u>	<u>\$44,102,083</u>	<u>\$997,695</u>	<u>\$ 1,147,275</u>	<u>\$ 42,940,808</u>	<u>\$ 45,249,358</u>
Total	<u>\$41,793,533</u>	<u>\$44,102,083</u>	<u>\$997,695</u>	<u>\$ 1,147,275</u>	<u>\$ 42,940,808</u>	<u>\$ 45,249,358</u>

During the current fiscal year, the City's total bonded debt decreased by \$2,330,000 as a result of principal retirements. The City refunded to lower interest rates \$5,700,000 of a 2003 bond issue.

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 \$165,269,390, 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 56 - 60 of this report.

General Fund Budgetary Highlights

In 2011, the City amended the 2011 General Fund budget by an increase of \$1,454,532. Major factors included \$1,025,090 for a fund transfer to a capital projects fund, \$250,000 for a fund transfer to a TIF fund, \$13,192 for increases in the City's contract with the health department, \$16,650 for additional salaries and benefits in connection with the transition of the City manager position, \$30,000 for vacation and leave balance payments to retirees, \$17,600 for unemployment premiums, \$50,000 for fuel, \$25,000 for jail bills, and \$27,000 for increases in multiple departments for supplies and payment for services.

The \$1,025,090 transfer to capital projects funds was possible due to additional estate tax revenue received. The fund transfer to the TIF fund and supplemental expenditures were budgeted from the existing unappropriated fund balance.

Economic Factors and Next Year's Budgets and Rates

- ❑ The unemployment rate for 2011 for the Columbus area (Upper Arlington is a first-tier suburb) was 7.5 percent, which represents a favorable decrease from a rate of 7.7 percent a year ago. This compares favorably to the state's 2011 average unemployment rate of 8.6 percent and favorably to the national average rate of 8.9 percent.
- ❑ Income tax collections were 3.0% above budget projections for 2011 at \$14.7 million. This resulted in an increase of \$1 million in actual collections in 2011 as compared to 2010, and can be primarily attributed to the withholding and individual components of the income tax collections.
- ❑ The assessed value of the property in the City remained stable, and the related property tax collections increased 1.3% to \$10.9 million in 2011.
- ❑ The Development Department issued 463 residential and commercial permits in 2011, with a total construction value of approximately \$58 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. Funding for the first six years of the plan is estimated at \$35.8 million. Identified sources for the plan are cash balances of \$13.1 million and \$3.7 of remaining bond proceeds. Funding is yet to be determined for the remainder of the plan. All of these factors were considered in preparing the City's Budget for the 2012 fiscal year.

During the current fiscal year, unrestricted budgetary fund balance in the General Fund operating account increased \$90,018 to a fund balance of \$22,146,019. The City has appropriated \$29,135,682 for General Fund account operating expenditures in the 2012 fiscal year budget, which includes the 2012 budgeted revenues of \$29,290,754.

Other Budgetary Highlights

Rate changes: Self-insured workers compensation charges decreased from 1.5% to 1.3% of payroll. Health insurance costs increased 13.8% during the current fiscal year. The City continues its efforts to contain these costs through revisions to its prescription drug program, increases in employee contributions for health care, increases in office visit co-pays, and a wellness program.

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, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	<u>The Upper Arlington Community Improvement Corporation</u>
ASSETS				
Cash, cash equivalents and investments	\$ 46,222,100	\$ 3,542,203	\$ 49,764,303	
Cash, cash equivalents in segregated accounts				\$ 32,772
Accounts receivable (net of allowance for uncollectibles)	22,896,068	196,730	23,092,798	
Inventories	185,856		185,856	
Deferred charges	598,840	16,233	615,073	
Internal balances	(124,788)	124,788		
Capital assets:				
Land	9,264,600	1,236,573	10,501,173	
Construction in progress	7,540,117	41,952	7,582,069	
Other capital assets, net of accumulated depreciation	62,600,982	21,571,267	84,172,249	
Total assets	\$ 149,183,775	\$ 26,729,746	\$ 175,913,521	\$ 32,772
LIABILITIES				
Accounts payable	\$ 1,607,032	\$ 275,419	\$ 1,882,451	
Accrued liabilities	1,198,809	25,423	1,224,232	
Unearned revenue	10,822,664	522	10,823,186	
Note payable	4,800,000		4,800,000	
Noncurrent liabilities:				
Due within one year				
Accrued vacation and sick leave	1,530,137	44,884	1,575,021	
Ohio Public Works Commission Loans - current		263,258	263,258	
Bonds & notes payable, net - current	2,595,000	160,000	2,755,000	
Due in more than one year:				
Accrued vacation and sick leave	1,157,068	4,583	1,161,651	
Ohio Public Works Commission Loans		683,580	683,580	
Bonds & notes payable, net	39,198,533	837,695	40,036,228	
Total liabilities	62,909,243	2,295,364	65,204,607	-
NET ASSETS				
Invested in capital assets, net of related debt	38,478,089	20,905,259	59,383,348	
Restricted for:				
Capital projects	5,215,766		5,215,766	
Debt service	283,304		283,304	
Street construction, maintenance and repair	1,477,658		1,477,658	
Public safety	1,114,692		1,114,692	
Economic development	403,291		403,291	
Pension obligations	316,274		316,274	
Other purposes	65,284		65,284	
Unrestricted	38,920,174	3,529,123	42,449,297	\$ 32,772
Total net assets	\$ 86,274,532	\$ 24,434,382	\$ 110,708,914	\$ 32,772

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, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Public Safety	\$ 15,972,628	\$ 1,380,231	\$ 126,733	
General Government	7,971,087	792,751		
Public Services	4,649,528	156,208	1,645,207	\$ 538,728
Parks and Recreation	3,147,422	982,753		1,000,000
Community Development	934,862	762,133		
Interest on long-term debt	1,821,627		409,689	
Total governmental activities	<u>34,497,154</u>	<u>4,074,076</u>	<u>2,181,629</u>	<u>1,538,728</u>
Business-type activities:				
Water Surcharge	566,820	415,257		
Sanitary Sewer Surcharge	675,861	791,375		
Stormwater	1,027,551	760,823		
Swimming Pools	657,934	638,039		
Solid Waste	2,041,069	1,953,860		
Total business-type activities	<u>4,969,235</u>	<u>4,559,354</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 39,466,389</u>	<u>\$ 8,633,430</u>	<u>\$ 2,181,629</u>	<u>\$ 1,538,728</u>
Component Unit - Community Improvement Corporation of Upper Arlington	<u>\$ 13,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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>
Net (Expense) Revenue and Changes in Net Assets			The Upper Arlington Community Improvement Corporation
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
\$ (14,465,664)		\$ (14,465,664)	
(7,178,336)		(7,178,336)	
(2,309,385)		(2,309,385)	
(1,164,669)		(1,164,669)	
(172,729)		(172,729)	
<u>(1,411,938)</u>		<u>(1,411,938)</u>	
<u>(26,702,721)</u>		<u>(26,702,721)</u>	
	\$ (151,563)	(151,563)	
	115,514	115,514	
	(266,728)	(266,728)	
	(19,895)	(19,895)	
	<u>(87,209)</u>	<u>(87,209)</u>	
	<u>(409,881)</u>	<u>(409,881)</u>	
<u>(26,702,721)</u>	<u>(409,881)</u>	<u>(27,112,602)</u>	
			<u>\$ (13,720)</u>
16,045,185		16,045,185	
9,043,696		9,043,696	
3,652,119		3,652,119	
4,593,081		4,593,081	
609,097	22,147	631,244	105
354,982		354,982	
<u>(2,035,462)</u>	<u>2,035,462</u>	<u>-</u>	
<u>32,262,698</u>	<u>2,057,609</u>	<u>34,320,307</u>	<u>105</u>
<u>5,559,977</u>	<u>1,647,728</u>	<u>7,207,705</u>	<u>(13,615)</u>
<u>80,714,555</u>	<u>22,786,654</u>	<u>103,501,209</u>	<u>46,387</u>
<u>\$ 86,274,532</u>	<u>\$ 24,434,382</u>	<u>\$ 110,708,914</u>	<u>\$ 32,772</u>

City of Upper Arlington, Ohio
 Balance Sheet
 Governmental Funds
 December 31, 2011

	<u>General</u>	<u>Street Construction Maintenance and Repair</u>	<u>General Obligation Bond Retirement</u>
ASSETS			
Cash, cash equivalents and investments	\$ 24,550,581	\$ 270,822	\$ 389,982
Receivables (net of allowance for uncollectibles)	19,533,076	789,312	932,956
Inventories	63,896	121,960	
Total assets	<u>\$ 44,147,553</u>	<u>\$ 1,182,094</u>	<u>\$ 1,322,938</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 247,462	\$ 7,248	
Due to other funds	332,107	31,309	
Deferred revenue	14,079,308	526,946	\$ 917,623
Accrued liabilities	1,017,836	47,571	
Accrued vacation & sick leave liability	115,943		
Note payable			
Total liabilities	<u>15,792,656</u>	<u>613,074</u>	<u>917,623</u>
 Fund balances:			
Nonspendable	63,896	121,960	
Restricted	861,032	447,060	405,315
Committed	9,809,328		
Unassigned	17,620,641		
Total fund balances	<u>28,354,897</u>	<u>569,020</u>	<u>405,315</u>
Total liabilities and fund balances	<u>\$ 44,147,553</u>	<u>\$ 1,182,094</u>	<u>\$ 1,322,938</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>Kingsdale Core TIF</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 5,562,119	\$ 7,900,021 472,729	\$ 187,347 129,340	\$ 5,119,078 1,023,118	\$ 43,979,950 22,880,531 185,856
<u>\$ 5,562,119</u>	<u>\$ 8,372,750</u>	<u>\$ 316,687</u>	<u>\$ 6,142,196</u>	<u>\$ 67,046,337</u>
\$ 631,854	\$ 87,566 460,000	\$ 129,340 129,340	\$ 113,943 21 1,045,530 1,903	\$ 1,217,413 363,437 17,158,747 1,067,310 115,943 4,800,000
<u>631,854</u>	<u>547,566</u>	<u>4,800,000</u> <u>5,058,680</u>	<u>1,161,397</u>	<u>24,722,850</u>
4,930,265	7,825,184	(4,741,993)	3,620,730 1,366,750 (6,681)	185,856 10,264,402 19,001,262 12,871,967
<u>4,930,265</u>	<u>7,825,184</u>	<u>(4,741,993)</u>	<u>4,980,799</u>	<u>42,323,487</u>
<u>\$ 5,562,119</u>	<u>\$ 8,372,750</u>	<u>\$ 316,687</u>	<u>\$ 6,142,196</u>	<u>\$ 67,046,337</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, 2011

Total Governmental Fund Balances	\$	42,323,487
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.		79,405,699
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes		113,529
Income taxes		2,962,209
Estate taxes		602,513
Intergovernmental revenues		2,657,832
Deferred charges		598,840
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		(131,499)
Accrued vacation and sick leave		(2,571,262)
Bonds and Notes payable		(41,719,994)
Deferred amounts on refundings, net		780,629
Premium on bonds, net		(717,350)
Accretion bonds, net		(136,818)
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.		2,106,717
Net Assets of Governmental Activities	<u>\$</u>	<u>86,274,532</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, 2011

REVENUES	<u>General</u>	<u>Street Construction Maintenance and Repair</u>	<u>General Obligation Bond Retirement</u>
Taxes:			
Property	\$ 8,171,071		\$ 860,664
Income	14,546,542		
Estate	3,520,361		
Motor fuel		\$ 1,245,332	
Intergovernmental	3,352,449	331,433	409,689
Licenses and permits	944,459		
Charges for services	1,639,025	1,500	
Fines and forfeits	405,635		
Investment earnings	489,497	1,823	
Miscellaneous	923,410	13,450	
Total revenues	<u>33,992,449</u>	<u>1,593,538</u>	<u>1,270,353</u>
EXPENDITURES			
Current:			
Public safety	15,710,688		
General government	7,541,141		10,627
Public services	1,120,448	1,766,296	
Parks and recreation	2,826,852		
Community development	956,177		
Debt service:			
Principal			2,480,000
Interest			1,743,346
Bond issuance costs			113,870
Capital outlay:			
Capital outlay	927,150		
Total expenditures	<u>29,082,456</u>	<u>1,766,296</u>	<u>4,347,843</u>
Excess (deficiency) of revenues over (under) expenditures	4,909,993	(172,758)	(3,077,490)
OTHER FINANCING SOURCES (USES)			
Transfers in			3,010,544
Transfers out	(5,035,633)		
Refunding bonds issued			6,000,000
Premium on issuance of bonds and notes			265,261
Payment to refunded bonds escrow agent			(6,151,391)
Proceeds from sale of capital assets	34,123		
Total other financing sources and uses	<u>(5,001,510)</u>	<u>-</u>	<u>3,124,414</u>
Net change in fund balances	(91,517)	(172,758)	46,924
Fund balances -- January 1, as restated	28,446,414	741,778	358,391
Fund balances -- December 31	<u>\$ 28,354,897</u>	<u>\$ 569,020</u>	<u>\$ 405,315</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>Kingsdale Core TIF</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
				\$ 9,031,735
				14,546,542
				3,520,361
				1,245,332
	\$ 209,686	\$ 620,660	\$ 700,322	5,624,239
				944,459
			258,915	1,899,440
			23,827	429,462
\$ 5,733	93,204		18,840	609,097
	324		555,820	1,493,004
<u>5,733</u>	<u>303,214</u>	<u>620,660</u>	<u>1,557,724</u>	<u>39,343,671</u>
			72,969	15,783,657
			5,000	7,556,768
			26,304	2,913,048
			190,259	3,017,111
				956,177
				2,480,000
				1,743,346
		17,580		131,450
<u>6,694,060</u>	<u>1,225,386</u>	<u>5,832,813</u>	<u>1,415,449</u>	<u>16,094,858</u>
<u>6,694,060</u>	<u>1,225,386</u>	<u>5,850,393</u>	<u>1,709,981</u>	<u>50,676,415</u>
(6,688,327)	(922,172)	(5,229,733)	(152,257)	(11,332,744)
	1,025,089		1,000,000	5,035,633
				(5,035,633)
				6,000,000
		19,056		284,317
				(6,151,391)
			173,774	207,897
<u>-</u>	<u>1,025,089</u>	<u>19,056</u>	<u>1,173,774</u>	<u>340,823</u>
(6,688,327)	102,917	(5,210,677)	1,021,517	(10,991,921)
<u>11,618,592</u>	<u>7,722,267</u>	<u>468,684</u>	<u>3,959,282</u>	<u>53,315,408</u>
<u>\$ 4,930,265</u>	<u>\$ 7,825,184</u>	<u>\$ (4,741,993)</u>	<u>\$ 4,980,799</u>	<u>\$ 42,323,487</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, 2011

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)		\$ (10,991,921)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those activities is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Capital asset additions	16,074,692	
Depreciation	<u>(3,095,623)</u>	12,979,069
Net carrying value of governmental assets disposed of in 2011.		(10,984)
Contributions of capital assets, net.		(1,030,954)
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.		1,547,501
<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>		
		2,400,243
<p>Some expenses such as accrued vacation and sick leave, 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>		
		429,088
<p>The net revenue of certain activities of internal service funds is reported with governmental activities.</p>		
		237,935
Change in net assets of governmental activities (page 21)		<u><u>\$ 5,559,977</u></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, 2011

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Water Surcharge	Sanitary Sewer Surcharge	Stormwater
ASSETS			
Current assets:			
Cash, cash equivalents and investments	\$ 302,870	\$ 378,122	\$ 2,268,933
Accounts receivable (net of allowance for uncollectibles)	33,383	63,169	47,332
Due from other funds			
Deferred charges			16,233
Total current assets	<u>336,253</u>	<u>441,291</u>	<u>2,332,498</u>
Noncurrent assets:			
Capital assets:			
Land	514		
Improvements	238,244		
Infrastructure	12,568,324	10,501,382	12,680,722
Machinery and equipment	76,502	432,437	728,192
Construction in progress	41,952		
Less accumulated depreciation	<u>(5,316,167)</u>	<u>(6,013,963)</u>	<u>(8,290,466)</u>
Total capital assets (net of accumulated depreciation)	<u>7,609,369</u>	<u>4,919,856</u>	<u>5,118,448</u>
Total noncurrent assets	<u>7,609,369</u>	<u>4,919,856</u>	<u>5,118,448</u>
Total assets	<u>\$ 7,945,622</u>	<u>\$ 5,361,147</u>	<u>\$ 7,450,946</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 857	\$ 1,096	\$ 102,473
Due to other funds	3,195	6,512	3,745
Unearned revenue			
Accrued liabilities	8,158	7,713	8,330
Accrued vacation and sick leave	1,627	8,450	34,807
Ohio Public Works Commission Loans - current	107,390	155,868	
General obligation bonds - current			160,000
Total current liabilities	<u>121,227</u>	<u>179,639</u>	<u>309,355</u>
Noncurrent liabilities:			
Accrued vacation and sick leave	166	863	3,554
General obligation bonds payable (net of unamortized discounts)			837,695
Ohio Public Works Commission Loans	<u>305,941</u>	<u>377,639</u>	
Total noncurrent liabilities	<u>306,107</u>	<u>378,502</u>	<u>841,249</u>
Total liabilities	<u>427,334</u>	<u>558,141</u>	<u>1,150,604</u>
NET ASSETS			
Invested in capital assets, net of related debt	7,196,038	4,386,349	4,120,753
Unrestricted	<u>322,250</u>	<u>416,657</u>	<u>2,179,589</u>
Total net assets	<u>\$ 7,518,288</u>	<u>\$ 4,803,006</u>	<u>\$ 6,300,342</u>

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

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

Business-type Activities - Enterprise Funds

Major Funds			Governmental Activities Internal Service Funds
Swimming Pools	Solid Waste	Total	
\$ 470,805	\$ 121,473	\$ 3,542,203	\$ 2,242,150
	52,846	196,730	15,537
		16,233	376,903
<u>470,805</u>	<u>174,319</u>	<u>3,755,166</u>	<u>2,634,590</u>
1,236,059		1,236,573	
4,571,351		4,809,595	
		35,750,428	
53,339		1,290,470	
		41,952	
<u>(658,630)</u>		<u>(20,279,226)</u>	
5,202,119	-	22,849,792	
<u>5,202,119</u>	<u>-</u>	<u>22,849,792</u>	<u>-</u>
\$ 5,672,924	\$ 174,319	\$ 26,604,958	\$ 2,634,590
\$ 874	\$ 170,119	\$ 275,419	\$ 389,619
14		13,466	
522		522	
1,222		25,423	
		44,884	
		263,258	
		160,000	
<u>2,632</u>	<u>170,119</u>	<u>782,972</u>	<u>389,619</u>
		4,583	
		837,695	
		683,580	
<u>-</u>	<u>-</u>	<u>1,525,858</u>	<u>-</u>
<u>2,632</u>	<u>170,119</u>	<u>2,308,830</u>	<u>389,619</u>
5,202,119		20,905,259	
468,173	4,200	3,390,869	2,244,971
\$ 5,670,292	\$ 4,200	24,296,128	\$ 2,244,971
		138,254	
		<u>\$ 24,434,382</u>	

City of Upper Arlington, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2011

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Water Surcharge	Sanitary Sewer Surcharge	Stormwater
Operating revenues:			
Charges for sales and services:			
Charges for services	\$ 415,257	\$ 791,375	\$ 759,571
Total operating revenues	<u>415,257</u>	<u>791,375</u>	<u>759,571</u>
Operating expenses:			
Personal services	137,956	321,205	301,191
Materials and supplies	162,277	113,898	395,597
Contractual services			
Self-insurance			
Depreciation	253,212	220,684	303,179
Total operating expenses	<u>553,445</u>	<u>655,787</u>	<u>999,967</u>
Operating income (loss)	<u>(138,188)</u>	<u>135,588</u>	<u>(240,396)</u>
Nonoperating revenues (expenses):			
Grants / Donations			1,252
Investment earnings			17,199
Interest expense	(15,474)	(22,636)	(28,800)
Loss on disposal of assets		(1,782)	(1,252)
Total nonoperating revenue (expenses)	<u>(15,474)</u>	<u>(24,418)</u>	<u>(11,601)</u>
Income (loss) before contributions	(153,662)	111,170	(251,997)
Capital contributions	789,925	699,390	544,365
Change in net assets	636,263	810,560	292,368
Total net assets -- January 1	6,882,025	3,992,446	6,007,974
Total net assets -- December 31	<u>\$ 7,518,288</u>	<u>\$ 4,803,006</u>	<u>\$ 6,300,342</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 Funds	
Swimming Pools	Solid Waste	Total		
\$ 638,039	\$ 1,953,860	\$ 4,558,102	\$	3,649,833
638,039	1,953,860	4,558,102		3,649,833
417,695		1,178,047		
66,881	7,978	746,631		
79,706	2,033,091	2,112,797		
93,652		870,727		3,402,987
657,934	2,041,069	4,908,202		3,402,987
(19,895)	(87,209)	(350,100)		246,846
		1,252		
	4,948	22,147		
		(66,910)		
-		(3,034)		
-	4,948	(46,545)		-
(19,895)	(82,261)	(396,645)		246,846
1,782		2,035,462		
(18,113)	(82,261)	1,638,817		246,846
5,688,405	86,461			1,998,125
\$ 5,670,292	\$ 4,200		\$	2,244,971
		8,911		
		\$ 1,647,728		

City of Upper Arlington, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Water Surcharge	Sanitary Sewer Surcharge	Stormwater
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 420,825	\$ 794,270	\$ 743,597
Payments to suppliers and contractual services	(162,305)	(114,415)	(354,577)
Payments to employees	(135,763)	(352,908)	(295,398)
Net cash provided (used) by operating activities	<u>122,757</u>	<u>326,947</u>	<u>93,622</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES			
Purchases of capital assets			
Principal paid on capital debt	(104,029)	(150,553)	(150,000)
Interest paid on capital debt	(15,474)	(22,636)	(28,800)
Net cash provided (used) by capital and related financial activities	<u>(119,503)</u>	<u>(173,189)</u>	<u>(178,800)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received			39,769
Net increase (decrease) in cash and cash equivalents	3,254	153,758	(45,409)
Cash and cash equivalents, January 1	<u>299,616</u>	<u>224,364</u>	<u>2,314,342</u>
Cash and cash equivalents, December 31	<u>\$ 302,870</u>	<u>\$ 378,122</u>	<u>\$ 2,268,933</u>

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

Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
Major Funds			
Swimming Pools	Solid Waste	Total	
\$ 638,001	\$ 1,941,644	\$ 4,538,337	\$ 3,604,530
(146,212)	(2,039,673)	(2,817,182)	(3,176,758)
(418,860)		(1,202,929)	
<u>72,929</u>	<u>(98,029)</u>	<u>518,226</u>	<u>427,772</u>
(3,706)		(3,706)	
		(404,582)	
		(66,910)	
<u>(3,706)</u>	<u>-</u>	<u>(475,198)</u>	<u>-</u>
	5,441	45,210	
69,223	(92,588)	88,238	427,772
401,582	214,061	3,453,965	1,814,378
<u>\$ 470,805</u>	<u>\$ 121,473</u>	<u>\$ 3,542,203</u>	<u>\$ 2,242,150</u>

(continued)

City of Upper Arlington, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011

	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)	\$ (138,188)	\$ 135,588	\$ (240,396)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation & amortization expense, net	253,212	220,684	303,179
(Increase) decrease in accounts receivable	5,568	2,895	(32,892)
(Increase) decrease in due from other funds			
Increase (decrease) in accounts payable	(28)	(517)	71,707
Increase (decrease) in due to other funds	1,337	1,017	(164)
Increase (decrease) in unearned revenue			
Increase (decrease) in accrued liabilities	1,764	(3,124)	(6,176)
Increase (decrease) in accrued vacation and sick leave	(908)	(29,596)	(1,636)
Total adjustments	<u>260,945</u>	<u>191,359</u>	<u>334,018</u>
Net cash provided (used) by operating activities	<u>\$ 122,757</u>	<u>\$ 326,947</u>	<u>\$ 93,622</u>
Non cash investing, capital, and financing activities:			
Contributions of capital assets from governmental activities	\$ 789,925	\$ 699,390	\$ 544,365
Increase in fair value of investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,103</u>

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

Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
Major Funds			
Swimming Pool	Solid Waste	Total	
\$ (19,895)	\$ (87,209)	\$ (350,100)	\$ 246,846
93,652		870,727	
	(12,216)	(36,645)	8,247
375	1,396	72,933	(53,550)
(1,347)		843	226,229
(38)		(38)	
182		(7,354)	
		(32,140)	
<u>92,824</u>	<u>(10,820)</u>	<u>868,326</u>	<u>180,926</u>
<u>\$ 72,929</u>	<u>\$ (98,029)</u>	<u>\$ 518,226</u>	<u>\$ 427,772</u>
\$ 1,782	\$ -	\$ 2,035,462	
<u>\$ -</u>	<u>\$ 327</u>	<u>\$ 6,430</u>	

City of Upper Arlington, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2011

	Agency Funds
ASSETS:	
Cash and investments	\$ 1,549,584
Cash with third party fiscal agent	4,969
Total assets	\$ 1,554,553
LIABILITIES:	
Due to others	\$ 1,554,553
Total liabilities	\$ 1,554,553

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, 2011

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 thirteen-member board. The Code of Regulations for the CIC calls for six members to be appointed by the City, including: the City Manager, the President of City Council or designee, up to two additional City Council members, and the remaining nine seats by citizens recommended by the Mayor and confirmed by City Council. Thus the City appoints and or approves appointment of 100% of the Board. Additionally, the City has provided 100% of the past financial support of the CIC. The CIC does not operate with substantively the same governing body as the primary government. In addition, CIC through its economic development activities exists to benefit the citizens of Upper Arlington. The CIC is discretely 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 government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component units.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

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

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

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 2011, the GASB issued Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*" This statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance that did not previously exist. The provisions of this statement are effective for financial statements for periods beginning after December 15, 2011. The City has not determined the effects, if any; GASB Statement No. 63 will have on its financial statements.

In June 2011, the GASB issued Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions." This statement enhances comparability and improves financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced. This provisions of this statement are effective for financial statements for periods beginning after June 15, 2011. The implementation of GASB Statement No. 64 has no impact on these financial statements.

(c) Measurement focus and basis of accounting

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

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

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

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

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

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

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

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

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

Amounts reported as program revenues include: charges to customers or applicants for goods, services, or privileges provided, operating grants and contributions, and capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes and unrestricted intergovernmental revenues. Unrestricted intergovernmental revenues primarily include Homestead and Rollback taxes related to the collection of property taxes in Ohio.

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

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

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

The General Obligation Bond Retirement Fund, a debt service fund, is used to account for the accumulation of resources for, and the payment of, general obligation long-term debt principal, interest and related costs. The City is reporting the fund as a major fund based on debt issuance activity in the current year.

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 Kingsdale CORE TIF Fund, a capital projects fund, receives the proceeds from the issuance of notes and records expenditures in connection with the purchase of a parcel of land and significant capital improvements within a tax increment financing district located along the Kingsdale Shopping Center. The fund is reported as a major fund due to having over 10% of the governmental liabilities and 5% of total governmental and enterprise liabilities combined.

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 or committed 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, Clerk of Court, and Neighborhood Lighting.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

Other capital project funds are used to account for financial resources that are restricted, committed, or assigned and used for acquisition or construction of major capital facilities (other than those financed by proprietary funds). The City has five non-major capital project funds: the Infrastructure Improvement Fund, the Chelsea TIF Fund, the Horizon TIF Fund, the Lane Avenue TIF Fund, and the Kingsdale West 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 two internal service funds: the Employee Benefits Fund, which recovers the costs of and pays claims for the health and dental plans of the employees of the City, and the BWC Administration Fund, which recovers the costs of and pays claims for workers' compensation benefits 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.

(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. Real property tax revenues received in 2011 represent the collection of 2010 taxes. Real property taxes received in 2011 were levied after October 1, 2010, on the assessed values as of January 1, 2010, the lien date. Assessed values for real property taxes are taxes established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due January 20th; if paid semiannually, the first payment is due January 20th, with the remainder payable by June 20th.

Public utility property tax revenues received in 2011 represent the collection of 2010 taxes. Public utility real and tangible personal property taxes received in 2011 became a lien on December 31, 2010, were levied after October 1, 2010, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

Beginning in tax year 2006, the tax on tangible personal property began to be phased out for most businesses. As of tax year 2010 the tangible personal property tax assessment had been completely phased out.

The Franklin County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Upper Arlington. The County Auditor periodically remits to the City its portion of the taxes collected.

Accrued property taxes receivable represents real property and public utility property taxes which were measurable as of December 31, 2011, and for which there was an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2011 operations.

Collectible delinquent real property taxes have been recorded as a receivable and revenue on the full accrual basis. On the modified accrual basis, the entire receivable is deferred.

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:

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

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

5. Compensated absences

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

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

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is "bound to honor constraints on specific purposes for which amounts in the fund can be spent" in accordance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The five fund classifications are as follows:

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

Nonspendable – The nonspendable classification includes amounts that cannot be spent because they are not in a spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” includes items that are not expected to be converted to cash.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or are imposed by law through constitutional provisions.

Committed – The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution or ordinance) of the City Council. The committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (resolution or ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund assigned amounts represent intended uses established by City Council.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report the deficit fund balance resulting from overspending for specific purposes for which amounts have been restricted, committed, or assigned.

The City first applies restricted resources when an expenditure is incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used.

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, 2011, none of the City’s \$8,876,269 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*. The City reports restricted net assets for pension obligations as residents have passed police and fire pension property tax levies, the proceeds of which are to be exclusively used for payment of safety forces pension benefits.

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, 2011 fair value was \$138,037 above the City’s net cost for its investments. At December 31, 2010 fair value was \$332,195 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

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

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, 2011.

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, 2011 were 57 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, 2011 were 943 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.
- (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.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

(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:

(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:

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

The aggregate investments in banker's 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, 2011, the carrying value of the City's cash deposits, exclusive of money market funds in the amount of \$4,212,520 held by bond trustees, was \$2,006,920. \$300,000 of this amount was non-negotiable certificates of deposit. Cash balances per the banks were \$2,226,526. \$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, 2011, \$1,726,526 of the City's bank balance of \$2,226,526 was exposed to custodial risk as follows:

Uninsured and collateral held by the pledging financial institutions agents not in the City's name	\$ 1,726,526
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The carrying amount of deposits for CIC, a discretely presented component unit, was \$32,772 with a cash balance per the bank of \$32,772. 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 \$4,969.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

Investments

At year-end, the City had investments with 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	\$6,718,144	\$6,718,144				
Federal Agency--FFCB	6,305,708	2,296,658	\$1,008,900	\$3,000,150		
Federal Agency--FHLB	7,036,210	2,766,640	2,265,110		\$2,004,460	
Federal Agency--FHLMC	11,264,632	503,695	748,747	5,006,570	4,001,680	\$1,003,940
Federal Agency--FNMA	13,769,753	501,060	2,015,710	2,501,965	1,501,880	7,249,138
Total investments	<u>\$45,094,447</u>	<u>\$12,786,197</u>	<u>\$6,038,467</u>	<u>\$10,508,685</u>	<u>\$7,508,020</u>	<u>\$8,253,078</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 Moody's.

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, 2011

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, 2011:

Investments (summarized previous page)	\$38,376,303
Non-negotiable certificates of deposit	300,000
Carrying amount of the City's deposits	1,706,920
Star Ohio	6,718,144
Money Market Funds held by Trustee	4,212,520
Amount held by third party agent	4,969
Total	\$51,318,856
 Governmental Activities	
Governmental Funds	
Cash, cash equivalents and investments	\$43,979,950
Internal Service Fund	
Cash, cash equivalents and investments	2,242,150
	46,222,100
 Business-Type Activities	
Enterprise Funds	
Cash, cash equivalents and investments	3,542,203
Total Cash and Investments - Business-Type Activities	3,542,203
 Agency Funds	1,554,553
Total	\$51,318,856

Interest revenue credited to the General Fund during 2011 was \$489,497, which includes \$137,677 assigned from other funds not entitled to earn interest per Ohio statute.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

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 Construction Maintenance and Repair	General Obligation Bond Retirement	Estate Tax Capital Projects	Kingsdale CORE TIF	Other Governmental Funds	Governmental Total	Internal Service Funds
Receivables:								
Interest	\$54,447	\$436		\$12,729		\$2,240	\$69,852	
Taxes	17,560,998	567,166	\$880,256				19,008,420	
Intergovernmental Service payments	1,256,006	221,710	52,700	460,000	\$129,340	552,412	2,672,168	
Charges for services	108,181					465,000	465,000	
Other	553,444					3,466	111,647	\$15,537
Total receivables	<u>\$19,533,076</u>	<u>\$789,312</u>	<u>\$932,956</u>	<u>\$472,729</u>	<u>\$129,340</u>	<u>\$1,023,118</u>	<u>\$22,880,531</u>	<u>\$15,537</u>

BUSINESS-TYPE MAJOR FUNDS

	Water Surcharge	Sanitary Sewer Surcharge	Stormwater	Solid Waste	Business- type Total
Receivables:					
Interest Customer Accounts	\$33,383	\$63,169	43,676	52,650	\$192,878
Total receivables	<u>\$33,383</u>	<u>\$63,169</u>	<u>\$47,332</u>	<u>\$52,846</u>	<u>\$196,730</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:

	General	Street Construction Maintenance and Repair	General Obligation Bond Retirement	Estate Tax Capital Projects	Kingsdale CORE TIF	Other Governmental Funds	Total
Deferred Revenue:							
Taxes receivable	\$13,138,303	\$381,551	\$864,923				\$14,384,777
Intergovernmental Service payments	925,241	145,395	52,700	\$460,000	\$129,340	\$551,372	2,264,048
Charges for services	15,764					465,000	465,000
Total deferred revenue	<u>\$14,079,308</u>	<u>\$526,946</u>	<u>\$917,623</u>	<u>\$460,000</u>	<u>\$129,340</u>	<u>\$1,045,530</u>	<u>\$17,158,747</u>

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

Note (4) – Capital Assets

Capital asset activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$4,454,512	\$4,810,088			\$9,264,600
Construction in progress	8,316,002	10,095,201		\$(10,871,086)	7,540,117
Total capital assets, not being depreciated	<u>12,770,514</u>	<u>14,905,289</u>		<u>(10,871,086)</u>	<u>\$16,804,717</u>
Capital assets, being depreciated:					
Buildings	16,689,739	1,156,253		12,333	17,858,325
Improvements other than buildings	6,445,657	120,688			6,566,345
Machinery and equipment	14,915,559	865,449	\$(402,405)	7,998	15,386,601
Infrastructure	55,307,247	27,013		8,817,075	64,151,335
Total capital assets being depreciated	<u>93,358,202</u>	<u>2,169,403</u>	<u>(402,405)</u>	<u>8,837,406</u>	<u>103,962,606</u>
Less accumulated depreciation for:					
Buildings	8,414,880	261,542			8,676,422
Improvements other than buildings	1,707,086	121,191			1,828,277
Machinery and equipment	11,480,852	1,075,813	(391,421)	(2,726)	12,162,518
Infrastructure	17,057,330	1,637,077			18,694,407
Total accumulated depreciation	<u>38,660,148</u>	<u>3,095,623</u>	<u>(391,421)</u>	<u>(2,726)</u>	<u>41,361,624</u>
Total capital assets being depreciated, net	<u>54,698,054</u>	<u>(926,220)</u>	<u>(10,984)</u>	<u>8,840,132</u>	<u>62,600,982</u>
Governmental capital assets, net	<u>\$67,468,568</u>	<u>\$13,979,069</u>	<u>\$ (10,984)</u>	<u>\$ (2,030,954)</u>	<u>\$79,405,699</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$1,236,573				\$1,236,573
Construction in progress	73,806			\$(31,854)	41,952
Total capital assets, not being depreciated	<u>1,310,379</u>			<u>(31,854)</u>	<u>\$1,278,525</u>
Capital assets, being depreciated:					
Improvements other than buildings	4,809,595				4,809,595
Machinery and equipment	1,294,762	\$3,706		(7,998)	1,290,470
Infrastructure	33,676,896			2,073,532	35,750,428
Total capital assets being depreciated	<u>39,781,253</u>	<u>3,706</u>		<u>2,065,534</u>	<u>41,850,493</u>
Less accumulated depreciation for:					
Improvements other than buildings	759,852	91,701			851,553
Machinery and equipment	827,434	85,345		2,726	915,505
Infrastructure	17,827,045	685,123			18,512,168
Total accumulated depreciation	<u>19,414,331</u>	<u>862,169</u>		<u>2,726</u>	<u>20,279,226</u>
Total capital assets being depreciated, net	<u>20,366,922</u>	<u>(858,463)</u>		<u>2,062,808</u>	<u>21,571,267</u>
Business-type capital assets, net	<u>\$21,677,301</u>	<u>\$ (858,463)</u>		<u>\$2,030,954</u>	<u>\$22,849,792</u>

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

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

Governmental activities:	
Public safety	\$571,810
General government	486,607
Public services	1,847,846
Parks and recreation	185,250
Community development	4,110
Total depreciation expense - governmental activities	<u>\$3,095,623</u>
Business-type activities:	
Water Surcharge	\$253,212
Sewer Surcharge	220,684
Stormwater	294,621
Swimming pools	<u>93,652</u>
Total depreciation expense - business-type activities	<u>\$862,169</u>

Construction commitments

The City has active construction projects as of December 31, 2011. The projects include rebuilding streets, waterlines, 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>
Waltham Road reconstruction	\$1,737,374	\$127,367
Kingsdale CORE TIF improvements	1,454,113	4,334
Fishinger Road reconstruction	1,620,709	101,277
Edgehill Stormwater evaluation	14,354	238,616
Berkshire Road stormwater	196,376	253,052
Henderson Road corridor study	341,864	68,000
Lane Avenue duct bank	111,435	221,243
Lane Avenue corridor study	106,857	9,786
2011 street reconstruction projects	1,101,424	310,994
2012 street reconstruction projects	51,693	284,044
Waterline replacements	393,473	89,061
Bridge demolition	713	20,845
Riverside Drive waterline	86,463	8,653
Reed Road Park	297,021	-
Other projects	<u>26,252</u>	<u>-</u>
	\$7,540,121	\$1,737,272

Other projects spent to date include monies spent on projects, such as advertising, engineering, and capitalized wages, which did not have a contract in place as of December 31, 2011, and therefore the remaining commitment is unknown.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

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, 2011 represent the premium charges payable to the Internal Service Fund – Employee Benefits Fund for the funding of medical insurance payments and the BWC Administration Fund for the funding of worker’s compensation claims.

Interfund transfers:

Interfund transfers arise under three circumstances in where the receiving fund (1) lacks a dedicated funding source to fund operations, (2) the funding source is not sufficient to fund operations, or (3) the funding source is not reliable to fund operations.

-----Transfers In-----

	General Obligation Bond Retirement Fund	Estate Tax Capital Projects Fund	Infrastructure Improvement Capital Projects Fund	Lane Avenue TIF Capital Projects Fund	Total
Transfers Out: General Fund	\$3,010,544	\$1,025,089	\$750,000	\$250,000	\$5,035,633
	<u>\$3,010,544</u>	<u>\$1,025,089</u>	<u>\$750,000</u>	<u>\$250,000</u>	<u>\$5,035,633</u>

All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16 and the City’s Charter.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

Note (6) – Long-term Liabilities and Notes

Long-term liability activity for the year ended December 31, 2011 is 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 and special assessment bonds	\$ 43,899,994	\$6,000,000	(\$8,180,000)	\$41,719,994	\$2,595,000
Accretion	68,436	68,382		136,818	
Premium	504,405	265,261	(52,316)	717,350	
Deferred funding cost	(370,752)	(451,391)	41,514	(780,629)	
Total debt payable	44,102,083	5,882,252	(8,190,802)	41,793,533	2,595,000
Accrued vacation & sick leave	3,076,020	2,605,439	(2,994,254)	2,687,205	1,530,137
Governmental activity					
Long-term liabilities	\$47,178,103	\$8,487,691	(\$11,185,056)	\$44,480,738	\$4,125,137
Business-type activities:					
Water activities:					
Ohio Public Works Comm.	\$517,360		(\$104,029)	\$413,331	\$107,390
Sewer activities:					
Ohio Public Works Comm.	684,060		(150,553)	533,507	155,868
Stormwater activities:					
General obligation bonds	1,150,000		(150,000)	1,000,000	160,000
Premium	21,320		(3,280)	18,040	
Deferred funding cost	(24,045)		3,700	(20,345)	
Total debt payable	2,348,695		(404,162)	1,944,533	423,258
Accrued vacation & sick leave	81,607	84,057	(116,197)	49,467	44,884
Business-type activity					
Long-term liabilities	\$2,430,302	\$84,057	\$(520,359)	\$1,994,000	\$468,142

Liquidations of the Governmental activities' compensated absence liability are charged primarily to the General Fund or the Street Maintenance and Repair Fund, as appropriate. Liquidations of the Business-type activities' compensated absence liabilities are charged to the Water Surcharge Fund, the Sewer Surcharge Fund, or Stormwater Management Fund, as appropriate.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

A reconciliation of long-term liabilities as shown in the statement of net assets as of December 31, 2011 is as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Bonds, notes, and loans payable outstanding at December 31, 2011	\$41,719,994	\$1,946,838
Accretion	136,818	
Unamortized premium on bonds	717,350	18,040
Unamortized deferred funding cost on bonds	(780,629)	(20,345)
	<u>\$41,793,533</u>	<u>\$1,944,533</u>
 Statement of Net Assets:		
Long-term liabilities, due within one year	2,595,000	423,258
Long-term liabilities, due in more than one year	39,198,533	1,521,275
	<u>\$41,793,533</u>	<u>\$1,944,533</u>

General Obligation Bonds and Notes:

The special assessment bonds are backed by full faith and credit of the City. If unpaid from other sources, the outstanding debt will be met by the City levying an ad valorem property tax within the ten-mill limit imposed by the Ohio Revised Code.

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. General obligation bonds and notes currently outstanding are as follows:

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

Governmental Activities Long-Term Liabilities

A summary of bonds payable outstanding at December 31, 2011 is as follows:

General obligation debt:	Year of Maturity	Annual Principal Payments	Balance at 12/31/2010	Principal issued	Principal Retired	Principal Refunded	Balance at 12/31/2011
2009C Issue 4 Refunding	2017	\$239,997- \$380,000	\$2,379,997		\$335,000		\$2,044,997
2001B Voted Issue 4	2011	\$190,000- \$245,000	\$245,000		\$245,000		\$-0-
2009C Various Purpose Refunding	2020	\$24,997- \$370,000	\$2,729,997		\$50,000		\$2,679,997
2001A Building Renovation	2011	\$70,000- \$100,000	\$100,000		\$100,000		\$-0-
2009A Building Renovation Refunding	2020	\$15,000- \$150,000	\$1,210,000		\$15,000		\$1,195,000
2003 Various Purpose	2023	\$239,988- \$705,000	\$7,285,000		\$445,000	\$5,700,000	\$1,140,000
2008 Fire Station	2028	\$169,200- \$432,000	\$5,611,185		\$225,632		\$5,385,553
2008 Infrastructure	2028	\$112,800- \$288,000	\$3,713,815		\$149,368		\$3,564,447
2009 Various Purpose	2016	\$370,000- \$425,000	\$2,400,000		\$380,000		\$2,020,000
2009 Build America Bonds	2029	\$465,000- \$685,000	\$7,320,000		\$-0-		\$7,320,000
2010-A Various Purpose	2030	\$440,000- \$460,000	\$1,800,000		\$440,000		\$1,360,000
2010-B Various Purpose Build America Bonds	2030	\$460,000- \$640,000	\$8,200,000				\$8,200,000
2011 Refunding	2023	\$55,000- \$675,000	\$-0-	\$6,000,000			\$6,000,000
Total general obligation debt			\$42,994,994	\$6,000,000	\$2,385,000	\$5,700,000	\$40,909,994
Special assessment debt:							
1998 Neighborhood Lighting	2018	\$85,000- \$135,000	\$905,000		\$95,000		\$810,000
Total special assessment debt			\$905,000		\$95,000		\$810,000
Total bonds payable			\$43,899,994	\$6,000,000	\$2,480,000	\$5,700,000	\$41,719,994

In 2011 the City issued \$6,000,000 in refunding bonds which refunded \$5,700,000 in the 2003 various purpose improvement bonds listed above. The new bonds (2011 refunding bonds) were issued at various rates of interest ranging from 2.0% to 3.5% with a final maturity of 2023. The issuance resulted in bond issuance cost of \$113,870 and premium on issuance of bonds of \$265,261. Additionally, the City incurred deferred refunding cost on these bonds of \$451,391. The bonds resulted in an economic gain of \$480,017.

Year	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2012	2,495,000	1,538,958	100,000	39,030
2013	2,555,000	1,489,391	105,000	34,330
2014	2,610,000	1,428,997	110,000	29,343
2015	2,675,000	1,359,400	115,000	24,008
2016	2,760,000	1,283,676	120,000	18,430
2017-2021	12,289,994	5,612,575	260,000	19,157
2022-2026	9,700,000	2,881,454		
2027-2030	<u>5,825,000</u>	<u>662,688</u>		
Total	\$40,909,994	\$16,257,139	\$810,000	\$164,298

Not included in the above amounts as of December 31, 2011 are \$5,700,000 of bonds outstanding with escrow agent that the City defeased in 2011. For accounting purposes, the assets and liabilities for the defeased bonds are not reflected in the District's financial statements.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

Short Term Note Payable

On June 28, 2011 the City issued \$4,800,000 in short term Land Acquisition taxable bond anticipation note. The note matures within one year and therefore recorded as a fund liability in the Kingsdale Core TIF Capital Projects Fund. The note was issued at an interest rate of 2.0%. The issuance resulted issuance cost of \$17,580 and premium on issuance of notes of \$19,056.

Business-Type Activities Long-Term Liabilities

General obligation debt:	Year of Maturity	Annual Principal Payments	Balance at 12/31/2010	Principal Retired	Balance at 12/31/2011
2009A Turkey Run Stormwater Refunding Bonds	2017	\$150,000-\$175,000	\$1,150,000	\$150,000	\$1,000,000
Total bonds payable			\$1,150,000	\$150,000	\$1,000,000

Loans Payable:

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 annual interest rate of the loans is 3.5%. The Ohio Public Works Commission loans currently outstanding are as follows:

	Year of Maturity	Semi-annual Principal Payments	Balance at 12/31/2010	Principal Borrowed	Principal Retired	Balance at 12/31/2011
Water activities:						
Leeds Road Waterline	2014	\$12,561-\$23,456	\$155,959	\$0	\$42,644	\$113,315
Western Fire Loop Transmission Line	2016	\$20,102-\$35,355	\$361,401	\$0	\$61,385	\$300,016
Total water activities			\$517,360	\$0	\$104,029	\$413,331
Sewer activities:						
Mountview Canterbury	2014	\$9,530-\$17,797	\$118,331	\$0	\$32,355	\$85,976
Sanitary sewer projects	2016	\$34,815-\$67,308	\$565,729	\$0	\$118,198	\$447,531
Total sewer activities			\$684,060	\$0	\$150,553	\$533,507
Total OPWC loans payable			\$1,201,420	\$0	\$254,582	\$946,838

Annual debt service requirements for long-term liabilities recorded in Business-type activities, excluding other contractual liabilities and compensated absences, at December 31, 2011 are as follows:

Year	General Obligation Bonds		Loans Payable	
	Principal	Interest	Principal	Interest
2012	160,000	25,800	263,258	29,434
2013	160,000	22,600	272,231	20,460
2014	160,000	19,400	239,537	11,180
2015	170,000	15,400	136,458	3,798
2016	175,000	10,938	35,354	530
2017	175,000	5,687		
Totals	\$1,000,000	\$99,825	\$946,838	\$65,402

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

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 Water Surcharge Fund, the Sanitary Sewer Surcharge Fund, and the Stormwater Fund.

Operating Leases:

The City has no non-cancelable operating leases as of December 31, 2011.

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 commitment of the General Fund balance of \$714,586 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, Dublin, Powell, Grove City, and Groveport. 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 \$15,000,000 per occurrence and \$20,000,000 annual aggregate umbrella/excess liability for all liability claims and \$314,697,441 limit for property claims for the pool. Coverage is provided on an annual aggregate basis for crime (\$1,000,000 blanket public employee dishonesty with \$25,000 deductible, \$500,000 forgery/computer fraud with \$25,000 deductible, and \$100,000 money and securities with a \$25,000 deductible. Coverage is provided for general liability (\$1,000,000/\$2,000,000), law enforcement liability (\$1,000,000/\$1,000,000), public official liability (\$1,000,000/\$1,000,000), employment practices liability (\$1,000,000/\$1,000,000) and automobile liability (\$1,000,000). Pool retentions are \$25,000 per loss for property and \$600,000 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 self-insured for the employees' health care and worker's compensation claims. To account for and finance its uninsured health and worker's compensation claims, the City established the Employee Benefit Fund and the BWC Administration Fund (internal service funds). All operating funds of the City participate in the program and make payments to the Employee Benefit Fund and BWC Administration 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. The City purchases stop loss insurance for worker's compensation claims, which exceed \$400,000 per covered individual in one year and \$1,000,000 in aggregate in one year.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

Settlements did not exceed insurance coverage in the past three years. There were no significant reductions in insurance coverage from the prior year.

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

	<u>General Liability</u>	<u>Health Claims/Workers Compensation</u>
		<u>2010</u>
Unpaid claims - January 1, 2010	\$ 4,908	\$ 253,373
Incurring claims	14,715	2,846,987
Payment of claims	<u>(18,769)</u>	<u>(2,936,970)</u>
Unpaid claims - December 31, 2010	<u>\$ 854</u>	<u>\$ 163,390</u>
		<u>2011</u>
Unpaid claims - January 1, 2011	\$ 854	\$ 163,390
Incurring claims	14,173	3,402,987
Payment of claims	<u>(14,838)</u>	<u>(3,176,758)</u>
Unpaid claims - December 31, 2011	<u>\$ 189</u>	<u>\$ 389,619</u>

A claims liability of \$389,619 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.

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, 2011.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

Note (11) – Pension Plans

A. Ohio Public Employees Retirement System

Plan Description – The city participates 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 employers contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional 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 the 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 visiting <https://www.opers.org/investments/cafr.shtml>, or 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 statutory authority for members and employer contributions. For 2011, member and 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 Plan. The 2011 member contribution rates were 10.00% of covered payroll for members in state and local classifications. Public safety and law enforcement members contributed 11.0% and 11.6%, respectively. The City's contribution rate for 2011 was 14.00% of covered payroll, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.1% of covered payroll.

The City's contribution rate for pension benefits for members in the Traditional Plan for 2011 was 10.0%. The City's contribution rate for pension benefits for members in the Combined plan for 2011 was 7.95%. For those plan members in law enforcement or public safety, for whom the City's contribution was 14.1%.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010, and 2009 were \$1,153,927, \$1,154,849, and \$1,202,715, respectively; equal to the required employer contribution which is 100% of the dollar amount billed by OPERS. Contributions to the member-directed and combined plans for 2011 were \$30,773 made by the City and \$21,952 made by the plan members.

B. 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 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 statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2011, the portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

contributions for pension obligations to OP&F for police officers and firefighters were \$1,991,719 for the year ended December 31, 2011, \$1,996,404 for the year ended December 31, 2010, and \$1,944,490 for the year ended December 31, 2009. The amounts contributed equal the required employer contribution for the respective year which is 100% of the dollar amount billed by OP&F.

Note (12) – Post Retirement Benefit Plans

A. Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare 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.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. 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 visiting <https://www.opers.org/investments/cafr.shtml>, or 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 post-employment healthcare plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plan is set aside for the funding of post-employment health care. plan Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2011, local governments employers contributed 14.0% of covered payroll (18.1% for law enforcement and public safety). Each year OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of post-employment health care benefits. The portion of employer contributions allocated to fund post-employment health care for members in the Traditional Plan was 4.0% during calendar year 2011. The portion of employer contributions allocated to fund post-employment health care for members in the Combined Plan was 6.05% during calendar year 2011.

The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010, and 2009 were \$329,677, \$430,422, and \$491,695, respectively; equal to the required employer contribution which is 100% of the dollar amount billed by OPERS.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases 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, 2011

B. Ohio Police and Fire Pension Fund

Plan Description – The City contributes to the OP&F Pension Fund sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-employment health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person.

The Ohio Revised Code allows, but does not mandate OP&F to provide 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 statements and required supplementary information for the plan. That report may be obtained by writing to the 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.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2011, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the 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 City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$614,410 for the year ended December 31, 2011, \$614,228 for the year ended December 31, 2010, and \$531,152 for the year ended December 31, 2009. The amounts contributed equal the required employer contribution for the respective year which is 100% of the dollar amount billed by OP&F.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

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.

Use of Estimates.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note (14) – Fund Deficit

The Kingsdale CORE TIF Fund, a major capital projects fund and the Life Long Learning & Leisure Fund, a non-major special revenue fund, had GAAP basis deficit fund balances at December 31, 2011 of \$4,741,993 and \$6,681, respectively. These deficits will be funded by future service payments and charges for services.

Note (15) – Restatements

On January 1, 2011, the City implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. As a result, certain funds previously reported as Special Revenue Funds were reclassified to the General Fund. Additionally, in the prior year, the Kingsdale CORE TIF fund was not considered a major fund and was reported in the aggregate as part of the Other Governmental Funds. This fund was reclassified and is now reported as major. The adjustments had the following effects on beginning fund balances:

	General Fund	Kingsdale Core TIF Fund	Other Governmental Funds
Fund balance January 1, 2011	\$ 28,074,950	\$ -	\$ 4,799,430
Fund Reclassifications:			
Kingsdale CORE TIF Fund		468,684	(468,684)
Civil Service Fund	18,682		(18,682)
Economic Dev. Fund	352,782	-	(352,782)
Fund balance as restated	<u>\$ 28,446,414</u>	<u>\$ 468,684</u>	<u>\$ 3,959,282</u>

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2011

Note (16) – Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balance	General	Street Construction Maintenance and Repair	General Obligation Bond Retirement	Bonded Improvement	Estate Tax Capital Projects	Kingsdale CORE TIF	Other Governmental Funds	Total Governmental Funds
Nonspendable for:								
Inventories	\$ 63,896	\$ 121,960						\$ 185,856
Restricted for:								
Debt Service			\$ 405,315					405,315
Pensions	316,274							316,274
Capital Outlays	544,758			\$ 4,930,265			\$ 2,489,297	7,964,320
Street Maintenance		447,060						447,060
Public Safety							1,106,927	1,106,927
Other							24,506	24,506
Total Restricted	861,032	447,060	405,315	4,930,265	-	-	3,620,730	10,264,402
Committed for:								
Self insurance	714,586							714,586
Parks and recreation							48,445	48,445
Economic Dev.	403,291							403,291
Civil Service	25,960							25,960
Technology	74,319							74,319
Public Safety	1,428,016						7,765	1,435,781
Capital Outlays	7,163,156				7,825,184		1,310,540	16,298,880
Total Committed	9,809,328	-	-	-	7,825,184	-	1,366,750	19,001,262
Unassigned	17,620,641					(4,741,993)	(6,681)	12,871,967
Total Fund Balance	\$ 28,354,897	\$ 569,020	\$ 405,315	\$ 4,930,265	\$ 7,825,184	\$ (4,741,993)	\$ 4,980,799	\$ 42,323,487

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by all funds on a budgetary basis of accounting. On the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities. Outstanding encumbrances, net of accounts payable in the governmental funds at December 31, 2011 were as follows:

	General	Street Construction Maintenance and Repair	General Obligation Bond Retirement	Bonded Improvement	Estate Tax Capital Projects	Kingsdale CORE TIF	Other Governmental Funds	Total Governmental Funds
Encumbrances								
outstanding at								
December 31 ,2011	\$ 247,462	\$ -	\$ -	1,233,863	497,894	-	338,670	\$ 2,317,889

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

City of Upper Arlington, Ohio
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2011

	General Fund			
	Original Budget	Final Budget	Actual	Variance positive (negative)
REVENUES:				
Income tax	\$ 13,537,101	\$ 14,236,666	\$ 14,661,782	\$ 425,116
Property taxes	8,308,787	8,308,787	8,117,072	(191,715)
Intergovernmental	3,125,911	3,083,042	3,418,143	335,101
Estate Tax	2,100,000	2,500,000	3,125,090	625,090
Charges for services	770,000	845,000	876,617	31,617
Investment earnings	693,975	693,975	693,418	(557)
Fines and forfeits	380,000	435,000	405,635	(29,365)
Licenses and permits	915,000	915,000	944,458	29,458
Miscellaneous	961,600	601,600	760,051	158,451
Reimbursements	503,000	503,000	146,140	(356,860)
Total revenues	<u>31,295,374</u>	<u>32,122,070</u>	<u>33,148,406</u>	<u>1,026,336</u>
EXPENDITURES:				
Current:				
Police				
Personal services	6,925,462	7,076,912	7,052,554	24,358
Other than personal services	314,600	317,600	263,185	54,415
Capital outlay	96,635	93,635	85,324	8,311
Fire				
Personal services	8,295,753	8,138,483	7,710,075	428,408
Other than personal services	285,250	291,070	228,542	62,528
Board of Health				
Other than personal services	214,658	227,850	205,918	21,932
Parks and recreation				
Personal services	2,143,744	2,133,744	2,102,997	30,747
Other than personal services	795,800	805,800	745,666	60,134
Capital outlay	36,000	35,842	32,549	3,293
Development				
Personal services	922,440	922,440	878,496	43,944
Other than personal services	120,000	120,000	75,600	44,400
Capital outlay	18,000	18,476	18,475	1
Public Service Administration				
Personal services	913,386	913,386	743,492	169,894
Other than personal services	51,200	51,200	20,120	31,080
Streets Administration				
Personal services	382,550	382,550	375,118	7,432
Other than personal services	8,750	8,750	2,750	6,000
Capital outlay	291,000	291,000	281,412	9,588
Fleet Maintenance				
Personal services	496,998	496,998	460,796	36,202
Other than personal services	211,650	211,650	176,262	35,388
Capital outlay	26,300	25,982	22,124	3,858
City Manager				
Personal services	1,011,231	1,022,881	908,408	114,473
Other than personal services	167,625	183,625	116,985	66,640
City Attorney				
Personal services	617,233	617,233	611,367	5,866
Other than personal services	125,400	125,400	92,721	32,679
City Clerk				
Personal services	264,006	264,006	215,286	48,720
Other than personal services	12,500	12,500	10,975	1,525

(continued)

City of Upper Arlington, Ohio
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2011
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
City Council				
Personal services	114,107	114,107	105,141	8,966
Other than personal services	9,500	16,500	9,580	6,920
Clerk of Court				
Personal services	155,009	155,009	150,912	4,097
Other than personal services	133,150	158,150	111,345	46,805
Finance				
Personal services	856,225	856,225	854,004	2,221
Other than personal services	111,650	111,650	101,136	10,514
Facilities Maintenance				
Personal services	72,435	90,035	78,641	11,394
Other than personal services	912,450	912,450	777,730	134,720
Capital outlay	139,450	139,450	128,828	10,622
Information Technology				
Personal services	385,657	385,657	320,264	65,393
Other than personal services	433,600	442,600	435,093	7,507
Capital outlay	336,284	336,284	217,643	118,641
General Administration				
Personal services	147,103	177,103	153,757	23,346
Other than personal services	1,418,000	1,468,000	1,416,396	51,604
 Total expenditures	<u>29,972,791</u>	<u>30,152,233</u>	<u>28,297,667</u>	<u>1,854,566</u>
 Excess (deficiency) of revenues over expenditures	1,322,583	1,969,837	4,850,739	2,880,902
 <u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from sale of Capital outlay assets	-	-	34,123	34,123
Operating transfers-in	-	-	-	-
Operating transfers-out	(3,803,363)	(5,078,453)	(5,035,633)	42,820
Interaccount transfers-in	3,448,111	2,548,111	2,444,725	(103,386)
Interaccount transfers-out	(2,548,111)	(2,548,111)	(2,444,725)	103,386
 Total other financing sources (uses)	<u>(2,903,363)</u>	<u>(5,078,453)</u>	<u>(5,001,510)</u>	<u>76,943</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(1,580,780)	(3,108,616)	(150,771)	2,957,845
 Fund balances at beginning of year	22,056,001	22,056,001	22,056,001	-
Lapsed encumbrances	238,994	238,994	238,994	-
Fund balances at end of year	<u>\$ 20,714,215</u>	<u>\$ 19,186,379</u>	<u>\$ 22,144,224</u>	<u>\$ 2,957,845</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	\$ (150,771)
Increases (decreases) from revenues:	57,452
(Increases) decreases from expenditures:	(642,442)
(Increases) decreases from other financing sources (uses)	-
Funds budgeted elsewhere	117,417
Adjustment for encumbrances	526,827
 Net change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balances	 <u><u>\$ (91,517)</u></u>

City of Upper Arlington, Ohio
Budgetary Comparison Schedule
Street Construction Maintenance and Repair Fund
For the Year Ended December 31, 2011

Street Construction Maintenance and Repair Fund				
REVENUES:	Original Budget	Final Budget	Actual	Variance positive (negative)
Motor fuel taxes	\$ 1,154,000	\$ 1,154,000	\$ 1,134,331	\$ (19,669)
Intergovernmental	445,000	445,000	443,419	(1,581)
Charges for services	12,000	12,000	13,450	1,450
Investment earnings	15,000	7,000	5,158	(1,842)
Miscellaneous	-	-	1,500	1,500
Total revenues	<u>1,626,000</u>	<u>1,618,000</u>	<u>1,597,858</u>	<u>(20,142)</u>
EXPENDITURES:				
Current:				
Streets Division				
Personal services	996,026	826,026	816,669	9,357
Other than personal services	430,250	430,250	346,197	84,053
Electrical Division				
Personal services	461,175	461,175	451,654	9,521
Other than personal services	174,900	174,900	166,777	8,123
Total expenditures	<u>2,062,351</u>	<u>1,892,351</u>	<u>1,781,297</u>	<u>111,054</u>
Excess (deficiency) of revenues over expenditures	(436,351)	(274,351)	(183,439)	90,912
OTHER FINANCING SOURCES (USES):				
Operating transfer-in	84,614	44,614	-	(44,614)
Total other financing sources (uses)	<u>84,614</u>	<u>44,614</u>	<u>-</u>	<u>(44,614)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(351,737)	(229,737)	(183,439)	46,298
Fund balances at beginning of year	446,852	446,852	446,852	-
Lapsed encumbrances	4,855	4,855	4,855	-
Fund balances at end of year	<u>\$ 99,970</u>	<u>\$ 221,970</u>	<u>\$ 268,268</u>	<u>\$ 46,298</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	\$ (183,439)
Increases (decreases) from revenues:	(4,320)
(Increases) decreases from expenditures:	13,175
Adjustment for encumbrances	1,826
Net change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ (172,758)</u>

City of Upper Arlington, Ohio
Notes to the Required Supplementary Information
December 31, 2011

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 Program of Services Adopted Budget for 2011 – 2012.

In October, 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 \$5,000. Expenditures cannot legally exceed appropriations at the character level. During 2011 various transfers of appropriations, supplemental appropriations, and reductions in appropriation were made in the following amounts:

General Fund	\$1,454,532
Special Revenue Funds	(\$229,180)
Debt Service Fund	\$12,500
Capital Project Funds	\$2,739,802
Enterprise Funds	\$187,956
Internal Service Funds	\$8,000

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

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

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

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$1,454,532 and is summarized as follows:

- ❑ \$1,025,090 in fund transfers to the estate tax fund.
- ❑ \$250,000 for a fund transfer to the newly created lane avenue tif fund.
- ❑ \$13,192 for increases in City's contract with the health department for mosquito spraying.

City of Upper Arlington, Ohio
Notes to the Required Supplementary Information
December 31, 2011

- ❑ \$16,650 for additional salaries and benefits in connection with the overlap of City Managers.
- ❑ \$30,000 for vacation and leave balance payments to retirees.
- ❑ \$17,600 for the unanticipated expense for unemployment premiums.
- ❑ \$50,000 for unanticipated fuel cost due to rising oil prices.
- ❑ \$25,000 for the increase in daily County jail cost.
- ❑ \$27,000 to increases in multiple departments to accommodate aforementioned other than personal expenditures.

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.

Communications 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.

Civil Service Account – 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. For financial reporting purposes, other than budgetary, this fund is reported within the General Fund. The Civil Service account is shown as a special revenue fund in the budgetary statements but as a general fund account in the GAAP statements.

Economic Development Venture Account – 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. The Economic Development Venture account is shown as a special revenue fund in the budgetary statements but as a general fund account in the GAAP statements.

CITY OF UPPER ARLINGTON

MAJOR GOVERNMENTAL FUNDS, continued

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 and Actual, is included in the Required Supplementary Information – Other Than MD&A, section of this report.

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.

Kingsdale Core Tax Incentive Financing (TIF) Capital Projects Fund

Established by Ordinance 104-2009, this fund was created to receive the payments in lieu of taxes (PILOT) for the redevelopment of the retail portion of the Kingsdale Shopping Center. The redevelopment began in 2010. Reimbursement to the City for these improvements is projected to begin in 2012.

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, 2011

	General Operating Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Income tax	\$ 11,732,199	\$ 12,338,491	\$ 12,707,366	\$ 368,875
Property taxes	5,508,999	5,508,999	5,346,058	(162,941)
Intergovernmental	2,685,344	2,642,475	2,981,546	339,071
Estate Tax	2,100,000	2,500,000	3,125,090	625,090
Charges for services	770,000	845,000	876,617	31,617
Investment earnings	681,325	681,325	680,720	(605)
Fines and forfeits	380,000	435,000	405,635	(29,365)
Licenses and permits	915,000	915,000	944,458	29,458
Miscellaneous	832,000	472,000	616,973	144,973
Reimbursements	473,000	473,000	114,309	(358,691)
 Total revenues	<u>26,077,867</u>	<u>26,811,290</u>	<u>27,798,772</u>	<u>987,482</u>
EXPENDITURES:				
Current:				
Police				
Personal services	6,925,462	7,076,912	7,052,554	24,358
Other than personal services	314,600	314,600	261,324	53,276
Fire				
Personal services	8,295,753	8,138,483	7,710,075	428,408
Other than personal services	285,250	291,070	228,542	62,528
Board of Health				
Other than personal services	214,658	227,850	205,918	21,932
Parks and recreation				
Personal services	2,143,744	2,133,744	2,102,997	30,747
Other than personal services	795,800	805,800	745,666	60,134
Development				
Personal services	922,440	922,440	878,496	43,944
Other than personal services	120,000	120,000	75,600	44,400
Public Service Administration				
Personal services	913,386	913,386	743,492	169,895
Other than personal services	51,200	51,200	20,120	31,080
Streets Administration				
Personal services	382,550	382,550	375,118	7,432
Other than personal services	8,750	8,750	2,750	6,000
Fleet Maintenance				
Personal services	496,998	496,998	460,796	36,202
Other than personal services	211,650	211,650	176,262	35,388
City Manager				
Personal services	1,011,231	1,022,881	908,408	114,473
Other than personal services	167,625	183,625	116,985	66,640
City Attorney				
Personal services	617,233	617,233	611,367	5,866
Other than personal services	125,400	125,400	92,721	32,679
City Clerk				
Personal services	264,006	264,006	215,286	48,720
Other than personal services	12,500	12,500	10,975	1,525
City Council				
Personal services	114,107	114,107	105,141	8,966
Other than personal services	9,500	16,500	9,580	6,920
Clerk of Court				
Personal services	155,009	155,009	150,912	4,097
Other than personal services	133,150	158,150	111,345	46,805

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	856,225	856,225	854,004	2,221
Other than personal services	111,650	111,650	101,136	10,514
Facilities Maintenance				
Personal services	72,435	90,035	78,641	11,394
Other than personal services	912,450	912,450	777,730	134,720
Information Technology				
Personal services	385,657	385,657	320,264	65,393
Other than personal services	433,600	442,600	435,093	7,507
General Administration				
Personal services	147,103	177,103	153,757	23,346
Other than personal services	1,368,000	1,418,000	1,396,688	21,312
 Total expenditures	<u>28,979,122</u>	<u>29,158,564</u>	<u>27,489,743</u>	<u>1,668,821</u>
 Excess (deficiency) of revenues over expenditures	<u>(2,901,255)</u>	<u>(2,347,274)</u>	<u>309,029</u>	<u>2,656,303</u>
 <u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from sale of capital assets	-	-	34,123	34,123
Interaccount transfers-in	3,448,111	2,548,111	2,444,725	(103,386)
Operating transfers-in	-	-	-	-
Operating transfers-out	(1,240,954)	(2,516,044)	(2,473,224)	42,820
Interaccount transfers-out	-	-	-	-
 Total other financing sources (uses)	<u>2,207,157</u>	<u>32,067</u>	<u>5,624</u>	<u>(26,443)</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(694,098)</u>	<u>(2,315,207)</u>	<u>314,653</u>	<u>2,629,860</u>
 Fund balances at beginning of year	13,440,095	13,440,095	13,440,095	-
Lapsed encumbrances	238,020	238,020	238,020	-
 Fund balances at end of year	<u>\$ 12,984,017</u>	<u>\$ 11,362,908</u>	<u>\$ 13,992,768</u>	<u>\$ 2,629,860</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, 2011

	Capital Asset Management Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Income tax	\$ 1,804,902	\$ 1,898,175	\$ 1,954,416	\$ 56,241
Total revenues	<u>1,804,902</u>	<u>1,898,175</u>	<u>1,954,416</u>	<u>56,241</u>
EXPENDITURES:				
Current:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,804,902</u>	<u>1,898,175</u>	<u>1,954,416</u>	<u>56,241</u>
OTHER FINANCING SOURCES (USES):				
Interaccount operating transfers-in	-			-
Operating transfers-out	<u>(2,562,409)</u>	<u>(2,562,409)</u>	<u>(2,562,409)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,562,409)</u>	<u>(2,562,409)</u>	<u>(2,562,409)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(757,507)	(664,234)	(607,993)	56,241
Fund balances at beginning of year	7,444,962	7,444,962	7,444,962	-
Fund balances at end of year	<u>\$ 6,687,455</u>	<u>\$ 6,780,728</u>	<u>\$ 6,836,969</u>	<u>\$ 56,241</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, 2011

	Police and Fire Pension Account			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Property taxes	\$ 2,101,000	\$ 2,101,000	\$ 2,090,465	\$ (10,535)
Intergovernmental	341,067	341,067	334,622	(6,445)
Total revenues	<u>2,442,067</u>	<u>2,442,067</u>	<u>2,425,087</u>	<u>(16,980)</u>
<u>EXPENDITURES:</u>				
Current:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>2,442,067</u>	<u>2,442,067</u>	<u>2,425,087</u>	<u>(16,980)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Interaccount transfers-out	<u>(2,548,111)</u>	<u>(2,548,111)</u>	<u>(2,444,725)</u>	<u>103,386</u>
Total other financing sources (uses)	<u>(2,548,111)</u>	<u>(2,548,111)</u>	<u>(2,444,725)</u>	<u>103,386</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(106,044)	(106,044)	(19,638)	86,406
Fund balances at beginning of year	292,706	292,706	292,706	-
Fund balances at end of year	<u>\$ 186,662</u>	<u>\$ 186,662</u>	<u>\$ 273,068</u>	<u>\$ 86,406</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, 2011

	Capital Equipment Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Property taxes	\$ 698,788	\$ 698,788	\$ 680,549	\$ (18,239)
Intergovernmental	99,500	99,500	101,975	2,475
Total revenues	<u>798,288</u>	<u>798,288</u>	<u>782,524</u>	<u>15,764</u>
EXPENDITURES:				
Current:				
Police				
Capital outlay	96,635	96,635	87,185	9,450
Parks and recreation				
Capital Outlay	36,000	35,842	32,549	3,293
Development				
Capital Outlay	18,000	18,476	18,475	1
Streets Administration				
Capital Outlay	291,000	291,000	281,412	9,588
Fleet Maintenance				
Capital Outlay	26,300	25,982	22,124	3,858
Facilities Maintenance				
Capital Outlay	139,450	139,450	128,828	10,622
Information Technology				
Capital outlay	215,284	215,284	121,652	93,632
Total expenditures	<u>822,669</u>	<u>822,669</u>	<u>692,225</u>	<u>130,444</u>
Excess (deficiency) of revenues over expenditures	<u>(24,381)</u>	<u>(24,381)</u>	<u>90,299</u>	<u>146,208</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	(24,381)	(24,381)	90,299	114,680
Fund balances at beginning of year	202,604	202,604	202,604	-
Fund balances at end of year	<u>\$ 178,223</u>	<u>\$ 178,223</u>	<u>\$ 292,903</u>	<u>\$ 114,680</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, 2011

	Self-Insured Loss Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Investment earnings	\$ 12,650	\$ 12,650	\$ 12,698	\$ 48
Reimbursements	30,000	30,000	31,831	1,831
 Total revenues	<u>42,650</u>	<u>42,650</u>	<u>44,529</u>	<u>1,879</u>
EXPENDITURES:				
Current:				
General Administration				
Other than personal services	50,000	50,000	19,708	30,292
 Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>19,708</u>	<u>30,292</u>
 Excess (deficiency) of revenues over expenditures	<u>(7,350)</u>	<u>(7,350)</u>	<u>24,821</u>	<u>32,171</u>
OTHER FINANCING SOURCES (USES):				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(7,350)</u>	<u>(7,350)</u>	<u>24,821</u>	<u>32,171</u>
 Fund balances at beginning of year	671,851	671,851	671,851	-
 Fund balances at end of year	<u>\$ 664,501</u>	<u>\$ 664,501</u>	<u>\$ 696,672</u>	<u>\$ 32,171</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, 2011

	Communications and Technology Account			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Miscellaneous	\$ 129,600	\$ 129,600	\$ 143,078	\$ 13,478
Total revenues	<u>129,600</u>	<u>129,600</u>	<u>143,078</u>	<u>13,478</u>
<u>EXPENDITURES:</u>				
Current:				
Information Technology				
Capital outlay	121,000	121,000	95,991	25,009
Total expenditures	<u>121,000</u>	<u>121,000</u>	<u>95,991</u>	<u>25,009</u>
Excess (deficiency) of revenues over expenditures	<u>8,600</u>	<u>8,600</u>	<u>47,087</u>	<u>38,487</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	8,600	8,600	47,087	38,487
Fund balances at beginning of year	3,783	3,783	3,783	-
Lapsed encumbrances	974	974	974	
Fund balances at end of year	<u>\$ 13,357</u>	<u>\$ 13,357</u>	<u>\$ 51,844</u>	<u>\$ 38,487</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, 2011

	Total General Fund Accounts			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Income tax	\$ 13,537,101	\$ 14,236,666	\$ 14,661,782	\$ 425,116
Property taxes	8,308,787	8,308,787	8,117,072	(191,715)
Intergovernmental	3,125,911	3,083,042	3,418,143	335,101
Estate Tax	2,100,000	2,500,000	3,125,090	625,090
Charges for services	770,000	845,000	876,617	31,617
Investment earnings	693,975	693,975	693,418	(557)
Fines and forfeits	380,000	435,000	405,635	(29,365)
Licenses and permits	915,000	915,000	944,458	29,458
Miscellaneous	961,600	601,600	760,051	158,451
Reimbursements	503,000	503,000	146,140	(356,860)
 Total revenues	 31,295,374	 32,122,070	 33,148,406	 1,026,336
EXPENDITURES:				
Current:				
Police				
Personal services	6,925,462	7,076,912	7,052,554	24,358
Other than personal services	314,600	317,600	263,185	54,415
Capital outlay	96,635	93,635	85,324	8,311
Fire				
Personal services	8,295,753	8,138,483	7,710,075	428,408
Other than personal services	285,250	291,070	228,542	62,528
Board of Health				
Other than personal services	214,658	227,850	205,918	21,932
Parks and recreation				
Personal services	2,143,744	2,133,744	2,102,997	30,747
Other than personal services	795,800	805,800	745,666	60,134
Capital outlay	36,000	35,842	32,549	3,293
Development				
Personal services	922,440	922,440	878,496	43,944
Other than personal services	120,000	120,000	75,600	44,400
Capital outlay	18,000	18,476	18,475	1
Public Service Administration				
Personal services	913,386	913,386	743,492	169,895
Other than personal services	51,200	51,200	20,120	31,080
Streets Administration				
Personal services	382,550	382,550	375,118	7,432
Other than personal services	8,750	8,750	2,750	6,000
Capital outlay	291,000	291,000	281,412	9,588
Fleet Maintenance				
Personal services	496,998	496,998	460,796	36,202
Other than personal services	211,650	211,650	176,262	35,388
Capital outlay	26,300	25,982	22,124	3,859
City Manager				
Personal services	1,011,231	1,022,881	908,408	114,473
Other than personal services	167,625	183,625	116,985	66,640
City Attorney				
Personal services	617,233	617,233	611,367	5,866
Other than personal services	125,400	125,400	92,721	32,679
City Clerk				
Personal services	264,006	264,006	215,286	48,720
Other than personal services	12,500	12,500	10,975	1,525
City Council				
Personal services	114,107	114,107	105,141	8,966
Other than personal services	9,500	16,500	9,580	6,920

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, 2011

	Total General Fund Accounts			
	Adopted Budget	Revised Budget	Actual	Variance
Clerk of Court				
Personal services	155,009	155,009	150,912	4,097
Other than personal services	133,150	158,150	111,345	46,805
Finance				
Personal services	856,225	856,225	854,004	2,221
Other than personal services	111,650	111,650	101,136	10,514
Facilities Maintenance				
Personal services	72,435	90,035	78,641	11,394
Other than personal services	912,450	912,450	777,730	134,720
Capital outlay	139,450	139,450	128,828	10,622
Information Technology				
Personal services	385,657	385,657	320,264	65,393
Other than personal services	433,600	442,600	435,093	7,507
Capital outlay	336,284	336,284	217,643	118,641
General Administration				
Personal services	147,103	177,103	153,757	23,346
Other than personal services	1,418,000	1,468,000	1,416,396	51,604
Total expenditures	<u>29,972,791</u>	<u>30,152,233</u>	<u>28,297,667</u>	<u>1,854,566</u>
Excess (deficiency) of revenues over expenditures	<u>1,322,583</u>	<u>1,969,837</u>	<u>4,850,739</u>	<u>2,880,902</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from sale of capital assets	-	-	34,123	34,123
Operating transfers-in	-	-	-	-
Operating transfers-out	(3,803,363)	(5,078,453)	(5,033,838)	44,615
Interaccount transfers-in	3,448,111	2,548,111	2,444,725	(103,386)
Interaccount transfers-out	(2,548,111)	(2,548,111)	(2,444,725)	103,386
Total other financing sources (uses)	<u>(2,903,363)</u>	<u>(5,078,453)</u>	<u>(4,999,715)</u>	<u>78,738</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(1,580,780)	(3,108,616)	(148,976)	2,959,640
Fund balances at beginning of year	22,056,001	22,056,001	22,056,001	-
Lapsed encumbrances	238,994	238,994	238,994	-
Fund balances at end of year	<u>\$ 20,714,215</u>	<u>\$ 19,186,379</u>	<u>\$ 22,146,019</u>	<u>\$ 2,959,640</u>

City of Upper Arlington, Ohio
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, 2011

	General Obligation Bond Retirement Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Property taxes	\$ 804,000	\$ 804,000	\$ 855,722	\$ 51,722
Intergovernmental	408,803	408,803	409,690	887
Total revenues	<u>1,212,803</u>	<u>1,212,803</u>	<u>1,265,412</u>	<u>52,609</u>
EXPENDITURES:				
Current:				
Finance				
Other than personal services	-	12,500	10,627	1,873
Total expenditures	<u>-</u>	<u>12,500</u>	<u>10,627</u>	<u>1,873</u>
Excess (deficiency) of revenues over expenditures	<u>1,212,803</u>	<u>1,200,303</u>	<u>1,254,785</u>	<u>54,482</u>
OTHER FINANCING SOURCES (USES):				
Bond principal costs	(2,630,000)	(2,630,000)	(2,630,000)	-
Bond interest costs	(1,772,147)	(1,772,147)	(1,772,146)	1
Operating transfers-in	3,189,344	3,189,344	3,189,344	-
Total other financing sources (uses)	<u>(1,212,803)</u>	<u>(1,212,803)</u>	<u>(1,212,802)</u>	<u>1</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	(12,500)	41,983	54,483
Fund balances at beginning of year	347,999	347,999	347,999	-
Fund balances at end of year	<u>\$ 347,999</u>	<u>\$ 335,499</u>	<u>\$ 389,982</u>	<u>\$ 54,483</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, 2011

	Bonded Improvement Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Investment earnings	\$ 225,000	\$ 225,000	\$ 6,611	\$ (218,389)
Total revenues	<u>225,000</u>	<u>225,000</u>	<u>6,611</u>	<u>(218,389)</u>
EXPENDITURES:				
Current:				
Fire				
Capital	-	83	82	1
Streets				
Capital	6,858,275	8,959,469	7,507,461	1,452,008
Total expenditures	<u>6,858,275</u>	<u>8,959,552</u>	<u>7,507,543</u>	<u>1,452,009</u>
Excess (deficiency) of revenues over expenditures	<u>(6,633,275)</u>	<u>(8,734,552)</u>	<u>(7,500,931)</u>	<u>1,233,621</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-in				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(6,633,275)	(8,734,552)	(7,500,931)	1,233,621
Fund balances at beginning of year	10,371,654	10,371,654	10,371,654	-
Lapsed encumbrances	825,473	825,473	825,473	-
Fund balances at end of year	<u>\$ 4,563,852</u>	<u>\$ 2,462,575</u>	<u>\$ 3,696,196</u>	<u>\$ 1,233,621</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, 2011

	Estate Tax Capital Projects Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Investment earnings	\$ 151,500	\$ 151,500	\$ 133,612	\$ (17,888)
Intergovernmental	-	-	-	-
Reimbursements	-	247,525	211,079	(36,446)
Total revenues	<u>151,500</u>	<u>399,025</u>	<u>344,691</u>	<u>(54,334)</u>
<u>EXPENDITURES:</u>				
Current:				
Streets				
Capital	<u>827,650</u>	<u>1,075,175</u>	<u>819,840</u>	<u>255,335</u>
Total expenditures	<u>827,650</u>	<u>1,075,175</u>	<u>819,840</u>	<u>255,335</u>
Excess (deficiency) of revenues over expenditures	<u>(676,150)</u>	<u>(676,150)</u>	<u>(475,149)</u>	<u>201,001</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating transfers-in	-	1,025,089	1,025,089	-
Total other financing sources (uses)	<u>-</u>	<u>1,025,089</u>	<u>1,025,089</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(676,150)</u>	<u>348,939</u>	<u>549,940</u>	<u>201,001</u>
Fund balances at beginning of year	6,437,185	6,437,185	6,437,185	-
Lapsed encumbrances	306,193	306,193	306,193	-
Fund balances at end of year	<u>\$ 6,067,228</u>	<u>\$ 7,092,317</u>	<u>\$ 7,293,318</u>	<u>\$ 201,001</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Kingsdale Core TIF Fund
For the Fiscal Year Ended December 31, 2011

	Kingsdale Core TIF Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Intergovernmental	-	620,660	620,660	-
Total revenues	<u>\$ -</u>	<u>\$ 620,660</u>	<u>\$ 620,660</u>	<u>\$ -</u>
EXPENDITURES:				
Current:				
City Manager:				
Capital	4,800,000	5,610,000	5,472,797	137,203
Total expenditures	<u>4,800,000</u>	<u>5,610,000</u>	<u>5,472,797</u>	<u>137,203</u>
Excess (deficiency) of revenues over expenditures	<u>(4,800,000)</u>	<u>(4,989,340)</u>	<u>(4,852,137)</u>	<u>137,203</u>
OTHER FINANCING SOURCES (USES):				
Notes issued	4,800,000	4,800,000	4,800,000	-
Premium on notes issued	-	19,056	19,056	-
Total other financing sources (uses)	<u>4,800,000</u>	<u>4,819,056</u>	<u>4,819,056</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	(170,284)	(33,081)	137,203
Fund balances at beginning of year	192,336	192,336	192,336	-
Lapsed encumbrances	335	335	335	-
Fund balances at end of year	<u>\$ 192,671</u>	<u>\$ 22,387</u>	<u>\$ 159,590</u>	<u>\$ 137,203</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.

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.

Neighborhood Lighting Fund

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

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 six tax increment financing (TIF) districts. 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 six TIFs: the Kingsdale Core TIF Fund, a major capital projects fund, and the following nonmajor capital projects funds: the Chelsea TIF Fund, the Horizon TIF Fund, the Lane Avenue TIF Fund, the Kingsdale West TIF Fund, and the Arlington Crossing TIF Fund. There was no activity in the current year within the Arlington Crossing TIF Fund.

City of Upper Arlington, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011

	Law Enforcement	Enforcement Education	Tax Incentive Review
ASSETS			
Cash, cash equivalents and investments	\$ 975,731	\$ 7,765	\$ 24,506
Receivables (net of allowance for uncollectibles)	2,612		
Total assets	<u>\$ 978,343</u>	<u>\$ 7,765</u>	<u>\$ 24,506</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:			
Restricted	\$ 978,343		\$ 24,506
Committed		\$ 7,765	
Unassigned			
Total fund balances	<u>978,343</u>	<u>7,765</u>	<u>24,506</u>
Total liabilities and fund balances	<u>\$ 978,343</u>	<u>\$ 7,765</u>	<u>\$ 24,506</u>

<u>Tree Planting</u>	<u>Life Long Learning & Leisure</u>	<u>Mayor's Court Computer</u>	<u>Clerk of Court</u>
\$ 48,445	\$ 26,702	\$ 70,860	\$ 57,786
<u>\$ 48,445</u>	<u>\$ 26,702</u>	<u>\$ 70,860</u>	<u>\$ 57,786</u>
	\$ 5,767		\$ 62
	21		
	25,692		
	1,903		
<u>-</u>	<u>33,383</u>	<u>-</u>	<u>62</u>
\$ 48,445		\$ 70,860	57,724
	(6,681)		
<u>48,445</u>	<u>(6,681)</u>	<u>70,860</u>	<u>57,724</u>
<u>\$ 48,445</u>	<u>\$ 26,702</u>	<u>\$ 70,860</u>	<u>\$ 57,786</u>

(continued)

City of Upper Arlington, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011

	Neighborhood Lighting	Total Nonmajor Special Revenue	Infrastructure Improvement
ASSETS			
Cash, cash equivalents and investments	\$ 414,702	\$ 1,626,497	\$ 961,415
Receivables (net of allowance for uncollectibles)	4,134	6,746	549,470
Total assets	<u>\$ 418,836</u>	<u>\$ 1,633,243</u>	<u>\$ 1,510,885</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 182	\$ 6,011	\$ 66,063
Due to other funds		21	
Deferred revenue	3,466	29,158	549,470
Accrued liabilities		1,903	
Total liabilities	<u>3,648</u>	<u>37,093</u>	<u>615,533</u>
 Fund balances:			
Restricted		1,131,433	
Committed	415,188	471,398	895,352
Unassigned		(6,681)	
Total fund balances	<u>415,188</u>	<u>1,596,150</u>	<u>895,352</u>
Total liabilities and fund balances	<u>\$ 418,836</u>	<u>\$ 1,633,243</u>	<u>\$ 1,510,885</u>

Capital Projects				Total Nonmajor Capital Projects	Total Nonmajor Governmental Funds
Chelsea TIF	Horizon TIF	Lane Avenue TIF	Kingsdale West TIF		
\$ 858,127	\$ 833,110	\$ 741,949	\$ 97,980	\$ 3,492,581	\$ 5,119,078
196,300	236,000		34,602	1,016,372	1,023,118
<u>\$ 1,054,427</u>	<u>\$ 1,069,110</u>	<u>\$ 741,949</u>	<u>\$ 132,582</u>	<u>\$ 4,508,953</u>	<u>\$ 6,142,196</u>
		\$ 41,869		\$ 107,932	\$ 113,943
\$ 196,300	\$ 236,000		\$ 34,602	1,016,372	1,045,530
<u>196,300</u>	<u>236,000</u>	<u>41,869</u>	<u>34,602</u>	<u>1,124,304</u>	<u>1,161,397</u>
858,127	833,110	700,080	97,980	2,489,297	3,620,730
				895,352	1,366,750
<u>858,127</u>	<u>833,110</u>	<u>700,080</u>	<u>97,980</u>	<u>3,384,649</u>	<u>4,980,799</u>
<u>\$ 1,054,427</u>	<u>\$ 1,069,110</u>	<u>\$ 741,949</u>	<u>\$ 132,582</u>	<u>\$ 4,508,953</u>	<u>\$ 6,142,196</u>

City of Upper Arlington, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

	<u>Law Enforcement</u>	<u>Enforcement Education</u>	<u>Tax Incentive Review</u>
REVENUES			
Intergovernmental	\$ 7,463		
Charges for services			
Fines and forfeits		\$ 3,247	
Investment earnings	13,036		
Miscellaneous	1,140		\$ 5,114
Total revenues	21,639	3,247	5,114
EXPENDITURES			
Current:			
Public Safety	56,786	377	
General Government			5,000
Public Services			
Parks and Recreation			
Capital outlay:			
Capital outlay	56,733	17,285	
Total expenditures	113,519	17,662	5,000
Excess (deficiency) of revenues over (under) expenditures	(91,880)	(14,415)	114
OTHER FINANCING SOURCES (USES)			
Transfers in			
Proceeds from sale of capital assets	173,774		
Total other financing sources and uses	173,774	-	-
Net change in fund balances	81,894	(14,415)	114
Fund balances -- January 1	896,449	22,180	24,392
Fund balances -- December 31	\$ 978,343	\$ 7,765	\$ 24,506

<u>Tree Planting</u>	<u>Life Long Learning & Leisure</u>	<u>Mayor's Court Computer</u>	<u>Clerk of Court</u>
\$ 14,112	\$ 182,276	\$ 10,290	\$ 10,290
10,275			
<u>24,387</u>	<u>182,276</u>	<u>10,290</u>	<u>10,290</u>
		5,781	10,025
13,469	176,790		
<u>13,469</u>	<u>176,790</u>	<u>5,781</u>	<u>10,025</u>
10,918	5,486	4,509	265
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
10,918	5,486	4,509	265
37,527	(12,167)	66,351	57,459
<u>\$ 48,445</u>	<u>\$ (6,681)</u>	<u>\$ 70,860</u>	<u>\$ 57,724</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, 2011

	<u>Neighborhood Lighting</u>	<u>Total Nonmajor Special Revenue</u>	<u>Infrastructure Improvement</u>
REVENUES			
Intergovernmental		\$ 7,463	\$ 225,000
Charges for services	\$ 62,527	258,915	
Fines and forfeits		23,827	
Investment earnings	5,804	18,840	
Miscellaneous		16,529	563
Total revenues	<u>68,331</u>	<u>325,574</u>	<u>225,563</u>
EXPENDITURES			
Current:			
Public Safety		72,969	
General Government		5,000	
Public Services	19,797	19,797	
Parks and Recreation		190,259	
Capital outlay:			
Capital outlay	22,497	96,515	1,230,286
Total expenditures	<u>42,294</u>	<u>384,540</u>	<u>1,230,286</u>
Excess (deficiency) of revenues over (under) expenditures	26,037	(58,966)	(1,004,723)
OTHER FINANCING SOURCES (USES)			
Transfers in			750,000
Proceeds from sale of capital assets		173,774	
Total other financing sources and uses	<u>-</u>	<u>173,774</u>	<u>750,000</u>
Net change in fund balances	26,037	114,808	(254,723)
Fund balances -- January 1	389,151	1,481,342	1,150,075
Fund balances -- December 31	<u>\$ 415,188</u>	<u>\$ 1,596,150</u>	<u>\$ 895,352</u>

Capital Projects				Total Nonmajor Capital Projects	Total Nonmajor Governmental Funds
Chelsea TIF	Horizon TIF	Lane Avenue TIF	Kingsdale West TIF		
\$ 197,553	\$ 236,131		\$ 34,175	\$ 692,859	\$ 700,322
					258,915
					23,827
					18,840
		\$ 538,728		539,291	555,820
<u>197,553</u>	<u>236,131</u>	<u>538,728</u>	<u>34,175</u>	<u>1,232,150</u>	<u>1,557,724</u>
					72,969
					5,000
2,740	3,379		388	6,507	26,304
					190,259
		88,648		1,318,934	1,415,449
<u>2,740</u>	<u>3,379</u>	<u>88,648</u>	<u>388</u>	<u>1,325,441</u>	<u>1,709,981</u>
194,813	232,752	450,080	33,787	(93,291)	(152,257)
		250,000		1,000,000	1,000,000
					173,774
<u>-</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>1,000,000</u>	<u>1,173,774</u>
194,813	232,752	700,080	33,787	906,709	1,021,517
663,314	600,358	-	64,193	2,477,940	3,959,282
<u>\$ 858,127</u>	<u>\$ 833,110</u>	<u>\$ 700,080</u>	<u>\$ 97,980</u>	<u>\$ 3,384,649</u>	<u>\$ 4,980,799</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, 2011

	Law Enforcement Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Investment earnings	\$ 16,450	\$ 16,450	\$ 16,955	\$ 505
Intergovernmental	7,500	7,500	8,088	588
Miscellaneous	50,000	142,500	174,915	32,415
Total revenues	73,950	166,450	199,958	33,508
EXPENDITURES:				
Current:				
Police				
Personal services	81,651	81,651	50,887	30,764
Other than personal services	34,800	34,800	13,584	21,216
Capital	49,000	49,000	48,543	457
Total expenditures	165,451	165,451	113,014	52,437
Excess (deficiency) of revenues over expenditures	(91,501)	999	86,945	85,946
OTHER FINANCING SOURCES (USES):				
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(91,501)	999	86,945	85,946
Fund balances at beginning of year	886,161	886,161	886,161	-
Fund balances at end of year	\$ 794,660	\$ 887,160	\$ 973,106	\$ 85,946

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, 2011

	Enforcement Education Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Fines and forfeitures	\$ 3,000	\$ 3,000	\$ 3,246	\$ 246
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>3,246</u>	<u>246</u>
<u>EXPENDITURES:</u>				
Current:				
Police				
Other than personal services	1,000	1,000	376	624
Capital	21,750	21,750	17,285	4,465
Total expenditures	<u>22,750</u>	<u>22,750</u>	<u>17,661</u>	<u>5,089</u>
Excess (deficiency) of revenues over expenditures	<u>(19,750)</u>	<u>(19,750)</u>	<u>(14,415)</u>	<u>5,335</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	(19,750)	(19,750)	(14,415)	5,335
Fund balances at beginning of year	22,180	22,180	22,180	-
Fund balances at end of year	<u>\$ 2,430</u>	<u>\$ 2,430</u>	<u>\$ 7,765</u>	<u>\$ 5,335</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, 2011

	Civil Service Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:				
Current:				
City Manager				
Other than personal services	20,000	20,000	12,198	7,802
Total expenditures	20,000	20,000	12,198	7,802
Excess (deficiency) of revenues over expenditures	(20,000)	(20,000)	(12,198)	7,802
OTHER FINANCING SOURCES (USES):				
Operating transfers-in	20,000	20,000	20,000	-
Total other financing sources (uses)	20,000	20,000	20,000	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	-	7,802	7,802
Fund balances at beginning of year	18,532	18,532	18,532	-
Lapsed encumbrances	150	150	150	-
Fund balances at end of year	<u>\$ 18,682</u>	<u>\$ 18,682</u>	<u>\$ 26,484</u>	<u>\$ 7,802</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Tax Incentive Review Fund
For the Fiscal Year Ended December 31, 2011

	Tax Incentive Review Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Miscellaneous	\$ 4,500	\$ 7,500	\$ 5,114	\$ (2,386)
Total revenues	<u>4,500</u>	<u>7,500</u>	<u>5,114</u>	<u>(2,386)</u>
<u>EXPENDITURES:</u>				
Current:				
Finance				
Other than personal services	5,000	5,000	5,000	-
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(500)</u>	<u>2,500</u>	<u>114</u>	<u>(2,386)</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	(500)	2,500	114	(2,386)
Fund balances at beginning of year	24,392	24,392	24,392	-
Fund balances at end of year	<u>\$ 23,892</u>	<u>\$ 26,892</u>	<u>\$ 24,506</u>	<u>\$ (2,386)</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, 2011

	Tree Planting Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 13,500	\$ 13,500	\$ 14,112	\$ 612
Miscellaneous	-	4,320	10,274	5,954
Total revenues	<u>13,500</u>	<u>17,820</u>	<u>24,386</u>	<u>6,566</u>
EXPENDITURES:				
Current:				
Parks and recreation				
Other than personal services	13,500	17,820	15,014	2,806
Total expenditures	<u>13,500</u>	<u>17,820</u>	<u>15,014</u>	<u>2,806</u>
Excess (deficiency) of revenues over expenditures	-	-	9,371	9,371
OTHER FINANCING SOURCES (USES):				
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	-	9,371	9,371
Fund balances at beginning of year	39,073	39,073	39,073	-
Fund balances at end of year	<u>\$ 39,073</u>	<u>\$ 39,073</u>	<u>\$ 48,444</u>	<u>\$ 9,371</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, 2011

	Life Long Learning and Leisure Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Charges for services	\$ 242,050	\$ 242,050	\$ 188,296	\$ (53,754)
Total revenues	<u>242,050</u>	<u>242,050</u>	<u>188,296</u>	<u>(53,754)</u>
<u>EXPENDITURES:</u>				
Current:				
Parks and recreation				
Personal services	105,563	75,063	73,515	1,548
Other than personal services	149,000	116,000	106,599	9,401
Total expenditures	<u>254,563</u>	<u>191,063</u>	<u>180,115</u>	<u>10,948</u>
Excess (deficiency) of revenues over expenditures	<u>(12,513)</u>	<u>50,987</u>	<u>8,181</u>	<u>(42,806)</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>(12,513)</u>	<u>50,987</u>	<u>8,181</u>	<u>(42,806)</u>
Fund balances at beginning of year	14,104	14,104	14,104	-
Lapsed encumbrances	510	510	510	-
Fund balances at end of year	<u>\$ 2,101</u>	<u>\$ 65,601</u>	<u>\$ 22,795</u>	<u>\$ (42,806)</u>

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, 2011

	Mayor's Court Computer Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Fines and forfeitures	\$ 12,000	\$ 12,000	\$ 10,290	\$ (1,710)
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>10,290</u>	<u>(1,710)</u>
EXPENDITURES:				
Current:				
Clerk of Court				
Other than personal services	12,000	12,000	5,789	6,211
Capital outlay	<u>2,600</u>	<u>2,600</u>	<u>2,238</u>	<u>362</u>
Total expenditures	<u>14,600</u>	<u>14,600</u>	<u>8,027</u>	<u>6,573</u>
Excess (deficiency) of revenues over expenditures	<u>(2,600)</u>	<u>(2,600)</u>	<u>2,263</u>	<u>4,863</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	(2,600)	(2,600)	2,263	4,863
Fund balances at beginning of year	66,184	66,184	66,184	-
Lapsed encumbrances	177	177	177	
Fund balances at end of year	<u>\$ 63,761</u>	<u>\$ 63,761</u>	<u>\$ 68,624</u>	<u>\$ 4,863</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, 2011

	Clerk of Court Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Fines and forfeitures	\$ 13,500	\$ 13,500	\$ 10,290	\$ (3,211)
	<u>13,500</u>	<u>13,500</u>	<u>10,290</u>	<u>(3,211)</u>
<u>EXPENDITURES:</u>				
Current:				
Clerk of Court				
Other than personal services	17,000	17,000	10,174	6,826
Capital	-	-	-	-
Total expenditures	<u>17,000</u>	<u>17,000</u>	<u>10,174</u>	<u>6,826</u>
Excess (deficiency) of revenues over expenditures	<u>(3,500)</u>	<u>(3,500)</u>	<u>116</u>	<u>3,616</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	(3,500)	(3,500)	116	3,616
Fund balances at beginning of year	57,493	57,493	57,493	-
Lapsed encumbrances	177	177	177	-
Fund balances at end of year	<u>\$ 54,170</u>	<u>\$ 54,170</u>	<u>\$ 57,786</u>	<u>\$ 3,616</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, 2011

	Neighborhood Lighting Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Charges for services	\$ 62,000	\$ 62,000	\$ 62,518	\$ 518
Investment earnings	9,675	9,675	7,544	(2,131)
Total revenues	<u>71,675</u>	<u>71,675</u>	<u>70,063</u>	<u>(1,612)</u>
<u>EXPENDITURES:</u>				
Current:				
Public Service Administration				
Personal services	23,994	23,994	16,437	7,557
Other than personal services	40,000	40,000	12,034	27,966
Total expenditures	<u>63,994</u>	<u>63,994</u>	<u>28,471</u>	<u>35,523</u>
Excess (deficiency) of revenues over expenditures	<u>7,681</u>	<u>7,681</u>	<u>41,592</u>	<u>33,910</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	7,681	7,681	41,592	33,911
Fund balances at beginning of year	365,727	365,727	365,727	-
Fund balances at end of year	<u>\$ 373,408</u>	<u>\$ 373,408</u>	<u>\$ 407,319</u>	<u>\$ 33,911</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, 2011

	Economic Development Venture Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:				
Current:				
City Manager:				
Other than personal services	500,000	500,000	394,172	105,828
Total expenditures	500,000	500,000	394,172	105,828
Excess (deficiency) of revenues over expenditures	(500,000)	(500,000)	(394,172)	105,828
OTHER FINANCING SOURCES (USES):				
Operating transfers-in	386,340	426,340	426,340	-
Total other financing sources (uses)	386,340	426,340	426,340	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(113,660)	(73,660)	32,168	105,828
Fund balances at beginning of year	113,660	113,660	113,660	-
Lapsed encumbrances	127,462	127,462	127,462	-
Fund balances at end of year	<u>\$ 127,462</u>	<u>\$ 167,462</u>	<u>\$ 273,290</u>	<u>\$ 105,828</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, 2011

	Emergency Medical Services Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 800,000	\$ 800,000	\$ 786,810	\$ (13,190)
Total revenues	<u>800,000</u>	<u>800,000</u>	<u>786,810</u>	<u>(13,190)</u>
EXPENDITURES:				
Current:				
Fire				
Personal services	61,593	62,743	62,659	84
Other than personal services	137,600	136,450	123,737	12,713
Capital	126,400	126,400	93,498	32,902
Total expenditures	<u>325,593</u>	<u>325,593</u>	<u>279,894</u>	<u>45,699</u>
Excess (deficiency) of revenues over expenditures	<u>474,407</u>	<u>474,407</u>	<u>506,916</u>	<u>32,509</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-out	(448,135)	(448,135)	(448,135)	-
Total other financing sources (uses)	<u>(448,135)</u>	<u>(448,135)</u>	<u>(448,135)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	26,272	26,272	58,781	32,509
Fund balances at beginning of year	1,254,002	1,254,002	1,254,002	-
Lapsed encumbrances	11,225	11,225	11,225	-
Fund balances at end of year	<u>\$ 1,291,499</u>	<u>\$ 1,291,499</u>	<u>\$ 1,324,008</u>	<u>\$ 32,509</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Infrastructure Improvement Fund
For the Fiscal Year Ended December 31, 2011

	Infrastructure Improvement Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Intergovernmental	-	225,000	225,000	-
Reimbursements	36,500	36,500	563	(35,937)
Total revenues	<u>36,500</u>	<u>261,500</u>	<u>225,563</u>	<u>(35,937)</u>
EXPENDITURES:				
Current:				
Parks and recreation				
Capital	370,000	370,502	271,149	99,353
Streets				
Capital	750,000	974,498	970,485	4,013
Total expenditures	<u>1,120,000</u>	<u>1,345,000</u>	<u>1,241,634</u>	<u>103,366</u>
Excess (deficiency) of revenues over expenditures	<u>(1,083,500)</u>	<u>(1,083,500)</u>	<u>(1,016,071)</u>	<u>67,429</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-in	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>
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>(333,500)</u>	<u>(333,500)</u>	<u>(266,071)</u>	<u>67,429</u>
Fund balances at beginning of year	833,887	833,887	833,887	-
Lapsed encumbrances	16,527	16,527	16,527	-
Fund balances at end of year	<u>\$ 516,914</u>	<u>\$ 516,914</u>	<u>\$ 584,343</u>	<u>\$ 67,429</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, 2011

	Chelsea TIF Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Payments in lieu of taxes	\$ 240,000	\$ 240,000	\$ 197,552	\$ (42,448)
Total revenues	<u>\$ 240,000</u>	<u>\$ 240,000</u>	<u>\$ 197,552</u>	<u>\$ (42,448)</u>
<u>EXPENDITURES:</u>				
Current:				
City Manager:				
Other than personal services	-	4,000	2,739	1,261
Total expenditures	<u>-</u>	<u>4,000</u>	<u>2,739</u>	<u>1,261</u>
Excess (deficiency) of revenues over expenditures	<u>240,000</u>	<u>236,000</u>	<u>194,813</u>	<u>(41,187)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating transfers-out	(900,000)	-	-	-
Total other financing sources (uses)	<u>(900,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(660,000)	236,000	194,813	(41,187)
Fund balances at beginning of year	663,314	663,314	663,314	-
Fund balances at end of year	<u>\$ 3,314</u>	<u>\$ 899,314</u>	<u>\$ 858,127</u>	<u>\$ (41,187)</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, 2011

	Horizon TIF Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Payments in lieu of taxes	\$ 185,000	\$ 185,000	\$ 236,131	\$ 51,131
Total revenues	<u>\$ 185,000</u>	<u>\$ 185,000</u>	<u>\$ 236,131</u>	<u>\$ 51,131</u>
<u>EXPENDITURES:</u>				
Current:				
City Manager:				
Other than personal services	4,000	6,000	3,379	2,621
Total expenditures	<u>4,000</u>	<u>6,000</u>	<u>3,379</u>	<u>2,621</u>
Excess (deficiency) of revenues over expenditures	<u>181,000</u>	<u>179,000</u>	<u>232,752</u>	<u>53,752</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	181,000	179,000	232,752	53,752
Fund balances at beginning of year	600,358	600,358	600,358	-
Fund balances at end of year	<u>\$ 781,358</u>	<u>\$ 779,358</u>	<u>\$ 833,110</u>	<u>\$ 53,752</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Lane Avenue TIF Fund
For the Fiscal Year Ended December 31, 2011

	Lane Avenue TIF Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Miscellaneous	-	-	538,728	538,728
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 538,728</u>	<u>\$ 538,728</u>
<u>EXPENDITURES:</u>				
Current:				
Public Service				
Capital	-	250,000	109,917	140,083
Total expenditures	<u>-</u>	<u>250,000</u>	<u>109,917</u>	<u>140,083</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(250,000)</u>	<u>428,811</u>	<u>678,811</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating transfers-in	-	250,000	250,000	-
Total other financing sources (uses)	<u>-</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>678,811</u>	<u>678,811</u>
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 678,811</u>	<u>\$ 678,811</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Kingsdale West TIF Fund
For the Fiscal Year Ended December 31, 2011

	Kingsdale West TIF Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Payments in lieu of taxes	\$ 19,000	\$ 19,000	\$ 34,175	\$ 15,175
Total revenues	<u>\$ 19,000</u>	<u>\$ 19,000</u>	<u>\$ 34,175</u>	<u>\$ 15,175</u>
<u>EXPENDITURES:</u>				
Current:				
City Manager:				
Other than personal services	1,500	1,500	388	1,112
Total expenditures	<u>1,500</u>	<u>1,500</u>	<u>388</u>	<u>1,112</u>
Excess (deficiency) of revenues over expenditures	<u>17,500</u>	<u>17,500</u>	<u>33,787</u>	<u>16,287</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	17,500	17,500	33,787	16,287
Fund balances at beginning of year	64,193	64,193	64,193	-
Fund balances at end of year	<u>\$ 81,693</u>	<u>\$ 81,693</u>	<u>\$ 97,980</u>	<u>\$ 16,287</u>



CITY OF | **UPPER ARLINGTON**

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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, 2011

	Water Surcharge Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 402,325	\$ 402,325	\$ 420,825	\$ 18,500
Total revenues	<u>402,325</u>	<u>402,325</u>	<u>420,825</u>	<u>18,500</u>
EXPENDITURES:				
Current:				
Utilities				
Personal services	167,700	152,700	135,763	16,937
Other than personal services	276,213	291,213	281,128	10,085
Total expenditures	<u>443,913</u>	<u>443,913</u>	<u>416,891</u>	<u>27,022</u>
Excess (deficiency) of revenues over expenditures	<u>(41,588)</u>	<u>(41,588)</u>	<u>3,934</u>	<u>45,522</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	(41,588)	(41,588)	3,934	45,522
Fund balances at beginning of year	295,616	295,616	295,616	-
Lapsed encumbrances	3,320	3,320	3,320	-
Fund balances at end of year	<u>\$ 257,348</u>	<u>\$ 257,348</u>	<u>\$ 302,870</u>	<u>\$ 45,522</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, 2011

	Sanitary Sewer Surcharge Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 840,738	\$ 840,738	\$ 794,270	\$ (46,468)
Miscellaneous	1,500	1,500	1,507	7
Total revenues	<u>842,238</u>	<u>842,238</u>	<u>795,777</u>	<u>(46,461)</u>
EXPENDITURES:				
Current:				
Utilities				
Personal services	311,577	361,577	352,908	8,669
Other than personal services	264,689	300,689	270,016	30,673
Capital outlay	312,000	226,000	19,094	206,906
Total expenditures	<u>888,266</u>	<u>888,266</u>	<u>642,019</u>	<u>246,247</u>
Excess (deficiency) of revenues over expenditures	<u>(46,028)</u>	<u>(46,028)</u>	<u>153,759</u>	<u>199,786</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	(46,028)	(46,028)	153,759	199,786
Fund balances at beginning of year	207,857	207,857	207,857	-
Lapsed encumbrances	16,507	16,507	16,507	-
Fund balances at end of year	<u>\$ 178,336</u>	<u>\$ 178,336</u>	<u>\$ 378,123</u>	<u>\$ 199,786</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, 2011

	Stormwater Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 719,000	\$ 719,000	\$ 743,597	\$ 24,597
Investment earnings	50,000	50,000	47,104	(2,896)
Total revenues	<u>769,000</u>	<u>769,000</u>	<u>790,701</u>	<u>21,701</u>
EXPENDITURES:				
Current:				
Utilities				
Personal services	254,614	295,614	295,398	216
Other than personal services	416,350	368,939	288,006	80,933
Capital outlay	-	194,367	194,367	-
Total expenditures	<u>670,964</u>	<u>858,920</u>	<u>777,771</u>	<u>81,149</u>
Excess (deficiency) of revenues over expenditures	<u>98,036</u>	<u>(89,920)</u>	<u>12,930</u>	<u>102,850</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-out	<u>(178,800)</u>	<u>(178,800)</u>	<u>(178,800)</u>	<u>-</u>
Total other financing sources (uses)	<u>(178,800)</u>	<u>(178,800)</u>	<u>(178,800)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(80,764)	(268,720)	(165,870)	102,850
Fund balances at beginning of year	1,934,215	1,934,215	1,934,215	-
Fund balances at end of year	<u>\$ 1,853,451</u>	<u>\$ 1,665,495</u>	<u>\$ 1,768,345</u>	<u>\$ 102,850</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, 2011

	Swimming Pools Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 630,000	\$ 630,000	\$ 638,001	\$ 8,001
Total revenues	630,000	630,000	638,001	8,001
EXPENDITURES:				
Current:				
Parks and recreation				
Personal services	435,383	435,383	418,860	16,523
Other than personal services	233,650	229,755	146,211	83,544
Capital outlay	-	3,895	3,706	189
Total expenditures	669,033	669,033	568,778	100,255
Excess (deficiency) of revenues over expenditures	(39,033)	(39,033)	69,223	108,256
OTHER FINANCING SOURCES (USES):				
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(39,033)	(39,033)	69,223	108,256
Fund balances at beginning of year	401,582	401,582	401,582	-
Fund balances at end of year	\$ 362,549	\$ 362,549	\$ 470,805	\$ 108,256

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, 2011

	Solid Waste Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 2,039,550	\$ 2,039,550	\$ 1,941,644	\$ (97,906)
Investment earnings	1,500	9,500	6,357	(3,143)
Miscellaneous	200	200	28	(172)
Total revenues	<u>2,041,250</u>	<u>2,049,250</u>	<u>1,948,029</u>	<u>(101,221)</u>
EXPENDITURES:				
Current:				
Solid Waste				
Other than personal services	<u>2,036,019</u>	<u>2,036,019</u>	<u>2,034,831</u>	<u>1,188</u>
Total expenditures	<u>2,036,019</u>	<u>2,036,019</u>	<u>2,034,831</u>	<u>1,188</u>
Excess (deficiency) of revenues over expenditures	<u>5,231</u>	<u>13,231</u>	<u>(86,802)</u>	<u>(100,033)</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	5,231	13,231	(86,802)	(100,033)
Fund balances at beginning of year	207,826	207,826	207,826	-
Fund balances at end of year	<u>\$ 213,057</u>	<u>\$ 221,057</u>	<u>\$ 121,024</u>	<u>\$ (100,033)</u>

CITY OF UPPER ARLINGTON

Internal Service Funds

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.

BWC Administration Fund

Pursuant to Codified Ordinances Section 137.05, moneys are deposited into the fund for the purpose of paying the costs of and pays claims for workers' compensation benefits of the employees of the City. 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
Combining Statement of Net Assets
Internal Service Funds
December 31, 2011

ASSETS	Employee Benefits	BWC Administration	Total
Current assets:			
Cash, cash equivalents and investments	\$ 2,095,906	\$ 146,244	\$ 2,242,150
Accounts receivable (net of allowance for uncollectibles)	15,537		15,537
Due from other funds	187,456	189,447	376,903
Total current assets	<u>2,298,899</u>	<u>335,691</u>	<u>2,634,590</u>
Total noncurrent assets	-	-	-
Total assets	<u>\$ 2,298,899</u>	<u>\$ 335,691</u>	<u>\$ 2,634,590</u>
 LIABILITIES			
Current liabilities:			
Accounts payable	\$ 212,016	\$ 177,603	\$ 389,619
Total current liabilities	<u>212,016</u>	<u>177,603</u>	<u>389,619</u>
Noncurrent liabilities:			
Total noncurrent liabilities	-	-	-
Total liabilities	<u>212,016</u>	<u>177,603</u>	<u>389,619</u>
 NET ASSETS			
Unrestricted	2,086,883	158,088	2,244,971
Total net assets	<u>\$ 2,086,883</u>	<u>\$ 158,088</u>	<u>\$ 2,244,971</u>

City of Upper Arlington, Ohio
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2011

	Employee Benefits	BWC Administration	Total
Operating revenues:			
Charges for sales and services:			
Charges for services	\$ 3,304,730	\$ 345,103	\$ 3,649,833
Total operating revenues	3,304,730	345,103	3,649,833
Operating expenses -			
Self-insurance	3,035,716	367,271	3,402,987
Total operating expenses	3,035,716	367,271	3,402,987
Change in net assets	269,014	(22,168)	246,846
Total net assets -- January 1	1,817,869	180,256	1,998,125
Total net assets -- December 31	\$ 2,086,883	\$ 158,088	\$ 2,244,971

City of Upper Arlington, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the year Ended December 31, 2011

	<u>Employee Benefits</u>	<u>BWC Administration</u>	<u>Total</u>
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 3,362,893	\$ 241,637	\$ 3,604,530
Payments to suppliers	<u>(2,910,835)</u>	<u>(265,923)</u>	<u>(3,176,758)</u>
Net cash provided (used) by operating activities	<u>452,058</u>	<u>(24,286)</u>	<u>427,772</u>
Cash and cash equivalents, January 1	<u>1,643,848</u>	<u>170,530</u>	<u>1,814,378</u>
Cash and cash equivalents, December 31	<u>\$ 2,095,906</u>	<u>\$ 146,244</u>	<u>\$ 2,242,150</u>

City of Upper Arlington, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the year Ended December 31, 2011

	<u>Employee Benefits</u>	<u>BWC Administration</u>	<u>Total</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income	269,014	(22,168)	246,846
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
(Increase) decrease in accounts receivable	8,247	-	8,247
(Increase) decrease in due from other funds	49,916	(103,466)	(53,550)
Increase (decrease) in accounts payable	<u>124,881</u>	<u>101,348</u>	<u>226,229</u>
Total adjustments	<u>183,044</u>	<u>(2,118)</u>	<u>180,926</u>
Net cash provided (used) by operating activities	<u>\$ 452,058</u>	<u>\$ (24,286)</u>	<u>\$ 427,772</u>

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, 2011

	Employee Benefits Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 3,543,392	\$ 3,543,392	\$ 3,362,893	\$ (180,499)
Reimbursements	205,020	205,020	228,600	23,580
Total revenues	<u>3,748,412</u>	<u>3,748,412</u>	<u>3,591,493</u>	<u>(156,919)</u>
EXPENDITURES:				
Current:				
Finance				
Personal services	3,517,580	3,297,580	2,444,272	853,308
Other than personal services	512,026	732,026	700,071	31,955
Total expenditures	<u>4,029,606</u>	<u>4,029,606</u>	<u>3,144,342</u>	<u>885,264</u>
Excess (deficiency) of revenues over expenditures	<u>(281,194)</u>	<u>(281,194)</u>	<u>447,150</u>	<u>728,344</u>
OTHER FINANCING SOURCES (USES):				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(281,194)</u>	<u>(281,194)</u>	<u>447,150</u>	<u>728,344</u>
Fund balances at beginning of year	1,643,204	1,643,204	1,643,204	-
Fund balances at end of year	<u>\$ 1,362,010</u>	<u>\$ 1,362,010</u>	<u>\$ 2,090,354</u>	<u>\$ 728,344</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Internal Service Fund - BWC Administration Fund
For the Fiscal Year Ended December 31, 2011

	BWC Administration Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 289,315	\$ 289,315	\$ 241,637	\$ (47,678)
Reimbursements	-	-	308	308
Total revenues	<u>289,315</u>	<u>289,315</u>	<u>241,945</u>	<u>(47,370)</u>
EXPENDITURES:				
Current:				
Finance				
Personal services	148,715	148,715	137,582	11,133
Other than personal services	140,000	148,000	128,649	19,351
Total expenditures	<u>288,715</u>	<u>296,715</u>	<u>266,230</u>	<u>30,485</u>
Excess (deficiency) of revenues over expenditures	<u>600</u>	<u>(7,400)</u>	<u>(24,285)</u>	<u>(16,885)</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	600	(7,400)	(24,285)	(16,885)
Fund balances at beginning of year	170,530	170,530	170,530	-
Fund balances at end of year	<u>\$ 171,130</u>	<u>\$ 163,130</u>	<u>\$ 146,245</u>	<u>\$ (16,885)</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, 2011

	Agency Funds				
	Returnable Bonds Fund	Unclaimed Funds	Construction Withholding Fund	Mayor's Court Fund	Flexible Benefits Fund
ASSETS:					
Cash and investments	\$ 35,000	\$ 1,084	\$ 786,425	\$ 43,294	
Cash with third party fiscal agent					\$ 4,969
Total assets	<u>\$ 35,000</u>	<u>\$ 1,084</u>	<u>\$ 786,425</u>	<u>\$ 43,294</u>	<u>\$ 4,969</u>
LIABILITIES:					
Due to others	\$ 35,000	\$ 1,084	\$ 786,425	\$ 43,294	\$ 4,969
Total liabilities	<u>\$ 35,000</u>	<u>\$ 1,084</u>	<u>\$ 786,425</u>	<u>\$ 43,294</u>	<u>\$ 4,969</u>

	<u>Agency Funds</u>		
	<u>Payroll Clearing Fund</u>	<u>Revolving Fund</u>	<u>Total Agency Funds</u>
ASSETS:			
Cash and investments	\$ 633,090	\$ 50,691	\$ 1,549,584
Cash with third party fiscal agent			4,969
Total assets	<u>\$ 633,090</u>	<u>\$ 50,691</u>	<u>\$ 1,554,553</u>
LIABILITIES:			
Due to others	\$ 633,090	\$ 50,691	\$ 1,554,553
Total liabilities	<u>\$ 633,090</u>	<u>\$ 50,691</u>	<u>\$ 1,554,553</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, 2011

	Balances Jan. 1, 2011	Additions	Deductions	Balances Dec. 31, 2011
RETURNABLE BONDS FUNDS				
Assets				
Cash and investments	\$ -	35,000		\$ 35,000
Liabilities				
Due to others	\$ -	35,000		\$ 35,000
UNCLAIMED FUNDS				
Assets				
Cash and investments	\$ 1,215	25	156	\$ 1,084
Liabilities				
Due to others	\$ 1,215	25	156	\$ 1,084
CONSTRUCTION WITHHOLDING FUND				
Assets				
Cash and investments	\$ 353,035	832,820	399,430	\$ 786,425
Liabilities				
Due to others	\$ 353,035	832,820	399,430	\$ 786,425
MAYOR'S COURT FUND				
Assets				
Cash and investments	\$ 51,690	611,471	619,867	\$ 43,294
Liabilities				
Due to others	\$ 51,690	611,471	619,867	\$ 43,294
FLEXIBLE BENEFITS FUND				
Assets				
Cash with third party fiscal agent	\$ 19,559	177,091	191,681	\$ 4,969
Liabilities				
Due to others	\$ 19,559	177,091	191,681	\$ 4,969
PAYROLL CLEARING FUND				
Assets				
Cash and investments	\$ 787,296	22,185,070	22,339,276	\$ 633,090
Liabilities				
Due to others	\$ 787,296	22,185,070	22,339,276	\$ 633,090
REVOLVING FUND				
Assets				
Cash and investments	\$ 17,176	810,536	777,021	\$ 50,691
Liabilities				
Due to others	\$ 17,176	810,536	777,021	\$ 50,691
TOTAL AGENCY FUNDS				
Assets				
Cash and investments	\$ 1,210,412	24,474,922	24,135,750	\$ 1,549,584
Cash with third party fiscal agent	19,559	177,091	191,681	4,969
Total Assets	\$ 1,229,971	24,652,013	24,327,431	\$ 1,554,553
Liabilities				
Due to others	\$ 1,229,971	24,652,013	24,327,431	\$ 1,554,553

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.	5-15
<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.	16-18
<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 Nine (1)
(accrual basis of accounting)
(amounts expressed in thousands)

	Year								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities									
Invested in capital assets, net of related debt	\$ 43,278	\$ 35,574	\$ 32,666	\$ 29,923	\$ 26,458	\$ 23,100	\$ 22,915	\$ 19,492	\$ 19,581
Restricted	\$ 3,673	\$ 7,388	6,947	6,879	6,903	6,252	7,184	5,178	1,241
Unrestricted	\$ 39,324	\$ 37,753	38,116	40,506	40,708	38,682	33,047	34,869	41,647
Total Governmental Activities Net Assets	\$ 86,275	\$ 80,715	\$ 77,729	\$ 77,308	\$ 74,069	\$ 68,034	\$ 63,146	\$ 59,539	\$ 62,469
Business-type activities									
Invested in capital assets, net of related debt	\$ 20,905	\$ 19,329	\$ 18,599	\$ 18,025	\$ 17,613	\$ 17,972	\$ 16,539	\$ 12,460	\$ 10,539
Restricted			-	-	-	-	-	-	-
Unrestricted	\$ 3,529	\$ 3,458	3,585	3,858	3,603	3,131	3,227	5,489	3,085
Total Business-Type Activities Net Assets	\$ 24,434	\$ 22,787	\$ 22,184	\$ 21,883	\$ 21,216	\$ 21,103	\$ 19,766	\$ 17,949	\$ 13,624
Primary Government									
Invested in capital assets, net of related debt	\$ 64,183	\$ 54,903	\$ 51,265	\$ 47,948	\$ 44,071	\$ 41,072	\$ 39,454	\$ 31,952	\$ 30,120
Restricted	3,673	7,388	6,947	6,879	6,903	6,252	7,184	5,178	1,241
Unrestricted	42,853	41,211	41,701	44,364	44,311	41,813	36,274	40,358	44,732
Total Primary Government Net Assets	\$ 110,709	\$ 103,502	\$ 99,913	\$ 99,191	\$ 95,285	\$ 89,137	\$ 82,912	\$ 77,488	\$ 76,093

Note:

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

Source:

1. City of Upper Arlington Finance Department

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

	Year								
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses									
Governmental Activities:									
Public Safety	\$ 15,973	\$ 15,724	\$ 16,110	\$ 15,776	\$ 15,082	\$ 14,266	\$ 13,436	\$ 13,227	\$ 12,172
General Government	7,971	7,903	8,189	8,851	7,154	8,200	8,710	8,212	7,067
Public Services	4,649	5,159	4,709	4,889	5,679	5,167	4,882	4,868	4,317
Parks and Recreation	3,147	3,052	3,346	3,331	3,269	3,142	3,025	3,021	2,897
Community Development	935	953	984	991	944	853	875	870	724
Interest on long-term debt	1,822	1,464	1,205	996	958	1,111	1,095	1,006	977
<i>Total Governmental Activities Expenses</i>	<u>34,497</u>	<u>34,255</u>	<u>34,543</u>	<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	567	453	400	564	318	333	325	643	341
Sewer	676	651	794	736	700	660	697	671	718
Stormwater	1,027	1,069	858	683	704	692	635	643	686
Swimming pool	658	667	736	686	626	603	635	539	555
Solid Waste	2,041	2,009	1,952	2,334	1,949	1,983	1,855	1,789	1,688
<i>Total Business-Type Activities Expenses</i>	<u>4,969</u>	<u>4,849</u>	<u>4,740</u>	<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>\$ 39,466</u>	<u>\$ 39,104</u>	<u>\$ 39,283</u>	<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	\$ 1,507	\$ 1,391	\$ 1,370	\$ 493	\$ 1,297	\$ 988	\$ 1,275	\$ 8	\$ 10
General Government	793	818	971	698	616	173	59	68	-
Public Services	2,340	80	76	79	106	76	65	321	1
Parks and Recreation	1,983	879	848	860	805	815	741	503	965
Community Development	762	1,053	677	760	781	774	796	964	614
Operating grants and contributions	410	2,060	1,813	1,632	1,703	1,704	1,688	70	84
Capital grants and contributions	-	-	80	195	248	300	91	-	119
<i>Total Governmental Activities Program Revenues</i>	<u>7,795</u>	<u>6,281</u>	<u>5,835</u>	<u>4,717</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	415	400	378	338	332	288	368	324	315
Sewer	791	774	771	734	708	550	680	629	605
Stormwater	761	548	537	542	552	521	531	555	571
Swimming pools	638	628	608	640	658	632	603	445	375
Solid Waste	1,954	1,685	1,664	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>4,559</u>	<u>4,035</u>	<u>3,958</u>	<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>\$ 12,354</u>	<u>\$ 10,316</u>	<u>\$ 9,793</u>	<u>\$ 9,069</u>	<u>\$ 9,689</u>	<u>\$ 10,049</u>	<u>\$ 10,491</u>	<u>\$ 6,320</u>	<u>\$ 5,034</u>

	Year								
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net(Expense)Revenue									
Governmental Activities	\$ (26,702)	\$ (27,974)	\$ (28,708)	\$ (30,117)	\$ (27,530)	\$ (27,909)	\$ (27,308)	\$ (29,270)	\$ (26,361)
Business-Type Activities	(410)	(814)	(782)	(651)	(164)	948	1,629	101	(747)
<i>Total Primary Government Net Expense</i>	<u>(27,112)</u>	<u>(28,788)</u>	<u>(29,490)</u>	<u>(30,768)</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	16,045	13,165	12,173	13,627	14,615	12,944	14,292	11,109	12,580
Property taxes	9,043	9,122	9,109	8,847	8,826	9,098	7,834	7,881	7,350
Estate taxes	3,652	4,462	4,192	5,186	2,282	3,761	3,775	3,287	1,581
Intergovernmental	4,593	4,417	3,484	4,182	3,594	3,616	2,866	5,780	5,644
Unrestricted investment earnings	609	866	887	2,562	2,693	2,134	1,078	855	1,097
Miscellaneous	355	293	332	1,289	1,556	1,414	1,319	1,578	1,599
Transfers	(2,035)	(1,365)	(1,048)	(895)	-	(160)	(250)	(4,150)	(2,273)
Total governmental activities	<u>32,262</u>	<u>30,960</u>	<u>29,129</u>	<u>34,798</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	22	51	35	185	276	228	109	75	91
Miscellaneous	-	-	-	239	-	-	(172)	-	4
Transfers	2,036	1,365	1,048	895	-	160	251	4,150	2,273
<i>Total Business-Type Activities</i>	<u>2,058</u>	<u>1,416</u>	<u>1,083</u>	<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>34,320</u>	<u>32,376</u>	<u>30,212</u>	<u>36,117</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	5,560	2,986	421	4,681	6,036	4,898	3,606	(2,930)	1,217
Business-type activities	1,648	602	301	668	112	1,336	1,817	4,326	1,621
<i>Total Primary Government Change in Net Assets</i>	<u>\$ 7,208</u>	<u>\$ 3,588</u>	<u>\$ 722</u>	<u>\$ 5,349</u>	<u>\$ 6,148</u>	<u>\$ 6,234</u>	<u>\$ 5,423</u>	<u>\$ 1,396</u>	<u>\$ 2,838</u>

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

	Year			
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General fund				
Reserved	N/A	\$ 1,817	\$ 1,248	\$ 1,302
Unreserved	N/A	26,258	25,506	28,671
Nonspendable	\$ 64	N/A	N/A	N/A
Restricted	861	N/A	N/A	N/A
Committed	9,809	N/A	N/A	N/A
Assigned	-	N/A	N/A	N/A
Unassigned	17,621	N/A	N/A	N/A
<i>Total General Fund</i>	<u>\$ 28,355</u>	<u>\$ 28,075</u>	<u>\$ 26,754</u>	<u>\$ 29,973</u>
All other governmental funds				
Reserved	N/A	\$ 3,181	\$ 4,239	\$ 7,251
Unreserved, reported in:				
Special revenue funds	N/A	2,196	2,536	2,628
Capital projects funds	N/A	19,506	14,476	9,279
Debt service funds	N/A	358	294	229
Nonspendable	\$ 122	N/A	N/A	N/A
Restricted	9,403	N/A	N/A	N/A
Committed	9,192	N/A	N/A	N/A
Assigned	-	N/A	N/A	N/A
Unassigned	(4,749)	N/A	N/A	N/A
<i>Total All Other Governmental Funds</i>	<u>\$ 13,968</u>	<u>\$ 25,241</u>	<u>\$ 21,545</u>	<u>\$ 19,387</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.

Note: The City implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. As a result fund balance classifications were changed as of December 31, 2011.

Table 3

Year						
<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	
\$ 878	\$ 1,038	\$ 820	\$ 1,929	\$ 3,000	\$ 6,906	
27,554	26,462	21,739	22,180	24,326	24,117	
N/A	N/A	N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	
\$ 28,432	\$ 27,500	\$ 22,559	\$ 24,109	\$ 27,326	\$ 31,023	
\$ 2,087	\$ 1,103	\$ 1,373	\$ 4,384	\$ 2,621	\$ 1,732	
2,723	2,324	1,646	1,244	1,258	1,218	
10,879	11,752	13,866	12,272	14,134	10,209	
685	916	986	926	1,043	1,246	
N/A	N/A	N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	
\$ 16,374	\$ 16,095	\$ 17,871	\$ 18,826	\$ 19,056	\$ 14,405	

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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues				
Taxes	\$ 28,344	\$ 28,433	\$ 27,322	\$ 27,576
Intergovernmental	5,624	4,632	4,208	4,372
Licenses and permits	945	922	819	862
Charges for services	1,899	1,891	1,913	1,911
Fines and forfeits	430	416	388	362
Investment earnings	609	866	887	1,997
Miscellaneous	1,493	1,128	896	1,569
<i>Total Revenues</i>	<u>39,344</u>	<u>38,288</u>	<u>36,433</u>	<u>38,649</u>
Expenditures				
Public Safety	15,784	15,651	16,252	15,188
General Government	7,557	7,880	7,939	8,510
Public Services	2,913	3,190	2,892	2,998
Parks and Recreation	3,017	3,040	3,149	3,147
Community Development	956	991	975	968
Health Services	-	-	-	-
Capital outlay	16,095	8,923	13,601	7,114
Debt services				
Principal	2,480	1,985	1,487	4,964
Interest	1,743	1,393	1,177	1,227
Other charges	131	148	235	120
<i>Total Expenditures</i>	<u>50,676</u>	<u>43,201</u>	<u>47,707</u>	<u>44,236</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	(11,332)	(4,913)	(11,274)	(5,587)
Other Financing Sources (Uses)				
Transfers in	5,036	6,661	5,605	3,348
Transfers out	(5,036)	(7,111)	(5,801)	(3,396)
Bonds/Notes issued	6,000	10,000	10,090	9,972
Refunding bonds and escrow transfer			6,715	
Premium on bonds/notes issued	284	25	488	123
Payment of refunding notes			-	-
Payment to refunded bond escrow agent	(6,151)		(7,058)	
Installment loan issued			-	-
Sale of capital assets	208	381	174	94
<i>Total Other Financing Sources (Uses)</i>	<u>341</u>	<u>9,956</u>	<u>10,213</u>	<u>10,141</u>
<i>Net Change in Fund Balances</i>	<u>\$ (10,991)</u>	<u>\$ 5,043</u>	<u>\$ (1,061)</u>	<u>\$ 4,554</u>
 Debt Service as a Percentage of Noncapital Expenditures	 12.21%	 10.39%	 8.64%	 16.99%

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>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	
\$ 27,261	\$ 26,228	\$ 27,056	\$ 23,881	\$ 24,580	\$ 27,772	
4,295	4,783	3,510	4,427	3,896	3,372	
917	733	866	703	624	623	
1,812	1,585	1,561	1,139	966	1,435	
362	394	439	414	355	342	
2,218	2,134	1,365	855	1,096	1,870	
2,051	2,045	1,005	1,121	1,355	1,306	
<u>38,916</u>	<u>37,902</u>	<u>35,802</u>	<u>32,540</u>	<u>32,872</u>	<u>36,720</u>	
14,677	13,531	13,079	12,723	11,821	11,472	
6,909	6,538	6,239	6,045	6,600	7,311	
3,875	3,453	3,490	3,648	2,601	2,044	
3,025	2,897	2,858	2,791	2,618	2,967	
936	850	863	855	719	622	
-	-	161	167	157	154	
6,686	4,667	8,585	10,759	10,499	9,020	
1,195	1,848	1,821	1,757	1,311	1,331	
972	991	1,103	967	955	714	
			15	102		
<u>38,275</u>	<u>34,775</u>	<u>38,199</u>	<u>39,727</u>	<u>37,383</u>	<u>35,635</u>	
641	3,127	(2,397)	(7,187)	(4,511)	1,085	
5,826	2,661	8,026	3,399	5,337	2,341	
(5,826)	(2,822)	(8,277)	(7,539)	(5,885)	(2,421)	
3,972	3,972	3,972	3,972	10,000		
40	25	33	35	105		
(3,972)	(3,972)	(3,972)				
			500			
530	174	110	64	112		
<u>570</u>	<u>38</u>	<u>(108)</u>	<u>431</u>	<u>9,669</u>	<u>(80)</u>	
<u>\$ 1,211</u>	<u>\$ 3,165</u>	<u>\$ (2,505)</u>	<u>\$ (6,756)</u>	<u>\$ 5,158</u>	<u>\$ 1,005</u>	
6.86%	9.43%	9.87%	9.40%	8.43%	7.68%	

City of Upper Arlington, Ohio
Governmental Activities Tax Revenues by Source
Last Nine 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>
2011	\$ 16,045	\$ 9,044	\$ 3,652	\$ 1,134	\$ 29,875
2010	\$ 13,165	\$ 9,122	\$ 4,462	\$ 1,141	\$ 27,890
2009	\$ 12,173	\$ 9,109	\$ 4,192	\$ 1,018	\$ 26,492
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**

	2011		2001	
	<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.	\$12,255,260	0.78%	\$10,874,710	0.98%
Columbia Gas of Ohio Inc.	1,528,340	0.10%		
Ohio Bell Telephone			7,323,340	0.66%
 <u>Real Estate</u>				
Tree of Life Christian	8,637,400	0.55%		
Lane Avenue 450 LLC	7,513,140	0.48%		
Echo/Continental	7,026,260	0.45%		
Kimco Development Corporation	4,459,010	0.28%	2,712,500	0.25%
Kingsdale Condominiums	4,456,240	0.28%		
Centro NP Greentree SC	4,170,260	0.26%		
Scioto Country Club Inc.	3,900,400	0.25%	3,238,030	0.29%
Kenbrook Village Company	3,043,600	0.19%		
Huntington National Bank	2,975,070	0.19%		
Orthopaedic Medical	2,669,980	0.17%		
Lane Avenue Office	2,433,550	0.15%		
First Community Village			6,597,510	0.60%
RRC Acquisitions Inc.			6,068,240	0.55%
New Plan Financing I Inc.			3,274,250	0.30%
Compuserve Inc.			5,085,320	0.46%
UAP-Columbus JV-326132			5,237,050	0.47%
Lazarus Real Estate II Inc.			2,100,010	0.19%
 <u>Tangible Personal Property (1)</u>				
Uunet Technologies Inc.			6,174,540	0.56%
America Online Inc.			3,043,510	0.27%
Time Warner Entertainment Company LP			1,980,950	0.18%
Rich's Department Stores Inc.			1,230,680	0.11%
Circuit City Stores, Inc.			940,380	0.08%
Kroger Company			582,650	0.05%
BOAHC Inc.			416,090	0.04%
Wild Oats Market Inc.			385,800	0.03%
Ameritech New Media, Inc.			380,820	0.03%
Stein Mart			335,130	0.03%
 ALL OTHERS	 1,508,925,680	 95.87%	 1,039,038,495	 93.86%
 TOTAL ASSESSED VALUATION	 \$1,573,994,190	 100.00%	 \$1,107,020,005	 100.00%

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>
2011	3.90	0.54	1.54	0.50	6.48	1.47	15.85	0.75	18.07
2010	3.90	0.54	1.54	0.50	6.48	1.47	15.85	0.75	18.07
2009	3.90	0.54	1.54	0.50	6.48	1.47	15.85	0.75	18.07
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

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	
100.11	1.97	102.08	2.00	2.00	128.63
100.11	1.97	102.08	2.00	2.00	128.63
100.11	1.97	102.08	2.00	2.00	128.63
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

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>				
2011	\$ 1,410,425,940	\$ 149,473,060	\$ 14,095,190	\$ -	\$ 1,573,994,190	6.48	\$ 4,497,126,257	35.00%
2010	1,432,981,270	135,734,450	12,720,930	-	1,581,436,650	6.48	4,518,390,429	35.00%
2009	1,429,916,090	139,163,160	11,480,320	698,120	1,581,257,690	6.48	4,518,676,966	34.99%
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%

Source: Franklin County, Ohio; County Auditor

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

Employer	2011		2010		2009		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	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
UA Board of Education	860	4.8%	880	4.9%	880	4.9%	880	4.9%	890	5.0%	883	5.2%	741	4.4%	758	4.3%
AOL Midwest	-	0.0%	-	0.0%	-	0.0%	-	0.0%	107	0.6%	230	1.4%	350	2.1%	442	2.5%
First Community Village	352	2.0%	360	2.0%	370	2.1%	410	2.3%	384	2.2%	350	2.1%	340	2.0%	350	2.0%
City of Upper Arlington	241	1.4%	246	1.4%	243	1.4%	245	1.4%	263	1.5%	260	1.5%	265	1.6%	265	1.5%
Kroger	107	0.6%	107	0.6%	143	0.8%	-	0.0%	113	0.6%	140	0.8%	140	0.8%	-	-
Giant Eagle	198	1.1%	201	1.1%	197	1.1%	200	1.1%	160	0.9%	150	0.9%	182	1.1%	-	-
Scioto Country Club	173	1.0%	173	1.0%	-	0.0%	-	0.0%	157	0.9%	197	1.2%	182	1.1%	-	-
Wellington School	160	0.9%	160	0.9%	170	1.0%	170	1.0%	170	1.0%	170	1.0%	167	1.0%	-	-
National Church Residences	194	1.1%	177	1.0%	173	1.0%	210	1.2%	173	1.0%	165	1.0%	161	0.9%	-	-
Willis HRH	-	0.0%	106	0.6%	132	0.7%	125	0.7%	130	0.7%	150	0.9%	150	0.9%	165	0.9%
Ohio State University	325	1.8%	290	1.6%	285	1.6%	300	1.7%	309							
CBC Companies	175	1.0%	175	1.0%	175	1.0%	170	1.0%	157							
Ohio Orthopaedic Center	158	0.9%	185	1.0%	170	1.0%	170	1.0%	unknown							
Total	2,943	16.60%	3,060	17.10%	2,938	16.60%	2,880	16.30%	3,013	14.40%	2,695	16.0%	2,678	15.9%	1,980	11.2%
Total City Employees	17,552 (1)		17,552		17,076		18,773		17,851		16,064		16,976		17,487	

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

Notes:

- (1) Total City Employees data for 2010 was used as data from 2011 was not yet available.
(2) Data prior to 2004 was not available or kept.

**City of Upper Arlington, Ohio
Income Tax Statistics
Last Ten Years**

Income Averages for Upper Arlington Tax Years 2001-2010

Tax Year	Income Range Tax Year	Individual Resident Filers	Percent of Filers	Local Taxable Income	Percent of Taxable Income
2010	0-19,999	3,016	25.3%	\$21,327,543	1.6%
2010	20,000-49,999	1,963	16.5%	67,608,991	5.0%
2010	50,000-74,999	1,383	11.6%	86,129,427	6.4%
2010	75,000-99,999	1,241	10.4%	107,979,940	8.0%
2010	Over 100,000	4,296	36.1%	1,071,189,781	79.1%
	Total	11,899		\$1,354,235,682	
2009	0-19,999	3,246	25.7%	\$22,101,682	1.6%
2009	20,000-49,999	2,125	16.8%	73,293,488	5.4%
2009	50,000-74,999	1,488	11.8%	92,476,140	6.8%
2009	75,000-99,999	1,334	10.6%	116,090,186	8.5%
2009	Over 100,000	4,444	35.2%	1,054,317,823	77.7%
	Total	12,637		\$1,358,279,319	
2008	0-19,999	3,705	30.6%	\$28,214,260	2.5%
2008	20,000-49,999	1,618	13.4%	54,127,125	4.8%
2008	50,000-74,999	1,325	10.9%	75,408,280	6.8%
2008	75,000-99,999	1,242	10.3%	99,450,111	8.9%
2008	Over 100,000	4,211	34.8%	858,955,349	77.0%
	Total	12,101		\$1,116,155,125	
2007	0-19,999	3,664	30.1%	\$26,359,565	2.4%
2007	20,000-49,999	1,637	13.5%	54,251,610	4.9%
2007	50,000-74,999	1,407	11.6%	79,693,160	7.2%
2007	75,000-99,999	1,245	10.2%	100,589,849	9.1%
2007	Over 100,000	4,216	34.6%	849,276,468	76.5%
	Total	12,169		\$1,110,170,652	
2006	0-19,999	3,695	30.3%	\$26,984,865	2.5%
2006	20,000-49,999	1,672	13.7%	55,616,909	5.2%
2006	50,000-74,999	1,451	11.9%	82,344,261	7.7%
2006	75,000-99,999	1,267	10.4%	100,839,642	9.4%
2006	Over 100,000	4,114	33.7%	803,216,492	75.1%
	Total	12,199		\$1,069,002,169	

Table 10

Tax Year	Income Range Tax Year	Individual Resident Filers	Percent of Filers	Local Taxable Income	Percent of Taxable Income
2005	0-19,999	3,803	30.7%	\$26,682,883	2.6%
2005	20,000-49,999	1,800	14.5%	61,121,765	6.0%
2005	50,000-74,999	1,503	12.1%	84,143,579	8.2%
2005	75,000-99,999	1,295	10.5%	103,131,636	10.1%
2005	Over 100,000	3,973	32.1%	746,916,424	73.1%
	Total	12,374		\$1,021,996,287	
2004	0-19,999	3,006	26.4%	\$20,217,366	2.0%
2004	20,000-49,999	2,220	19.5%	77,488,367	7.5%
2004	50,000-74,999	1,580	13.9%	98,128,545	9.5%
2004	75,000-99,999	1,242	10.9%	107,756,835	10.4%
2004	Over 100,000	3,352	29.4%	732,638,515	70.7%
	Total	11,400		\$1,036,229,628	
2003	0-19,999	3,048	26.2%	\$20,832,873	2.1%
2003	20,000-49,999	2,308	19.8%	80,697,366	8.0%
2003	50,000-74,999	1,681	14.4%	104,452,389	10.3%
2003	75,000-99,999	1,301	11.2%	113,105,862	11.2%
2003	Over 100,000	3,298	28.3%	691,332,818	68.4%
	Total	11,636		\$1,010,421,308	
2002	0-19,999	2,982	26.3%	\$20,697,810	2.0%
2002	20,000-49,999	2,258	19.9%	80,098,043	7.7%
2002	50,000-74,999	1,664	14.7%	102,703,820	9.9%
2002	75,000-99,999	1,257	11.1%	108,995,420	10.5%
2002	Over 100,000	3,173	28.0%	729,808,957	70.0%
	Total	11,334		\$1,042,304,050	
2001	0-19,999	2,848	25.4%	\$19,625,574	2.0%
2001	20,000-49,999	2,356	21.0%	83,669,809	8.6%
2001	50,000-74,999	1,675	14.9%	103,433,894	10.6%
2001	75,000-99,999	1,250	11.1%	108,490,644	11.1%
2001	Over 100,000	3,093	27.6%	659,380,501	67.7%
	Total	11,222		\$974,600,422	

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

Local Taxes Paid by Upper Arlington Residents for Tax Years 2001-2010

Tax Year	Taxes Paid by Upper Arlington Residents	%	Taxes credited to other municipalities	%	Total Local Income tax Paid by Residents
2010	\$3,608,055	15.6%	\$19,450,755	84.4%	\$23,058,810
2009	\$3,455,776	15.0%	\$19,413,911	85.0%	\$22,819,687
2008	\$3,600,753	15.4%	\$19,827,002	84.6%	\$23,427,755
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 2011 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
2011	2.0%	\$ 14,662	\$ 9,485	65%	\$ 1,706	12%	\$ 3,471	23%
2010	2.0%	13,595	8,823	65%	1,654	12%	3,118	23%
2009	2.0%	12,856	8,470	66%	1,368	11%	3,018	23%
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	5%	3,726	29%

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
2011	\$ 227,378	\$ 221,385
2010	227,806	221,426
2009	191,228	183,462
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

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</u> <u>December 31</u>	<u>Total Tax Levy for</u> <u>Year</u>	<u>Collected within the</u> <u>Year of the Levy</u>		<u>Total Collections to Date</u>			<u>Outstanding</u> <u>Delinquent</u> <u>Taxes</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	<u>Delinquent</u> <u>Amount</u>	<u>Total</u> <u>Collected</u>	<u>Percentage of Levy</u>	
2011	\$ 10,331	\$ 9,959	96.4%	\$ 139	\$ 10,098	97.7%	\$ 297
2010	10,319	10,039	97.3%	280	10,039	97.3%	280
2009	10,227	9,789	95.7%	182	9,971	97.5%	256
2008	9,956	9,629	96.7%	156	9,785	98.3%	171
2007	9,825	9,607	97.8%	216	9,823	100.0%	2
2006	9,922	9,748	98.2%	154	9,902	99.8%	20
2005	8,676	8,538	98.4%	132	8,670	99.9%	6
2004	8,612	8,462	98.3%	192	8,612	100.0%	-
2003	8,560	8,404	98.2%	177	8,560	100.0%	-
2002	7,333	7,181	97.9%	197	7,333	100.0%	-

Sources:

1. Franklin County, Ohio Auditor's Office

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Water Surcharge Fund										
Assets	\$7,946	\$7,411,223	\$7,230,608	\$6,502,281	\$6,360,422	\$6,434,128	\$5,904,731	\$5,236,168	\$5,468,767	\$5,678,422
Net Assets	7,518	6,882,025	6,599,581	5,775,525	5,542,374	5,529,978	4,789,701	3,919,893	3,953,820	3,979,289
Operating Revenue	415,257	400,872	378,310	338,368	331,769	287,526	367,837	323,738	315,387	361,719
Operating (Expense)	(553,445)	(441,195)	(379,486)	(538,746)	(292,343)	(297,320)	(281,602)	(592,922)	(283,715)	(233,576)
Non-operating										
Investment income	-	-	-	-	-	-	-	-	-	-
Interest expense	(15,474)	(18,729)	(21,882)	(24,936)	(27,893)	(35,732)	(43,170)	(50,303)	(57,141)	(39,750)
Other, net	-	-	-	-	-	-	-	-	-	-
Capital contributions	789,925	341,496	847,114	458,465	863	785,803	814,577	153,060	-	-
Transfers in	-	-	-	-	-	-	12,166	132,500	-	-
Changes in net asset/net income	636,263	282,444	824,056	233,151	12,396	740,277	869,808	(33,927)	(25,469)	180,340
Rate per 1000 cubic feet (MCF)	\$0.00	\$0.00	\$0.00	\$0.00	n/a	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25
Surcharge rate on commodity	n/a	n/a	n/a	n/a	10%	n/a	n/a	n/a	n/a	n/a
	10%	10%	10%	10%						
Sewer Surcharge Fund										
Assets	\$5,361,147	\$4,733,360	\$4,855,726	\$4,855,594	\$5,001,647	\$5,178,972	\$4,975,935	\$4,778,126	\$4,910,419	\$5,119,250
Net Assets	4,803,006	3,992,446	3,864,859	3,847,306	3,804,221	3,806,317	3,352,075	2,927,519	2,788,748	2,821,551
Operating Revenues	791,375	773,647	770,913	733,944	707,767	550,432	679,508	628,936	605,311	679,076
Operating (Expense)	(655,787)	(640,209)	(767,628)	(695,158)	(667,109)	(602,141)	(615,965)	(595,873)	(634,287)	(610,517)
Non-operating										
Investment income	-	2,191	-	-	-	-	-	-	-	-
Interest expense	(22,636)	(27,770)	(32,729)	(39,545)	(46,953)	(56,772)	(81,605)	(75,066)	(83,827)	(66,502)
Other, net	(1,782)	-	(283)	-	-	(717)	-	-	-	-
Capital contributions	699,390	19,728	5,280	43,844	4,199	563,440	327,211	68,882	-	-
Transfers in	-	-	42,000	-	-	-	115,407	111,892	80,000	80,000
Changes in net asset/net income	810,560	127,587	17,553	43,085	(2,096)	454,242	424,556	138,771	(32,803)	177,685
Rate per 1000 cubic feet (MCF)	n/a	n/a	n/a	n/a	n/a	\$4.90	\$4.90	\$4.90	\$4.90	\$4.90
Surcharge rate on commodity	18%	18%	18%	18%	18%	n/a	n/a	n/a	n/a	n/a
Stormwater Fund										
Assets	\$7,450,946	\$7,244,427	\$7,364,506	\$7,703,051	\$7,285,557	\$7,329,195	\$7,298,612	\$6,938,644	\$7,054,938	\$6,974,867
Net Assets	6,300,342	6,007,974	5,944,148	6,234,838	5,690,203	5,584,460	5,447,922	4,924,013	4,922,292	4,721,638
Operating Revenue	759,571	547,530	536,686	541,393	552,515	521,393	531,407	554,837	570,524	481,247
Operating (Expense)	(999,967)	(1,049,163)	(784,215)	(611,126)	(640,036)	(609,646)	(546,910)	(549,591)	(587,402)	(494,722)
Non-operating										
Investment income	17,199	44,912	35,810	158,057	269,598	224,481	106,217	72,928	91,524	135,425
Interest expense	(28,800)	(31,800)	(73,572)	(71,174)	(76,334)	(82,367)	(88,005)	(93,333)	(98,357)	(103,212)
Other, net	-	(1,252)	(5,399)	-	-	(205)	-	-	-	14,706
Capital contributions	-	553,599	-	527,485	-	84,882	521,200	16,880	224,365	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Changes in net asset/net income	292,368	63,826	(290,690)	544,635	105,743	136,538	523,909	1,721	200,654	174,215
Annual residential rate	\$45.00	\$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									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Swimming Pools Fund										
Assets	\$5,672,924	\$5,691,865	\$5,733,292	\$5,862,787	\$5,892,406	\$5,870,072	\$5,834,355	\$6,689,387	\$1,701,313	n/a
Net Assets	5,670,292	5,688,405	5,730,972	5,858,410	5,891,084	5,858,925	5,818,409	5,870,319	1,687,186	n/a
Operating Income	638,039	627,780	607,844	639,817	658,141	632,090	602,636	444,735	375,077	n/a
Operating (Expense)	(657,934)	(666,474)	(735,539)	(636,328)	(625,982)	(602,674)	(634,911)	(539,115)	(555,090)	n/a
Non-operating	-	-	-	-	-	-	634,911	-	-	n/a
Investment income	-	-	-	-	-	-	-	-	-	n/a
Interest expense	-	-	-	-	-	-	-	-	-	n/a
Other, net	(4,881)	257	-	-	-	-	(172,202)	-	-	n/a
Transfers in	-	-	-	-	-	11,100	1,560	3,906,000	366,696	n/a
Capital contributions	-	-	-	13,837	-	151,007	-	371,513	1,500,503	n/a
Changes in net asset/net income	(18,113)	(42,567)	(127,438)	(32,674)	32,159	40,516	(51,910)	4,183,133	1,687,186	n/a
Cost of a resident family membership	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$180.00	\$180.00	\$180.00	\$150.00	n/a
Solid Waste Fund										
Assets	\$174,319	\$255,184	\$122,153	\$235,106	\$438,585	\$602,488	\$507,750	\$632,074	\$822,501	\$827,703
Net Assets	4,200	86,461	(43,807)	91,235	206,575	323,739	357,469	307,684	271,550	479,359
Operating Income	1,953,860	1,685,471	1,663,863	2,051,840	1,871,859	1,794,062	1,780,473	1,823,425	1,374,436	1,728,627
Operating (Expense)	(2,041,069)	(2,009,141)	(1,946,147)	(2,362,771)	(2,201,569)	(1,981,547)	(1,854,940)	(1,789,696)	(1,687,663)	(1,555,217)
Non-operating	-	-	-	-	5,000	-	-	-	-	-
Investment income	4,948	3,771	(76)	26,992	6,095	5,933	2,611	2,405	4,168	10,420
Interest expense	-	-	-	-	-	-	-	-	-	-
Other, net	-	167	(6,182)	303,283	-	(1,478)	-	-	-	(1,603)
Transfers in	-	450,000	153,500	48,032	1,451	149,300	121,641	-	101,250	-
Transfers out	-	-	-	(182,716)	-	-	-	-	-	-
Changes in net asset/net income	(82,261)	130,268	(135,042)	(115,340)	(117,164)	(33,730)	49,785	36,134	(207,809)	202,928
Cost of a single trash sticker	\$2.40	\$2.40	\$2.40	\$2.40	\$3.10	\$2.50	\$2.50	\$2.50	\$2.25	\$2.25

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

Governmental Activities						
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Build America Bonds</u>	<u>Installment Loans</u>	<u>Special Assessment Bonds</u>		
2011	\$ 25,390	\$ 15,520	\$ -	\$ 810		
2010	27,475	15,520	-	905		
2009	27,570	7,320	-	995		
2008	26,002	-	107	1,085		
2007	20,807	-	207	1,170		
2006	21,822	-	307	1,250		
2005	23,406	-	405	1,325		
2004	24,957	-	600	1,400		
2003	22,576	-	196	1,470		
2002	13,725	-	289	1,540		
Business Type Activities						
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Ohio Public Works Commission Loans</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>	
2011	\$ 1,000	\$ 947	\$ 84,577	4.91%	\$	2,504
2010	1,150	1,201	89,246	5.37%		2,761
2009	1,300	1,448	73,523	4.36%		2,275
2008	1,405	1,686	89,986	5.21%		2,645
2007	1,575	1,916	74,266	5.25%		2,205
2006	1,750	2,139	57,085	4.31%		1,809
2005	2,130	2,354	47,475	3.58%		1,505
2004	2,491	2,562	50,254	4.14%		1,577
2003	2,839	2,764	54,145	4.90%		1,675
2002	3,176	2,958	58,048	5.29%		1,769

Source: City of Upper Arlington Finance Department

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements

See Table 8 for taxable property value data.

Population and personal income data can be found in Table 19.

Includes general bonded debt, other governmental activities debt, and business-type activities debt.

City of Upper Arlington, Ohio
Direct and Overlapping Governmental Activities Debt
As of December 31, 2011

<u>Governmental Unit</u>	<u>Assessed Valuation</u>	<u>Gross General Obligation</u>	<u>Estimated Percentage Applicable to Upper Arlington¹</u>	<u>Estimated Share of Overlapping Debt</u>
Direct				
City of Upper Arlington	\$ 1,573,994,190	\$ 10,459,994	100.00%	\$ 10,459,994
Overlapping				
Franklin County	26,303,008,950	248,940,000	5.98%	14,896,779
Columbus City School District	9,133,216,230	477,349,882	0.03%	152,746
Dublin City School District	2,901,157,280	168,425,881	0.19%	328,017
Upper Arlington City School District	1,587,795,420	24,388,128	98.59%	24,044,471
Central Ohio JVS	4,670,960,200	<u>4,165,000</u>	0.12%	<u>5,038</u>
Subtotal, overlapping debt		923,268,891		39,427,051
Total direct and overlapping debt		<u>\$ 933,728,885</u>		<u>\$ 49,887,045</u>

Source: Auditor, Franklin County; Settlement Division

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Upper Arlington. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹ For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Overall debt limit	\$ 134,369	\$ 134,896	\$ 136,134	\$ 162,292
Total net debt applicable to limit	17,195	23,004	25,431	26,861
Legal debt margin	\$ 117,174	\$ 111,892	\$ 110,703	\$ 135,431
Total net debt applicable to the limit as a percentage of debt limit	12.80%	17.05%	18.68%	16.55%
Unvoted Debt limit	\$ 70,384	\$ 70,660	\$ 71,308	\$ 85,010
Total net debt applicable to limit	8,219	14,438	17,290	18,101
Legal debt margin	\$ 62,165	\$ 56,222	\$ 54,018	\$ 66,909
Total net debt applicable to the limit as a percentage of debt limit	11.68%	20.43%	24.25%	21.29%
<u>Overall (Voted and Unvoted) Debt Limitation:</u>				
Total assessed value	\$1,573,994 (2)			
Debt limit (10 1/2% of total assessed value)	165,269			
Debt applicable to limit:				
General obligation bonds and notes	47,155			
Less: Amount set aside for repayment of general obligation debt	405			
Total net debt applicable to limit	<u>46,750</u>			
Legal debt margin	<u>\$ 118,519</u>			

Notes:

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

		Year							
		<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>			
\$	162,600	\$	162,583	\$	165,143	\$	166,032	\$	166,051
	24,822		23,552		28,263		38,339		43,542
\$	137,778	\$	139,031	\$	136,880	\$	127,693	\$	122,509
	15.27%		14.49%		17.11%		23.09%		26.22%
\$	85,171	\$	85,162	\$	86,503	\$	86,969		86,979
	16,496		15,917		21,793		32,849		38,187
\$	68,675	\$	69,245	\$	64,710	\$	54,120	\$	44,545
	19.37%		18.69%		25.19%		37.77%		43.90%

Unvoted Debt Limitation:

Total assessed value \$ 1,573,994

Debt limit (5 1/2% of total assessed value) 86,570

Debt applicable to limit:

General obligation bonds and notes 47,155

Less: Debt outside limitations 4,725

Debt within limitation 42,430Less: Amount set aside for repayment of
general obligation debt 405Total net debt applicable to limit 42,025Legal debt margin for unvoted debt \$ 44,545

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>
2011	33,771	\$ 1,723,976	\$ 51,049	42.8	5,521	7.5%	8.6%
2010	33,771	1,735,289	51,384	41.8	5,521	7.7%	9.5%
2009	32,321	1,808,910	52,145	42.2	5,415	9.8%	10.2%
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%

Notes:

** Data not available or kept

Sources:

1. U.S. Census Bureau, Quick Facts; 2010 information reported for 2011 as 2011 information was not available
2. Ohio Department of Education Report Card; 2010 information reported for 2011 as 2011 information was not available
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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Public Safety					
Police	65.0	65.0	65.0	65.0	65.0
Fire	64.0	64.0	64.0	64.0	64.0
General Government	40.1	46.5	47.6	47.6	47.6
Public Services	33.3	34.2	34.2	34.2	34.2
Parks and Recreation (2)	56.3	50.8	50.8	51.5	50.8
Community Development	9.3	10.0	10.0	10.0	10.0
Utilities (1)	9.8	12.2	12.2	12.2	12.2
Sanitation	-	-	-	23.2	23.2
Total	277.8	282.7	283.8	307.7	307.0

Function	Full-time Equivalent Employees as of December 31				
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Public Safety					
Police	65.0	65.0	63.0	63.0	60.0
Fire	64.0	64.0	64.0	64.0	65.0
General Government	47.0	47.5	47.5	46.0	47.0
Public Services	33.2	33.2	34.2	34.2	34.0
Parks and Recreation (2)	49.8	53.3	52.6	52.6	37.8
Community Development	10.0	10.0	10.0	10.0	8.0
Utilities (1)	12.2	12.2	12.2	12.2	11.8
Sanitation	23.2	23.2	23.2	23.2	23.5
Total	304.4	308.4	306.7	305.2	287.1

Notes:

(1) Includes water, sewer and stormwater

(2) Includes seasonal employees for parks and recreation programs and swimming pools

Sources:

1. City of Upper Arlington Finance Department

**City of Upper Arlington, Ohio
Capital Asset Statistics
Last Seven Years**

Function	2011	2010	2009	2008	2007	2006	2005
Public Safety - Police							
Number of police stations	1	1	1	1	1	1	1
Number of police cruisers	15	15	15	15	13	15	13
Number of pieces of equipment	257	257	257	255	255	257	251
Public Safety - Fire							
Number of fire stations	2	3	3	3	3	3	3
Number of fire engines	3	3	3	3	3	3	3
Number of medics	3	4	4	3	3	3	3
Number of pieces of equipment	288	272	272	295	306	319	299
Public Services							
Miles of roads	204	204	204	154	154	153	153
Number of traffic signals	52	52	52	52	52	54	54
Number of streetlights	1,497	1,427	1,427	1,427	809	659	659
Parks and Recreation							
Number of parks	28	28	28	25	25	22	25
Acres of parkland	170	180	180	180	180	180	169
Number of swimming pools	3	3	3	3	3	3	3
Number of tennis courts	20	20	20	23	23	23	16
Number of senior centers	1	1	1	1	1	1	1
Utilities							
Number of fire hydrants	1,958	1,958	1,958	1,958	1,958	1,958	1,958
Number of catch basins	3,400	3,400	3,400	3,400	3,400	3,400	3,400
Miles of sanitary sewer	145	145	145	145	145	143	143
Solid Waste							
Number of packer trucks	-	0	0	0	10	11	10
Number of satellite vehicles	-	0	0	7	21	22	23
Roll-Off Truck	-	0	0	0	1	1	0
Stake Bed Truck	-	0	0	0	1	1	0
Pick-up Trucks	-	0	0	3	4	3	0

Note:

Data for years prior to 2005 is not available.

Sources:

1. City of Upper Arlington departments



CITY OF | **UPPER ARLINGTON**

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

Function	Operating Indicators by Function			
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Public Safety - Police				
Number of citations issued	4,200	4,642	4,497	4,181
Number of arrests	592	633	705	711
Number of accidents	524	510	496	539
Public Safety - Fire				
Number of fire responses	4,815	3,077	3,226	3,500
Number of EMS responses	3,224	3,418	3,916	4,000
Number of inspections	1,917	1,435	952	1,437
General Government				
Number of probation cases	269	289	302	269
Number of traffic cases	2,977	3,459	3,253	3,200
Number of fleet management repairs	2,210	2,328	2,370	2,407
Public Services				
Roadway repairs-surface (sq. ft.)	21,051	35,336	86,425	116,686
Street cleaning-leaf collection (cu. Yds.)	17,503	18,312	21,178	22,669
Street cleaning-snow removal (hours)	1,207	2,787	823	1168
Parks and Recreation				
Number of registrations for programs	16,415	67,628	12,173	8,999
Number of programs/classes	1,934	5,183	1,461	1,383
Number of trees planted (less removed trees)	194	210	215	275
Community Development				
Number of building permits issued	463	370	378	383
Number of building inspections conducted	5,069	3,210	3,014	2,259
Number of code investigations	817	1,121	924	1017
Utilities				
Number of fire hydrant repairs (water)	57	92	86	97
Number of catch basin repairs (stormwater)	108	200	195	225
Number of manhole repairs (sewer)	64	-	28	54
Solid Waste				
Number of refuse collected (tons)	6,618	6,209	6,400	6,700
Number of yard waste collected (tons)	205	282	384	300
Number of recyclables collected (tons)	4,956	4,805	5,600	4,400

Note:

** Data not available or kept

Sources:

1. City of Upper Arlington departments

Operating Indicators by Function					
<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
4,293	3,616	5,014	5,275	5,265	4,902
586	734	806	872	907	824
516	555	549	583	609	638
3,493	3,300	3,410	2,438	3,491	3,640
3,954	3,533	2,894	2,914	3,621	3,777
1,437	1,700	1,757	1,138	1,517	1,027
216	227	244	236	223	289
2,939	3,178	3,486	3,520	4,114	4,022
2,898	2,874	3,194	3,242	3,661	3,428
109,082	131,774	121,610	105,439	108,308	107,050
21,668	22,235	23,941	21,091	20,068	22,470
2002	294	1,465	1,000	661	584
11,406	22,409	25,663	10,816	13,697	9,578
802	1,146	927	612	639	647
306	173	390	170	280	240
376	380	433	406	432	383
2,455	2,542	2,481	2,469	2,318	1,639
934	698	664	964	862	536
75	106	175	117	88	95
244	82	57	108	137	101
42	63	113	119	120	119
6,814	7,120	6,406	7,542	7,693	7,538
391	599	640	667	855	733
4,362	5,747	5,701	5,456	5,750	5,586



CITY OF | **UPPER**
ARLINGTON

Finance & Administrative Services Department

3600 Tremont Road

Upper Arlington, Ohio 43221-1595

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

Supplemental Reports

DECEMBER 31, 2011

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

Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

City of Upper Arlington
3600 Tremont Road
Upper Arlington, OH 43221

To the Members of Council and Mayor:

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, 2011, which collectively comprise the City of Upper Arlington's basic financial statements and have issued our report thereon dated June 22, 2012. We noted the City of Upper Arlington adopted Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

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 audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the City of Upper Arlington's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City of Upper Arlington's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the City of Upper Arlington's financial statements will not be prevented, or detected and timely corrected.

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

Members of Council and Mayor
City of Upper Arlington

Compliance and Other Matters

As part of reasonably assuring whether the City of Upper Arlington's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the management and Members of Council and Mayor of the City of Upper Arlington and others within the City of Upper Arlington. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Julian & Grube, Inc." The signature is written in black ink and is positioned above the printed name of the firm.

Julian & Grube, Inc.
June 22, 2012



Dave Yost • 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
AUGUST 23, 2012