



CITY OF | **UPPER
ARLINGTON**

OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002



**Auditor of State
Betty Montgomery**

Members of City Council
City of Upper Arlington
Upper Arlington, Ohio

We have reviewed the Independent Auditor's Report of the City of Upper Arlington, Franklin County, prepared by KPMG LLP, for the audit period January 1, 2002 through December 31, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

July 31, 2003

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**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2002**

ISSUED BY:

**CITY OF UPPER ARLINGTON
FINANCE DEPARTMENT**

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

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

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

**Mary S. Davis
*Examiner***

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

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

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

**Craig McClarren
*Fiscal Technician***

**Karen Elifritz
*Payroll Administrator***



CITY OF | **UPPER ARLINGTON**

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CITY OF | **UPPER**
ARLINGTON

**CITY OF UPPER ARLINGTON
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002**

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CITY OF UPPER ARLINGTON
LIST OF CITY OFFICIALS
ELECTED OFFICIALS
As of April 1, 2003

| | |
|---------------------------|------------------------|
| President/Mayor | Clark P. Pritchett Jr. |
| Vice President/Vice Mayor | James R. Winfree |
| Council Member | Paula Brooks |
| Council Member | Linda S. Mauger |
| Council Member | Timothy S. Rankin |
| Council Member | Jeffrey A. Kurz |
| Council Member | Mary Ann Krauss |

APPOINTED OFFICIALS

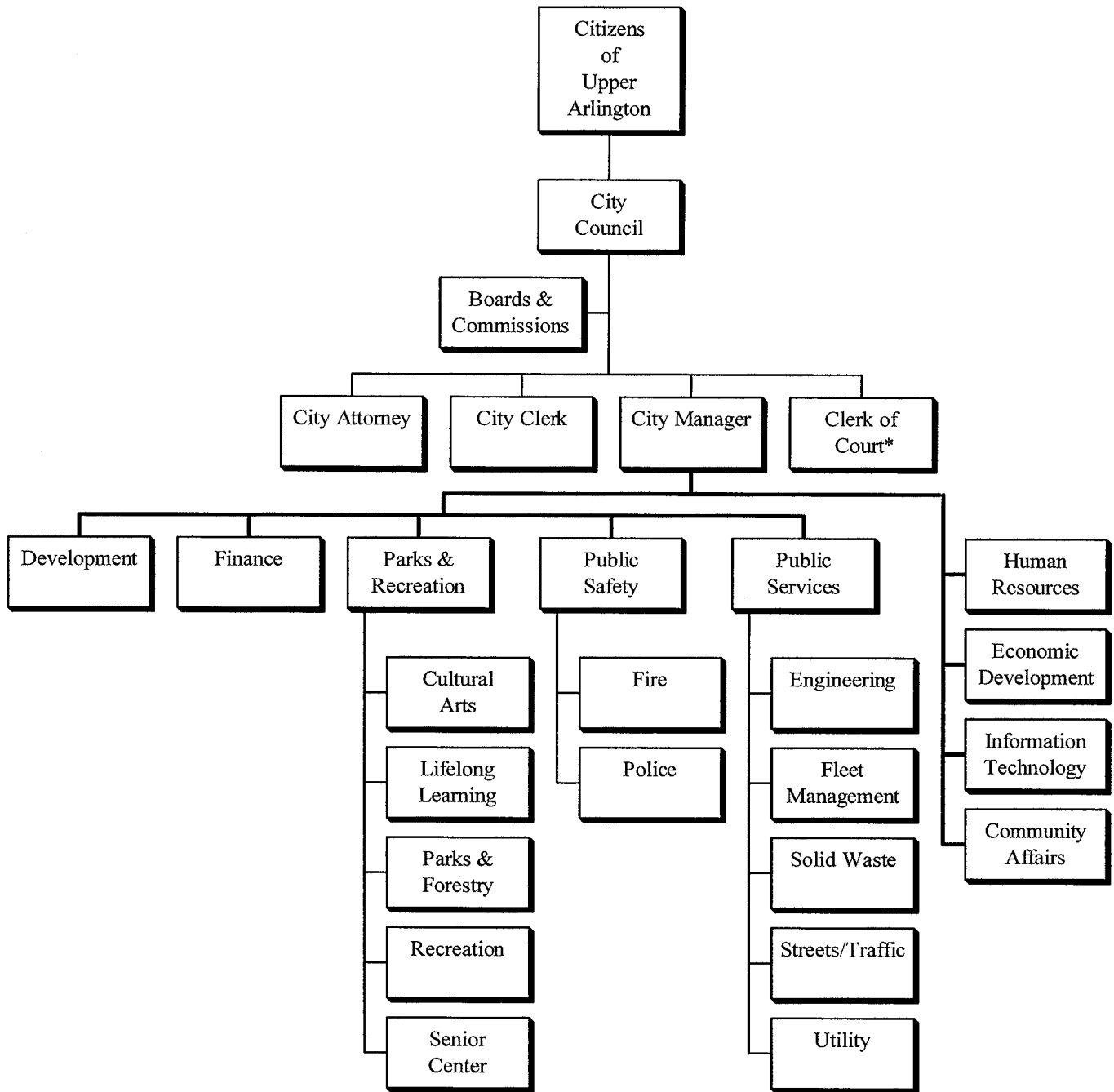
| | |
|----------------|--------------------|
| City Manager | Virginia L. Barney |
| City Attorney | Jeanine Amid |
| City Clerk | Margie Carvour |
| Clerk of Court | Cynthia J. Bitter |

EXECUTIVE STAFF

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



Organizational Chart



**Appointed by Mayor*



CITY OF | **UPPER ARLINGTON**

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June 5, 2003

**The Honorable Clark P. Pritchett Jr. and
Members of City Council
City of Upper Arlington, Ohio**

Dear Mayor Pritchett and Members of City Council:

The Comprehensive Annual Financial Report of the City of Upper Arlington, Ohio (City), for the fiscal year ended December 31, 2002, is submitted herewith. The report is presented in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of the various funds. The City's Finance Department is responsible for the accuracy of the data presented and the completeness and fairness of the presentation.

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.

Contents of the Report

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

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

Reporting Entity

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

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

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

Blended Component Unit – During 2002, the Upper Arlington Swimming Pools were operated by the City but owned by the Upper Arlington School District. For financial reporting purposes, they are included as the City manages and operates the Swimming Pools. Ownership of the Swimming Pools transferred to the City on February 18, 2003. The Swimming Pool Fund is reported as a special revenue fund.

Economic Condition and Outlook

Contrary to everyone's hopes in 2001, our Nation's economy continued to struggle in 2002. Additionally, from a commercial real estate perspective, Central Ohio faced a huge glut of retail and office space making it one of the softest commercial real estate markets in the United States. In Central Ohio very little new construction is occurring with the majority of activity being absorption of existing vacant space.

Even in these adverse conditions, a number of projects moved forward in 2002. Lane Avenue Shopping Center (which was experiencing over a 50% vacancy rate) was renamed the Shops at Lane Avenue and began a major renovation with a target October 2003 grand re-opening. Construction of a new 18,000 square foot office building commenced with the first tenants planning to take occupancy summer 2003. Even though the building is still under construction, the property owner has 100% of the building committed in leases. First Community Village, a retirement community providing both assisted and independent living, received approval for a major redevelopment as well, which will occur over the next decade. The City welcomed a number of new businesses in 2002 including Bellisari's Market, University Otolaryngologists and Clayton IDS. Projects representing well over \$50 million in private sector investment in the community were approved in 2002. Unfortunately, the City lost some businesses as well due in large part to the lack of available space for businesses experiencing growth, including the Kingsdale Gynecologic practice, which was one of the City's largest income tax generators.

Upper Arlington will continue to face the challenge of being a landlocked, built-out, first ring suburb. The City remains underserved by Class A office product. Emphasis on redevelopment and retaining existing employers will remain a priority in 2003 and beyond.

Current Year Accomplishments

At the beginning of 2002, City Council was joined by its newest member, Jeffrey Kurz, with Clark Pritchett and James Winfree beginning second terms, and Linda Mauger beginning her first full term in office. David Varda was selected by his fellow Council members to serve a third term as President, and Clark Pritchett assumed the role of Vice President.

In January 2003, David Varda submitted his resignation as a City Council member due to a possible conflict of interest that could have arisen between his new full-time position as Deputy State Auditor and his part-time City Council position. City Council selected Clark Pritchett to complete the term of President, James Winfree to complete the term of Vice President, and selected Mary Ann Krauss as its newest City Council member to complete Mr. Varda's un-expired term.

A review of progress made in 2002 on implementation of the City's Master Plan, adopted March 2001, revealed that approximately 40 percent of all strategies are addressed annually as part of the regular course of City business. Nearly 15 percent are considered complete, with more than half of the Master Plan document having been addressed in a meaningful way in just two years.

City Council adopted the Unified Development Ordinance (UDO) in April 2002, representing a major review of the City's Zoning Code, and a significant Master Plan goal. It simplifies the development approval process, and addresses significant regulation strategies recommended by the Master Plan. Strategies include the rezoning of the City's commercial districts into Planned Mixed-Use Developments, thereby enabling redevelopment projects to better serve the community's quality of life and financial needs.

City Council accepted the updated Transportation Plan in 2002, another Master Plan priority. The updated Transportation Plan focuses on moving motorists, bicyclists, pedestrians and public transportation efficiently through the City, while supporting a healthy community.

The City continued its commitment to improving its aging infrastructure in 2002. The Financial Review Committee was able to identify additional funds, extending the Capital Improvements Program through at least 2009. As a result, approximately five million dollars per year will place continued emphasis on enhancing the City's roads, sewers, waterlines and streetlights. At the close of 2001, City Council directed Staff to dedicate unanticipated revenues toward road improvements, with the City undergoing its busiest construction season in its history in 2002. More than 100 streets received improvements totaling \$4.8 million.

In addition to a busy road improvement season, 446 wheel chair ramps were re-built to bring the City into compliance with federal guidelines, and at the close of the second of a five-year schedule for ramp upgrades, the City is almost halfway to its total target of 2,500.

In 2002, the City entered into an agreement to purchase approximately 14 acres of the Kingsdale Shopping Center and a short-term note was issued in the amount \$12.6 million for the purchase of the property. However, the City declined to proceed with the purchase of the property during the due diligence period once it had been determined that certain parameters could not be resolved within the given timeframe.

Had the City completed the purchase, this short-term investment would have represented a significant milestone in realizing the Master Plan vision of creating a thriving town center at Kingsdale, intensifying land use and maximizing the commercial tax base potential. In the coming months, the City and Regency Centers, LLC will continue to review options assuring the Kingsdale redevelopment remains a primary goal.

At the request of many members of the community, the City continued to investigate the feasibility of building a community center. Following the original work in 2000 by members of the Community Center Task Force (CCTF) which recommended the City should pursue the development of a community center, and the work of the CCTF successor group in 2001 during which time a telephone survey and private fundraising feasibility study were undertaken, 2002 was the year to bring this issue to resolution. The City and the Upper Arlington School District formed a Joint Recreation District (JRD) to facilitate this project.

Several issues were addressed in 2002 to prepare for the November ballot issue, including the scope of the proposed facilities, cost, location, and funding. Ultimately, the majority of residents chose not to support an increase in their property taxes to facilitate an Upper Arlington community center.

The community enjoyed exceptional recreation programming, facilities and events again in 2002, and steps were taken to further improve and expand this important part of community life. The community's youth and teens will soon enjoy new and exciting programming as the Parks & Recreation Department works to meet the needs of this valuable segment of our population, adding a full-time teen supervisor position to its staff.

Renovation work continued on the Municipal Services Center, adding meeting space, bringing the building into ADA compliance with installation of an elevator, locker room improvements for Police, new carpeting and other interior improvements. The resulting building better serves customers and staff alike. The coming year will bring exterior lighting and parking lot improvements.

The City completed its first full year of implementing its merit-based compensation plan for employees, successfully staying within the allotted four percent increase, while rewarding those employees whose performance reviews were exemplary.

Future Initiatives

The City of Upper Arlington Master Plan is the community's vision for its future. Therefore the continued involvement of key stakeholders, namely residents and corporate citizens, is a crucial part of the implementation process. In 2003, the City will undertake a community review process, with opportunities for public participation through town meetings and/or focus groups. A primary goal is to offer residents an opportunity to gain a renewed focus and understanding of the overriding goals of the Master Plan. It is also hoped that citizens will provide feedback on how well the Master Plan implementation is addressing their desires and needs, and help identify any issues that currently are not incorporated into the Master Plan.

Work began in 2002 to address the needs of some existing but aging facilities – the City's three outdoor pools. Following many months of work to determine the best way forward between the City and the Schools, ownership of the three outdoor pools was transferred to the City in February 2003.

The City has managed and maintained the pools for several years but was somewhat limited in what it could do with regard to necessary upgrades for these aging facilities. Assuming ownership enables the City to take a long-range look at the pools and their role in the community's recreation and leisure facilities. At the beginning of 2003, staff presented to City Council an overview of recommended steps to develop a Pools Master Plan. As part of this plan, the community will be invited to participate in a series of public meetings to receive input, ideas and to discuss options for the three pools.

For financial reporting purposes, the pools are reported as if it were part of the City's operations because the City managed and operated the Swimming Pools in 2002. The Swimming Pools are currently reported as a special revenue fund, as a blended component.

The City's street maintenance program is set to aggressively tackle numerous road improvement projects. With City Council's continued focus on addressing the City's aging infrastructure and street maintenance needs, cost savings that will be realized from completing curb ramp upgrades ahead of schedule and under budget, will be directed toward previously un-programmed street maintenance projects.

Service Efforts and Accomplishments

The City prides itself in providing quality services to its residents. In 2002, we continued our programs that have made the quality of life in Upper Arlington the envy of other communities. Our Parks and Recreation Department continues to expand on the programs that are available to all citizens, with particular emphasis on residents. In addition to the free services available at all parks, a number of fee-for-service programs are also available, including exercise classes and summer day camp. A particular focus involves the senior citizens, with numerous programs available at the Senior Center.

Our safety forces continue to have response times that are better than the national average in responding to emergencies. In addition, proactive programs, designed to educate the community, have been very popular. These include the DARE program, Safety Town and the Fire Prevention Program.

The City has a number of advisory boards, committees and commissions to which either the Mayor or City Council will appoint residents. The members will perform functions as provided by the enabling legislation. There are presently twelve such organizations. In addition, City Council periodically establishes task forces to examine particular issues in the Community. In 2002, a financial task force was established to review financial resources. The task force presented a funding plan for a 7-year, \$35 million Capital Improvement Program to City Council that was subsequently adopted in October 2002.

FINANCIAL INFORMATION

Accounting and Administrative Internal Controls

The City has a comprehensive accounting and budgetary information system. City management and City Council are provided with regular interim financial reports and financial analyses.

The City has implemented an internal control structure, which meets the objectives of management. In developing and revising the City's accounting and reporting control systems, consideration is given to the adequacy of internal controls to provide reasonable but not absolute assurance regarding:

1. The safeguarding of assets against loss from unauthorized use or disposition, and
2. The reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

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

Management believes that the City's internal controls adequately meet the above objectives.

Members of City Council have oversight responsibilities for the selection of the independent certified public accountant, and meets with the independent auditor to review the audit and management letter. The City Council also has oversight responsibility over significant financial matters of the City.

The City Manager is responsible for executing all contracts and in conjunction with the Finance Director will keep City Council advised of the financial condition of the City. The Finance Director supervises the Finance Department, whose duties include:

1. Examination of all claims for payment and certification as to the availability of appropriations to pay claims;
2. Maintenance of accounting records, property and equipment inventories, and accounting internal controls;
3. Preparation of interim financial reports as well as the annual financial report;
4. Central purchasing and the preparation of payrolls;
5. For the collection of all revenues;
6. Custody, investment and disbursement of all city funds; and
7. Special projects as directed by the City Manager or City Council.

Budgetary 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.

Budgetary authority is flexible in that the Finance Director may make transfers of \$2,500 or less among expenditure objects and between activities within a department when considered necessary for proper administration of the City government. The City Council approves transfers between appropriation line items and between funds when the amounts are greater than \$2,500. The City Council may pass supplemental appropriations at any time by ordinance.

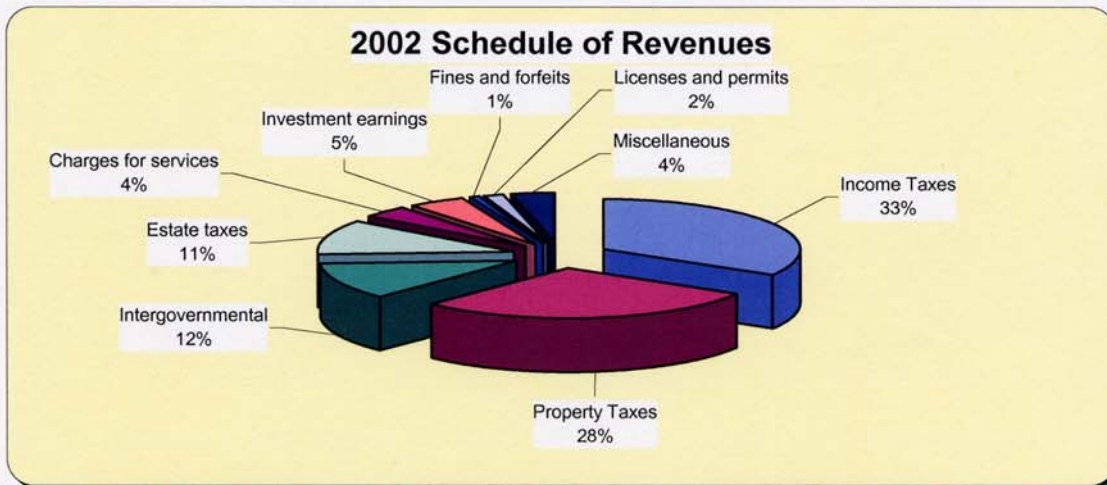
General Government Functions

The majority of City functions are performed by two operating funds. The General Fund is used for most functions. The Street Construction Maintenance and Repair Fund, a special revenue fund, is used for the repair and maintenance of City streets, traffic signals and streetlights. Equipment is purchased from the Capital Improvement Account or the Communications and Technology Account within the General Fund, while major capital improvements are undertaken through the Capital Project Funds. Debt is paid from the General Obligation Bond Retirement Fund.

Schedule of Revenues

Revenues from all governmental fund type operations approximated \$37 million. The amount of revenues from various sources, the percentage of the total, and the increase or decrease from 2001 are shown in the following schedule (in thousands of dollars or percents):

| <u>Schedule of Revenues</u> | | | <u>Increase (decrease)</u> | | <u>Percent of Total</u> | |
|--|--------------------|--------------------|-----------------------------------|-----------------------|--------------------------------|--------------------|
| | <u>2002</u> | <u>2001</u> | <u>Dollars</u> | <u>Percent</u> | <u>2002</u> | <u>2001</u> |
| Income Taxes | 12,387 | 13,878 | (1,491) | -10.7% | 33.7% | 39.9% |
| Property Taxes | 10,295 | 7,634 | 2,661 | 34.8% | 28.0% | 22.0% |
| Intergovernmental | 4,312 | 3,961 | 351 | 8.9% | 11.8% | 11.4% |
| Estate taxes | 4,150 | 4,262 | (112) | -2.6% | 11.3% | 12.3% |
| Charges for services | 1,435 | 905 | 530 | 58.6% | 3.9% | 2.6% |
| Investment earnings | 1,666 | 1,840 | (174) | -9.5% | 4.5% | 5.3% |
| Net increase (decrease) in fair value of investments | 204 | 332 | (128) | -38.6% | 0.6% | 1.0% |
| Fines and forfeits | 342 | 367 | (25) | -6.8% | 0.9% | 1.0% |
| Licenses and permits | 623 | 307 | 316 | 102.9% | 1.7% | 0.9% |
| Miscellaneous | 1,306 | 1,261 | 45 | 3.6% | 3.6% | 3.6% |
| Total | \$36,720 | \$34,747 | \$1,973 | 5.7% | 100.1% | 100.0% |



Income, property and estate taxes, along with intergovernmental revenues, comprise approximately 84.8% of the City's revenues. The City has received estate tax in excess of \$2 million for ten consecutive years with an average of \$4.5 million for the last four years. The estate tax revenue average for the last ten years is approximately \$3.7 million. The City's income tax rate is 2% of salaries and/or net profits from the operation of a business. The tax withholdings from salaries is the largest component of the income tax. The withholdings category makes up 66% of the total income tax received in 2002, which is lower than the percentage in 2001 of 73%. 2001 withholdings were higher due to severance payouts at one local employer.

Property taxes increased approximately 34.8%, due mainly the timing of the first half settlement received in February 2003. The prior year settlement was received later in the year and was recorded as deferred revenue. Since the City is totally developed, the growth in property valuation is minimal during years where no reevaluation of property occurs.

The City received \$4.1 million in estate tax for 2002. This amount is slightly less than the \$4.2 million recorded in 2001. The estate tax will remain highly unpredictable as a revenue stream. However, a change in the tax rate, increasing the minimum taxable estate is expected to impact the tax collected by the City in the future.

Intergovernmental revenue increased to \$4.4 million from \$3.9 million, due mainly to higher receivable collections in the first 60 days in 2003. Intergovernmental revenues primarily come from the State of Ohio and include the City's share of the distribution from the Local Government Fund, a form of general revenue sharing; the City's share of gasoline tax distributions and motor vehicle license fees. Intergovernmental revenues, including some small grants, accounted for approximately 12% of the City's revenue.

Licenses and Permits revenue increased approximately 100%. The license and permit revenue fluctuate with the amount of construction and renovation taking place in the City.

In 2002, charges for services primarily reflect the fees charged by the Parks and Recreation Department for the various programs that are provided to citizens throughout the year. There is a direct correlation between fee-based programs and the expenditures to undertake the programs, in that insufficient registrations for a program will result in its cancellation. This revenue category increased in 2002 primarily due to the expansion of the programs being offered.

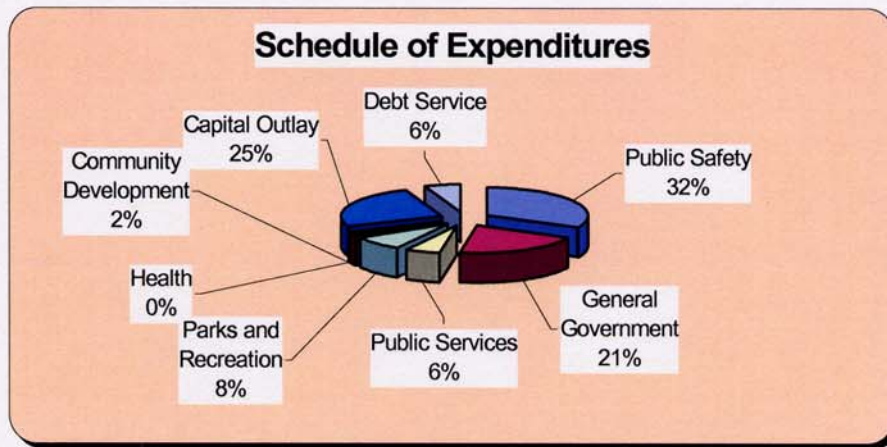
Investment earnings decreased 9.5% in 2002. The overall average return on investments was 4.66% in 2002. The investment earnings comprise 4.5% of the total revenue of the City. The Federal Reserve Board continued to decrease short-term rates from an effective Fed-fund rate of 3.88 in 2001 to 1.67 in 2002. The interest rates and 3-month treasury bill also continued to decrease from 2001. The 3-month Treasury bill declined from 1.72 to 1.21 in December 2002 and the StarOhio interest rates declined from 2.22 in December 2001 to 1.44 in December 2002. The Federal Reserve District Four in Cleveland expects uncertainty over the economic outlook to remain. The City has maintained a large share of their investment portfolio in federal agency issues, as the yield spread favors federal agency issues. This additional yield spread in federal agencies is reflected in the City's higher investment yield compared to both the 3-month treasury bill and STAROhio.

The City intends to hold all their investments to maturity. In addition, the City's portfolio has enough short-term liquidity to meet current obligations and there is little risk of a forced sale of these securities and obligations. The change in fair value of the investment amount is the change between prior year fair value (cost for current year purchases) and current year fair value of the City's investments at December 31, 2002.

Schedule of Expenditures

Expenditures for all governmental fund type operations totaled approximately \$35.6 million and the expenditures for major functions of the City, the percentage of the total, along with the increase or decrease compared to 2001 are shown in the following schedule (in thousands of dollars or percents):

| <u>Schedule of Expenditures</u> | | | <u>Increase (decrease)</u> | | <u>Percent of Total</u> | |
|---------------------------------|-----------------|-----------------|----------------------------|----------------|-------------------------|---------------|
| | <u>2002</u> | <u>2001</u> | <u>Dollars</u> | <u>Percent</u> | <u>2002</u> | <u>2001</u> |
| Public Safety | \$11,472 | \$10,698 | \$774 | 7.2% | 32.2% | 37.9% |
| General Government | 7,311 | 6,437 | 874 | 13.6% | 20.5% | 22.8% |
| Public Services | 2,044 | 2,383 | (339) | -14.2% | 5.7% | 8.4% |
| Parks and Recreation | 2,967 | 2,317 | 650 | 28.1% | 8.3% | 8.2% |
| Community Development | 622 | 602 | 20 | 3.3% | 1.7% | 2.1% |
| Health | 154 | 161 | (7) | -4.3% | 0.4% | 0.6% |
| Capital Outlay | 9,020 | 3505 | 5,515 | 157.3% | 25.3% | 12.4% |
| Debt Service | 2,045 | 2113 | (68) | -3.2% | 5.7% | 7.5% |
| Total | <u>\$35,635</u> | <u>\$28,216</u> | <u>\$7,419</u> | <u>26.3%</u> | <u>100.0%</u> | <u>100.0%</u> |



The City's overall expenditures increased in 2002 by 26.3%. However, this percentage is skewed by the capital outlay and debt service. Excluding capital outlay and debt service, expenditures increased less than 9%. The increase in the remaining categories is primarily due to wage increases and adding the Upper Arlington Swimming Pools in the Parks & Recreation category as a blended component unit. The City did not issue new long-term debt in 2002, but did continue to spend a large portion of the remaining 2001 debt proceeds for capital outlay. The City issued approximately \$12.5 million in new short-term debt in 2002. This short-term debt was issued for economic development in 2002.

Current activity of the self-insurance account represents collection and disbursement of insurance claims for damages to the City by other parties.

The public services function includes the cost to maintain the streets, lights, and traffic signals of the City and also includes public service administration and engineering divisions.

Parks and Recreation includes the maintenance of the City's parks and the costs to provide recreation programs. Also included are funds in support of the Senior Center and the Cultural Arts activities and the Urban Forestry Program.

Review of Fund Balances of Governmental Funds (in thousands of dollars)

| | 2002 | 2001 |
|--|----------|----------|
| Fund balances, January 1 | \$44,423 | \$30,206 |
| Revenues and other sources | 39,061 | 48,866 |
| Expenditures and other uses | (38,056) | (35,155) |
| Fund balances, December 31 | 45,428 | 43,917 |
| Reserve for encumbrances | (2,700) | (3,600) |
| Reserve for self-insurance | (1,863) | (1,727) |
| Reserve for capital equipment, debt service & improvements | (5,149) | (4,109) |
| Reserve for inventory | (172) | (167) |

| | | |
|--------------------------|----------|----------|
| Total reservations | (9,885) | (9,603) |
| Unreserved fund balances | \$35,544 | \$34,314 |

The reservations are legal restrictions on the use of funds. The reserve for encumbrances represents the portion of unexecuted purchase orders and contracts that are expected to come due in 2003 or later.

The reserve for self-insurance represents an account that is to be maintained for liability coverage. In October 1997, the City enrolled in a pooling arrangement for liability purposes. Prior to that, the City had maintained its own self-insurance arrangement since 1986. The reservation for self-insurance is the amount previously set aside for claims. This amount will remain until the City is satisfied that the potential for unreported claims justifies a reduction in the balance.

The reserve for capital equipment, debt service and improvements represent legal restrictions on income tax and property tax revenues. By ordinance, 13 1/3% of income tax revenues are to be dedicated for this purpose. In addition, one-half mill of property tax receipts has also been dedicated for this purpose, also by ordinance. The reserve reflects the amount available for these purposes at the end of 2002. The funds are maintained in three general fund accounts: Capital Asset Management, Capital Improvement, and Communications and Technology.

Additional Financial Information

The City does not rely on grant funds from the federal or state governments for any functions. In 2002, the City received the following grants:

- \$ 5,600 Worker's Compensation – Transitional Work grant
- \$ 1,153 Multiple Arts grants
- \$10,973 Ohio Department of Natural Resources

Proprietary Operations

The City operates four enterprise operations. One is for the collection and disposal of refuse, accounted for in the Solid Waste Fund. The other three are for the maintaining of the water, sewer and stormwater lines of the City. The user fees for water and sewer are based upon water usage by the resident. Stormwater fees are broken into two classes: class A (residential) properties are assessed a \$33.00 annual fee and class B (commercial) properties are charged based on equivalent run-off unit (ERU). The stormwater class B fee in 2002 was \$14.67 per ERU. The water surcharge in 2002 was \$2.25 per metered cubic foot (MCF). The sanitary sewer surcharge was \$4.65 per MCF.

The City also operates an internal service fund for the self-insured program of health, dental and short-term disability coverage. Each department is charged for the cost of the benefits. Transfers are made to the Employee Benefits Fund and the cost of claims and administration is paid from the fund. Also paid from the fund are life insurance and long-term disability premiums, for which the City purchases policies. The following is a summary of the proprietary operations (in thousands of dollars):

| Proprietary Operations | 2002 | 2001 |
|--|----------|----------|
| Operating Revenues | \$5,364 | \$ 4,679 |
| Operating expenses | 5,007 | 4,508 |
| Operating income | 357 | 171 |
| Non-operating revenues & expenses, net | (47) | (157) |
| Operating transfers-in | 80 | 80 |
| Net income | 389 | 94 |
| Depreciation on contributed capital | 345 | 342 |
| Increase in retained earnings | 735 | 436 |
| Retained earnings, beginning of year | 3,420 | 2,984 |
| Retained earnings, end of year | \$ 4,155 | \$ 3,420 |

The increase in retained earnings was obtained by revenues exceeding operating expenses in 2002 and enhanced by operating transfers from other funds.

The non-operating expenses are predominately interest expense on bonds and notes issued for capital projects.

Fiduciary Fund Types

The Fiduciary Fund types are comprised of seven Agency Funds. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, and other governments.

Debt Administration

City debt, as a component of the capital funding strategy, is being maintained at realistic levels in relation to financial capacity and the defined need for public facilities and improvements. The use of City debt capacity has been planned carefully in order to accomplish significant capital improvements required by the need to maintain the City's infrastructure. The continuation of the City's Aa2 credit rating, ready market acceptability of debt issues and achievement of debt objectives evidence the prudent use of debt.

The debt objectives include: careful planning for capital improvements in order to maximize available funds and potential grants; dedication of a portion of the property tax millage, income tax receipts and additional resources for pay-as-you-go capital needs; provision for the issuance of new general obligation debt at reasonable intervals without increasing the millage for debt service; dedication of resources other than the property tax for repayment of debt; use of alternative financing sources, such as lease purchase and installment purchase; and maintenance of a favorable ratio of general obligation debt to property tax valuation for general obligation debt that is actually to be funded by property taxes.

In 2002, the City issued a one-year bond anticipation notes in the amount of \$12,650,000 for the purchase of Kingsdale Shopping Center. Fifty percent of the notes were deemed tax-exempt and fifty percent of the notes were deemed taxable. The interest rate on the tax-exempt portion of the notes was 1.48% and 2.25% on the taxable portion. The City chose not to execute or extend the purchase option on the shopping center. Therefore, it is anticipated the notes will be repaid in full in November 2003 and no bonds were issued.

In accordance with state statutes, the City is limited in the amount of debt that can be issued without a vote of the people, and to the amount of total debt that can be issued. The limits are 5 ½ % and 10 ½ % of assessed valuation, respectively. For unvoted debt, the 5 ½ % limit at the end of 2002 was equivalent to \$70.4 million, and the 10 ½ % limit for total debt was equivalent to \$134.4 million. The capacity to issue additional debt at the end of 2002 was \$62.1 million for unvoted debt and \$117.1 million for total debt. Net general bonded debt per capita at the end of 2002 was \$510.45.

At the end of 2002, total general obligation bonded debt was \$18,440,929.

The City also had \$2,958,245 in outstanding loans from the Ohio Public Works Commission. The revenues of the Enterprise funds will repay these loans made for infrastructure projects.

Cash Management

The City is authorized by ordinance to invest in notes, bonds or other obligations of the United States or of any agency or instrumentality thereof, including repurchase agreements secured by such obligations, commercial paper; bankers acceptances; and high grade corporate bonds. Earnings on investments are credited to various funds as provided by state law and City ordinances.

Cash temporarily idle during the year was invested in overnight repurchase agreements; in U.S. Treasury Notes ranging from one year to four years to maturity, in investments in mutual funds and pools managed by the State of Ohio, and in securities issued by government agencies, including the Federal Home Loan Mortgage Corporation and Federal National Mortgage Association and in Commercial Paper. The yields on the portfolio at December 31 ranged from approximately 2.15% to 7.05%, and the average for the entire portfolio was 3.49%. In 2002, interest income amounted to \$1,811,501.

The City's investments are categorized to give an indication of the level of credit risk assumed by the City at December 31, 2002. Category 1 includes insured or registered investments for which the securities are held by the City's agent or the agent's trust department in the City's name. Category 2 includes uninsured and unregistered investments for which the City's agent or the agent's trust department holds the securities in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the City's agent or the agent's trust department, but not in the City's name. Investments in mutual funds and pools managed by other governments are not required to be categorized. At year-end investments were as follows:

| <u>Description</u> | <u>Category</u> | <u>Fair Value</u> |
|-----------------------------------|-----------------|----------------------|
| U. S. Government Securities | 2 | \$ 1,006,875 |
| Federal Agency Securities | 2 | 38,533,807 |
| Cash Management or Sweep Account | 2 | 15,538,700 |
| STAROhio | Not applicable | <u>2,929,145</u> |
| Total investments | | \$ 58,024,221 |
| Cash deposits | 1 and 2 | <u>668,179</u> |
| Total cash and investments | | \$ 58,692,400 |

Risk Management

On October 1, 1997, the City established membership in the Central Ohio Risk Management Association (CORMA) Self-Insurance pool for property liability coverage. Membership in the Pool, which includes other cities, enables the City to have more control over claims and still realize any savings from the insurance pool. The City has purchased general liability insurance through CORMA, which covers claims up to \$20,000,000 with a \$100,000 deductible per claim through September 30, 2002 and \$10,000,000 with a \$100,000 deductible per claim through December 31, 2002.

Prior to membership in CORMA, the City was self-insured for property liability coverage. The action was taken after analyzing the City's experience for losses due to liability compared to the cost of the liability coverage paid to the insurer. The City has established an account for self-insurance and has reserved approximately \$1.86 million of the general fund balance to cover liability claims. The City has purchased insurance to cover claims above \$1 million. In addition, City Council has set aside \$5 million of the City's total debt capacity to be used for catastrophic liabilities. This means that the City could issue up to \$5 million in debt if needed.

Effective January 1, 1991, the City also assumed the responsibility for paying claims associated with health coverage for City employees. The City is also self-insured for dental claims associated with dental coverage for City employees, as well as the cost of short-term disability benefits. All operating funds of the City participate in the benefit programs and make payments to the Employee Benefit Fund based on actuarial estimates of the amounts needed to pay claims. The City purchases commercial insurance for claims, which exceed \$50,000 in one year to one employee, and for claims, which exceed 125% of the annual estimated claims.

The City purchases commercial coverage for property damage to the physical facilities, including the Municipal Services Center, Public Services Center, Senior Center and the three fire stations. The City also purchases fidelity bond coverage for its employees, life insurance coverage and long-term disability coverage.

New Accounting Pronouncements

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. In June 2001, the GASB issued Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*. These statements represent a dramatic change in the way state and local governments present basic financial information. These statements are effective for periods beginning after June 15, 2002. The City has not adopted the provisions of these statements in the accompanying financial statements. Management is currently in the process of evaluating the procedures to implement the GASB 34 statement, with an anticipated completion in July 2003, with work to begin immediately thereafter. Therefore, the City is unable to disclose the impact that adopting the statement will have on its financial position and results of operations when such statement is adopted.

In June 2001, the GASB issued Statement No. 38, *Certain Financial Statement Note Disclosures*. This statement represents a change in what notes are presented. This statement is effective for the same effective period as GASB Statement No. 34. Early implementation is encouraged, however paragraphs 6, 14 and 15 should be implemented only with GASB 34. As of December 31, 2002, the City has implemented GASB 38 without paragraphs 6, 14 and 15 as recommended by GASB.

In May 2002, the GASB issued Statement No. 39, *Determining Whether Certain Organizations are Component Units – an amendment of GASB Statement No. 14*. This statement is to provide additional guidance when determining whether the CIC should be reported as a component unit based on additional criteria. This statement is effective for periods beginning after June 15, 2003. The City has not adopted the provisions of this statement in the accompanying financial statements and therefore is unable to disclose the impact that adopting the statement will have on its financial position and results of operations.

In March and May of 2003, the GASB issued Statements No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3* and Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences – an amendment of GASB Statement No. 34*, respectively. Statement No. 40 is a modification of the custodial credit risk disclosures to include deposit and investment policies. Statement No. 41 expands the presentation of budgetary comparison information. Statements No. 40 and 41 are effective for periods beginning after June 15, 2004 and June 15, 2002, respectively. The City has not adopted the provisions of these statements in the accompanying financial statements and therefore is unable to disclose the impact that adopting the statement will have on its financial position and results of operations.

Independent Audit

The City is required by the Ohio Revised Code to have an audit of the financial records by an independent certified public accountant or by the Auditor of State. This requirement has been met and a copy of the auditor's opinion is included in the financial section of this report. The Finance Department is responsible for the preparation and fair presentation of the financial statements, supplemental schedules, and statistical tables contained in this report.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a 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, 2001.

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

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

Acknowledgements

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

Respectfully submitted,



Catherine M. Armstrong, CPA, CGFM
Finance Director



Virginia L. Barney
City Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Upper Arlington,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

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.



William Patrick Pate
President

Jeffrey L. Esser
Executive Director

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CITY OF | **UPPER**
ARLINGTON

Financial Section

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191 West Nationwide Boulevard
Suite 500
Columbus, OH 43215-2568

Telephone 614 249 2300
Fax 614 249 2348

Independent Auditors' Report

Members of City Council
City of Upper Arlington, Ohio:

We have audited the accompanying general purpose financial statements of the City of Upper Arlington, Ohio (the City) for the year ended December 31, 2002 as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City as of December 31, 2002 and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2003 on our consideration of the City's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as combining, individual fund and account group statements and schedules (supplemental data) in the table of contents is presented for purpose of additional analysis and is not a required part of the general purpose financial statements of the City. The supplemental data has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The introductory and statistical sections listed in the table of contents are also presented for the purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Such additional information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, accordingly, we express no opinion on it.

KPMG LLP

June 5, 2003



KPMG LLP KPMG LLP a U.S. limited liability partnership, is
a member of KPMG International, a Swiss association.

**CITY OF UPPER ARLINGTON
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 December 31, 2002
 (with totals for December 31, 2001)**

| | <u>Governmental Fund Types</u> | | | |
|--|--------------------------------|----------------------------|-------------------------|-----------------------------|
| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> |
| <u>ASSETS:</u> | | | | |
| Equity in pooled cash and investments (note 3) | \$ 26,246,841 | 13,383,009 | 737,795 | 12,594,583 |
| Receivables (note 4) | 14,870,716 | 1,038,760 | 839,565 | 3,505 |
| Inventory | 97,421 | 75,147 | | |
| Due from other funds (note 11) | | | | |
| Other assets | | | | |
| Property, plant and equipment (net of depreciation, where applicable) (note 7) | | | | |
| Amounts available in debt service funds | | | | |
| Amount to be provided for retirement of general long-term debt | | | | |
| TOTAL ASSETS | \$ <u>41,214,978</u> | <u>14,496,916</u> | <u>1,577,360</u> | <u>12,598,088</u> |

See accompanying notes to the general purpose financial statements.

| Proprietary Fund Types | | Fiduciary Fund Type | Account Groups | | Totals (Memorandum Only) | |
|------------------------|---------------------|---------------------|----------------------------|-------------------------------------|-----------------------------|--------------------|
| Enterprise (note 9) | Internal Service | Agency | General Fixed Assets | General Long-term Obligations | 2002 | 2001 |
| 3,525,864 | 48,328 | 2,155,980 | | | 58,692,400 | 47,252,589 |
| 427,936 | | | | | 17,180,482 | 17,313,962 |
| | 185,672 | | | | 172,568 | 166,652 |
| | | | | | 185,672 | 10,536 |
| | | | | | 0 | 120,530 |
| 14,646,442 | | | 26,384,082 | | 41,030,524 | 38,350,770 |
| | | | | 1,246,015 | 1,246,015 | 748,918 |
| | | | | 16,300,519 | 16,300,519 | 17,787,248 |
| <u>18,600,242</u> | <u>234,000</u> | <u>2,155,980</u> | <u>26,384,082</u> | <u>17,546,534</u> | <u>134,808,180</u> | <u>121,751,205</u> |

**CITY OF UPPER ARLINGTON
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 December 31, 2002
 (with totals for December 31, 2001)**

| | <u>Governmental Fund Types</u> | | | |
|--|--------------------------------|----------------------------|-------------------------|-----------------------------|
| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> |
| <u>LIABILITIES:</u> | | | | |
| Accounts payable (note 5) | \$ 201,208 | 253,003 | | 978,140 |
| Due to other funds (note 11) | 153,549 | 12,207 | | |
| Deferred revenue | 8,712,865 | 0 | 331,345 | |
| Accrued liabilities | 767,927 | 42,260 | | |
| Accrued vacation and sick leave (note 8) | 356,690 | | | |
| Installment loan payable (note 8) | | | | |
| Bonds and notes payable (note 8) | | 12,650,000 | | |
| Due to others | | | | |
| TOTAL LIABILITIES | <u>10,192,239</u> | <u>12,957,470</u> | <u>331,345</u> | <u>978,140</u> |
| <u>FUND EQUITY AND OTHER CREDITS:</u> | | | | |
| Investment in general fixed assets | | | | |
| Contributed capital | | | | |
| Retained earnings | | | | |
| Fund balances: | | | | |
| Reserved for inventory and other assets | 97,421 | 75,147 | | |
| Reserved for encumbrances | 1,043,133 | 246,132 | | 1,411,023 |
| Reserved for general liability self insurance | 1,862,961 | | | |
| Reserved for capital equipment, debt service and improvements | 3,902,684 | | 1,246,015 | |
| Unreserved | <u>24,116,540</u> | <u>1,218,167</u> | | <u>10,208,925</u> |
| TOTAL FUND EQUITY AND OTHER CREDITS | <u>31,022,739</u> | <u>1,539,446</u> | <u>1,246,015</u> | <u>11,619,948</u> |
| TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS | \$ <u>41,214,978</u> | <u>14,496,916</u> | <u>1,577,360</u> | <u>12,598,088</u> |

See accompanying notes to the general purpose financial statements.

| Proprietary Fund Types | | Fiduciary Fund Type | Account Groups | | Totals | |
|------------------------|------------------|---------------------|----------------------|-------------------------------|--------------------|--------------------|
| Enterprise (note 9) | Internal Service | Agency | General Fixed Assets | General Long-term Obligations | (Memorandum Only) | |
| | | | | | 2002 | 2001 |
| 24,122 | 234,000 | | | | 1,690,473 | 1,584,821 |
| 19,916 | | | | | 185,672 | 10,536 |
| 230,562 | | | | | 9,274,772 | 13,004,823 |
| 56,089 | | | | | 866,276 | 915,967 |
| 133,088 | | | | 1,993,022 | 2,482,800 | 2,055,197 |
| | | | | 288,966 | 288,966 | 377,871 |
| 6,134,628 | | | | 15,264,546 | 34,049,174 | 23,055,544 |
| | | 2,155,980 | | | 2,155,980 | 2,080,398 |
| <u>6,598,405</u> | <u>234,000</u> | <u>2,155,980</u> | <u>0</u> | <u>17,546,534</u> | <u>50,994,113</u> | <u>43,085,157</u> |
| | | | 26,384,082 | | 26,384,082 | 23,398,351 |
| 7,846,565 | | | | | 7,846,565 | 7,930,612 |
| 4,155,272 | | | | | 4,155,272 | 3,420,104 |
| | | | | | 172,568 | 287,182 |
| | | | | | 2,700,288 | 3,599,678 |
| | | | | | 1,862,961 | 1,726,960 |
| | | | | | 5,148,699 | 3,988,510 |
| | | | | | <u>35,543,632</u> | <u>34,314,651</u> |
| <u>12,001,837</u> | <u>0</u> | <u>0</u> | <u>26,384,082</u> | <u>0</u> | <u>83,814,067</u> | <u>78,666,048</u> |
| <u>18,600,242</u> | <u>234,000</u> | <u>2,155,980</u> | <u>26,384,082</u> | <u>17,546,534</u> | <u>134,808,180</u> | <u>121,751,205</u> |

CITY OF UPPER ARLINGTON
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
For the Fiscal Year Ended December 31, 2002
(with totals for the fiscal year ended December 31, 2001)

| | <u>Governmental Fund Types</u> | | | | <u>Totals</u> | |
|---|--------------------------------|------------------------|---------------------|-------------------------|--------------------------|-------------------|
| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>(Memorandum Only)</u> | |
| | | | | | <u>2002</u> | <u>2001</u> |
| REVENUES: | | | | | | |
| Income tax | \$ 12,386,901 | | | | 12,386,901 | 13,877,775 |
| Property taxes | 8,872,280 | | 1,422,947 | | 10,295,227 | 7,633,843 |
| Intergovernmental | 3,372,173 | 939,861 | | | 4,312,034 | 3,961,428 |
| Estate tax | 4,149,899 | | | | 4,149,899 | 4,261,767 |
| Charges for services | 560,015 | 875,261 | | | 1,435,276 | 904,900 |
| Investment earnings | 1,023,067 | 25,379 | | 617,210 | 1,665,656 | 1,839,820 |
| Net increase in fair value of investments | 162,507 | 1,934 | | 39,279 | 203,720 | 332,209 |
| Fines and forfeits | 316,534 | 25,465 | | | 341,999 | 367,339 |
| Licenses and permits | 622,813 | | | | 622,813 | 306,492 |
| Miscellaneous | 1,218,876 | 67,648 | 19,636 | | 1,306,160 | 1,261,301 |
| Total revenues | 32,685,065 | 1,935,548 | 1,442,583 | 656,489 | 36,719,685 | 34,746,874 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Public safety | 11,466,207 | 5,729 | | | 11,471,936 | 10,697,929 |
| General government | 7,023,232 | 288,173 | | | 7,311,405 | 6,436,954 |
| Public services | 779,213 | 1,264,476 | | | 2,043,689 | 2,383,048 |
| Parks and recreation | 2,164,231 | 802,675 | | | 2,966,906 | 2,316,486 |
| Community development | 621,527 | | | | 621,527 | 601,614 |
| Health services | | 153,639 | | | 153,639 | 161,421 |
| Capital outlay | 1,244,941 | 189,669 | | 7,585,781 | 9,020,391 | 3,505,275 |
| Debt service: | | | | | | |
| Principal retirement | 104,247 | | 1,226,307 | | 1,330,554 | 1,505,822 |
| Interest | | | 714,528 | | 714,528 | 607,592 |
| Total expenditures | 23,403,598 | 2,704,361 | 1,940,835 | 7,585,781 | 35,634,575 | 28,216,141 |
| Excess (deficiency) of revenues over expenditures | 9,281,467 | (768,813) | (498,252) | (6,929,292) | 1,085,110 | 6,530,733 |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Proceeds from bonds/notes | | | | | | 6,778,099 |
| Premium (Discount) from bonds/notes | | | | | | 482,118 |
| Operating transfers-in | 143,234 | 378,974 | 995,349 | 823,240 | 2,340,797 | 6,859,285 |
| Operating transfers-out | (2,124,323) | | | (296,474) | (2,420,797) | (6,939,285) |
| Total other financing sources (uses) | (1,981,089) | 378,974 | 995,349 | 526,766 | (80,000) | 7,180,217 |
| Excess of revenues and other financing sources over expenditures and other uses | 7,300,378 | (389,839) | 497,097 | (6,402,526) | 1,005,110 | 13,710,950 |
| Fund balances at beginning of year | 23,722,361 | 1,929,285 | 748,918 | 18,022,474 | 44,423,038 | 30,206,031 |
| Fund balances at end of year | \$ 31,022,739 | 1,539,446 | 1,246,015 | 11,619,948 | 45,428,148 | 43,916,981 |

See accompanying notes to the general purpose financial statements.



CITY OF | **UPPER ARLINGTON**

CITY OF UPPER ARLINGTON
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
BUDGET BASIS (note 16)
For the Fiscal Year Ended December 31, 2002

| | General Fund | | | |
|--|----------------------|-------------------|-------------------|------------------|
| | Adopted Budget | Revised Budget | Actual | Variance |
| REVENUES: | | | | |
| Income tax | \$ 12,198,337 | 12,500,000 | 12,834,835 | 334,835 |
| Property taxes | 6,555,589 | 6,555,589 | 6,547,492 | (8,097) |
| Intergovernmental | 2,295,700 | 2,592,234 | 2,518,707 | (73,527) |
| Estate tax | 2,100,000 | 3,750,000 | 4,384,780 | 634,780 |
| Charges for services | 400,000 | 550,000 | 560,015 | 10,015 |
| Investment earnings | 814,500 | 1,041,000 | 1,103,175 | 62,175 |
| Fines and forfeits | 300,000 | 300,000 | 302,941 | 2,941 |
| Licenses and permits | 400,000 | 400,000 | 438,612 | 38,612 |
| Miscellaneous | 236,500 | 504,000 | 527,244 | 23,244 |
| Reimbursements | 220,000 | 670,000 | 835,609 | 165,609 |
| Total revenues | 25,520,626 | 28,862,823 | 30,053,410 | 1,190,587 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | 11,030,744 | 11,398,270 | 11,301,461 | 96,809 |
| General government | 6,531,813 | 6,772,488 | 6,408,790 | 363,698 |
| Public services | 1,201,078 | 1,216,767 | 1,138,308 | 78,459 |
| Parks and recreation | 2,260,210 | 2,308,836 | 2,168,771 | 140,065 |
| Community development | 653,612 | 657,612 | 620,105 | 37,507 |
| Health services | | | | |
| Capital outlay | 776,550 | 865,914 | 832,500 | 33,414 |
| Debt service: | | | | |
| Principal and interest | | | | |
| Total expenditures | 22,454,007 | 23,219,887 | 22,469,935 | 749,952 |
| Excess (deficiency) of revenues over expenditures | 3,066,619 | 5,642,936 | 7,583,475 | 1,940,539 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from bonds and notes | | | | |
| Proceeds from sale of fixed assets | | | 24,037 | 24,037 |
| Discount from issuance of debt | | | | |
| Operating transfers-in | | | 143,234 | 143,234 |
| Operating transfers-out | (2,089,340) | (2,099,324) | (2,099,324) | |
| Total other financing sources (uses) | (2,089,340) | (2,099,324) | (1,932,053) | 167,271 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | 977,279 | 3,543,612 | 5,651,422 | 2,107,810 |
| Fund balances at beginning of year | 19,346,869 | 19,346,869 | 19,346,869 | |
| Lapsed encumbrances | 102,390 | 102,390 | 102,390 | |
| Fund balances at end of year | \$ 20,426,538 | 22,992,871 | 25,100,681 | 2,107,810 |

See accompanying notes to the general purpose financial statements

| Special Revenue Funds | | | | Debt Service Funds | | | |
|-----------------------|---------------------|--------------------|-------------------|--------------------|--------------------|--------------------|----------------|
| Adopted Budget | Revised Budget | Actual | Variance | Adopted Budget | Revised Budget | Actual | Variance |
| 1,075,000 | 1,075,000 | 1,115,629 | 40,629 | 945,486 | 945,486 | 1,041,379 | 95,893 |
| 765,062 | 765,062 | 874,553 | 109,491 | | | | |
| 12,250 | 17,000 | 26,601 | 9,601 | | | | |
| 18,000 | 18,000 | 23,583 | 5,583 | | | | |
| 16,200 | 18,700 | 19,743 | 1,043 | | | | |
| <u>1,886,512</u> | <u>1,893,762</u> | <u>2,060,109</u> | <u>166,347</u> | <u>945,486</u> | <u>945,486</u> | <u>1,041,379</u> | <u>95,893</u> |
| 47,700 | 44,900 | 2,659 | 42,241 | | | | |
| 531,200 | 13,145,545 | 1,284,020 | 11,861,525 | | | | |
| 1,323,638 | 1,323,638 | 1,261,377 | 62,261 | | | | |
| 793,530 | 842,218 | 786,339 | 55,879 | | | | |
| 165,000 | 165,000 | 153,639 | 11,361 | | | | |
| 156,000 | 273,800 | 218,926 | 54,874 | | | | |
| | | | | <u>2,419,060</u> | <u>2,419,061</u> | <u>2,419,061</u> | |
| <u>3,017,068</u> | <u>15,795,101</u> | <u>3,706,960</u> | <u>12,088,141</u> | <u>2,419,060</u> | <u>2,419,061</u> | <u>2,419,061</u> | |
| <u>(1,130,556)</u> | <u>(13,901,339)</u> | <u>(1,646,851)</u> | <u>12,254,488</u> | <u>(1,473,574)</u> | <u>(1,473,575)</u> | <u>(1,377,682)</u> | <u>95,893</u> |
| | 12,650,000 | 12,725,090 | 75,090 | | | 19,636 | 19,636 |
| 5,000 | 5,000 | 53,981 | 48,981 | | | | |
| | | (18,975) | (18,975) | | | | |
| 318,847 | 388,974 | 353,974 | (35,000) | 1,473,575 | 1,473,575 | 1,473,575 | |
| <u>323,847</u> | <u>13,043,974</u> | <u>13,114,070</u> | <u>70,096</u> | <u>1,473,575</u> | <u>1,473,575</u> | <u>1,493,211</u> | <u>19,636</u> |
| (806,709) | (857,365) | 11,467,219 | 12,324,584 | 1 | | 115,529 | 115,529 |
| 1,555,134 | 1,555,134 | 1,555,134 | | 622,265 | 622,265 | 622,266 | |
| 17,347 | 17,347 | 17,347 | | | | | |
| <u>765,772</u> | <u>715,116</u> | <u>13,039,700</u> | <u>12,324,584</u> | <u>622,266</u> | <u>622,265</u> | <u>737,795</u> | <u>115,529</u> |

CITY OF UPPER ARLINGTON
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
BUDGET BASIS (note 16)
For the Fiscal Year Ended December 31, 2002

| | Capital Projects Funds | | | |
|--|------------------------|--------------------|--------------------|------------------|
| | Adopted Budget | Revised Budget | Actual | Variance |
| REVENUES: | | | | |
| Income tax | \$ | | | |
| Property taxes | | | | |
| Intergovernmental | | | | |
| Estate tax | | | | |
| Charges for services | | | | |
| Investment earnings | 460,195 | 460,195 | 641,974 | 181,779 |
| Fines and forfeits | | | | |
| Licenses and permits | | | | |
| Miscellaneous | | | | |
| Reimbursements | | | | |
| Total revenues | <u>460,195</u> | <u>460,195</u> | <u>641,974</u> | <u>181,779</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | | | | |
| General government | | | | |
| Public services | | | | |
| Parks and recreation | | | | |
| Community development | | | | |
| Health services | | | | |
| Capital outlay | 8,051,000 | 8,202,004 | 6,614,075 | 1,587,929 |
| Debt service: | | | | |
| Principal and interest | | | | |
| Total expenditures | <u>8,051,000</u> | <u>8,202,004</u> | <u>6,614,075</u> | <u>1,587,929</u> |
| Excess (deficiency) of revenues over expenditures | <u>(7,590,805)</u> | <u>(7,741,809)</u> | <u>(5,972,101)</u> | <u>1,769,708</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from bonds and notes | | | | |
| Proceeds from sale of fixed assets | | | | |
| Discount from issuance of debt | | | | |
| Operating transfers-in | | 794,233 | 823,240 | 29,007 |
| Operating transfers-out | (80,000) | (296,480) | (296,474) | 6 |
| Total other financing sources (uses) | <u>(80,000)</u> | <u>497,753</u> | <u>526,766</u> | <u>29,013</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | <u>(7,670,805)</u> | <u>(7,244,056)</u> | <u>(5,445,335)</u> | <u>1,798,721</u> |
| Fund balances at beginning of year | 15,354,570 | 15,354,570 | 15,354,570 | |
| Lapsed encumbrances | 106,130 | 106,130 | 106,130 | |
| Fund balances at end of year | <u>\$ 7,789,895</u> | <u>8,216,644</u> | <u>10,015,365</u> | <u>1,798,721</u> |

See accompanying notes to the general purpose financial statements

| Total (Memorandum only) | | | |
|----------------------------|---------------------|--------------------|-------------------|
| Adopted Budget | Revised Budget | Actual | Variance |
| 12,198,337 | 12,500,000 | 12,834,835 | 334,835 |
| 7,501,075 | 7,501,075 | 7,588,871 | 87,796 |
| 3,370,700 | 3,667,234 | 3,634,336 | (32,898) |
| 2,100,000 | 3,750,000 | 4,384,780 | 634,780 |
| 1,165,062 | 1,315,062 | 1,434,568 | 119,506 |
| 1,286,945 | 1,518,195 | 1,771,750 | 253,555 |
| 318,000 | 318,000 | 326,524 | 8,524 |
| 400,000 | 400,000 | 438,612 | 38,612 |
| 252,700 | 522,700 | 546,987 | 24,287 |
| 220,000 | 670,000 | 835,609 | 165,609 |
| <u>28,812,819</u> | <u>32,162,266</u> | <u>33,796,872</u> | <u>1,634,606</u> |
| 11,078,444 | 11,443,170 | 11,304,120 | 139,050 |
| 7,063,013 | 19,918,033 | 7,692,810 | 12,225,223 |
| 2,524,716 | 2,540,405 | 2,399,685 | 140,720 |
| 3,053,740 | 3,151,054 | 2,955,110 | 195,944 |
| 653,612 | 657,612 | 620,105 | 37,507 |
| 165,000 | 165,000 | 153,639 | 11,361 |
| 8,983,550 | 9,341,718 | 7,665,501 | 1,676,217 |
| <u>2,419,060</u> | <u>2,419,061</u> | <u>2,419,061</u> | |
| <u>35,941,135</u> | <u>49,636,053</u> | <u>35,210,031</u> | <u>14,426,022</u> |
| <u>(7,128,316)</u> | <u>(17,473,787)</u> | <u>(1,413,159)</u> | <u>16,060,628</u> |
| | 12,650,000 | 12,744,726 | 94,726 |
| 5,000 | 5,000 | 78,018 | 73,018 |
| | | (18,975) | (18,975) |
| 1,792,422 | 2,656,782 | 2,794,023 | 137,241 |
| (2,169,340) | (2,395,804) | (2,395,798) | 6 |
| <u>(371,918)</u> | <u>12,915,978</u> | <u>13,201,994</u> | <u>286,016</u> |
| (7,500,234) | (4,557,809) | 11,788,835 | 16,346,644 |
| 36,878,838 | 36,878,838 | 36,878,839 | |
| 225,867 | 225,867 | 225,867 | |
| <u>29,604,471</u> | <u>32,546,896</u> | <u>48,893,541</u> | <u>16,346,644</u> |

CITY OF UPPER ARLINGTON
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
For the Fiscal Year ended December 31, 2002
(with totals for the fiscal year ended December 31, 2001)

| | Enterprise (note 9) | Internal Service | Totals (Memorandum Only) | |
|---|------------------------|---------------------|-----------------------------|------------------|
| | | | 2002 | 2001 |
| <u>OPERATING REVENUE:</u> | | | | |
| Charges for services | \$ 3,187,416 | 2,113,152 | 5,300,568 | 4,629,251 |
| Other | 63,253 | | 63,253 | 50,169 |
| Total revenues | <u>3,250,669</u> | <u>2,113,152</u> | <u>5,363,821</u> | <u>4,679,420</u> |
| <u>OPERATING EXPENSES:</u> | | | | |
| Personal services | 1,575,401 | | 1,575,401 | 1,541,788 |
| Disposal fees | 212,591 | | 212,591 | 233,481 |
| Materials and supplies | 411,564 | | 411,564 | 482,315 |
| Depreciation | 694,476 | | 694,476 | 667,588 |
| Insurance claims | | 2,113,152 | 2,113,152 | 1,583,520 |
| Total expenses | <u>2,894,032</u> | <u>2,113,152</u> | <u>5,007,184</u> | <u>4,508,692</u> |
| Operating income | <u>356,637</u> | <u>0</u> | <u>356,637</u> | <u>170,728</u> |
| <u>NON-OPERATING REVENUES (EXPENSES):</u> | | | | |
| Investment earnings | 145,845 | | 145,845 | 116,221 |
| Net increase in fair value of investments | 16,309 | | 16,309 | 36,231 |
| Interest expense | (209,464) | | (209,464) | (309,764) |
| Total non-operating revenue (expenses) | <u>(47,310)</u> | <u>0</u> | <u>(47,310)</u> | <u>(157,312)</u> |
| Net income before transfers-in | 309,327 | 0 | 309,327 | 13,416 |
| Operating transfers-in | <u>80,000</u> | | <u>80,000</u> | <u>80,000</u> |
| Net income | 389,327 | 0 | 389,327 | 93,416 |
| Add depreciation on fixed assets acquired by contributed capital | <u>345,841</u> | | <u>345,841</u> | <u>342,373</u> |
| Increase in retained earnings | 735,168 | 0 | 735,168 | 435,789 |
| Beginning retained earnings | <u>3,420,104</u> | <u>0</u> | <u>3,420,104</u> | <u>2,984,315</u> |
| Ending retained earnings | <u>\$ 4,155,272</u> | <u>0</u> | <u>4,155,272</u> | <u>3,420,104</u> |

See accompanying notes to the general purpose financial statements.



CITY OF | **UPPER ARLINGTON**

CITY OF UPPER ARLINGTON
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
For the Fiscal Year Ended December 31, 2002
(with totals for the year ended December 31, 2001)

| | Enterprise Funds | Internal Service | Totals (Memorandum Only) | |
|--|---------------------|---------------------|-----------------------------|--------------------|
| | | | 2002 | 2001 |
| Cash Flows from Operating Activities: | | | | |
| Cash received from customers | \$ 3,205,561 | 1,938,016 | 5,143,577 | 5,008,121 |
| Cash payments to suppliers for goods and services | (772,473) | (1,939,534) | (2,712,007) | (2,393,493) |
| Cash payments to employees for services | (1,602,982) | | (1,602,982) | (1,535,334) |
| Net cash provided (used) by operating activities | <u>830,106</u> | <u>(1,518)</u> | <u>828,588</u> | <u>1,079,294</u> |
| Cash Flows from Noncapital Financing Activities: | | | | |
| Subsidy from General Fund | <u>80,000</u> | | <u>80,000</u> | <u>80,000</u> |
| Net cash provided by noncapital financing activities | <u>80,000</u> | <u>0</u> | <u>80,000</u> | <u>80,000</u> |
| Cash Flows from Capital and Related Financing Activities: | | | | |
| Acquisition of capital assets | (127,136) | | (127,136) | (204,467) |
| Principal paid on bonds and notes | (421,353) | | (421,353) | (530,558) |
| Interest paid on bonds and notes | (222,507) | | (222,507) | (277,864) |
| Net cash used by capital and related financing activities | <u>(770,996)</u> | <u>0</u> | <u>(770,996)</u> | <u>(1,012,889)</u> |
| Cash Flows from Investing Activities: | | | | |
| Interest on investments | <u>167,969</u> | | <u>167,969</u> | <u>146,082</u> |
| Net cash provided by investing activities: | <u>167,969</u> | <u>0</u> | <u>167,969</u> | <u>146,082</u> |
| Net increase (decrease) in cash and cash equivalents | 307,079 | (1,518) | 305,561 | 292,487 |
| Cash and cash equivalents at beginning of year | <u>3,218,785</u> | <u>49,846</u> | <u>3,268,631</u> | <u>2,976,144</u> |
| Cash and cash equivalents at end of year | <u>\$ 3,525,864</u> | <u>48,328</u> | <u>3,574,192</u> | <u>3,268,631</u> |

(Continued)

See accompanying notes to the general purpose financial statements.

CITY OF UPPER ARLINGTON
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
For the Fiscal Year Ended December 31, 2002
(with totals for the year ended December 31, 2001)

| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | Enterprise Funds | Internal Service | Totals (Memorandum Only) | |
|--|---------------------|---------------------|-----------------------------|------------------|
| | 2002 | 2001 | 2002 | 2001 |
| Operating income | \$ 356,637 | | 356,637 | 170,728 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | | | |
| Depreciation | 694,476 | | 694,476 | 667,588 |
| Decrease (increase) in accounts receivable | (90,971) | | (90,971) | 281,929 |
| Decrease (increase) in due to other funds | (107,141) | (175,136) | (282,277) | 94,935 |
| Increase (decrease) in accounts payable | (26,665) | 173,618 | 146,953 | (34,449) |
| Increase (decrease) in accrued liabilities | (49,467) | | (49,467) | (39,731) |
| Increase (decrease) in deferred revenue | 53,237 | | 53,237 | (61,706) |
| Net cash provided (used) by operating activities | \$ 830,106 | (1,518) | 828,588 | 1,079,294 |

Noncash Investing, Financing and Capital Activities:

The enterprise funds received contributions of equipment in the amounts of \$261,012 and \$287,102 in 2002 and 2001, respectively.

See accompanying notes to the general purpose financial statements.



CITY OF | **UPPER ARLINGTON**

City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

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City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

(1) **Reporting Entity**

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

As required by accounting principles generally accepted in the United States of America (GAAP), the accompanying general-purpose financial statements include all the organizations, activities and functions in which the City (the primary government) and its component units exercise financial accountability. The component units discussed below are included in the City's reporting entity because of the significance of its operations or financial relationship with the City.

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

Blended Component Unit – The Upper Arlington Swimming Pool Fund has been reported as an agency fund in prior years. The Swimming Pool Fund is reported as Special Revenue Fund in 2002. The Upper Arlington School District owned the swimming pools however the City managed both the operations and finances. As of December 31, 2002, the process to transfer ownership to the City had begun. On February 18, 2003, the transfer was completed with all assets to include land and equipment, along with liabilities being assumed by the City (see Note 1 and Note 17).

(2) **Summary of Significant Accounting Policies**

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

(a) **Basis of Presentation - Fund Accounting**

The accounts of the City are organized on the basis of funds or account groups, each of which 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 various funds are summarized by type in the general-purpose financial statements. The following fund types and account groups are used by the City:

City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

(2) **Summary of Significant Accounting Policies (Continued)**

(a) **Basis of Presentation - Fund Accounting (Continued)**

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - The Special Revenue Funds are used to account for revenues derived from specific taxes, grants or other restricted revenue sources. The uses and limitations of each special revenue fund are specified by City ordinance or federal and state statutes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general obligation long-term debt principal, interest and related costs.

Capital Project Funds - Capital Project Funds are used to account for financial resources used for acquisition or construction of major capital facilities (other than those financed by proprietary funds).

PROPRIETARY FUNDS

The City applies all Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated 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.

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

FIDUCIARY FUNDS

Agency Funds - 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.

City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

(2) **Summary of Significant Accounting Policies (Continued)**

(a) **Basis of Presentation - Fund Accounting (Continued)**

ACCOUNT GROUPS

General Fixed Assets Account Group - This account group is established to account for fixed assets of the City, other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term debt of the City except that accounted for in the proprietary funds.

(b) **Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts in the financial statements. Basis of accounting relates to the timing of the measurements made.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, included property 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 grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components.

City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

(2) Summary of Significant Accounting Policies (Continued)

(b) Basis of Accounting (Continued)

Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is followed by the governmental funds and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For the City, available means expected to be received within sixty days of year-end. Expenditures are recorded when the liability is incurred except for (1) principal and interest on general long-term debt obligations, which is recorded when due, (2) the non-current portions of accrued vacation and sick leave recorded in the general long-term debt account group, and (3) the portion of pension obligations and claims and judgements which will not utilize available revenues are also recorded in the general long-term debt account group.

In applying the susceptible to accrual concept to intergovernmental revenues (grants, subsidies and shared revenue), the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, moneys must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, moneys are virtually unrestricted as to purpose of expenditure and nearly irrevocable, i.e., revocable only for failure to comply with prescribed compliance requirements, e.g., equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the criterion of availability.

The City recognizes revenue from taxpayer-assessed taxes, net of estimated refunds, to in governmental funds in the accounting period in which they become measurable and available.

City income taxes withheld from taxpayers and received by the City within 60 days of year-end are recorded as revenues and receivables, net of estimated refunds. Income taxes other than those withheld by employers are recorded as revenues when received in cash because they are generally not measurable until actually received.

Fines and forfeits, licenses and permits and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as revenue when earned since they are measurable and available. Property taxes levied for collection in 2002 and uncollected at December 31, 2002 and estimated realizable delinquent property taxes are recorded as revenues to the extent cash is received during the year or soon thereafter to be used to pay liabilities of the current period. Property taxes assessed in 2002 for collection in 2003 are recorded as deferred revenue at December 31, 2002.

City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

(2) Summary of Significant Accounting Policies (Continued)

(b) Basis of Accounting (Continued)

The accrual basis of accounting, i.e., revenues are recorded when earned and expenses are recorded when incurred, is utilized by the proprietary funds.

Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the City follows GASB guidance as applicable to its proprietary funds, and Financial Accounting Standards Boards Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB Pronouncements.

(c) Budgetary Data

All governmental and proprietary fund types are subject to annual expenditure budgets. City Council follows the procedures outlined below in establishing the expenditure budget data reported in the general-purpose financial statements.

1. In November, the City Manager submits to City Council an estimate of the expenditures necessary to conduct the affairs of the City for the fiscal year commencing the following January 1.
2. Budget estimates are distributed throughout the City including newspapers and libraries, and public hearings are held to obtain taxpayers comments.
3. Subsequent to January 1, and after publication of the proposed budget ordinance, the budget is legally enacted through passage of the ordinance. The budget specifies expenditure amounts by object for each activity within each fund.
4. No transfers of appropriations can be made without City Council action, with the exception of certain transfers within a department's appropriation, within a fund, if the amounts are less than \$2,500. Expenditures cannot legally exceed appropriations at the object level. During 2002 various transfers of appropriations and supplemental appropriations were made in the following amounts:

| | |
|-----------------------|--------------|
| General Fund | \$765,880 |
| Special Revenue Funds | \$12,778,033 |
| Capital Projects | \$151,004 |
| Enterprise | \$153,450 |

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

City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

(2) Summary of Significant Accounting Policies (Continued)

(c) Budgetary Data (Continued)

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). To provide a meaningful comparison of actual results with the budget, the actual results of operations are presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types in accordance with the budget basis of accounting. Expenditures did not exceed appropriations in any individual fund.

The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget), as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget), as opposed to when the liability is incurred (GAAP).
3. Encumbrances are recorded as the equivalent of expenditures (budget), as opposed to a reservation of fund balance (GAAP).

(d) Cash and Cash Equivalents and Investments

City funds are pooled and invested to improve cash management. Each fund type's portion of the pool is shown on the Combined Balance Sheet – All Fund Types and Account Groups as “equity in pooled cash and investments”. For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments when purchased to be cash equivalents. Interest is allocated to funds that are required, by law, to receive interest. It is calculated on a monthly basis as a percentage of beginning fund balance to total fund balance of all City funds. Investments for the City, as well as its component unit, are reported at fair value. The State Treasurer's investment pool (STAROhio) reported value is the same as the fair value of the pool shares.

(e) Inventories

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

(f) Fixed Assets - Governmental Funds

Fixed assets purchased for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets for which cost is not available) in the General Fund Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received.

City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

(2) Summary of Significant Accounting Policies (Continued)

(f) Fixed Assets - Governmental Funds (continued)

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting, have not been capitalized since the purpose of stewardship for capital expenditures can be satisfied without recording these assets.

No depreciation has been provided on general fixed assets.

(g) Fixed Assets - Proprietary Fund

Fixed assets acquired by the proprietary fund are stated at cost, or estimated historical cost. Depreciation has been provided using the straight-line method over the following estimated useful lives:

| <u>Description</u> | <u>Estimated Lives (Years)</u> |
|--|--------------------------------|
| Autos and trucks, computer equipment | 5-8 |
| Machinery, other equipment, furniture & fixtures | 10-25 |
| Buildings | 45 |
| Infrastructure (Water/Sewer Lines) | 50 |

(h) Capital Equipment, Debt Service and Improvements

The City reserves a portion of its property and income tax revenue to fund capital improvements and debt service. The amount of General Fund balance reserved by ordinance for this purpose at December 31, 2002 was \$3,902,684.

(i) Vacation and Sick Leave

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

Estimated vacation and sick leave accumulated by governmental fund type employees has been recorded in the general long-term obligations account group.

Vacation and sick leave estimated to be paid for city employees expected to retire within the next fiscal year that would normally be paid with available financial resources has been recorded in the general fund. Vacation and sick leave accumulated by proprietary fund type employees is recorded as an expense when incurred in the proprietary fund types.

The City uses the vesting method in determining the liability of sick leave recorded in the general long-term obligations account group. 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.

City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

(2) **Summary of Significant Accounting Policies (Continued)**

(j) **Contributed Capital**

Depreciation on contributed fixed assets is allocated to contributed capital using the straight-line method over the same lives as described for the related property, plant and equipment in note 2(g). A summary of the changes in contributed capital for the year ending December 31, 2002, follows:

| <u>Source</u> | <u>Solid Waste</u> | <u>Water Surcharge</u> | <u>Sewer Surcharge</u> | <u>Stormwater Utility</u> | <u>Total</u> |
|--|--------------------|------------------------|------------------------|---------------------------|--------------------|
| Fixed assets contributed (retired) | \$10,036 | \$237,838 | \$(3,380) | \$17,300 | \$261,794 |
| Depreciation of fixed assets acquired by contributed capital | (17,495) | (91,947) | (95,628) | (140,771) | (345,841) |
| Total additions (deletions), net | (7,459) | 145,891 | (99,008) | (123,471) | (84,047) |
| Contributed capital, January 1, 2002 | 1,309,072 | 2,779,284 | 2,436,112 | 1,406,144 | 7,930,612 |
| Contributed capital, December 31, 2002 | <u>\$1,301,613</u> | <u>\$2,925,175</u> | <u>\$2,337,104</u> | <u>\$1,282,673</u> | <u>\$7,846,565</u> |

Additions to contributed capital consist of assets previously recorded in the general fixed asset account group or items purchased by non-enterprise funds, yet used by the respective enterprise funds as recorded above.

(k) **Comparative Data**

Comparative total data for the prior year have been presented in the accompanying financial statements to provide an understanding of overall changes in the City's financial position and operations. However, comparative data (i.e., presentation of prior year totals by fund type) have not been presented in all of the statements, since their inclusion would make the statements unduly complex and difficult to read.

(l) **Total Columns on the General Purpose Financial Statements**

Total columns on the general-purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with accounting principles generally accepted in the United States of America, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(m) **Statement of Cash Flows**

Cash balances of most City funds are pooled and invested (Note 3). For purposes of the Statement of Cash Flows, the enterprise fund's proportionate share of the pooled cash and investments are considered to be cash and cash equivalents, since they are available to the Proprietary Funds on demand.

City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

(2) Summary of Significant Accounting Policies (Continued)

(n) New Accounting Pronouncements

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. In June 2001, the GASB issued Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*. These statements represent a significant change in the way state and local governments present basic financial information. These statements are effective for periods beginning after June 15, 2002. The City has not adopted the provisions of these statements in the accompanying financial statements. Management is currently in the process of evaluating the procedures to implement the GASB 34 and 37 statements, with anticipated completion in July 2003, with work to begin immediately thereafter. Therefore, the City is unable to disclose the impact that adopting this statement will have on its financial position and results of operations when such statement is adopted.

In June 2001, the GASB issued Statement No. 38, *Certain Financial Statement Note Disclosures*. This statement represents a change in what notes are presented. This statement is effective for the same effective period as GASB Statement 34. Early implementation is encouraged, however paragraphs 6, 14 and 15 should be implemented only with GASB 34. As of December 31, 2002, the City has implemented GASB 38 without paragraphs 6, 14, and 15 as recommended by GASB.

In May 2002, the GASB issued Statement No. 39, *Determining Whether Certain Organizations are Component Units – an amendment of GASB Statement No. 14*. This statement is to provide additional guidance when determining whether the CIC should be reported as a component unit based on additional criteria. This statement is effective for periods beginning after June 15, 2003. The City has not adopted the provisions of this statement in the accompanying financial statements and is unable to disclose the impact that adopting this statement will have on its financial position and results of operations.

In March and May of 2003, the GASB issued Statements No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3* and Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences – an amendment of GASB Statement No. 34*, respectively. Statement No. 40 is a modification of the custodial credit risk disclosures to include deposit and investment policies. Statement No. 41 expands the presentation of budgetary comparison information. Statements No. 40 and 41 are effective for periods beginning after June 15, 2004 and June 15, 2002, respectively. The City has not adopted the provisions of these statements in the accompanying financial statements and is unable to disclose the impact that adopting this statement will have on its financial position and results of operations.

(3) Cash and Investments

At December 31, 2002, the carrying value of the City’s cash deposits was \$668,179, of which \$300,000 were non-negotiable certificates of deposit. Cash balances per the banks were \$815,591. \$512,315 of the City's deposits were insured by Federal depository insurance (category 1), overnight government securities and \$303,276 were collateralized with pooled pledged securities (category 2) held by its agent in accordance with the Ohio Revised Code. All deposits are in institutions that are members of the Federal Reserve System.

City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

(3) Cash and Investments (continued)

\$4,771 and \$388,484 included in the totals relates to the activities of the City's blended component units, CIC and the Swimming Pools, respectively.

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

It is the City's policy to invest in the State Treasury Asset Reserve of Ohio (STAROhio), government securities, and commercial paper. STAROhio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner similar to Rule 2a-7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2002.

The City's investments are categorized to give an indication of the level of custodial credit risk assumed by the City at December 31, 2002. Category 1 includes insured or registered investments or investments for which the securities are held by the City or City's agent (only if the City's agent is not also the counterparty) or the agent's trust department in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the City's agent or the agent's trust department, but not in the City's name. The City holds the certificate of deposits and Fifth Third Trust holds all other securities in the City's name. Investments in pools managed by other governments (STAROhio) as well as investments with escrow agent are not required to be categorized.

| | <u>Category</u> | | | <u>Fair Value</u> |
|----------------------------------|-----------------|------------|----------|----------------------|
| | <u>1</u> | <u>2</u> | <u>3</u> | |
| U. S. Government Securities | \$ - | 1,006,875 | - | \$ 1,006,875 |
| Federal Agency Securities | - | 38,533,807 | - | 38,533,807 |
| Corporate Notes | - | 0 | - | 0 |
| Cash Management or Sweep Account | | 15,554,394 | | 15,554,394 |
| STAROhio | | N/A | | <u>2,929,145</u> |
| Total investments | | | | <u>\$ 58,024,221</u> |

City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

(4) Receivables

Receivables at December 31, 2002, consist of the following:

| | <u>Property, Estate & Income Tax</u> | <u>Customer Accounts</u> | <u>Other</u> | <u>Total Receivables</u> |
|------------------|--|------------------------------|--------------------|------------------------------|
| General Fund | \$13,520,776 | | \$1,349,940 | \$14,870,716 |
| Special Revenue | | | 1,038,760 | 1,038,760 |
| Debt Service | 839,565 | | | 839,565 |
| Capital Projects | | | 3,505 | 3,505 |
| Enterprise | | 427,131 | 805 | 427,936 |
| Total | \$14,360,341 | \$427,131 | \$2,393,010 | \$17,180,482 |

(5) Payables

Payables at December 31, 2002, consist of the following:

| <u>Funds</u> | <u>Total</u> |
|------------------|--------------------|
| General Fund | \$201,208 |
| Special Revenue | 253,003 |
| Capital Projects | 978,140 |
| Enterprise | 24,122 |
| Internal Service | 234,000 |
| Total | \$1,690,473 |

(6) Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; personal injuries; and natural disasters. The City provides coverage for up to \$1,000,000 for each liability claim and \$1,000 for each property damage claim. To provide funding for potential claims, the City established by ordinance a reservation of the General Fund fund balance of \$1,862,961 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 Section 2744.081 of the Ohio Revised Code. Members consist of the cities of Upper Arlington, Westerville, Pickerington and Dublin. Each member has one representative on the Board of Trustees. This Board establishes its own budget, hires and fires personnel and determines annual rates for its members. Membership in CORMA enables the City to take advantage of any economies to be realized from an insurance pool with other cities and also provides the City with more control over claims than what is normally available with traditional insurance coverage.

City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

(6) Insurance (continued)

Coverage is limited to property coverage which provides coverage for up to \$125,000 with a \$25,000 deductible for each property liability claim. The City has purchased commercial insurance for claims, which exceed these amounts. The City has purchased general liability insurance through CORMA that covers claims up to \$20,000,000 with a \$100,000 deductible per claim through September 30, 2002 and \$10,000,000 with a \$100,000 deductible per claim through December 31, 2002. CORMA, in turn, has re-insured a portion of its insurance risk. There is no assurance that claims for all members will not exceed CORMA's assets and re-insurance.

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

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

Settlements did not exceed insurance coverage in 2000, 2001, 2002. There were no reductions on insurance coverage from the prior year.

The following is a schedule of the change in insurance claims for the years ended December 31, 2001 & 2002:

| | 2001 | |
|-----------------------------------|--------------------------|----------------------|
| | <u>General Liability</u> | <u>Health Claims</u> |
| Unpaid claims – January 1, 2001 | \$3,017 | \$121,012 |
| Incurred claims | 237,892 | 1,462,756 |
| Payment of claims | <u>(243,916)</u> | (1,644,150) |
| Unpaid claims – December 31, 2001 | \$3,007 | \$60,382 |
| | 2002 | |
| Unpaid claims – January 1, 2002 | \$3,007 | \$60,382 |
| Incurred claims | 38,713 | 2,113,152 |
| Payment of claims | (41,614) | (1,939,534) |
| Unpaid claims – December 31, 2002 | \$106 | \$234,000 |

A claims liability of \$234,000 in the internal service accounts payable balance represents an estimate for incurred but unpaid claims liabilities.

The City belongs to the Ohio Municipal League Equity Rating Pool for Workers Compensation Insurance. The purpose of the pool is to achieve lower workers' compensation rates for group participants and foster cost-effective claims management skills.

City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

(6) **Insurance (continued)**

The pool provides for equity redistribution in which participants, depending upon their losses, may receive refunds for low losses resulting in savings for the pool, or incur additional contribution for high losses, which exceed the pool's rate. The City received refunds in the last three years in the following amounts:

| | |
|------|-----------|
| 2000 | \$ 52,000 |
| 2001 | 0 |
| 2002 | 0 |

(7) **Fixed Assets**

Enterprise plant and equipment at December 31, 2002 consist of the following:

| | |
|--|----------------------------|
| Buildings/Structures | \$457,976 |
| Infrastructure (Water/Sewer Lines) | 26,947,952 |
| Machinery, equipment, furniture and fixtures | <u>1,916,533</u> |
| Subtotal | 29,322,461 |
| Less: accumulated depreciation | <u>(14,676,019)</u> |
| Total | <u>\$14,646,442</u> |

A summary of changes in general fixed assets for the year ending December 31, 2002, follows:

| | Balance <u>January 1, 2002</u> | <u>Additions</u> | <u>Deletions</u> | Balance <u>December 31, 2002</u> |
|---|-----------------------------------|--------------------|------------------|-------------------------------------|
| Land | \$2,806,007 | \$1,062,356 | | \$3,868,363 |
| Buildings & Improvements | \$10,417,714 | \$568,653 | | \$10,986,367 |
| Machinery, equipment, furniture & fixtures | <u>\$10,174,630</u> | <u>\$2,026,260</u> | <u>\$671,538</u> | <u>\$11,529,352</u> |
| Total | \$23,398,351 | \$3,657,269 | \$671,538 | \$26,384,082 |

\$659,469 of CIC land and \$1,592,751 of Swimming Pools land and equipment are included in the totals which relate to the City's blended component units.

City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

(8) Debt and Lease Obligations

(a) Long-Term Debt Obligations

A summary of changes in long-term obligations for the year ended December 31, 2002, follows:

| General Long-Term Obligations Account Group: | Balance January 1, 2002 | Additions | Deletions | Balance December 31, 2002 |
|---|----------------------------|-------------------------|---------------------------|------------------------------|
| Accrued vacation & sick leave | \$1,753,664 | \$239,358 | | \$1,993,022 |
| Installment loan payable | 377,871 | 0 | 88,905 | 288,966 |
| General obligations bonds | \$16,404,631 | 0 | 1,140,085 | \$15,264,546 |
| Total General Long-term Obligations | <u>\$18,536,166</u> | <u>\$239,358</u> | <u>\$1,228,990</u> | <u>\$17,546,534</u> |

Additions and deletions of accrued vacation and sick leave are shown net since it is impracticable for the City to determine these amounts separately.

Sick leave for all employees is recorded as a liability due to the extremely low (2%) employee turnover rate. City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation. In the event of retirement, an employee is also reimbursed for sick leave at varying amounts.

Bonds & Notes payable at December 31, 2002 are summarized below:

| <u>General Obligations Bonds:</u> | Balance January 1, 2002 | Additions | Deletions | Balance December 31, 2002 |
|--|----------------------------|-----------------|-------------------------|------------------------------|
| 6.375% 2002 Municipal Building Improvements | \$50,000 | | 50,000 | 0 |
| 6.375% Street Improvements | 395,000 | | 65,000 | 330,000 |
| 4.56% 2008 Sewer Improvement Bonds | 260,000 | | 30,000 | 230,000 |
| 4.01% 2006 Refunding Issue | 4,150,000 | | 765,000 | 3,385,000 |
| 4.57% 2017 Turkey Run Bonds | 2,180,000 | | 100,000 | 2,080,000 |
| 4.72% 2017 Voted Issue 4 | 4,563,036 | | 133,036 | 4,430,000 |
| 4.68% Street Light Bonds | <u>1,605,000</u> | | <u>65,000</u> | <u>1,540,000</u> |
| Variable 2016 Various Purpose Bonds (2.9%-4.76%) | 1,970,000 | | 70,000 | 1,900,000 |
| Variable 2016 Infrastructure Improvement Bonds (2.98%-4.76%) | <u>\$4,735,929</u> | | <u>190,000</u> | <u>4,545,929</u> |
| Total General Obligation Bonds | 19,908,965 | 0 | 1,468,036 | 18,440,929 |
| Ohio Public Works Commission Loans 3.5% Infrastructure Projects | 3,146,579 | | 188,334 | 2,958,245 |
| LaSalle Installment Loan | 377,871 | | 88,905 | 288,966 |
| Total Bonds, Loans and Notes Payable | <u>\$23,433,415</u> | <u>0</u> | <u>1,745,275</u> | <u>21,688,140</u> |

City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

(8) Debt and Lease Obligations (continued)

(a) Long-Term Debt Obligations (continued)

General obligation bonds and Ohio Public Works Commission (OPWC) loans are backed by the full faith and credit of the City. Principal and interest payments of general obligation bonds are made primarily through income tax and property tax or user fees. The bonds for Turkey Run and Sewer Improvement are being repaid by user fees from enterprise operations. Additionally, a portion of the bonds for Street Improvement (\$72,600) and the Refunding Issue (\$793,783) are also being repaid by such fees. The loans from the OPWC were made through the State Issue Two Program for infrastructure renovations. The principal and interest payments of the OPWC loans are made primarily from water and sewer surcharge fees.

In 2001, the City issued \$6,820,929 in general obligation debt, including issuance cost of \$42,830, at interest rates ranging from 2.9% to 4.98%. \$4,820,929 was for infrastructure improvements while \$2,000,000 was for renovating and improving the Municipal Services Building and other site improvements. Additionally, in 2001 the City entered into a financing arrangement to purchase a safety vehicle for \$482,118. The city paid a cash deposit for the construction of such vehicle in the amount of \$120,530. The financing arrangement is recorded as an installment loan and will be repaid over five years in equal installments of \$104,247. The first payment was made in October 2001.

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

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

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

The annual requirements to pay principal and interest subsequent to December 31, 2002 are as follows:

City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

(8) Debt and Lease Obligations (continued)

(a) Long-Term Debt Obligations (continued)

| <u>Year Ending December 31:</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------------------------------|---------------------|------------------|-------------------|
| 2003 | 1,842,257 | 925,502 | 2,767,759 |
| 2004 | 1,902,643 | 852,884 | 2,755,527 |
| 2005 | 1,900,412 | 854,988 | 2,755,400 |
| 2006 | 1,849,244 | 795,716 | 2,644,960 |
| 2007 | 1,077,653 | 632,393 | 1,710,046 |
| 2008 - 2012 | 5,784,582 | 2,498,399 | 8,282,981 |
| 2013 - 2017 | 5,706,349 | 1,233,493 | 6,939,842 |
| 2018 - 2020 | 1,625,000 | 158,048 | 1,783,048 |
| | <u>\$21,688,140</u> | <u>7,951,423</u> | <u>29,639,563</u> |

The Ohio Revised Code provides that the net debt 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 a municipal corporation cannot exceed 5.5% of the total taxation value of property.

The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2002, the City's total net debt amounted to 3.3% of the total assessed value of all property within the City. The aggregate amount of the City's unvoted debt is subject to overlapping debt restrictions with Franklin County and the Upper Arlington School City. As of December 31, 2002, these entities have complied with the requirement that overlapping debt must not exceed 1% (10 mills) of assessed property value.

The City has reserved by ordinance \$5,000,000 of its unvoted net debt capacity for the purpose of funding potential self-insured losses. As of December 31, 2002, no debt had been issued for this purpose.

(b) Lease Obligations

The following is a summary of the total operating lease obligations:

| | <u>Lease Payment</u> |
|--------------|----------------------|
| 2002 | \$ 34,807 |
| 2003 | 21,126 |
| Total | \$ 55,933 |

City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

(8) Debt and Lease Obligations (continued)

(c) Short-Term Debt

In 2002, the City issued two 1-year limited general obligation bond anticipation notes. The \$12.65 million in acquisition note proceeds are for the economic development purchase of the Kingsdale Shopping Center. Ultimately, the City decided not to purchase the property and is scheduled to repay the acquisition notes in November 2003.

| <u>Activity</u> | <u>Beginning Balance</u> | <u>Issued</u> | <u>Redeemed</u> | <u>Ending Balance</u> |
|--------------------|--------------------------|---------------|-----------------|-----------------------|
| Anticipation Notes | \$0 | \$12,650,000 | \$0 | \$12,650,000 |

(9) Segment Information-Enterprise Funds

The City maintains four enterprise funds, which are intended to be self-supporting through user fees and surcharges for services to the public. Financial segment information as of and for the year ended December 31, 2002 is presented below:

| | <u>Solid Waste</u> | <u>Water Surcharge</u> | <u>Sewer Surcharge</u> | <u>Stormwater Fund</u> | <u>Total</u> |
|--|--------------------|------------------------|------------------------|------------------------|--------------|
| Operating revenue | \$1,728,627 | 361,719 | 679,076 | 481,247 | 3,250,669 |
| Depreciation | 119,591 | 166,113 | 194,394 | 214,378 | 694,476 |
| Operating income (loss) | 173,410 | 128,143 | 68,559 | (13,475) | 356,637 |
| Net Income (loss) | 185,433 | 88,393 | 82,057 | 33,444 | 389,327 |
| Contributed capital, additions (deletions) | (7,459) | 145,891 | (99,008) | (123,471) | (84,047) |
| Property, plant and equipment additions | 130,143 | 239,869 | 4,680 | 16,147 | 390,839 |
| Property, plant and equipment deletions | (41,672) | 0 | (2,340) | 0 | (44,012) |
| Operating transfers-in | 0 | 0 | 80,000 | 0 | 80,000 |
| Net working capital | (66,503) | 329,322 | 263,787 | 2,659,220 | 3,185,826 |
| Total assets | 827,703 | 5,678,422 | 5,119,250 | 6,974,867 | 18,600,242 |
| Bonds and notes payable | 0 | 1,686,448 | 2,257,860 | 2,188,320 | 6,134,628 |
| Total liabilities | 348,344 | 1,699,133 | 2,297,699 | 2,253,229 | 6,598,405 |
| Total equity | 479,359 | 3,979,289 | 2,821,551 | 4,721,638 | 12,001,837 |

(10) Defined Benefit Pension Plans and Postemployment Benefits

Substantially all non-uniformed City employees participate in a cost-sharing multiple employer Public Employee Retirement System (PERS). Police officers and firefighters participate in the Police and Firemen's Disability and Pension Fund of Ohio. All other full time employees of the City are eligible to participate in the PERS.

City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

(10) Defined Benefit Pension Plans and Postemployment Benefits (continued)

(a) Retirement Plan – Safety Forces

Plan Description - The City contributes to the Police and Firemen's Disability and Pension Fund (PFDPF), a cost-sharing multiple-employer defined benefit pension plan. PFDPF 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. The PFDPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. This report may be obtained by writing to PFDPF, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's required and actual contributions to PFDPF for the years ending December 31, 2002, 2001, and 2000 were \$1,479,337, \$1,410,861, and \$1,374,602 respectively.

The employees' contributions to PFDPF for the years ended December 31, 2002, and 2001 were \$675,481 and \$639,971, respectively.

The PFDPF provides post-retirement health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a two-thirds basis. The health care coverage provided by the PFDPF Retirement System is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care cost paid from the funds of the PFDPF shall be included in the employer's contribution rate.

The Ohio Revised Code provides the statutory authority allowing the Fund's Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you go basis. Currently 7.75% of covered payroll (7.5% in 2001), the Board-defined allocation, is used to pay retiree health care expenses. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

As of December 31, 2001, the number of participants eligible to receive health care benefits, based on the latest information available, was 13,174 for Police and 10,239 for Firefighters. The portion of the City's contributions that were used to pay post-employment healthcare benefits was approximately \$236,975 for Police and \$285,022 for Firefighters. The Fund's total health care expense for the year ending December 31, 2001 was \$122,298,771, which is net of member contributions of \$6,874,699.

City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

(10) Defined Benefit Pension Plans and Postemployment Benefits (continued)

(b) Retirement Plan – General Employees

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

Funding Policy – The Retirement Board instituted a temporary employer contribution rate rollback of 20% for calendar year 2000. The decision to rollback was based on a December 31, 1998 actuarial study, which indicated that actuarial assets exceed actuarial liabilities. The City and covered employees contributed at actuarially determined rates for 2002, 13.55% and 8.5%, respectively, of covered employee payroll to PERS. During 2002, 5% of the City's contribution was used to fund post-employment health care benefits, available to retirees with at least ten-years of service credit compared to 4.3% in 2001.

Chapter 145 of the Ohio Revised Code assigns authority of the PERS Board to amend the funding policy. The City's required and actual contributions to PERS for the years ended December 31, 2002, 2001, 2000, were \$1,017,045, \$936,820, and \$812,712.

The City's employees' contributions to PERS for the years ended December 31, 2002, and 2001 were \$575,763 and \$594,898, respectively. PERS also provides post-retirement health care coverage to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants.

Health care coverage for disability recipients is available. The health care coverage provided by the PERS is considered an Other Postemployment Benefits (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to PERS. The 2002 employer contribution rate was 13.55% of covered payroll; 5% was the portion that was used to fund health care for the year 2002.

OPEB are financed through employer contributions and investment earnings. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely. The following assumptions and calculations are based on the system's latest Actuarial Review performed as of December 31, 2001:

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

Valuation Method – All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation in investment assets; **Investment Return** – The investment assumption rate for 2001 was 8.0%;

City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

(10) Defined Benefit Pension Plans and Postemployment Benefits (continued)

(b) Retirement Plan – General Employees (continued)

Active Employee Total Payroll – An annual increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in number of active employees. Additionally, annual pay increases, over and above 4.0% base increase were assumed to range from 0.50% to 6.3%; and Health Care – Health care costs were assumed to increase 4.0% annually.

The portion of the City's contributions that were used to pay post-employment healthcare benefits was approximately \$375,290. As of December 31, 2001, the net assets available for future OPEB payments were \$11.6 billion. The number of benefit recipients eligible for OPEB at December 31, 2001 was 402,041.

During 1997, PERS adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1999, employer contributions equal to 4.3% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

(11) Due to/from Other Funds

At December 31, 2002, the City had a total of \$185,672 in Due to/from Other Funds, as follows:

| | <u>Due From</u> | <u>Due To</u> |
|------------------------|-------------------------|-------------------------|
| Internal Service Fund: | | |
| Employee Benefit Fund | \$185,672 | |
| General Fund | | 153,549 |
| Special Revenue Funds: | | |
| Streets | | 11,906 |
| Lifelong Learning | | 301 |
| Enterprise Funds: | | |
| Solid Waste | | 12,507 |
| Water | | 823 |
| Sewer | | 4,116 |
| Stormwater | | 2,470 |
| TOTAL | <u>\$185,672</u> | <u>\$185,672</u> |

(12) Income Taxes

The City levies a 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.

City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

(13) Property Taxes

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the City. All property taxes are collected on behalf of the City by Franklin County. Due and collection dates, as established by Franklin County, were January 20, 2002 and June 20, 2002 for those taxes due during 2002.

Real property taxes collected during 2002 had lien and levy dates of January 1, 2001 and December 31, 2001, respectively. Real property taxes with 2002 levy dates are recorded as receivables at the end of 2002. Receipts in the first 60 days following year-end are recorded as revenue in the receivable and any delinquent revenue is recorded as deferred revenue for the year-end 2002. Assessed values are established by State law at 35% of the appraised market value. A revaluation of all property is required to be completed no less than every six years. The last revaluation was completed in November 2002. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 50% of cost). Tangible personal property assessments are 25% of true value.

The assessed value, upon which the 2002 levy was based, was as follows:

| | |
|-------------------|------------------------|
| Real estate | \$1,240,693,900 |
| Public utility | \$ 17,102,640 |
| Tangible personal | \$ 21,904,698 |
| Total | \$1,279,701,238 |

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .2% (2 mills) of assessed value. Increases in the property tax rate are restricted only by voter willingness to approve such increases. The voters passed two such issues in 1997. In March 1997, a 1-mill replacement levy to fund the Police and Firemen pensions was approved. In November 1997, a .84 mill property tax was passed to provide the issuance of \$10 million of bonds for infrastructure improvements. Total 2001 tax rate for the City for collection in 2002 was 6.76 mills including the voted increases. A 1.2 mill replacement levy for Police and Fire Pension was passed by the voters in 2002.

The County Treasurer collects property taxes on behalf of all taxing cities in the county including the City of Upper Arlington. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes may be paid on either an annual or a semi-annual basis.

(14) Contingencies

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, 2002.

City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

(15) Individual Fund Disclosures

The following fund had deficit-retained earnings at December 31, 2002:

| | |
|------------------|-----------|
| Solid Waste Fund | \$822,254 |
|------------------|-----------|

This deficit reflects the change required by accounting principles generally accepted in the United States of America. The GAAP deficit will be funded by future charges or transfers from the General Fund. This fund has a positive budgetary fund balance as required by Ohio law.

(16) Budget Basis of Accounting

Adjustments necessary to convert the results of operations and fund balances at end of year on the GAAP basis to the budget basis are as follows:

Excess (deficiency) of Revenues and Other Financing Sources over
Expenditures and Other Uses

| | General Fund | Special Revenue Fund Types | Debt Service Fund Types | Capital Projects Fund Types | Totals |
|---|--------------------|----------------------------------|-------------------------------|-----------------------------------|---------------------|
| GAAP Basis | \$7,300,378 | \$(389,839) | \$497,097 | \$(6,402,526) | \$1,005,110 |
| Increase (decrease): | | | | | |
| Due to revenues: | | | | | |
| Received in cash during year but already accrued as Receivables (GAAP) at December 31, 2001 | 15,030,161 | 1,347,021 | 571,130 | 28,269 | 16,976,581 |
| Accrued as receivables at December 31, 2002 but not recognized in budget | (14,870,716) | (1,038,760) | (839,565) | (3,505) | (16,752,546) |
| Due to encumbrances: | | | | | |
| Expenditures of amounts encumbered during year ended December 31, 2001 | 915,623 | 277,871 | - | 3,353,046 | 4,546,540 |
| Recognized as expenditures in budget | (754,461) | (328,554) | - | (2,389,163) | (3,472,178) |
| Due to expenditures: | | | | | |
| Accrued as liabilities at December 31, 2001, but not recognized in budget | (12,477,768) | (1,357,783) | (444,478) | (970,317) | (15,250,346) |
| Accrued as liabilities at December 31, 2002 | 10,192,239 | 12,957,470 | 331,345 | 978,140 | 24,459,194 |
| Other assets | 478,473 | 1,727 | - | - | 480,200 |
| Net (increase) decrease in fair value of investments not recognized in budget | (162,507) | (1,934) | - | (39,279) | (203,720) |
| Budget Basis | <u>\$5,651,422</u> | <u>\$11,467,219</u> | <u>\$115,529</u> | <u>\$(5,445,335)</u> | <u>\$11,788,835</u> |

City of Upper Arlington
Notes to General Purpose Financial Statements
For the Year Ended December 31, 2002

(17) New Blended Component Unit

The addition of the Upper Arlington Swimming Pool Fund as a Special Revenue Fund necessitated the restatement of the beginning fund balance. Special Revenue Fund balance previously reported as \$1,423,228 and with the new blended component unit has been restated as \$1,929,285.

(18) Joint Venture

The Joint Recreation District (JRD) was created by resolution of the City of Upper Arlington and the Upper Arlington School District in conformance with Sections 755.12 to 755.18 of the Ohio Revised Code on July 8, 2002. The Joint Recreation District was established to provide recreational facilities and programs for the benefit of the residents of the City of Upper Arlington and consists of the aggregate territory of the City of Upper Arlington and the Upper Arlington City School District. The Joint Recreation District shall have all the powers afforded by Ohio law and therefore is fiscally responsible for itself.

The Joint Recreation District shall exist until:

- a) One year from date of certificate of establishment (July 8, 2003), unless the voters of the District shall, during the year, approve a tax levy to provide revenues for the District; or
- b) If the voters of the District approve a tax levy, on such date as the City and School District shall mutually determine, but not earlier than the final maturity of all bonds that may be issued to finance facilities of the District.

The Joint Recreation District proposed a 1.5 mill tax levy on the November 5, 2002. The total tax valuation of the Joint Recreation District is \$1,127,813,175, which would produce an estimated property tax revenue of \$1,691,719.77. The voters of the District did not pass the Joint Recreation District's tax levy. There were no revenue or expenditure activities in the current year and none are anticipated in future years without passage of a levy.

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

**COMBINING, INDIVIDUAL FUND
AND ACCOUNT GROUP
STATEMENTS AND SCHEDULES**

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.

GENERAL FUND ACCOUNTS

Due to legal requirements, activities of the General Fund are accounted for in the following accounts:

GENERAL OPERATING ACCOUNT

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

CAPITAL ASSET MANAGEMENT ACCOUNT

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

POLICE AND FIRE PENSION ACCOUNT

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

CAPITAL IMPROVEMENTS ACCOUNT

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

SELF-INSURED LOSS ACCOUNT

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

COMMUNICATION AND TECHNOLOGY ACCOUNT

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

**CITY OF UPPER ARLINGTON
GENERAL FUND
COMPARATIVE BALANCE SHEET
December 31, 2002 and 2001**

| | 2002 | 2001 |
|--|----------------------|-------------------|
| <u>ASSETS:</u> | | |
| Equity in pooled cash and investments | \$ 26,246,841 | 20,946,854 |
| Receivables | 14,870,716 | 15,030,161 |
| Other assets | | 120,530 |
| Inventory | 97,421 | 102,584 |
| TOTAL ASSETS | 41,214,978 | 36,200,129 |
| <u>LIABILITIES:</u> | | |
| Accounts payable | 201,208 | 278,694 |
| Due to other funds | 153,549 | 10,536 |
| Deferred revenue | 8,712,865 | 11,253,591 |
| Accrued liabilities | 767,927 | 770,030 |
| Accrued vacation and sick leave | 356,690 | 164,917 |
| TOTAL LIABILITIES | 10,192,239 | 12,477,768 |
| <u>FUND EQUITY:</u> | | |
| Fund balances: | | |
| Reserved for inventory and other assets | 97,421 | 223,114 |
| Reserved for encumbrances | 1,043,133 | 896,750 |
| Reserved for general liability self insurance | 1,862,961 | 1,726,960 |
| Reserved for capital equipment, debt service and improvements | 3,902,684 | 3,239,592 |
| Unreserved | 24,116,540 | 17,635,945 |
| TOTAL FUND EQUITY | 31,022,739 | 23,722,361 |
| TOTAL LIABILITIES AND FUND EQUITY | \$ 41,214,978 | 36,200,129 |

**CITY OF UPPER ARLINGTON
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Fiscal Years Ended December 31, 2002 and 2001**

| | <u>2002</u> | <u>2001</u> |
|--|----------------------|--------------------|
| <u>REVENUES:</u> | | |
| Income tax | \$ 12,386,901 | 13,877,775 |
| Property taxes | 8,872,280 | 6,901,592 |
| Intergovernmental | 3,372,173 | 2,687,723 |
| Estate tax | 4,149,899 | 4,261,767 |
| Charges for services | 560,015 | 542,664 |
| Investment earnings | 1,023,067 | 1,281,910 |
| Net Increase (Decrease) in fair value of investments | 162,507 | 229,095 |
| Fines and forfeits | 316,534 | 336,795 |
| Licenses and permits | 622,813 | 306,492 |
| Miscellaneous | 1,218,876 | 1,195,876 |
| Total revenues | <u>32,685,065</u> | <u>31,621,689</u> |
| <u>EXPENDITURES:</u> | | |
| Current: | | |
| Public safety | 11,466,207 | 10,677,421 |
| General government | 7,023,232 | 6,364,708 |
| Public services | 779,213 | 1,041,408 |
| Parks and recreation | 2,164,231 | 2,005,221 |
| Community development | 621,527 | 601,614 |
| Capital outlay | 1,244,941 | 1,114,084 |
| Debt Service: | | |
| Principal retirement | 104,247 | 104,247 |
| Total expenditures | <u>23,403,598</u> | <u>21,908,703</u> |
| Excess of revenues over expenditures | <u>9,281,467</u> | <u>9,712,986</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | |
| Proceeds from installment loan | 0 | 482,118 |
| Operating transfers-in | 143,234 | 161,581 |
| Operating transfers-out | (2,124,323) | (6,504,953) |
| Total other financing sources (uses) | <u>(1,981,089)</u> | <u>(5,861,254)</u> |
| Excess of revenues and other financing sources over expenditures and other uses | 7,300,378 | 3,851,732 |
| Fund balances at beginning of year | 23,722,361 | 19,870,629 |
| Fund balances at end of year | <u>\$ 31,022,739</u> | <u>23,722,361</u> |

**CITY OF UPPER ARLINGTON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | 2002 | | | Variance | 2001 |
|--|----------------------|--------------------|--------------------|------------------|--------------------|
| | Adopted Budget | Revised Budget | Actual | | Actual |
| REVENUES: | | | | | |
| Income tax | \$ 12,198,337 | 12,500,000 | 12,834,835 | 334,835 | 13,392,555 |
| Property taxes | 6,555,589 | 6,555,589 | 6,547,492 | (8,097) | 6,499,920 |
| Intergovernmental | 2,295,700 | 2,592,234 | 2,518,707 | (73,527) | 2,684,750 |
| Estate tax | 2,100,000 | 3,750,000 | 4,384,780 | 634,780 | 4,080,219 |
| Charges for services | 400,000 | 550,000 | 560,015 | 10,015 | 542,664 |
| Investment earnings | 814,500 | 1,041,000 | 1,103,175 | 62,175 | 1,375,147 |
| Fines and forfeits | 300,000 | 300,000 | 302,941 | 2,941 | 345,936 |
| Licenses and permits | 400,000 | 400,000 | 438,612 | 38,612 | 490,693 |
| Miscellaneous | 236,500 | 504,000 | 527,244 | 23,244 | 360,817 |
| Reimbursements | 220,000 | 670,000 | 835,609 | 165,609 | 936,009 |
| Total revenues | <u>25,520,626</u> | <u>28,862,823</u> | <u>30,053,410</u> | <u>1,190,587</u> | <u>30,708,710</u> |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| Public safety | 11,030,744 | 11,398,270 | 11,301,461 | 96,809 | 10,728,573 |
| General government | 6,531,813 | 6,772,488 | 6,408,790 | 363,698 | 6,699,959 |
| Public services | 1,201,078 | 1,216,767 | 1,138,308 | 78,459 | 1,042,387 |
| Parks and recreation | 2,260,210 | 2,308,836 | 2,168,771 | 140,065 | 2,022,431 |
| Community development | 653,612 | 657,612 | 620,105 | 37,507 | 595,918 |
| Capital outlay | 776,550 | 865,914 | 832,500 | 33,414 | 1,404,226 |
| Total expenditures | <u>22,454,007</u> | <u>23,219,887</u> | <u>22,469,935</u> | <u>749,952</u> | <u>22,493,494</u> |
| Excess of revenues over expenditures | <u>3,066,619</u> | <u>5,642,936</u> | <u>7,583,475</u> | <u>1,940,539</u> | <u>8,215,216</u> |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Proceeds from sale of fixed assets | | | 24,037 | 24,037 | 35,519 |
| Operating transfers-in | | | 143,234 | 143,234 | 161,581 |
| Operating transfers-out | <u>(2,089,340)</u> | <u>(2,099,324)</u> | <u>(2,099,324)</u> | | <u>(6,496,146)</u> |
| Total other financing sources (uses) | <u>(2,089,340)</u> | <u>(2,099,324)</u> | <u>(1,932,053)</u> | <u>167,271</u> | <u>(6,299,046)</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | 977,279 | 3,543,612 | 5,651,422 | 2,107,810 | 1,916,170 |
| Fund balances at beginning of year | 19,346,869 | 19,346,869 | 19,346,869 | | 17,391,381 |
| Lapsed encumbrances | 102,390 | 102,390 | 102,390 | | 39,318 |
| Fund balances at end of year | <u>\$ 20,426,538</u> | <u>22,992,871</u> | <u>25,100,681</u> | <u>2,107,810</u> | <u>19,346,869</u> |

**CITY OF UPPER ARLINGTON
ALL GENERAL FUND ACCOUNTS
COMBINING BALANCE SHEET
December 31, 2002**

| | | <u>General Operating Account</u> | <u>Capital Asset Management Account</u> | <u>Police and Fire Pension Account</u> |
|--|----|--|---|--|
| <u>ASSETS:</u> | | | | |
| Equity in pooled cash and investments | \$ | 20,544,233 | 2,867,174 | 16,639 |
| Receivables | | 11,846,051 | 222,936 | 2,083,510 |
| Inventory | | 97,421 | | |
| Other assets | | | | |
| TOTAL ASSETS | | <u>32,487,705</u> | <u>3,090,110</u> | <u>2,100,149</u> |
| <u>LIABILITIES:</u> | | | | |
| Accounts payable | | 201,102 | | |
| Due to other funds | | 153,549 | | |
| Deferred revenue | | 7,337,368 | | 1,054,573 |
| Accrued liabilities | | 767,927 | | |
| Accrued vacation and sick leave | | 356,690 | | |
| TOTAL LIABILITIES | | <u>8,816,636</u> | <u>0</u> | <u>1,054,573</u> |
| <u>FUND EQUITY:</u> | | | | |
| Fund balances: | | | | |
| Reserved for inventory and other assets | | 97,421 | | |
| Reserved for encumbrances | | 577,645 | | |
| Reserved for self insurance | | | | |
| Reserved for capital equipment, debt service and improvements | | | 3,090,110 | |
| Unreserved | | 22,996,003 | | 1,045,576 |
| TOTAL FUND EQUITY | | <u>23,671,069</u> | <u>3,090,110</u> | <u>1,045,576</u> |
| TOTAL LIABILITIES AND FUND EQUITY | \$ | <u>32,487,705</u> | <u>3,090,110</u> | <u>2,100,149</u> |

| <u>Capital Improvements Account</u> | <u>Self-Insured Loss Account</u> | <u>Communication & Technology Account</u> | <u>Total</u> |
|---|--|---|-------------------|
| 962,951 | 1,780,883 | 74,961 | 26,246,841 |
| 636,035 | 82,184 | | 14,870,716 |
| | | | 97,421 |
| | | | 0 |
| <u>1,598,986</u> | <u>1,863,067</u> | <u>74,961</u> | <u>41,214,978</u> |
| | 106 | | 201,208 |
| | | | 153,549 |
| 320,924 | | | 8,712,865 |
| | | | 767,927 |
| | | | 356,690 |
| <u>320,924</u> | <u>106</u> | <u>0</u> | <u>10,192,239</u> |
| | | | 97,421 |
| 465,488 | | | 1,043,133 |
| | 1,862,961 | | 1,862,961 |
| 812,574 | | | 3,902,684 |
| | | 74,961 | 24,116,540 |
| <u>1,278,062</u> | <u>1,862,961</u> | <u>74,961</u> | <u>31,022,739</u> |
| <u>1,598,986</u> | <u>1,863,067</u> | <u>74,961</u> | <u>41,214,978</u> |

**CITY OF UPPER ARLINGTON
ALL GENERAL FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN ACCOUNT BALANCES
For the Fiscal Year Ended December 31, 2002**

| | <u>General Operating Account</u> | <u>Capital Asset Management Account</u> | <u>Police and Fire Pension Account</u> |
|---|--|---|--|
| <u>REVENUES:</u> | | | |
| Income tax | \$ 10,726,008 | 1,660,893 | |
| Property taxes | 5,638,160 | | 2,447,999 |
| Intergovernmental | 3,372,173 | | |
| Estate tax | 4,149,899 | | |
| Charges for services | 560,015 | | |
| Investment earnings | 913,907 | | |
| Net Increase in fair value of investments | 153,893 | | |
| Fines and forfeits | 316,534 | | |
| Licenses and permits | 622,813 | | |
| Miscellaneous | 1,072,112 | | |
| | <u>27,525,514</u> | <u>1,660,893</u> | <u>2,447,999</u> |
| Total revenues | | | |
| <u>EXPENDITURES:</u> | | | |
| Current: | | | |
| Public safety | 11,466,207 | | |
| General government | 6,984,519 | | |
| Public services | 779,213 | | |
| Parks and recreation | 2,164,231 | | |
| Community development | 621,527 | | |
| Capital outlay | | | |
| Debt Service: | | | |
| Principal Retirement | | | |
| | <u>22,015,697</u> | <u>0</u> | <u>0</u> |
| Total expenditures | | | |
| Excess of revenues over expenditures | <u>5,509,817</u> | <u>1,660,893</u> | <u>2,447,999</u> |
| <u>OTHER FINANCING SOURCES (USES):</u> | | | |
| Proceeds from installment loan | | | |
| Operating transfers-in | 143,234 | | |
| Operating transfers-out | (1,128,973) | (995,350) | |
| Interaccount transfers-in | 1,657,250 | | |
| Interaccount transfers-out | (327,283) | | (1,657,250) |
| | <u>344,228</u> | <u>(995,350)</u> | <u>(1,657,250)</u> |
| Total other financing sources (uses) | | | |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | 5,854,045 | 665,543 | 790,749 |
| Fund balances at beginning of year | 17,817,024 | 2,424,567 | 254,827 |
| Fund balances at end of year | <u>\$ 23,671,069</u> | <u>3,090,110</u> | <u>1,045,576</u> |

| Capital Improvements Account | Self-Insured Loss Account | Communication & Technology Account | Total |
|------------------------------------|---------------------------------|--|--------------------|
| | | | 12,386,901 |
| 786,121 | | | 8,872,280 |
| | | | 3,372,173 |
| | | | 4,149,899 |
| | | | 560,015 |
| 7,977 | 101,183 | | 1,023,067 |
| | 8,614 | | 162,507 |
| | | | 316,534 |
| | | | 622,813 |
| <u>391</u> | <u>64,917</u> | <u>81,456</u> | <u>1,218,876</u> |
| <u>794,489</u> | <u>174,714</u> | <u>81,456</u> | <u>32,685,065</u> |
| | | | 11,466,207 |
| | 38,713 | | 7,023,232 |
| | | | 779,213 |
| | | | 2,164,231 |
| | | | 621,527 |
| 1,094,091 | | 150,850 | 1,244,941 |
| <u>104,247</u> | | | <u>104,247</u> |
| <u>1,198,338</u> | <u>38,713</u> | <u>150,850</u> | <u>23,403,598</u> |
| <u>(403,849)</u> | <u>136,001</u> | <u>(69,394)</u> | <u>9,281,467</u> |
| 0 | | | 0 |
| | | | 143,234 |
| | | | (2,124,323) |
| 277,283 | | 50,000 | 1,984,533 |
| | | | (1,984,533) |
| <u>277,283</u> | <u>0</u> | <u>50,000</u> | <u>(1,981,089)</u> |
| (126,566) | 136,001 | (19,394) | 7,300,378 |
| <u>1,404,628</u> | <u>1,726,960</u> | <u>94,355</u> | <u>23,722,361</u> |
| <u>1,278,062</u> | <u>1,862,961</u> | <u>74,961</u> | <u>31,022,739</u> |

CITY OF UPPER ARLINGTON
ALL GENERAL FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN ACCOUNT BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002

| | General Operating Account | | | |
|--|---------------------------|-------------------|-------------------|------------------|
| | Adopted Budget | Revised Budget | Actual | Variance |
| REVENUES: | | | | |
| Income tax | \$ 10,573,337 | 10,875,000 | 11,132,008 | 257,008 |
| Property taxes | 4,325,830 | 4,325,830 | 4,324,088 | (1,742) |
| Intergovernmental | 2,295,700 | 2,592,234 | 2,518,707 | (73,527) |
| Estate tax | 2,100,000 | 3,750,000 | 4,384,780 | 634,780 |
| Charges for services | 400,000 | 550,000 | 560,015 | 10,015 |
| Investment earnings | 773,500 | 1,000,000 | 1,006,108 | 6,108 |
| Fines and forfeits | 300,000 | 300,000 | 302,941 | 2,941 |
| Licenses and permits | 400,000 | 400,000 | 438,612 | 38,612 |
| Miscellaneous | 182,500 | 450,000 | 445,788 | (4,212) |
| Reimbursements | 220,000 | 670,000 | 834,858 | 164,858 |
| Total revenues | 21,570,867 | 24,913,064 | 25,947,905 | 1,034,841 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | 11,030,744 | 11,398,270 | 11,301,461 | 96,809 |
| General government | 6,381,813 | 6,622,488 | 6,367,176 | 255,312 |
| Public services | 1,201,078 | 1,216,767 | 1,138,308 | 78,459 |
| Parks and recreation | 2,260,210 | 2,308,836 | 2,168,771 | 140,065 |
| Community development | 653,612 | 657,612 | 620,105 | 37,507 |
| Capital outlay | | | | |
| Total expenditures | 21,527,457 | 22,203,973 | 21,595,821 | 608,152 |
| Excess (deficiency) of revenues over expenditures | 43,410 | 2,709,091 | 4,352,084 | 1,642,993 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from sale of fixed assets | | 0 | 24,037 | 24,037 |
| Operating transfers-in | | 0 | 143,234 | 143,234 |
| Operating transfers-out | (1,093,990) | (1,103,974) | (1,103,974) | |
| Interaccount transfers-in | 1,657,250 | 1,657,250 | 1,657,250 | |
| Interaccount transfers-out | (300,000) | (327,283) | (327,283) | |
| Total other financing sources (uses) | 263,260 | 225,993 | 393,264 | 167,271 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | 306,670 | 2,935,084 | 4,745,348 | 1,810,264 |
| Fund balances at beginning of year | 15,063,592 | 15,063,592 | 15,063,592 | |
| Lapsed encumbrances | 85,859 | 85,859 | 85,859 | |
| Fund balances at end of year | \$ 15,456,121 | 18,084,535 | 19,894,799 | 1,810,264 |

| Capital Asset Management Account | | | | Police and Fire Pension Account | | | |
|----------------------------------|------------------|------------------|---------------|---------------------------------|--------------------|--------------------|----------------|
| Adopted Budget | Revised Budget | Actual | Variance | Adopted Budget | Revised Budget | Actual | Variance |
| 1,625,000 | 1,625,000 | 1,702,827 | 77,827 | 1,675,193 | 1,675,193 | 1,669,033 | (6,160) |
| <u>1,625,000</u> | <u>1,625,000</u> | <u>1,702,827</u> | <u>77,827</u> | <u>1,675,193</u> | <u>1,675,193</u> | <u>1,669,033</u> | <u>(6,160)</u> |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>1,625,000</u> | <u>1,625,000</u> | <u>1,702,827</u> | <u>77,827</u> | <u>1,675,193</u> | <u>1,675,193</u> | <u>1,669,033</u> | <u>(6,160)</u> |
| (995,350) | (995,350) | (995,350) | 0 | (1,657,250) | (1,657,250) | (1,657,250) | 0 |
| <u>(995,350)</u> | <u>(995,350)</u> | <u>(995,350)</u> | <u>0</u> | <u>(1,657,250)</u> | <u>(1,657,250)</u> | <u>(1,657,250)</u> | <u>0</u> |
| 629,650 | 629,650 | 707,477 | 77,827 | 17,943 | 17,943 | 11,783 | (6,160) |
| 2,159,697 | 2,159,697 | 2,159,697 | | 4,856 | 4,856 | 4,856 | |
| <u>2,789,347</u> | <u>2,789,347</u> | <u>2,867,174</u> | <u>77,827</u> | <u>22,799</u> | <u>22,799</u> | <u>16,639</u> | <u>(6,160)</u> |

(continued)

**CITY OF UPPER ARLINGTON
ALL GENERAL FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN ACCOUNT BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | Capital Improvements Account | | | |
|---|------------------------------|-------------------|-----------|----------|
| | Adopted Budget | Revised Budget | Actual | Variance |
| REVENUES: | | | | |
| Income tax | \$ | | | |
| Property taxes | 554,566 | 554,566 | 554,371 | (195) |
| Intergovernmental | | | | |
| Estate tax | | | | |
| Charges for services | | | | |
| Investment earnings | | | 7,977 | 7,977 |
| Fines and forfeits | | | | |
| Licenses and permits | | | | |
| Miscellaneous | | | | |
| Reimbursements | | | 391 | 391 |
| | _____ | _____ | _____ | _____ |
| Total revenues | 554,566 | 554,566 | 562,739 | 8,173 |
| | _____ | _____ | _____ | _____ |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | | | | |
| General government | | | | |
| Public services | | | | |
| Parks and recreation | | | | |
| Community development | | | | |
| Capital outlay | 672,550 | 761,914 | 731,069 | 30,845 |
| | _____ | _____ | _____ | _____ |
| Total expenditures | 672,550 | 761,914 | 731,069 | 30,845 |
| | _____ | _____ | _____ | _____ |
| Excess (deficiency) of revenues over expenditures | (117,984) | (207,348) | (168,330) | 39,018 |
| | _____ | _____ | _____ | _____ |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from sale of fixed assets | | | | |
| Operating transfers-in | | | | |
| Operating transfers-out | | | | |
| Interaccount transfers-in | 250,000 | 277,283 | 277,283 | 0 |
| Interaccount transfers-out | | | | |
| | _____ | _____ | _____ | _____ |
| Total other financing sources (uses) | 250,000 | 277,283 | 277,283 | 0 |
| | _____ | _____ | _____ | _____ |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | 132,016 | 69,935 | 108,953 | 39,018 |
| | _____ | _____ | _____ | _____ |
| Fund balances at beginning of year | 372,235 | 372,235 | 372,235 | |
| Lapsed encumbrances | 16,275 | 16,275 | 16,275 | |
| | _____ | _____ | _____ | |
| Fund balances at end of year | \$ 520,526 | 458,445 | 497,463 | 39,018 |
| | _____ | _____ | _____ | _____ |

| Self-Insured Loss Account | | | | Communications and Technology Account | | | |
|---------------------------|------------------|------------------|----------------|---------------------------------------|-----------------|-----------------|---------------|
| Adopted Budget | Revised Budget | Actual | Variance | Adopted Budget | Revised Budget | Actual | Variance |
| 41,000 | 41,000 | 89,090 | 48,090 | | | | |
| | | 360 | 360 | 54,000 | 54,000 | 81,456 | 27,456 |
| <u>41,000</u> | <u>41,000</u> | <u>89,450</u> | <u>48,450</u> | <u>54,000</u> | <u>54,000</u> | <u>81,456</u> | <u>27,456</u> |
| 150,000 | 150,000 | 41,614 | 108,386 | | | | |
| | | | | 104,000 | 104,000 | 101,431 | 2,569 |
| <u>150,000</u> | <u>150,000</u> | <u>41,614</u> | <u>108,386</u> | <u>104,000</u> | <u>104,000</u> | <u>101,431</u> | <u>2,569</u> |
| <u>(109,000)</u> | <u>(109,000)</u> | <u>47,836</u> | <u>156,836</u> | <u>(50,000)</u> | <u>(50,000)</u> | <u>(19,975)</u> | <u>30,025</u> |
| | | | | 50,000 | 50,000 | 50,000 | |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>50,000</u> | <u>50,000</u> | <u>50,000</u> | <u>0</u> |
| (109,000) | (109,000) | 47,836 | 156,836 | 0 | 0 | 30,025 | 30,025 |
| 1,701,809 | 1,701,809 | 1,701,809 | | 44,680 | 44,680 | 44,680 | |
| | | | | 256 | 256 | 256 | |
| <u>1,592,809</u> | <u>1,592,809</u> | <u>1,749,645</u> | <u>156,836</u> | <u>44,936</u> | <u>44,936</u> | <u>74,961</u> | <u>30,025</u> |

(continued)

**CITY OF UPPER ARLINGTON
ALL GENERAL FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN ACCOUNT BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | Total | | | |
|--|----------------------|--------------------|--------------------|------------------|
| | Adopted Budget | Revised Budget | Actual | Variance |
| REVENUES: | | | | |
| Income tax | \$ 12,198,337 | 12,500,000 | 12,834,835 | 334,835 |
| Property taxes | 6,555,589 | 6,555,589 | 6,547,492 | (8,097) |
| Intergovernmental | 2,295,700 | 2,592,234 | 2,518,707 | (73,527) |
| Estate tax | 2,100,000 | 3,750,000 | 4,384,780 | 634,780 |
| Charges for services | 400,000 | 550,000 | 560,015 | 10,015 |
| Investment earnings | 814,500 | 1,041,000 | 1,103,175 | 62,175 |
| Fines and forfeits | 300,000 | 300,000 | 302,941 | 2,941 |
| Licenses and permits | 400,000 | 400,000 | 438,612 | 38,612 |
| Miscellaneous | 236,500 | 504,000 | 527,244 | 23,244 |
| Reimbursements | 220,000 | 670,000 | 835,609 | 165,609 |
| Total revenues | 25,520,626 | 28,862,823 | 30,053,410 | 1,190,587 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | 11,030,744 | 11,398,270 | 11,301,461 | 96,809 |
| General government | 6,531,813 | 6,772,488 | 6,408,790 | 363,698 |
| Public services | 1,201,078 | 1,216,767 | 1,138,308 | 78,459 |
| Parks and recreation | 2,260,210 | 2,308,836 | 2,168,771 | 140,065 |
| Community development | 653,612 | 657,612 | 620,105 | 37,507 |
| Capital outlay | 776,550 | 865,914 | 832,500 | 33,414 |
| Total expenditures | 22,454,007 | 23,219,887 | 22,469,935 | 749,952 |
| Excess (deficiency) of revenues over expenditures | 3,066,619 | 5,642,936 | 7,583,475 | 1,940,539 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from sale of fixed assets | | 0 | 24,037 | 24,037 |
| Operating transfers-in | | 0 | 143,234 | 143,234 |
| Operating transfers-out | (2,089,340) | (2,099,324) | (2,099,324) | 0 |
| Interaccount transfers-in | 1,957,250 | 1,984,533 | 1,984,533 | 0 |
| Interaccount transfers-out | (1,957,250) | (1,984,533) | (1,984,533) | 0 |
| Total other financing sources (uses) | (2,089,340) | (2,099,324) | (1,932,053) | 167,271 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | 977,279 | 3,543,612 | 5,651,422 | 2,107,810 |
| Fund balances at beginning of year | 19,346,869 | 19,346,869 | 19,346,869 | |
| Lapsed encumbrances | 102,390 | 102,390 | 102,390 | |
| Fund balances at end of year | \$ 20,426,538 | 22,992,871 | 25,100,681 | 2,107,810 |



CITY OF | **UPPER ARLINGTON**

**CITY OF UPPER ARLINGTON
GENERAL OPERATING ACCOUNT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | Adopted Budget | Revised Budget | Actual | Variance |
|-------------------------------------|-------------------|-------------------|------------|----------|
| <u>PUBLIC SAFETY</u> | | | | |
| Police Department | | | | |
| Personal services | \$ 5,030,131 | 5,028,631 | 4,954,435 | 74,196 |
| Other than personal services | 237,500 | 242,396 | 220,952 | 21,444 |
| Total Police Department | 5,267,631 | 5,271,027 | 5,175,387 | 95,640 |
| Fire Department | | | | |
| Personal services | 5,517,513 | 5,814,223 | 5,813,827 | 396 |
| Other than personal services | 245,600 | 313,020 | 312,247 | 773 |
| Total Fire Department | 5,763,113 | 6,127,243 | 6,126,074 | 1,169 |
| TOTAL PUBLIC SAFETY | 11,030,744 | 11,398,270 | 11,301,461 | 96,809 |
| <u>GENERAL GOVERNMENT</u> | | | | |
| Department of Public Services | | | | |
| Personal services | 617,078 | 615,078 | 609,314 | 5,764 |
| Other than personal services | 214,000 | 210,200 | 166,104 | 44,096 |
| Total Department of Public Services | 831,078 | 825,278 | 775,418 | 49,860 |
| City Manager | | | | |
| Personal services | 719,660 | 721,760 | 720,261 | 1,499 |
| Other than personal services | 204,160 | 196,060 | 135,122 | 60,938 |
| Total City Manager | 923,820 | 917,820 | 855,383 | 62,437 |
| Finance Department | | | | |
| Personal services | 625,173 | 662,173 | 662,089 | 84 |
| Other than personal services | 108,000 | 106,900 | 105,963 | 937 |
| Total Finance Department | 733,173 | 769,073 | 768,052 | 1,021 |
| City Council | | | | |
| Personal services | 37,611 | 44,841 | 44,804 | 37 |
| Other than personal services | 8,000 | 7,770 | 6,737 | 1,033 |
| Total City Council | 45,611 | 52,611 | 51,541 | 1,070 |
| City Clerk | | | | |
| Personal services | 281,541 | 279,541 | 278,692 | 849 |
| Other than personal services | 7,500 | 10,250 | 9,566 | 684 |
| Total City Clerk | 289,041 | 289,791 | 288,258 | 1,533 |
| City Attorney | | | | |
| Personal services | 540,550 | 500,550 | 478,343 | 22,207 |
| Other than personal services | 39,250 | 39,250 | 33,307 | 5,943 |
| Total City Attorney | 579,800 | 539,800 | 511,650 | 28,150 |

| | Adopted Budget | Revised Budget | Actual | Variance |
|---------------------------------------|-----------------------------|--------------------------|--------------------------|-----------------------|
| Mayor's Court | | | | |
| Personal services | \$ 116,743 | 118,643 | 118,515 | 128 |
| Other than personal services | 204,125 | 203,625 | 133,884 | 69,741 |
| Total Mayor's Court | <u>320,868</u> | <u>322,268</u> | <u>252,399</u> | <u>69,869</u> |
| Facilities Maintenance | | | | |
| Personal services | 117,134 | 117,134 | 116,316 | 818 |
| Other than personal services | 774,875 | 650,479 | 619,547 | 30,932 |
| Total Facilities Maintenance | <u>892,009</u> | <u>767,613</u> | <u>735,863</u> | <u>31,750</u> |
| Data Processing | | | | |
| Personal services | 310,413 | 320,373 | 320,217 | 156 |
| Other than personal services | 309,000 | 364,811 | 361,565 | 3,246 |
| Total Data Processing | <u>619,413</u> | <u>685,184</u> | <u>681,782</u> | <u>3,402</u> |
| General Administration | | | | |
| Personal services | 190,000 | 357,300 | 357,186 | 114 |
| Other than personal services | 957,000 | 1,095,750 | 1,089,644 | 6,106 |
| Total General Administration | <u>1,147,000</u> | <u>1,453,050</u> | <u>1,446,830</u> | <u>6,220</u> |
| TOTAL GENERAL GOVERNMENT | 6,381,813 | 6,622,488 | 6,367,176 | 255,312 |
| <u>PUBLIC SERVICES</u> | | | | |
| Department of Public Services | | | | |
| Personal services | \$ 1,157,303 | 1,176,261 | 1,110,026 | 66,235 |
| Other than personal services | 43,775 | 40,506 | 28,282 | 12,224 |
| Total Department of Public Services | <u>1,201,078</u> | <u>1,216,767</u> | <u>1,138,308</u> | <u>78,459</u> |
| TOTAL PUBLIC SERVICES | 1,201,078 | 1,216,767 | 1,138,308 | 78,459 |
| <u>PARKS AND RECREATION</u> | | | | |
| Parks and Recreation Department | | | | |
| Personal services | 1,671,819 | 1,671,819 | 1,580,556 | 91,263 |
| Other than personal services | 588,391 | 637,017 | 588,215 | 48,802 |
| Total Parks and Recreation Department | <u>2,260,210</u> | <u>2,308,836</u> | <u>2,168,771</u> | <u>140,065</u> |
| TOTAL PARKS AND RECREATION | 2,260,210 | 2,308,836 | 2,168,771 | 140,065 |
| <u>COMMUNITY DEVELOPMENT</u> | | | | |
| Department of Development | | | | |
| Personal services | 559,312 | 568,112 | 567,740 | 372 |
| Other than personal services | 94,300 | 89,500 | 52,365 | 37,135 |
| Total Department of Development | <u>653,612</u> | <u>657,612</u> | <u>620,105</u> | <u>37,507</u> |
| TOTAL COMMUNITY DEVELOPMENT | 653,612 | 657,612 | 620,105 | 37,507 |
| TOTAL EXPENDITURES | \$ <u>21,527,457</u> | <u>22,203,973</u> | <u>21,595,821</u> | <u>608,152</u> |

**CITY OF UPPER ARLINGTON
CAPITAL ASSET MANAGEMENT ACCOUNT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | Adopted Budget | Revised Budget | Actual | Variance |
|------------------------------------|-------------------|-------------------|----------|----------|
| <u>CAPITAL OUTLAY</u> | | | | |
| Department of Public Service | | | | |
| Capital Outlay | \$ | | | 0 |
| Total Department of Public Service | 0 | 0 | 0 | 0 |
| TOTAL CAPITAL OUTLAY | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL EXPENDITURES | <u>\$ 0</u> | <u>0</u> | <u>0</u> | <u>0</u> |

Exhibit A-9

**CITY OF UPPER ARLINGTON
CAPITAL IMPROVEMENTS ACCOUNT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | Adopted Budget | Revised Budget | Actual | Variance |
|------------------------------|-------------------|-------------------|----------------|---------------|
| <u>CAPITAL OUTLAY</u> | | | | |
| Police Department | \$ 83,500 | 90,971 | 89,825 | 1,146 |
| Fire Department | 144,950 | 225,656 | 223,515 | 2,141 |
| Parks and Recreation | 181,000 | 181,795 | 158,959 | 22,836 |
| City Manager | 3,800 | 7,700 | 7,647 | 53 |
| Streets | 244,500 | 229,000 | 228,056 | 944 |
| Fleet Maintenance | 14,800 | 15,600 | 14,320 | 1,280 |
| Development Department | 0 | 3,150 | 3,128 | 22 |
| Data Processing | 0 | 6,896 | 4,474 | 2,422 |
| Building Maintenance | 0 | 1,146 | 1,145 | 1 |
| TOTAL CAPITAL OUTLAY | <u>672,550</u> | <u>761,914</u> | <u>731,069</u> | <u>30,845</u> |
| TOTAL EXPENDITURES | <u>\$ 672,550</u> | <u>761,914</u> | <u>731,069</u> | <u>30,845</u> |

**CITY OF UPPER ARLINGTON
 SELF-INSURED LOSS ACCOUNT
 SCHEDULE OF EXPENDITURES
 BUDGET AND ACTUAL - BUDGET BASIS
 For the Fiscal Year Ended December 31, 2002**

| | <u>Adopted Budget</u> | <u>Revised Budget</u> | <u>Actual</u> | <u>Variance</u> |
|----------------------------------|---------------------------|---------------------------|---------------|-----------------|
| <u>GENERAL GOVERNMENT</u> | | | | |
| General Administration | | | | |
| Other than personal services | \$ 150,000 | 150,000 | 41,614 | 108,386 |
| Total General Administration | <u>150,000</u> | <u>150,000</u> | <u>41,614</u> | <u>108,386</u> |
| TOTAL GENERAL GOVERNMENT | <u>150,000</u> | <u>150,000</u> | <u>41,614</u> | <u>108,386</u> |
| TOTAL EXPENDITURES | <u>\$ 150,000</u> | <u>150,000</u> | <u>41,614</u> | <u>108,386</u> |

Exhibit A-11

**CITY OF UPPER ARLINGTON
 COMMUNICATIONS AND TECHNOLOGY ACCOUNT
 SCHEDULE OF EXPENDITURES
 BUDGET AND ACTUAL - BUDGET BASIS
 For the Fiscal Year Ended December 31, 2002**

| | <u>Adopted Budget</u> | <u>Revised Budget</u> | <u>Actual</u> | <u>Variance</u> |
|------------------------------------|---------------------------|---------------------------|----------------|-----------------|
| <u>CAPITAL OUTLAY</u> | | | | |
| Department of Data Processing | | | | |
| Capital Outlay | \$ 104,000 | 104,000 | 101,431 | 2,569 |
| Total Department of Public Service | <u>104,000</u> | <u>104,000</u> | <u>101,431</u> | <u>2,569</u> |
| TOTAL CAPITAL OUTLAY | <u>104,000</u> | <u>104,000</u> | <u>101,431</u> | <u>2,569</u> |
| TOTAL EXPENDITURES | <u>\$ 104,000</u> | <u>104,000</u> | <u>101,431</u> | <u>2,569</u> |

SPECIAL REVENUE FUNDS

STREET CONSTRUCTION MAINTENANCE AND REPAIR FUND

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

LAW ENFORCEMENT FUND

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

TREE PLANTING FUND

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

ENFORCEMENT EDUCATION FUND

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

BOARD OF HEALTH FUND

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

TAX INCENTIVE REVIEW FUND

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

UPPER ARLINGTON SWIMMING POOLS FUND

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

MAYOR'S COURT COMPUTER FUND

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

LIFE LONG LEARNING AND LEISURE FUND

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

CIVIL SERVICE FUND

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

CLERK OF COURT FUND

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

ECONOMIC DEVELOPMENT VENTURE FUND

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

NEIGHBORHOOD LIGHTING FUND

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

COMMUNITY IMPROVEMENT CORPORATION (CIC)

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

LAW ENFORCEMENT GRANT FUND

Established in 1997 pursuant to C.O. 137.11, the Law Enforcement Grant Fund was created to account for the Department of Justice grant to be used solely for law enforcement. The City must provide matching funds that total one-ninth of the funds received by the Justice Department. Each grant must be spent within 24 months or returned to the Justice Department. The balance sheet and income statement are not presented for this fund due to no activity in 2001 or 2002.

**CITY OF UPPER ARLINGTON
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2002**

| | Street Construction Maintenance and Repair Fund | Law Enforcement Fund | Tree Planting Fund | Enforcement Education Fund | Board of Health Fund |
|--|--|----------------------------|--------------------------|----------------------------------|----------------------------|
| ASSETS: | | | | | |
| Equity in pooled cash and investments | \$ 236,666 | 157,054 | 4,510 | 9,638 | 11,928 |
| Receivables | 38,671 | 42 | | | |
| Inventory | 75,147 | | | | |
| TOTAL ASSETS | \$ 350,484 | 157,096 | 4,510 | 9,638 | 11,928 |
| LIABILITIES: | | | | | |
| Accounts payable | \$ 37,490 | 3,073 | | | |
| Due To Other Funds | 11,906 | | | | |
| Deferred Revenue | 0 | | | | |
| Note Payable | | | | | |
| Accrued liabilities | 37,675 | | | | |
| TOTAL LIABILITIES | 87,071 | 3,073 | 0 | 0 | 0 |
| FUND EQUITY: | | | | | |
| Fund balances: | | | | | |
| Reserved for inventory | 75,147 | | | | |
| Reserved for encumbrances | 4,835 | 9,902 | | | |
| Unreserved | 183,431 | 144,121 | 4,510 | 9,638 | 11,928 |
| TOTAL FUND EQUITY | 263,413 | 154,023 | 4,510 | 9,638 | 11,928 |
| TOTAL LIABILITIES AND FUND EQUITY | \$ 350,484 | 157,096 | 4,510 | 9,638 | 11,928 |

| Tax Incentive Review Fund | Swimming Pool Fund | Mayor's Court Computer Fund | Life Long Learning and Leisure Fund | Civil Service Fund | Clerk of Court Fund | Economic Development Venture Fund |
|---------------------------|--------------------|-----------------------------|-------------------------------------|--------------------|---------------------|-----------------------------------|
| 3,750 | 388,484 | 56,655 | 89,047 | 51,542 | 49,428 | 12,144,200 1,000,000 |
| <u>3,750</u> | <u>388,484</u> | <u>56,655</u> | <u>89,047</u> | <u>51,542</u> | <u>49,428</u> | <u>13,144,200</u> |
| | 21,187 | 10,000 | 3,425 301 | 1,000 | 10,000 | 160,287 |
| | 601 | | 3,984 | | | 12,650,000 |
| <u>0</u> | <u>21,788</u> | <u>10,000</u> | <u>7,710</u> | <u>1,000</u> | <u>10,000</u> | <u>12,810,287</u> |
| | | 2,839 | | | 6,639 | 213,363 |
| <u>3,750</u> | <u>366,696</u> | <u>43,816</u> | <u>81,337</u> | <u>50,542</u> | <u>32,789</u> | <u>120,550</u> |
| <u>3,750</u> | <u>366,696</u> | <u>46,655</u> | <u>81,337</u> | <u>50,542</u> | <u>39,428</u> | <u>333,913</u> |
| <u>3,750</u> | <u>388,484</u> | <u>56,655</u> | <u>89,047</u> | <u>51,542</u> | <u>49,428</u> | <u>13,144,200</u> |

**CITY OF UPPER ARLINGTON
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2002**

| | Neighborhood Lighting Fund | Community Improvement Corporation Fund | Totals | |
|--|----------------------------------|---|-------------------|------------------|
| | | | 2002 | 2001 |
| ASSETS: | | | | |
| Equity in pooled cash and investments | 175,336 | 4,771 | 13,383,009 | 1,369,917 |
| Receivables | 47 | | 1,038,760 | 1,347,026 |
| Inventory | | | 75,147 | 64,068 |
| TOTAL ASSETS | 175,383 | 4,771 | 14,496,916 | 2,781,011 |
| LIABILITIES: | | | | |
| Accounts payable | 6,541 | | 253,003 | 184,446 |
| Due To Other Funds | | | 12,207 | |
| Deferred Revenue | | | 0 | 1,129,428 |
| Note Payable | | | 12,650,000 | |
| Accrued liabilities | | | 42,260 | 43,909 |
| TOTAL LIABILITIES | 6,541 | 0 | 12,957,470 | 1,357,783 |
| FUND EQUITY: | | | | |
| Fund balances: | | | | |
| Reserved for inventory | | | 75,147 | 64,068 |
| Reserved for encumbrances | 8,554 | | 246,132 | 125,504 |
| Unreserved | 160,288 | 4,771 | 1,218,167 | 1,233,656 |
| TOTAL FUND EQUITY | 168,842 | 4,771 | 1,539,446 | 1,423,228 |
| TOTAL LIABILITIES AND FUND EQUITY | 175,383 | 4,771 | 14,496,916 | 2,781,011 |



CITY OF | **UPPER ARLINGTON**

**CITY OF UPPER ARLINGTON
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended December 31, 2002**

| | Street Construction Maintenance & Repair Fund | Law Enforcement Fund | Tree Planting Fund | Enforcement Education Fund |
|--|--|----------------------------|--------------------------|----------------------------------|
| <u>REVENUES:</u> | | | | |
| Intergovernmental | \$ 939,861 | | | |
| Charges for services | 980 | | 3,624 | |
| Investment earnings | 10,171 | 8,689 | | |
| Net Increase (Decrease) in fair value of investments | 1,483 | (914) | | |
| Fines and Forfeits | | | | 1,882 |
| Miscellaneous | <u>8,484</u> | <u>58,914</u> | | |
| Total revenues | <u>960,979</u> | <u>66,689</u> | <u>3,624</u> | <u>1,882</u> |
| <u>EXPENDITURES:</u> | | | | |
| Current: | | | | |
| Public safety | | 5,729 | | |
| General Government | | | | |
| Public services | 1,233,960 | | | |
| Parks and Recreation | | | 2,917 | |
| Health Services | | | | |
| Capital outlay | | <u>25,904</u> | | |
| Total expenditures | <u>1,233,960</u> | <u>31,633</u> | <u>2,917</u> | <u>0</u> |
| Excess (deficiency) of revenues over expenditures | <u>(272,981)</u> | <u>35,056</u> | <u>707</u> | <u>1,882</u> |
| <u>OTHER FINANCING SOURCES (USES):</u> | | | | |
| Proceeds from notes | | | | |
| Discount on notes | | | | |
| Operating transfers-in | 101,283 | | | |
| Operating transfers-out | | | | |
| Total other financing sources (uses) | <u>101,283</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | <u>(171,698)</u> | <u>35,056</u> | <u>707</u> | <u>1,882</u> |
| Fund balances at beginning of year | <u>435,111</u> | <u>118,967</u> | <u>3,803</u> | <u>7,756</u> |
| Fund balance at end of year | <u>\$ 263,413</u> | <u>154,023</u> | <u>4,510</u> | <u>9,638</u> |

| Board of Health Fund | Tax Incentive Reivew Fund | Swimming Pool Fund | Mayor's Court Computer Fund | Life Long Learning & Leisure Fund | Civil Service Fund | Clerk of Court Fund | Economic Development Venture Fund |
|----------------------|---------------------------|--------------------|-----------------------------|-----------------------------------|--------------------|---------------------|-----------------------------------|
| | | 414,430 | | 393,696 | | | |
| | 250 | | 11,796 | | | 11,787 | |
| 0 | 250 | 414,430 | 11,796 | 393,696 | 0 | 11,787 | 0 |
| | | | | | 6,500 | 2,743 | 241,087 |
| 153,639 | | 430,214 | | 369,544 | | | |
| | | 123,577 | 20,094 | | | 20,094 | 0 |
| 153,639 | 0 | 553,791 | 20,094 | 369,544 | 6,500 | 22,837 | 241,087 |
| (153,639) | 250 | (139,361) | (8,298) | 24,152 | (6,500) | (11,050) | (241,087) |
| | | | | | | | 0 |
| 165,000 | | | | | | | 0 |
| | | | | | | | 87,691 |
| 165,000 | 0 | 0 | 0 | 0 | 0 | 0 | 87,691 |
| 11,361 | 250 | (139,361) | (8,298) | 24,152 | (6,500) | (11,050) | (153,396) |
| 567 | 3,500 | 506,057 | 54,953 | 57,185 | 57,042 | 50,478 | 487,309 |
| 11,928 | 3,750 | 366,696 | 46,655 | 81,337 | 50,542 | 39,428 | 333,913 |

**CITY OF UPPER ARLINGTON
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended December 31, 2002**

| | Neighborhood Lighting Fund | Community Improvement Corporation Fund | Totals | |
|--|----------------------------------|---|------------------|------------------|
| | | | 2002 | 2001 |
| REVENUES: | | | | |
| Intergovernmental | \$ | | 939,861 | 1,273,705 |
| Charges for services | 62,531 | | 875,261 | 362,236 |
| Investment earnings | 6,208 | 311 | 25,379 | 26,388 |
| Net Increase (Decrease) in fair value of investments | 1,365 | | 1,934 | 7,293 |
| Fines and Forfeits | | | 25,465 | 30,544 |
| Miscellaneous | | | 67,648 | 65,425 |
| Total revenues | 70,104 | 311 | 1,935,548 | 1,765,591 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | | | 5,729 | 20,508 |
| General Government | | 37,843 | 288,173 | 72,246 |
| Public services | 30,516 | | 1,264,476 | 1,341,640 |
| Parks and Recreation | | | 802,675 | 311,265 |
| Health Services | | | 153,639 | 161,421 |
| Capital outlay | | | 189,669 | 201,739 |
| Total expenditures | 30,516 | 37,843 | 2,704,361 | 2,108,819 |
| Excess (deficiency) of revenues over expenditures | 39,588 | (37,532) | (768,813) | (343,228) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from notes | | | 0 | |
| Discount on notes | | | 0 | |
| Operating transfers-in | | 25,000 | 378,974 | 544,871 |
| Operating transfers-out | | | | |
| Total other financing sources (uses) | 0 | 25,000 | 378,974 | 544,871 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | 39,588 | (12,532) | (389,839) | 201,643 |
| Fund balances at beginning of year | 129,254 | 17,303 | 1,929,285 | 1,221,585 |
| Fund balance at end of year | \$ 168,842 | 4,771 | 1,539,446 | 1,423,228 |



CITY OF | **UPPER ARLINGTON**

**CITY OF UPPER ARLINGTON
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | <u>Street Construction Maintenance and Repair Fund</u> | | | |
|--|--|---------------------------|------------------|-----------------|
| | <u>Adopted Budget</u> | <u>Revised Budget</u> | <u>Actual</u> | <u>Variance</u> |
| <u>REVENUES:</u> | | | | |
| Intergovernmental | \$ 1,075,000 | 1,075,000 | 1,115,629 | 40,629 |
| Charges for services | | | | |
| Investment earnings | 3,250 | 8,000 | 10,596 | 2,596 |
| Fines and forfeits | | | | |
| Miscellaneous | <u>15,000</u> | <u>15,000</u> | <u>12,680</u> | <u>(2,320)</u> |
| Total revenues | <u>1,093,250</u> | <u>1,098,000</u> | <u>1,138,905</u> | <u>40,905</u> |
| <u>EXPENDITURES:</u> | | | | |
| Current: | | | | |
| Public safety | | | | |
| General government | | | | |
| Public services | 1,273,638 | 1,273,638 | 1,221,557 | 52,081 |
| Parks and recreation | | | | |
| Health services | | | | |
| Capital outlay | | | | |
| Total expenditures | <u>1,273,638</u> | <u>1,273,638</u> | <u>1,221,557</u> | <u>52,081</u> |
| Excess (deficiency) of revenues over expenditures | <u>(180,388)</u> | <u>(175,638)</u> | <u>(82,652)</u> | <u>92,986</u> |
| <u>OTHER FINANCING SOURCES (USES):</u> | | | | |
| Proceeds from sale of fixed assets | | | | |
| Proceeds from sale of notes | | | | |
| Discount from issuance of debt | | | | |
| Operating transfers-in | 68,847 | 101,283 | 101,283 | 0 |
| Total other financing sources (uses) | <u>68,847</u> | <u>101,283</u> | <u>101,283</u> | <u>0</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | (111,541) | (74,355) | 18,631 | 92,986 |
| Fund balances at beginning of year | 179,105 | 179,105 | 179,105 | |
| Lapsed encumbrances | 427 | 427 | 427 | |
| Fund balances at end of year | <u>\$ 67,991</u> | <u>105,177</u> | <u>198,163</u> | <u>92,986</u> |

| Law Enforcement Fund | | | | Tree Planting Fund | | | |
|----------------------|-----------------|-----------------|----------------|--------------------|----------------|--------------|--------------|
| Adopted Budget | Revised Budget | Actual | Variance | Adopted Budget | Revised Budget | Actual | Variance |
| 6,000 | 6,000 | 9,456 | 3,456 | 2,500 | 2,500 | 3,624 | 1,124 |
| | 0 | 4,932 | 4,932 | | | | |
| <u>6,000</u> | <u>6,000</u> | <u>14,388</u> | <u>8,388</u> | <u>2,500</u> | <u>2,500</u> | <u>3,624</u> | <u>1,124</u> |
| 44,900 | 44,900 | 2,659 | 42,241 | | | | |
| | | | | 2,500 | 3,000 | 2,917 | 83 |
| <u>0</u> | <u>45,000</u> | <u>24,708</u> | <u>20,292</u> | | | | |
| <u>44,900</u> | <u>89,900</u> | <u>27,367</u> | <u>62,533</u> | <u>2,500</u> | <u>3,000</u> | <u>2,917</u> | <u>83</u> |
| <u>(38,900)</u> | <u>(83,900)</u> | <u>(12,979)</u> | <u>70,921</u> | <u>0</u> | <u>(500)</u> | <u>707</u> | <u>1,207</u> |
| 5,000 | 5,000 | 53,981 | 48,981 | | | | |
| <u>5,000</u> | <u>5,000</u> | <u>53,981</u> | <u>48,981</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| (33,900) | (78,900) | 41,002 | 119,902 | 0 | (500) | 707 | 1,207 |
| 100,298 | 100,298 | 100,298 | | 3,803 | 3,803 | 3,803 | |
| 21 | 21 | 21 | | | | | |
| <u>66,419</u> | <u>21,419</u> | <u>141,321</u> | <u>119,902</u> | <u>3,803</u> | <u>3,303</u> | <u>4,510</u> | <u>1,207</u> |

**CITY OF UPPER ARLINGTON
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | Enforcement Education Fund | | | |
|--|----------------------------|-------------------|--------|----------|
| | Adopted Budget | Revised Budget | Actual | Variance |
| REVENUES: | | | | |
| Intergovernmental | \$ | | | |
| Charges for services | | | | |
| Investment earnings | | | | |
| Fines and forfeits | | | | |
| Miscellaneous | 1,200 | 1,200 | 1,881 | 681 |
| Total revenues | 1,200 | 1,200 | 1,881 | 681 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | | | | |
| General government | 1,200 | 1,900 | 0 | 1,900 |
| Public services | | | | |
| Parks and recreation | | | | |
| Health services | | | | |
| Capital outlay | | | | |
| Total expenditures | 1,200 | 1,900 | 0 | 1,900 |
| Excess (deficiency) of revenues over expenditures | 0 | (700) | 1,881 | 2,581 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from sale of fixed assets | | | | |
| Proceeds from sale of notes | | | | |
| Discount from issuance of debt | | | | |
| Operating transfers-in | | | | |
| Total other financing sources (uses) | 0 | 0 | 0 | 0 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | 0 | (700) | 1,881 | 2,581 |
| Fund balances at beginning of year | 7,757 | 7,757 | 7,757 | |
| Lapsed encumbrances | | | | |
| Fund balances at end of year | \$ 7,757 | 7,057 | 9,638 | 2,581 |

| Board of Health Fund | | | | Law Enforcement Block Grant Fund | | | |
|----------------------|----------------|-----------|----------|----------------------------------|----------------|--------|----------|
| Adopted Budget | Revised Budget | Actual | Variance | Adopted Budget | Revised Budget | Actual | Variance |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | 2,800 | 0 | 0 | 0 |
| 165,000 | 165,000 | 153,639 | 11,361 | | | | |
| 165,000 | 165,000 | 153,639 | 11,361 | 2,800 | 0 | 0 | 0 |
| (165,000) | (165,000) | (153,639) | 11,361 | (2,800) | 0 | 0 | 0 |
| 165,000 | 165,000 | 165,000 | 0 | 0 | 0 | 0 | 0 |
| 165,000 | 165,000 | 165,000 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 11,361 | 11,361 | (2,800) | 0 | 0 | 0 |
| 567 | 567 | 567 | | 0 | 0 | 0 | |
| 567 | 567 | 11,928 | 11,361 | (2,800) | 0 | 0 | 0 |

**CITY OF UPPER ARLINGTON
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | Mayor's Court Computer Fund | | | |
|--|--------------------------------|-------------------|-----------------|--------------|
| | Adopted Budget | Revised Budget | Actual | Variance |
| REVENUES: | | | | |
| Intergovernmental | | | | |
| Charges for services | | | | |
| Investment earnings | | | | |
| Fines and forfeits | 10,000 | 10,000 | 11,796 | 1,796 |
| Miscellaneous | | | | |
| Total revenues | <u>10,000</u> | <u>10,000</u> | <u>11,796</u> | <u>1,796</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | | | | |
| General government | | | | |
| Public services | | | | |
| Parks and recreation | | | | |
| Health services | | | | |
| Capital outlay | | 23,000 | 22,933 | 67 |
| Total expenditures | <u>0</u> | <u>23,000</u> | <u>22,933</u> | <u>67</u> |
| Excess (deficiency) of revenues over expenditures | <u>10,000</u> | <u>(13,000)</u> | <u>(11,137)</u> | <u>1,863</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from sale of fixed assets | | | | |
| Proceeds from sale of notes | | | | |
| Discount from issuance of debt | | | | |
| Operating transfers-in | | | | |
| Total other financing sources (uses) | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | 10,000 | (13,000) | (11,137) | 1,863 |
| Fund balances at beginning of year | 54,953 | 54,953 | 54,953 | |
| Lapsed encumbrances | | | | |
| Fund balances at end of year | <u>\$ 64,953</u> | <u>41,953</u> | <u>43,816</u> | <u>1,863</u> |

| Life Long Learning And Leisure Fund | | | | Civil Service Fund | | | |
|--|-------------------|----------------|---------------|--------------------|-------------------|----------------|-----------------|
| Adopted Budget | Revised Budget | Actual | Variance | Adopted Budget | Revised Budget | Actual | Variance |
| 357,562 | 357,562 | 393,695 | 36,133 | | | | |
| <u>357,562</u> | <u>357,562</u> | <u>393,695</u> | <u>36,133</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| | | | | 25,000 | 25,000 | 5,999 | 19,001 |
| 357,562 | 405,750 | 380,125 | 25,625 | | | | |
| <u>357,562</u> | <u>405,750</u> | <u>380,125</u> | <u>25,625</u> | <u>25,000</u> | <u>25,000</u> | <u>5,999</u> | <u>19,001</u> |
| <u>0</u> | <u>(48,188)</u> | <u>13,570</u> | <u>61,758</u> | <u>(25,000)</u> | <u>(25,000)</u> | <u>(5,999)</u> | <u>19,001</u> |
| | | | | 35,000 | 35,000 | 0 | (35,000) |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>35,000</u> | <u>35,000</u> | <u>0</u> | <u>(35,000)</u> |
| 0 | (48,188) | 13,570 | 61,758 | 10,000 | 10,000 | (5,999) | (15,999) |
| 72,779 | 72,779 | 72,779 | | 57,541 | 57,541 | 57,541 | |
| 382 | 382 | 382 | | | | | |
| <u>73,161</u> | <u>24,973</u> | <u>86,731</u> | <u>61,758</u> | <u>67,541</u> | <u>67,541</u> | <u>51,542</u> | <u>(15,999)</u> |

**CITY OF UPPER ARLINGTON
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | Clerk of Courts Fund | | | |
|---|----------------------|-------------------|-----------------|--------------|
| | Adopted Budget | Revised Budget | Actual | Variance |
| REVENUES: | | | | |
| Intergovernmental | \$ | | | |
| Charges for services | | | | |
| Investment earnings | | | | |
| Fines and forfeits | 8,000 | 8,000 | 11,787 | 3,787 |
| Miscellaneous | | | | |
| Total revenues | <u>8,000</u> | <u>8,000</u> | <u>11,787</u> | <u>3,787</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | | | | |
| General government | 5,000 | 6,200 | 2,743 | 3,457 |
| Public services | | | | |
| Parks and recreation | | | | |
| Health services | | | | |
| Capital outlay | | 26,800 | 26,733 | 67 |
| Total expenditures | <u>5,000</u> | <u>33,000</u> | <u>29,476</u> | <u>3,524</u> |
| Excess (deficiency) of revenues over expenditu | <u>3,000</u> | <u>(25,000)</u> | <u>(17,689)</u> | <u>7,311</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from sale of fixed assets | | | | |
| Proceeds from sale of notes | | | | |
| Discount from issuance of debt | | | | |
| Operating transfers-in | | | | |
| Total other financing sources (uses) | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | 3,000 | (25,000) | (17,689) | 7,311 |
| Fund balances at beginning of year | 50,478 | 50,478 | 50,478 | |
| Lapsed encumbrances | 0 | 0 | 0 | |
| Fund balances at end of year | <u>\$ 53,478</u> | <u>25,478</u> | <u>32,789</u> | <u>7,311</u> |

| Economic Development Venture Fund | | | | Neighborhood Lighting Fund | | | |
|-----------------------------------|---------------------|--------------------|-------------------|----------------------------|----------------|----------------|---------------|
| Adopted Budget | Revised Budget | Actual | Variance | Adopted Budget | Revised Budget | Actual | Variance |
| | | | | 60,000 | 60,000 | 62,804 | 2,804 |
| | | | | 3,000 | 3,000 | 6,549 | 3,549 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>63,000</u> | <u>63,000</u> | <u>69,353</u> | <u>6,353</u> |
| 500,000 | 13,112,445 | 1,275,278 | 11,837,167 | 50,000 | 50,000 | 39,820 | 10,180 |
| <u>500,000</u> | <u>13,112,445</u> | <u>1,275,278</u> | <u>11,837,167</u> | <u>50,000</u> | <u>50,000</u> | <u>39,820</u> | <u>10,180</u> |
| <u>(500,000)</u> | <u>(13,112,445)</u> | <u>(1,275,278)</u> | <u>11,837,167</u> | <u>13,000</u> | <u>13,000</u> | <u>29,533</u> | <u>16,533</u> |
| | 12,650,000 | 12,725,090 | 75,090 | | | | |
| | 0 | (18,975) | (18,975) | | | | |
| 50,000 | 87,691 | 87,691 | 0 | | | | |
| <u>50,000</u> | <u>12,737,691</u> | <u>12,793,806</u> | <u>56,115</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| (450,000) | (374,754) | 11,518,528 | 11,893,282 | 13,000 | 13,000 | 29,533 | 16,533 |
| 412,309 | 412,309 | 412,309 | | 111,115 | 111,115 | 111,115 | |
| 0 | 0 | 0 | | 16,517 | 16,517 | 16,517 | |
| <u>(37,691)</u> | <u>37,555</u> | <u>11,930,837</u> | <u>11,893,282</u> | <u>140,632</u> | <u>140,632</u> | <u>157,165</u> | <u>16,533</u> |

**CITY OF UPPER ARLINGTON
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | Tax Incentive Review Fund | | | |
|--|---------------------------|-------------------|--------------|----------------|
| | Adopted Budget | Revised Budget | Actual | Variance |
| REVENUES: | | | | |
| Intergovernmental | \$ | | | |
| Charges for services | | | | |
| Investment earnings | | | | |
| Fines and forfeits | | | | |
| Miscellaneous | | 2,500 | 250 | (2,250) |
| Total revenues | 0 | 2,500 | 250 | (2,250) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | | | | |
| General government | | | | |
| Public services | | | | |
| Parks and recreation | | | | |
| Health services | | | | |
| Capital outlay | | | | |
| Total expenditures | 0 | 0 | 0 | 0 |
| Excess (deficiency) of revenues over expenditures | 0 | 2,500 | 250 | (2,250) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from sale of fixed assets | | | | |
| Proceeds from sale of notes | | | | |
| Discount from issuance of debt | | | | |
| Operating transfers-in | | | | |
| Total other financing sources (uses) | 0 | 0 | 0 | 0 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | 0 | 2,500 | 250 | (2,250) |
| Fund balances at beginning of year | 3,500 | 3,500 | 3,500 | |
| Lapsed encumbrances | | | | |
| Fund balances at end of year | \$ 3,500 | 6,000 | 3,750 | (2,250) |

| Upper Arlington Pools | | | | Total | | | |
|-----------------------|------------------|------------------|----------------|--------------------|---------------------|--------------------|-------------------|
| Adopted Budget | Revised Budget | Actual | Variance | Adopted Budget | Revised Budget | Actual | Variance |
| | | | | 1,075,000 | 1,075,000 | 1,115,629 | 40,629 |
| 345,000 | 345,000 | 414,430 | 69,430 | 765,062 | 765,062 | 874,553 | 109,491 |
| | | | | 12,250 | 17,000 | 26,601 | 9,601 |
| | | | | 18,000 | 18,000 | 23,583 | 5,583 |
| | | | | 16,200 | 18,700 | 19,743 | 1,043 |
| <u>345,000</u> | <u>345,000</u> | <u>414,430</u> | <u>69,430</u> | <u>1,886,512</u> | <u>1,893,762</u> | <u>2,060,109</u> | <u>166,347</u> |
| | | | | 47,700 | 44,900 | 2,659 | 42,241 |
| | | | | 531,200 | 13,145,545 | 1,284,020 | 11,861,525 |
| 433,468 | 433,468 | 403,297 | 30,171 | 1,323,638 | 1,323,638 | 1,261,377 | 62,261 |
| | | | | 793,530 | 842,218 | 786,339 | 55,879 |
| 156,000 | 179,000 | 144,552 | 34,448 | 165,000 | 165,000 | 153,639 | 11,361 |
| | | | | 156,000 | 273,800 | 218,926 | 54,874 |
| <u>589,468</u> | <u>612,468</u> | <u>547,849</u> | <u>64,619</u> | <u>3,017,068</u> | <u>15,795,101</u> | <u>3,706,960</u> | <u>12,088,141</u> |
| <u>(244,468)</u> | <u>(267,468)</u> | <u>(133,419)</u> | <u>134,049</u> | <u>(1,130,556)</u> | <u>(13,901,339)</u> | <u>(1,646,851)</u> | <u>12,254,488</u> |
| | | | | 5,000 | 5,000 | 53,981 | 48,981 |
| | | | | 0 | 12,650,000 | 12,725,090 | 75,090 |
| | | | | 0 | 0 | (18,975) | (18,975) |
| | | | | 318,847 | 388,974 | 353,974 | (35,000) |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>323,847</u> | <u>13,043,974</u> | <u>13,114,070</u> | <u>70,096</u> |
| (244,468) | (267,468) | (133,419) | 134,049 | (806,709) | (857,365) | 11,467,219 | 12,324,584 |
| 500,929 | 500,929 | 500,929 | | 1,555,134 | 1,555,134 | 1,555,134 | |
| | | | | 17,347 | 17,347 | 17,347 | |
| <u>256,461</u> | <u>233,461</u> | <u>367,510</u> | <u>134,049</u> | <u>765,772</u> | <u>715,116</u> | <u>13,039,700</u> | <u>12,324,584</u> |

**CITY OF UPPER ARLINGTON
STREET CONSTRUCTION MAINTENANCE AND REPAIR FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | <u>Adopted Budget</u> | <u>Revised Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-------------------------------|---------------------------|---------------------------|------------------|-----------------|
| <u>PUBLIC SERVICES</u> | | | | |
| Department of Public Services | | | | |
| Personal Services | \$ 943,638 | 945,938 | 941,100 | 4,838 |
| Other Than Personal Services | <u>330,000</u> | <u>327,700</u> | <u>280,457</u> | <u>47,243</u> |
| TOTAL PUBLIC SERVICES | <u>1,273,638</u> | <u>1,273,638</u> | <u>1,221,557</u> | <u>52,081</u> |
| TOTAL EXPENDITURES | <u>\$ 1,273,638</u> | <u>1,273,638</u> | <u>1,221,557</u> | <u>52,081</u> |

Exhibit B-5

**CITY OF UPPER ARLINGTON
LAW ENFORCEMENT FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | <u>Adopted Budget</u> | <u>Revised Budget</u> | <u>Actual</u> | <u>Variance</u> |
|------------------------------|---------------------------|---------------------------|---------------|-----------------|
| <u>PUBLIC SAFETY</u> | | | | |
| Police Department | | | | |
| Other Than Personal Services | \$ 44,900 | 44,900 | 2,659 | 42,241 |
| TOTAL PUBLIC SAFETY | <u>44,900</u> | <u>44,900</u> | <u>2,659</u> | <u>42,241</u> |
| <u>CAPITAL OUTLAY</u> | | | | |
| Police Department | | 45,000 | 24,708 | 20,292 |
| TOTAL EXPENDITURES | <u>\$ 44,900</u> | <u>89,900</u> | <u>27,367</u> | <u>62,533</u> |

**CITY OF UPPER ARLINGTON
TREE PLANTING FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | <u>Adopted Budget</u> | <u>Revised Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|---------------------------|---------------------------|---------------|-----------------|
| <u>PARKS AND RECREATION</u> | | | | |
| Parks and Recreation Department Other Than Personal Services | \$ 2,500 | 3,000 | 2,917 | 83 |
| TOTAL PARKS AND RECREATION | <u>2,500</u> | <u>3,000</u> | <u>2,917</u> | <u>83</u> |
| TOTAL EXPENDITURES | <u>\$ 2,500</u> | <u>3,000</u> | <u>2,917</u> | <u>83</u> |

Exhibit B-7

**CITY OF UPPER ARLINGTON
ENFORCEMENT EDUCATION FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | <u>Adopted Budget</u> | <u>Revised Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|---------------------------|---------------------------|---------------|-----------------|
| <u>GENERAL GOVERNMENT</u> | | | | |
| Mayor's Court Other Than Personal Services | \$ 1,200 | 1,900 | 0 | 1,900 |
| TOTAL GENERAL GOVERNMENT | <u>1,200</u> | <u>1,900</u> | <u>0</u> | <u>1,900</u> |
| TOTAL EXPENDITURES | <u>\$ 1,200</u> | <u>1,900</u> | <u>0</u> | <u>1,900</u> |

**CITY OF UPPER ARLINGTON
BOARD OF HEALTH FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | <u>Adopted Budget</u> | <u>Revised Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-------------------------------|---------------------------|---------------------------|-----------------------|----------------------|
| <u>HEALTH SERVICES</u> | | | | |
| Health Department | | | | |
| Other Than Personal Services | \$ 165,000 | 165,000 | 153,639 | 11,361 |
| TOTAL HEALTH SERVICES | <u>165,000</u> | <u>165,000</u> | <u>153,639</u> | <u>11,361</u> |
| TOTAL EXPENDITURES | \$ <u><u>165,000</u></u> | <u><u>165,000</u></u> | <u><u>153,639</u></u> | <u><u>11,361</u></u> |

Exhibit B-9

**CITY OF UPPER ARLINGTON
LAW ENFORCEMENT GRANT FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | <u>Adopted Budget</u> | <u>Revised Budget</u> | <u>Actual</u> | <u>Variance</u> |
|----------------------------------|---------------------------|---------------------------|-----------------|-----------------|
| <u>GENERAL GOVERNMENT</u> | | | | |
| Police Department | | | | |
| Other Than Personal Services | \$ 2,800 | 0 | 0 | 0 |
| TOTAL EXPENDITURES | \$ <u><u>2,800</u></u> | <u><u>0</u></u> | <u><u>0</u></u> | <u><u>0</u></u> |

**CITY OF UPPER ARLINGTON
MAYOR'S COURT COMPUTER FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | Adopted Budget | Revised Budget | Actual | Variance |
|------------------------------|-------------------|-------------------|---------------|-----------|
| <u>CAPITAL OUTLAY</u> | | | | |
| Mayor's Court | \$ 0 | 23,000 | 22,933 | 67 |
| TOTAL EXPENDITURES | \$ 0 | 23,000 | 22,933 | 67 |

**CITY OF UPPER ARLINGTON
LIFE LONG LEARNING AND LEISURE
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | Adopted Budget | Revised Budget | Actual | Variance |
|------------------------------------|-------------------|-------------------|----------------|---------------|
| <u>PARKS AND RECREATION</u> | | | | |
| Parks and Recreation Department | | | | |
| Personal Services | \$ 178,812 | 153,500 | 136,445 | 17,055 |
| Other Than Personal Services | 178,750 | 252,250 | 243,680 | 8,570 |
| TOTAL PARKS AND RECREATION | 357,562 | 405,750 | 380,125 | 25,625 |
| TOTAL EXPENDITURES | \$ 357,562 | 405,750 | 380,125 | 25,625 |

**CITY OF UPPER ARLINGTON
CIVIL SERVICE FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | <u>Adopted Budget</u> | <u>Revised Budget</u> | <u>Actual</u> | <u>Variance</u> |
|----------------------------------|---------------------------|---------------------------|---------------------|----------------------|
| <u>GENERAL GOVERNMENT</u> | | | | |
| General Administration | | | | |
| Other Than Personal Services | \$ <u>25,000</u> | <u>25,000</u> | <u>5,999</u> | <u>19,001</u> |
| TOTAL GENERAL GOVERNMENT | <u>25,000</u> | <u>25,000</u> | <u>5,999</u> | <u>19,001</u> |
| TOTAL EXPENDITURES | \$ <u><u>25,000</u></u> | <u><u>25,000</u></u> | <u><u>5,999</u></u> | <u><u>19,001</u></u> |

**CITY OF UPPER ARLINGTON
CLERK OF COURTS FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | <u>Adopted Budget</u> | <u>Revised Budget</u> | <u>Actual</u> | <u>Variance</u> |
|----------------------------------|---------------------------|---------------------------|----------------------|---------------------|
| <u>GENERAL GOVERNMENT</u> | | | | |
| Mayor's Court | | | | |
| Other Than Personal Services | \$ <u>5,000</u> | <u>6,200</u> | <u>2,743</u> | <u>3,457</u> |
| TOTAL GENERAL GOVERNMENT | <u>5,000</u> | <u>6,200</u> | <u>2,743</u> | <u>3,457</u> |
| <u>CAPITAL OUTLAY</u> | | | | |
| Mayor's Court | \$ <u> </u> | <u>26,800</u> | <u>26,733</u> | <u>67</u> |
| TOTAL EXPENDITURES | \$ <u><u>5,000</u></u> | <u><u>33,000</u></u> | <u><u>29,476</u></u> | <u><u>3,524</u></u> |

**CITY OF UPPER ARLINGTON
ECONOMIC DEVELOPMENT VENTURE FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | <u>Adopted Budget</u> | <u>Revised Budget</u> | <u>Actual</u> | <u>Variance</u> |
|----------------------------------|---------------------------|---------------------------|-------------------------|--------------------------|
| <u>GENERAL GOVERNMENT</u> | | | | |
| City Manager Department | | | | |
| Other Than Personal Services | \$ <u>500,000</u> | <u>13,112,445</u> | <u>1,275,278</u> | <u>11,837,167</u> |
| TOTAL GENERAL GOVERNMENT | \$ <u>500,000</u> | <u>13,112,445</u> | <u>1,275,278</u> | <u>11,837,167</u> |

Exhibit B-15

**CITY OF UPPER ARLINGTON
NEIGHBORHOOD LIGHTING FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | <u>Adopted Budget</u> | <u>Revised Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-------------------------------|---------------------------|---------------------------|----------------------|----------------------|
| <u>PUBLIC SERVICES</u> | | | | |
| Department of Public Services | | | | |
| Other Than Personal Services | \$ <u>50,000</u> | <u>50,000</u> | <u>39,820</u> | <u>10,180</u> |
| TOTAL PUBLIC SERVICES | <u>50,000</u> | <u>50,000</u> | <u>39,820</u> | <u>10,180</u> |
| TOTAL EXPENDITURES | \$ <u>50,000</u> | <u>50,000</u> | <u>39,820</u> | <u>10,180</u> |

**CITY OF UPPER ARLINGTON
TAX INCENTIVE REVIEW FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | Adopted Budget | Revised Budget | Actual | Variance |
|----------------------------------|-------------------|-------------------|----------|----------|
| <u>GENERAL GOVERNMENT</u> | | | | |
| City Manager's Department | | | | |
| Other Than Personal Services | \$ _____ | _____ | _____ | _____ |
| TOTAL GENERAL GOVERNMENT | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL EXPENDITURES | <u>\$ 0</u> | <u>0</u> | <u>0</u> | <u>0</u> |

Exhibit B-17

**CITY OF UPPER ARLINGTON
UPPER ARLINGTON POOLS
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | Adopted Budget | Revised Budget | Actual | Variance |
|------------------------------------|-------------------|-------------------|----------------|---------------|
| <u>PARKS AND RECREATION</u> | | | | |
| Parks and Recreation Department | | | | |
| Personal Services | \$ 282,268 | 303,268 | 303,164 | 104 |
| Other Than Personal Services | <u>151,200</u> | <u>130,200</u> | <u>100,133</u> | <u>30,067</u> |
| TOTAL PARKS AND RECREATION | <u>433,468</u> | <u>433,468</u> | <u>403,297</u> | <u>30,171</u> |
| <u>CAPITAL OUTLAY</u> | | | | |
| Parks and Recreation Department | \$ <u>156,000</u> | <u>179,000</u> | <u>144,552</u> | <u>34,448</u> |
| TOTAL EXPENDITURES | <u>\$ 589,468</u> | <u>612,468</u> | <u>547,849</u> | <u>64,619</u> |

DEBT SERVICE FUND

GENERAL OBLIGATION BOND RETIREMENT FUND

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

**CITY OF UPPER ARLINGTON
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
GENERAL OBLIGATION BOND RETIREMENT FUND
December 31, 2002 and 2001**

| | <u>2002</u> | <u>2001</u> |
|--|----------------------------|-------------------------|
| <u>ASSETS:</u> | | |
| Equity in pooled cash and investments | \$ 737,795 | 622,267 |
| Receivables | <u>839,565</u> | <u>571,130</u> |
| TOTAL ASSETS | \$ <u>1,577,360</u> | <u>1,193,397</u> |
| <u>LIABILITIES:</u> | | |
| Deferred revenue | \$ <u>331,345</u> | <u>444,479</u> |
| TOTAL LIABILITIES | <u>331,345</u> | <u>444,479</u> |
| <u>FUND EQUITY:</u> | | |
| Fund balance: | | |
| Unreserved | <u>1,246,015</u> | <u>748,918</u> |
| TOTAL FUND EQUITY | <u>1,246,015</u> | <u>748,918</u> |
| TOTAL LIABILITIES AND FUND EQUITY | \$ <u>1,577,360</u> | <u>1,193,397</u> |

**CITY OF UPPER ARLINGTON
DEBT SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GENERAL OBLIGATION BOND RETIREMENT FUND
For the Fiscal Years Ended December 31, 2002 and 2001**

| | <u>2002</u> | <u>2001</u> |
|--|---------------------|--------------------|
| <u>REVENUES:</u> | | |
| Property taxes | \$ 1,422,947 | 732,251 |
| Total revenues | <u>1,422,947</u> | <u>732,251</u> |
| <u>EXPENDITURES:</u> | | |
| Debt service: | | |
| Principal retirement | 1,226,307 | 1,401,575 |
| Interest and fiscal charges | <u>714,528</u> | <u>607,592</u> |
| Total expenditures | <u>1,940,835</u> | <u>2,009,167</u> |
| Deficiency of revenues over expenditures | <u>(517,888)</u> | <u>(1,276,916)</u> |
| <u>OTHER FINANCING SOURCES (USES):</u> | | |
| Note premium | 0 | |
| Operating transfers-in | <u>995,349</u> | <u>1,277,921</u> |
| Total other financing sources | <u>995,349</u> | <u>1,277,921</u> |
| Excess of revenues and other financing sources over expenditures and other uses | 477,461 | 1,005 |
| Fund balances at beginning of year | <u>748,918</u> | <u>747,913</u> |
| Fund balances at end of year | <u>\$ 1,226,379</u> | <u>748,918</u> |



CITY OF | **UPPER ARLINGTON**

CAPITAL PROJECTS 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.

INFRASTRUCTURE IMPROVEMENT FUND

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

ESTATE TAX CAPITAL PROJECTS FUND

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

**CITY OF UPPER ARLINGTON
CAPITAL PROJECTS FUND
COMBINING BALANCE SHEET
December 31, 2002**

| | Bonded Improvement | Infrastructure Improvement | Estate Tax Capital Projects | Totals | |
|--|-----------------------|-------------------------------|--------------------------------|-------------------|-------------------|
| | | | | 2002 | 2001 |
| ASSETS: | | | | | |
| Equity in pooled cash and investments | \$ 495,057 | 1,264,634 | 10,834,892 | 12,594,583 | 18,964,522 |
| Receivables | 593 | | 2,912 | 3,505 | 28,269 |
| TOTAL ASSETS | \$ 495,650 | 1,264,634 | 10,837,804 | 12,598,088 | 18,992,791 |
| LIABILITIES: | | | | | |
| Accounts payable | 179,413 | 266,789 | 531,938 | 978,140 | 970,317 |
| TOTAL LIABILITIES | 179,413 | 266,789 | 531,938 | 978,140 | 970,317 |
| FUND EQUITY: | | | | | |
| Fund balances: | | | | | |
| Reserved for encumbrances | 297,774 | 235,878 | 877,371 | 1,411,023 | 2,577,424 |
| Unreserved | 18,463 | 761,967 | 9,428,495 | 10,208,925 | 15,445,050 |
| TOTAL FUND EQUITY (Deficit) | 316,237 | 997,845 | 10,305,866 | 11,619,948 | 18,022,474 |
| TOTAL LIABILITIES AND FUND EQUITY | \$ 495,650 | 1,264,634 | 10,837,804 | 12,598,088 | 18,992,791 |

**CITY OF UPPER ARLINGTON
CAPITAL PROJECTS FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended December 31, 2002**

| | Bonded Improvement | Infrastructure Improvement | Estate Tax Capital Projects | Totals | |
|--|-----------------------|-------------------------------|--------------------------------|--------------------|--------------------|
| | | | | 2002 | 2001 |
| REVENUES: | | | | | |
| Investment earnings | \$ 75,562 | | 541,648 | 617,210 | 531,522 |
| Net Increase in fair value of investments | | | 39,279 | 39,279 | 95,821 |
| Miscellaneous | | | | | |
| Total revenues | <u>75,562</u> | <u>0</u> | <u>580,927</u> | <u>656,489</u> | <u>627,343</u> |
| EXPENDITURES: | | | | | |
| Capital outlay | <u>4,617,747</u> | <u>1,172,487</u> | <u>1,795,547</u> | <u>7,585,781</u> | <u>2,189,452</u> |
| Total expenditures | <u>4,617,747</u> | <u>1,172,487</u> | <u>1,795,547</u> | <u>7,585,781</u> | <u>2,189,452</u> |
| Excess (deficiency) of revenues over expenditures | <u>(4,542,185)</u> | <u>(1,172,487)</u> | <u>(1,214,620)</u> | <u>(6,929,292)</u> | <u>(1,562,109)</u> |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Proceeds from bonds | | | | 0 | 6,778,099 |
| Operating Transfers-in | 73,240 | 750,000 | | 823,240 | 4,874,912 |
| Operating Transfers-out | <u>(143,234)</u> | <u>(153,240)</u> | | <u>(296,474)</u> | <u>(434,332)</u> |
| Total other financing sources (uses) | <u>(69,994)</u> | <u>596,760</u> | <u>0</u> | <u>526,766</u> | <u>11,218,679</u> |
| Excess(deficiency) of revenues and other financing sources over expenditures and other uses | <u>(4,612,179)</u> | <u>(575,727)</u> | <u>(1,214,620)</u> | <u>(6,402,526)</u> | <u>9,656,570</u> |
| Fund balances at beginning of year | <u>4,928,416</u> | <u>1,573,572</u> | <u>11,520,486</u> | <u>18,022,474</u> | <u>8,365,904</u> |
| Fund balance at end of year | <u>\$ 316,237</u> | <u>997,845</u> | <u>10,305,866</u> | <u>11,619,948</u> | <u>18,022,474</u> |

**CITY OF UPPER ARLINGTON
CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | Bonded Improvement Fund | | | |
|--|-------------------------|-------------------|-------------|-----------|
| | Adopted Budget | Revised Budget | Actual | Variance |
| REVENUES: | | | | |
| Investment earnings | \$ 250,000 | 250,000 | 74,969 | (175,031) |
| Total revenues | 250,000 | 250,000 | 74,969 | (175,031) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public Services | | | | |
| Capital Outlay | 2,800,000 | 2,739,585 | 2,598,240 | 141,345 |
| Total expenditures | 2,800,000 | 2,739,585 | 2,598,240 | 141,345 |
| Excess (deficiency) of revenues over expenditures | (2,550,000) | (2,489,585) | (2,523,271) | (33,686) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds of bonds | | | | |
| Transfer-in | | 44,233 | 73,240 | 29,007 |
| Transfer-out | | (143,240) | (143,234) | 6 |
| Total other financing sources (uses) | | (99,007) | (69,994) | 29,013 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | (2,550,000) | (2,588,592) | (2,593,265) | (4,673) |
| Fund balances at beginning of year | 2,573,379 | 2,573,379 | 2,573,379 | |
| Lapsed encumbrances | 37,755 | 37,755 | 37,755 | |
| Fund balances at end of year | \$ 61,134 | 22,542 | 17,869 | (4,673) |

| Infrastructure Improvement Fund | | | | Estate Tax Capital Projects | | | |
|---------------------------------|----------------|-------------|----------|-----------------------------|----------------|-------------|-----------|
| Adopted Budget | Revised Budget | Actual | Variance | Adopted Budget | Revised Budget | Actual | Variance |
| | | | | 210,195 | 210,195 | 567,005 | 356,810 |
| 0 | 0 | 0 | 0 | 210,195 | 210,195 | 567,005 | 356,810 |
| 2,205,000 | 2,051,755 | 1,350,675 | 701,080 | 3,046,000 | 3,410,664 | 2,665,160 | 745,504 |
| 2,205,000 | 2,051,755 | 1,350,675 | 701,080 | 3,046,000 | 3,410,664 | 2,665,160 | 745,504 |
| (2,205,000) | (2,051,755) | (1,350,675) | 701,080 | (2,835,805) | (3,200,469) | (2,098,155) | 1,102,314 |
| | 750,000 | 750,000 | 0 | | | | |
| (80,000) | (153,240) | (153,240) | 0 | | | | |
| (80,000) | 596,760 | 596,760 | 0 | 0 | 0 | 0 | 0 |
| (2,285,000) | (1,454,995) | (753,915) | 701,080 | (2,835,805) | (3,200,469) | (2,098,155) | 1,102,314 |
| 1,454,996 | 1,454,996 | 1,454,996 | | 11,326,195 | 11,326,195 | 11,326,195 | |
| 60,886 | 60,886 | 60,886 | | 7,489 | 7,489 | 7,489 | |
| (769,118) | 60,887 | 761,967 | 701,080 | 8,497,879 | 8,133,215 | 9,235,529 | 1,102,314 |

**CITY OF UPPER ARLINGTON
CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | Totals | | | |
|--|-------------------------|-------------------------|--------------------------|-------------------------|
| | Adopted Budget | Revised Budget | Actual | Variance |
| REVENUES: | | | | |
| Investment earnings | 460,195 | 460,195 | 641,974 | 181,779 |
| Total revenues | <u>460,195</u> | <u>460,195</u> | <u>641,974</u> | <u>181,779</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public Services | | | | |
| Capital outlay | 8,051,000 | 8,202,004 | 6,614,075 | 1,587,929 |
| Total expenditures | <u>8,051,000</u> | <u>8,202,004</u> | <u>6,614,075</u> | <u>1,587,929</u> |
| Excess (deficiency) of revenues over expenditures | <u>(7,590,805)</u> | <u>(7,741,809)</u> | <u>(5,972,101)</u> | <u>1,769,708</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds of bonds | | | | |
| Transfer-in | | 794,233 | 823,240 | 29,007 |
| Transfer-out | (80,000) | (296,480) | (296,474) | 6 |
| Total other financing sources (uses) | <u>(80,000)</u> | <u>497,753</u> | <u>526,766</u> | <u>29,013</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | <u>(7,670,805)</u> | <u>(7,244,056)</u> | <u>(5,445,335)</u> | <u>1,798,721</u> |
| Fund balances at beginning of year | 15,354,570 | 15,354,570 | 15,354,570 | |
| Lapsed encumbrances | 106,130 | 106,130 | 106,130 | |
| Fund balances at end of year | <u><u>7,789,895</u></u> | <u><u>8,216,644</u></u> | <u><u>10,015,365</u></u> | <u><u>1,798,721</u></u> |

**CITY OF UPPER ARLINGTON
BONDED IMPROVEMENT FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | <u>Adopted Budget</u> | <u>Revised Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-------------------------------|---------------------------|---------------------------|------------------|-----------------|
| <u>CAPITAL OUTLAY</u> | | | | |
| General Government | \$ | 97,210 | 96,434 | 776 |
| Department of Public Services | <u>2,800,000</u> | <u>2,642,375</u> | <u>2,501,806</u> | <u>140,569</u> |
| TOTAL CAPITAL OUTLAY | <u>2,800,000</u> | <u>2,739,585</u> | <u>2,598,240</u> | <u>141,345</u> |
| TOTAL EXPENDITURES | <u>\$ 2,800,000</u> | <u>2,739,585</u> | <u>2,598,240</u> | <u>141,345</u> |

Exhibit D-5

**CITY OF UPPER ARLINGTON
INFRASTRUCTURE IMPROVEMENT FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | <u>Adopted Budget</u> | <u>Revised Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-------------------------------|---------------------------|---------------------------|------------------|-----------------|
| <u>CAPITAL OUTLAY</u> | | | | |
| Parks & Recreation | \$ | 530,241 | 234,417 | 295,824 |
| Department of Public Services | <u>2,205,000</u> | <u>1,521,514</u> | <u>1,116,258</u> | <u>405,256</u> |
| TOTAL CAPITAL OUTLAY | <u>2,205,000</u> | <u>2,051,755</u> | <u>1,350,675</u> | <u>701,080</u> |
| TOTAL EXPENDITURES | <u>\$ 2,205,000</u> | <u>2,051,755</u> | <u>1,350,675</u> | <u>701,080</u> |

**CITY OF UPPER ARLINGTON
ESTATE TAX CAPITAL PROJECTS FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | <u>Adopted Budget</u> | <u>Revised Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-------------------------------|---------------------------|---------------------------|------------------|-----------------|
| <u>CAPITAL OUTLAY</u> | | | | |
| Parks & Recreation | \$ | 28,714 | 28,612 | 102 |
| Department of Public Services | <u>3,046,000</u> | <u>3,381,950</u> | <u>2,636,548</u> | <u>745,402</u> |
| TOTAL CAPITAL OUTLAY | <u>3,046,000</u> | <u>3,410,664</u> | <u>2,665,160</u> | <u>745,504</u> |
| TOTAL EXPENDITURES | <u>\$ 3,046,000</u> | <u>3,410,664</u> | <u>2,665,160</u> | <u>745,504</u> |

ENTERPRISE FUNDS

SOLID WASTE FUND

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

WATER SURCHARGE FUND

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

SANITARY SEWER SURCHARGE FUND

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

STORMWATER MANAGEMENT FUND

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

**CITY OF UPPER ARLINGTON
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
December 31, 2002**

| | <u>Solid Waste</u> | <u>Water Surcharge</u> | <u>Sanitary Sewer Surcharge</u> |
|--|------------------------|----------------------------|-------------------------------------|
| <u>ASSETS:</u> | | | |
| Equity in pooled cash and investments | \$ 178,624 | 327,684 | 202,960 |
| Receivables | 201,900 | 74,362 | 135,085 |
| Other assets | | | |
| Property, plant and equipment (net of depreciation, where applicable) | 447,179 | 5,276,376 | 4,781,205 |
| TOTAL ASSETS | <u>827,703</u> | <u>5,678,422</u> | <u>5,119,250</u> |
| <u>LIABILITIES:</u> | | | |
| Accounts payable | 9,241 | 6,764 | 5,066 |
| Due To Other Funds | 12,507 | 823 | 4,116 |
| Deferred revenue | 201,852 | | |
| Accrued liabilities | 38,006 | 1,738 | 10,326 |
| Accrued vacation and sick leave | 86,738 | 1,360 | 20,331 |
| Bonds and notes payable | | 1,688,448 | 2,257,860 |
| TOTAL LIABILITIES | <u>348,344</u> | <u>1,699,133</u> | <u>2,297,699</u> |
| <u>FUND EQUITY:</u> | | | |
| Contributed capital | 1,301,613 | 2,925,175 | 2,337,104 |
| (Accumulated deficit) retained earnings | <u>(822,254)</u> | <u>1,054,114</u> | <u>484,447</u> |
| TOTAL FUND EQUITY | <u>479,359</u> | <u>3,979,289</u> | <u>2,821,551</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u>\$ 827,703</u> | <u>5,678,422</u> | <u>5,119,250</u> |

| Stormwater Management Fund | Totals | |
|-------------------------------|-------------------|-------------------|
| | 2002 | 2001 |
| 2,816,596 | 3,525,864 | 3,218,785 |
| 16,589 | 427,936 | 337,376 |
| 4,141,682 | 14,646,442 | 14,952,419 |
| <u>6,974,867</u> | <u>18,600,242</u> | <u>18,508,580</u> |
| 3,051 | 24,122 | 90,982 |
| 2,470 | 19,916 | |
| 28,710 | 230,562 | 177,325 |
| 6,019 | 56,089 | 102,028 |
| 24,659 | 133,088 | 136,616 |
| <u>2,188,320</u> | <u>6,134,628</u> | <u>6,650,913</u> |
| <u>2,253,229</u> | <u>6,598,405</u> | <u>7,157,864</u> |
| 1,282,673 | 7,846,565 | 7,930,612 |
| <u>3,438,965</u> | <u>4,155,272</u> | <u>3,420,104</u> |
| <u>4,721,638</u> | <u>12,001,837</u> | <u>11,350,716</u> |
| <u>6,974,867</u> | <u>18,600,242</u> | <u>18,508,580</u> |

**CITY OF UPPER ARLINGTON
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
For the Fiscal Year Ended December 31, 2002
(with totals for the year ended December 31, 2001)**

| | Solid Waste | Water Surcharge |
|---|---------------------|--------------------|
| <u>OPERATING REVENUES:</u> | | |
| Charges for services | \$ 1,662,271 | 361,216 |
| Other | 66,356 | 503 |
| Total revenues | 1,728,627 | 361,719 |
| <u>OPERATING EXPENSES:</u> | | |
| Personal services | 1,058,044 | 38,706 |
| Disposal fees | 212,591 | |
| Materials and supplies | 164,991 | 28,757 |
| Depreciation | 119,591 | 166,113 |
| Total expenses | 1,555,217 | 233,576 |
| Operating income | 173,410 | 128,143 |
| <u>NON-OPERATING REVENUES (EXPENSES):</u> | | |
| Interest on investments | 10,420 | |
| Net Increase in the Fair Value of Investments | 1,603 | |
| Interest expense | | (39,750) |
| Total non-operating revenues (expenses) | 12,023 | (39,750) |
| Net income before transfers-in | 185,433 | 88,393 |
| Transfers-in | | |
| Net income | 185,433 | 88,393 |
| Add depreciation on fixed assets acquired by contributed capital | 17,495 | 91,947 |
| Increase (decrease) in retained earnings | 202,928 | 180,340 |
| Beginning (accumulated deficit) retained earnings | (1,025,182) | 873,774 |
| Ending (accumulated deficit) retained earnings | \$ (822,254) | 1,054,114 |

| Sanitary Sewer Surcharge | Stormwater Management Fund | Totals | |
|-----------------------------|-------------------------------|-----------|-----------|
| | | 2002 | 2001 |
| 680,665 | 483,264 | 3,187,416 | 3,045,731 |
| (1,589) | (2,017) | 63,253 | 50,169 |
| 679,076 | 481,247 | 3,250,669 | 3,095,900 |
| 285,472 | 193,179 | 1,575,401 | 1,541,788 |
| 130,651 | 87,165 | 212,591 | 233,481 |
| 194,394 | 214,378 | 411,564 | 482,315 |
| 610,517 | 494,722 | 694,476 | 667,588 |
| 68,559 | (13,475) | 2,894,032 | 2,925,172 |
| | 135,425 | 356,637 | 170,728 |
| | 14,706 | | |
| (66,502) | (103,212) | 145,845 | 116,221 |
| (66,502) | 46,919 | 16,309 | 36,231 |
| 2,057 | 33,444 | (209,464) | (309,764) |
| 80,000 | 0 | (47,310) | (157,312) |
| 82,057 | 33,444 | 309,327 | 13,416 |
| 95,628 | 140,771 | 80,000 | 80,000 |
| 177,685 | 174,215 | 389,327 | 93,416 |
| 306,762 | 3,264,750 | 345,841 | 342,373 |
| 484,447 | 3,438,965 | 735,168 | 435,789 |
| | | 3,420,104 | 2,984,315 |
| | | 4,155,272 | 3,420,104 |

**CITY OF UPPER ARLINGTON
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended December 31, 2002**

| | <u>Solid Waste</u> | <u>Water Surcharge</u> |
|--|-----------------------------|-----------------------------|
| Cash Flows from Operating Activities: | | |
| Cash received from customers | \$ 1,630,052 | 364,340 |
| Cash payments to suppliers for goods and services | (394,150) | (26,376) |
| Cash payments to employees for services | <u>(1,073,078)</u> | <u>(51,658)</u> |
| Net cash provided by operating activities | <u>162,824</u> | <u>286,306</u> |
| Cash Flows from Noncapital Financing Activities: | | |
| Subsidy from General Fund | <u> </u> | <u> </u> |
| Net cash provided by noncapital financing activities | <u> </u> | <u> </u> |
| Cash Flows from Capital and Related Financing Activities: | | |
| Acquisition of capital assets | (113,257) | |
| Principal paid on bonds and notes | | (179,370) |
| Interest paid on bonds and notes | | <u>(63,609)</u> |
| Net cash used by capital and related financing activities | <u>(113,257)</u> | <u>(242,979)</u> |
| Cash Flows from Investing Activities: | | |
| Interest on investments | <u>12,434</u> | <u> </u> |
| Net cash provided by investing activities | <u>12,434</u> | <u> </u> |
| Net increase (decrease) in cash and cash equivalents | 62,001 | 43,327 |
| Cash and cash equivalents at beginning of year | <u>116,623</u> | <u>284,357</u> |
| Cash and cash equivalents at end of year | \$ <u>178,624</u> | <u>327,684</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| Operating income | \$ 173,410 | 128,143 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | |
| Depreciation | 119,591 | 166,113 |
| (Increase) decrease in accounts receivable | (121,567) | 2,699 |
| Increase (decrease) in accounts payable | (16,568) | 2,381 |
| Increase (decrease) in accrued liabilities | (29,076) | (13,853) |
| Increase (decrease) in due to other funds | 12,507 | 823 |
| Increase (decrease) in deferred revenue | <u>24,527</u> | <u> </u> |
| Net cash provided by operating activities | \$ <u>162,824</u> | <u>286,306</u> |

Noncash Investing, Financing and Capital Activities:

The enterprise funds received contributions of equipment in the amounts of \$261,012 and \$287,502, in 2002 and 2001 respectively.

| Sanitary Sewer Surcharge | Stormwater Management Fund | Totals | |
|-----------------------------|-------------------------------|--------------------|--------------------|
| | | 2002 | 2001 |
| 694,146 | 517,023 | 3,205,561 | 3,329,666 |
| (267,261) | (84,686) | (772,473) | (749,343) |
| <u>(296,434)</u> | <u>(181,812)</u> | <u>(1,602,982)</u> | <u>(1,535,334)</u> |
| 130,451 | 250,525 | 830,106 | 1,044,989 |
| 80,000 | | 80,000 | 80,000 |
| 80,000 | | 80,000 | 80,000 |
| (7,701) | (6,178) | (127,136) | (204,467) |
| (110,172) | (131,811) | (421,353) | (530,558) |
| <u>(63,017)</u> | <u>(95,881)</u> | <u>(222,507)</u> | <u>(277,864)</u> |
| <u>(180,890)</u> | <u>(233,870)</u> | <u>(770,996)</u> | <u>(1,012,889)</u> |
| | 155,535 | 167,969 | 146,082 |
| | 155,535 | 167,969 | 146,082 |
| 29,561 | 172,190 | 307,079 | 258,182 |
| 173,399 | 2,644,406 | 3,218,785 | 2,960,603 |
| <u>202,960</u> | <u>2,816,596</u> | <u>3,525,864</u> | <u>3,218,785</u> |
| 68,559 | (13,475) | 356,637 | 793,211 |
| 194,394 | 214,378 | 694,476 | 595,680 |
| 15,427 | 12,470 | (90,971) | (187,474) |
| (9,553) | (2,925) | (26,665) | (18,751) |
| (15,435) | 8,897 | (49,467) | (67,335) |
| <u>(122,941)</u> | <u>2,470</u> | <u>(107,141)</u> | <u>(63,790)</u> |
| | 28,710 | 53,237 | (63,790) |
| 130,451 | 250,525 | 830,106 | 1,051,541 |

**CITY OF UPPER ARLINGTON
ENTERPRISE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | Solid Waste Fund | | | |
|--|-------------------|-------------------|------------------|---------------|
| | Adopted Budget | Revised Budget | Actual | Variance |
| REVENUES: | | | | |
| Charges for services | \$ 1,552,500 | 1,552,500 | 1,564,018 | 11,518 |
| Investment earnings | 3,625 | 9,500 | 10,831 | 1,331 |
| Other revenue | 37,500 | 62,500 | 66,034 | 3,534 |
| Total revenues | 1,593,625 | 1,624,500 | 1,640,883 | 16,383 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public services | 1,414,025 | 1,489,025 | 1,454,843 | 34,182 |
| Capital outlay | 226,000 | 226,000 | 222,640 | 3,360 |
| Total expenditures | 1,640,025 | 1,715,025 | 1,677,483 | 37,542 |
| Excess (deficiency) of revenues over expenditures | (46,400) | (90,525) | (36,600) | 53,925 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfer-in | | | | |
| Transfer-out | | | | |
| Total other financing (uses) | 0 | 0 | 0 | 0 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | (46,400) | (90,525) | (36,600) | 53,925 |
| Fund balances at beginning of year | 98,691 | 98,691 | 98,691 | |
| Lapsed encumbrances | 402 | 402 | 402 | |
| Fund balances at end of year | \$ 52,693 | 8,568 | 62,493 | 53,925 |

| Water Surcharge Fund | | | | Sanitary Sewer Surcharge Fund | | | |
|----------------------|------------------|------------------|---------------|-------------------------------|------------------|------------------|-----------------|
| Adopted Budget | Revised Budget | Actual | Variance | Adopted Budget | Revised Budget | Actual | Variance |
| 327,250 | 327,250 | 363,841 | 36,591 | 635,250 | 635,250 | 694,081 | 58,831 |
| 0 | 500 | 503 | 3 | 3,000 | 3,000 | 65 | (2,935) |
| <u>327,250</u> | <u>327,750</u> | <u>364,344</u> | <u>36,594</u> | <u>638,250</u> | <u>638,250</u> | <u>694,146</u> | <u>55,896</u> |
| 219,659 | 219,659 | 199,608 | 20,051 | 593,954 | 627,496 | 627,451 | 45 |
| 0 | 0 | 0 | 0 | 32,500 | 34,458 | 34,458 | 0 |
| <u>219,659</u> | <u>219,659</u> | <u>199,608</u> | <u>20,051</u> | <u>626,454</u> | <u>661,954</u> | <u>661,909</u> | <u>45</u> |
| 107,591 | 108,091 | 164,736 | 56,645 | 11,796 | (23,704) | 32,237 | 55,941 |
| (123,476) | (123,476) | (123,476) | 0 | 115,143 | 115,143 | 80,000 | (35,143) |
| <u>(123,476)</u> | <u>(123,476)</u> | <u>(123,476)</u> | <u>0</u> | <u>(127,057)</u> | <u>(127,057)</u> | <u>(127,057)</u> | <u>0</u> |
| <u>(123,476)</u> | <u>(123,476)</u> | <u>(123,476)</u> | <u>0</u> | <u>(11,914)</u> | <u>(11,914)</u> | <u>(47,057)</u> | <u>(35,143)</u> |
| (15,885) | (15,385) | 41,260 | 56,645 | (118) | (35,618) | (14,820) | 20,798 |
| 272,320 | 272,320 | 272,320 | | 156,783 | 156,783 | 156,783 | |
| 4,472 | 4,472 | 4,472 | | | | | |
| <u>260,907</u> | <u>261,407</u> | <u>318,052</u> | <u>56,645</u> | <u>156,665</u> | <u>121,165</u> | <u>141,963</u> | <u>20,798</u> |

**CITY OF UPPER ARLINGTON
ENTERPRISE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | Stormwater Management Fund | | | |
|--|----------------------------|-------------------|------------------|---------------|
| | Adopted Budget | Revised Budget | Actual | Variance |
| <u>REVENUES:</u> | | | | |
| Charges for services | \$ 520,000 | 520,000 | 503,729 | (16,271) |
| Investment earnings | 59,185 | 105,000 | 140,829 | 35,829 |
| Other revenue | | | | |
| Total revenues | 579,185 | 625,000 | 644,558 | 19,558 |
| <u>EXPENDITURES:</u> | | | | |
| Current: | | | | |
| Public services | 266,300 | 295,400 | 277,355 | 18,045 |
| Capital outlay | 32,500 | 46,350 | 45,451 | 899 |
| Total expenditures | 298,800 | 341,750 | 322,806 | 18,944 |
| Excess (deficiency) of revenues over expenditures | 280,385 | 283,250 | 321,752 | 38,502 |
| <u>OTHER FINANCING SOURCES (USES):</u> | | | | |
| Transfer-in | | | | |
| Transfer-out | (227,692) | (227,692) | (227,692) | 0 |
| Total other financing (uses) | (227,692) | (227,692) | (227,692) | 0 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | 52,693 | 55,558 | 94,060 | 38,502 |
| Fund balances at beginning of year | 2,601,484 | 2,601,484 | 2,601,484 | |
| Lapsed encumbrances | 850 | 850 | 850 | |
| Fund balances at end of year | \$ 2,655,027 | 2,657,892 | 2,696,394 | 38,502 |

| Totals | | | |
|-------------------|-------------------|------------------|-----------------|
| Adopted Budget | Revised Budget | Actual | Variance |
| 3,035,000 | 3,035,000 | 3,125,669 | 90,669 |
| 62,810 | 114,500 | 151,660 | 37,160 |
| 40,500 | 66,000 | 66,602 | 602 |
| <u>3,138,310</u> | <u>3,215,500</u> | <u>3,343,931</u> | <u>128,431</u> |
| 2,493,938 | 2,631,580 | 2,559,257 | 72,323 |
| 291,000 | 306,808 | 302,549 | 4,259 |
| <u>2,784,938</u> | <u>2,938,388</u> | <u>2,861,806</u> | <u>76,582</u> |
| <u>353,372</u> | <u>277,112</u> | <u>482,125</u> | <u>205,013</u> |
| 115,143 | 115,143 | 80,000 | (35,143) |
| (478,225) | (478,225) | (478,225) | 0 |
| <u>(363,082)</u> | <u>(363,082)</u> | <u>(398,225)</u> | <u>(35,143)</u> |
| (9,710) | (85,970) | 83,900 | 169,870 |
| 3,129,278 | 3,129,278 | 3,129,278 | |
| 5,724 | 5,724 | 5,724 | |
| <u>3,125,292</u> | <u>3,049,032</u> | <u>3,218,902</u> | <u>169,870</u> |

**CITY OF UPPER ARLINGTON
SOLID WASTE FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | <u>Adopted Budget</u> | <u>Revised Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-------------------------------|---------------------------|---------------------------|------------------|-----------------|
| <u>PUBLIC SERVICES</u> | | | | |
| Department of Public Services | | | | |
| Personal Services | \$ 1,099,425 | 1,099,425 | 1,073,078 | 26,347 |
| Other Than Personal Services | <u>314,600</u> | <u>389,600</u> | <u>381,765</u> | <u>7,835</u> |
| TOTAL PUBLIC SERVICES | <u>1,414,025</u> | <u>1,489,025</u> | <u>1,454,843</u> | <u>34,182</u> |
| <u>CAPITAL OUTLAY</u> | | | | |
| Department of Public Services | <u>226,000</u> | <u>226,000</u> | <u>222,640</u> | <u>3,360</u> |
| TOTAL EXPENDITURES | <u>\$ 1,640,025</u> | <u>1,715,025</u> | <u>1,677,483</u> | <u>37,542</u> |

Exhibit E-6

**CITY OF UPPER ARLINGTON
WATER SURCHARGE FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | <u>Adopted Budget</u> | <u>Revised Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-------------------------------|---------------------------|---------------------------|----------------|-----------------|
| <u>PUBLIC SERVICES</u> | | | | |
| Department of Public Services | | | | |
| Personal Services | \$ 49,806 | 51,661 | 51,658 | 3 |
| Other Than Personal Services | <u>169,853</u> | <u>167,998</u> | <u>147,950</u> | <u>20,048</u> |
| TOTAL PUBLIC SERVICES | <u>219,659</u> | <u>219,659</u> | <u>199,608</u> | <u>20,051</u> |
| <u>CAPITAL OUTLAY</u> | | | | |
| Department of Public Services | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL EXPENDITURES | <u>\$ 219,659</u> | <u>219,659</u> | <u>199,608</u> | <u>20,051</u> |

**CITY OF UPPER ARLINGTON
SANITARY SEWER SURCHARGE FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | <u>Adopted Budget</u> | <u>Revised Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-------------------------------|---------------------------|---------------------------|----------------|-----------------|
| <u>PUBLIC SERVICES</u> | | | | |
| Department of Public Services | | | | |
| Personal Services | \$ 265,715 | 296,435 | 296,434 | 1 |
| Other Than Personal Services | <u>328,239</u> | <u>331,061</u> | <u>331,017</u> | <u>44</u> |
| TOTAL PUBLIC SERVICES | 593,954 | 627,496 | 627,451 | 45 |
| <u>CAPITAL OUTLAY</u> | | | | |
| Department of Public Services | <u>32,500</u> | <u>34,458</u> | <u>34,458</u> | <u>0</u> |
| TOTAL EXPENDITURES | <u>\$ 626,454</u> | <u>661,954</u> | <u>661,909</u> | <u>45</u> |

Exhibit E-8

**CITY OF UPPER ARLINGTON
STORMWATER MANAGEMENT FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | <u>Adopted Budget</u> | <u>Revised Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-------------------------------|---------------------------|---------------------------|----------------|-----------------|
| <u>PUBLIC SERVICES</u> | | | | |
| Department of Public Services | | | | |
| Personal Services | \$ 177,250 | 188,450 | 181,812 | 6,638 |
| Other Than Personal Services | <u>89,050</u> | <u>106,950</u> | <u>95,543</u> | <u>11,407</u> |
| TOTAL PUBLIC SERVICES | 266,300 | 295,400 | 277,355 | 18,045 |
| <u>CAPITAL OUTLAY</u> | | | | |
| Department of Public Services | <u>32,500</u> | <u>46,350</u> | <u>45,451</u> | <u>899</u> |
| TOTAL EXPENDITURES | <u>\$ 298,800</u> | <u>341,750</u> | <u>322,806</u> | <u>18,944</u> |



CITY OF | **UPPER ARLINGTON**

INTERNAL SERVICE FUND

EMPLOYEE BENEFIT FUND

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

**CITY OF UPPER ARLINGTON
INTERNAL SERVICE FUND
COMPARATIVE BALANCE SHEET
EMPLOYEE BENEFIT FUND
December 31, 2002 and 2001**

| | <u>2002</u> | <u>2001</u> |
|--|-----------------------------|-----------------------------|
| <u>ASSETS:</u> | | |
| Equity in pooled cash and investments | \$ 48,328 | 49,846 |
| Due From Other Funds | 185,672 | 10,536 |
| | <u> </u> | <u> </u> |
| TOTAL ASSETS | \$ <u>234,000</u> | <u>60,382</u> |
| <u>LIABILITIES:</u> | | |
| Accounts payable | \$ <u>234,000</u> | <u>60,382</u> |
| | <u> </u> | <u> </u> |
| TOTAL LIABILITIES | <u>234,000</u> | <u>60,382</u> |
| <u>FUND EQUITY:</u> | | |
| Retained earnings | <u>0</u> | <u>0</u> |
| | <u> </u> | <u> </u> |
| TOTAL FUND EQUITY | <u>0</u> | <u>0</u> |
| | <u> </u> | <u> </u> |
| TOTAL LIABILITIES AND FUND EQUITY | \$ <u>234,000</u> | <u>60,382</u> |

**CITY OF UPPER ARLINGTON
INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
EMPLOYEE BENEFIT FUND
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 2002**

| | Adopted Budget | Revised Budget | Actual | Variance |
|--|-------------------|-------------------|-----------|----------|
| REVENUES: | | | | |
| Miscellaneous Charges for services | \$ 1,825,042 | 1,825,042 | 1,938,016 | 112,974 |
| Total revenues | 1,825,042 | 1,825,042 | 1,938,016 | 112,974 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 1,825,042 | 2,025,042 | 1,939,534 | 85,508 |
| Total expenditures | 1,825,042 | 2,025,042 | 1,939,534 | 85,508 |
| Excess (deficiency) of revenues over expenditures | 0 | (200,000) | (1,518) | 198,482 |
| Fund balances at beginning of year | 49,846 | 49,846 | 49,846 | |
| Fund balances at end of year | \$ 49,846 | (150,154) | 48,328 | 198,482 |



CITY OF | **UPPER ARLINGTON**

AGENCY FUNDS

RETURNABLE BONDS FUND

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

UNCLAIMED FUNDS

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

CONSTRUCTION WITHHOLDING FUND

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

MAYOR'S COURT FUND

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

FLEX BENEFITS FUND

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

PAYROLL CLEARING FUND

To account for payroll and deduction checks of employees.

REVOLVING FUND

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

**CITY OF UPPER ARLINGTON
AGENCY FUNDS
COMPARATIVE BALANCE SHEET
December 31, 2002 and 2001**

| | <u>2002</u> | <u>2001</u> |
|---------------------------------------|---------------------|------------------|
| ASSETS: | | |
| Equity in pooled cash and investments | \$ <u>2,155,980</u> | <u>2,080,398</u> |
| TOTAL ASSETS | <u>\$ 2,155,980</u> | <u>2,080,398</u> |
| LIABILITIES: | | |
| Due to others | \$ 2,155,980 | 2,080,398 |
| TOTAL LIABILITIES | <u>\$ 2,155,980</u> | <u>2,080,398</u> |

**CITY OF UPPER ARLINGTON
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
For the Fiscal Year Ended December 31, 2002**

| | Balances Jan. 1, 2002 | Additions | Deductions | Balances Dec. 31, 2002 |
|---------------------------------|--------------------------|-----------|------------|---------------------------|
| RETURNABLE BONDS | | | | |
| Assets | | | | |
| Cash and investments | \$ 32,705 | 16,951 | 10,360 | 39,296 |
| Liabilities | | | | |
| Due to others | \$ 32,705 | 16,951 | 10,360 | 39,296 |
| UNCLAIMED FUNDS | | | | |
| Assets | | | | |
| Cash and investments | \$ 19,225 | 871 | 0 | 20,096 |
| Liabilities | | | | |
| Due to others | \$ 19,225 | 871 | 0 | 20,096 |
| CONSTRUCTION WITHHOLDING | | | | |
| Assets | | | | |
| Cash and investments | \$ 55,127 | 660,869 | 105,667 | 610,329 |
| Liabilities | | | | |
| Due to others | \$ 55,127 | 660,869 | 105,667 | 610,329 |
| MAYOR'S COURT | | | | |
| Assets | | | | |
| Cash and investments | \$ 31,897 | 454,389 | 443,757 | 42,529 |
| Liabilities | | | | |
| Due to others | \$ 31,897 | 454,389 | 443,757 | 42,529 |
| FLEX BENEFITS FUND | | | | |
| Assets | | | | |
| Cash and investments | \$ 26,850 | 103,363 | 92,403 | 37,810 |
| Liabilities | | | | |
| Due to others | \$ 26,850 | 103,363 | 92,403 | 37,810 |
| PAYROLL CLEARING FUND | | | | |
| Assets | | | | |
| Cash and investments | \$ 1,356,312 | 5,584,515 | 5,549,031 | 1,391,796 |
| Liabilities | | | | |
| Due to others | \$ 1,356,312 | 5,584,515 | 5,549,031 | 1,391,796 |
| REVOLVING FUND | | | | |
| Assets | | | | |
| Cash and investments | \$ 49,893 | 70,011 | 105,780 | 14,124 |
| Liabilities | | | | |
| Due to others | \$ 49,893 | 70,011 | 105,780 | 14,124 |
| TOTAL AGENCY FUNDS | | | | |
| Assets | | | | |
| Cash and investments | \$ 1,572,009 | 6,890,969 | 6,306,998 | 2,155,980 |
| Liabilities | | | | |
| Due to others | \$ 1,572,009 | 6,890,969 | 6,306,998 | 2,155,980 |



CITY OF | **UPPER ARLINGTON**

GENERAL FIXED ASSETS ACCOUNT GROUP

This account group is established to account for fixed assets of the City other than those accounted for in proprietary funds.

**CITY OF UPPER ARLINGTON
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
December 31, 2002 and 2001**

| | <u>2002</u> | <u>2001</u> |
|------------------------------------|-----------------------------|--------------------------|
| <u>ASSETS:</u> | | |
| Property, plant and equipment | \$ <u>26,384,082</u> | <u>23,398,351</u> |
| TOTAL ASSETS | <u><u>26,384,082</u></u> | <u><u>23,398,351</u></u> |
| <u>FUND EQUITY:</u> | | |
| Investment in general fixed assets | <u>26,384,082</u> | <u>23,398,351</u> |
| TOTAL FUND EQUITY | \$ <u><u>26,384,082</u></u> | <u><u>23,398,351</u></u> |

**CITY OF UPPER ARLINGTON
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION
As of December 31, 2002**

| <u>FUNCTION</u> | <u>Land</u> | <u>Buildings and Improvements</u> | <u>Machinery, Equipment and Fixtures</u> | <u>Total</u> |
|-----------------------------------|----------------------------|---|--|--------------------------|
| Public safety | \$ 219,896 | 1,611,801 | 4,992,384 | 6,824,081 |
| General government | 793,069 | 2,853,891 | 2,214,873 | 5,861,833 |
| Public services | 128,751 | 4,851,758 | 2,398,901 | 7,379,410 |
| Parks and recreation | 2,726,647 | 1,668,917 | 1,863,456 | 6,259,020 |
| Community development | <u>0</u> | <u>0</u> | <u>59,738</u> | <u>59,738</u> |
| TOTAL GENERAL FIXED ASSETS | \$ <u>3,868,363</u> | <u>10,986,367</u> | <u>11,529,352</u> | <u>26,384,082</u> |

Exhibit H-3

**CITY OF UPPER ARLINGTON
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION
For the Fiscal Year Ended December 31, 2002**

| <u>FUNCTION</u> | <u>General Fixed Assets 1-1-02</u> | <u>Net Additions</u> | <u>Net Deletions</u> | <u>Net Transfers</u> | <u>General Fixed Assets 12-31-2002</u> |
|---------------------------------------|--|--------------------------|--------------------------|--------------------------|--|
| Public safety | \$ 6,521,940 | 768,808 | 388,418 | (78,249) | 6,824,081 |
| General government | 5,115,230 | 736,710 | 75,759 | 85,652 | 5,861,833 |
| Public services | 7,215,258 | 239,233 | 54,398 | (20,683) | 7,379,410 |
| Parks and recreation | 4,472,729 | 1,907,742 | 141,966 | 20,515 | 6,259,020 |
| Community development | <u>73,194</u> | <u>4,776</u> | <u>10,997</u> | <u>(7,235)</u> | <u>59,738</u> |
| TOTAL GENERAL FIXED ASSETS | \$ <u>23,398,351</u> | <u>3,657,269</u> | <u>671,538</u> | <u>0</u> | <u>26,384,082</u> |

**CITY OF UPPER ARLINGTON
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNDING SOURCE
As of December 31, 2002**

| SOURCE | <u>2002</u> |
|---|-----------------------------|
| General fixed assets purchased prior to January 1, 1987 | \$ 7,140,802 |
| General Fund revenues | 8,031,817 |
| Special Revenue Funds revenues | 3,075,798 |
| Capital lease | 887,662 |
| Bond proceeds | 5,587,586 |
| Donations | <u>1,660,417</u> |
| TOTAL GENERAL FIXED ASSETS | \$ <u>26,384,082</u> |

GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP

This account group is established to account for all long-term debt of the City except that accounted for in the proprietary funds.

**CITY OF UPPER ARLINGTON
GENERAL LONG-TERM OBLIGATIONS
ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
December 31, 2002 and 2001**

| | <u>2002</u> | <u>2001</u> |
|--|-----------------------------|--------------------------|
| <u>ASSETS:</u> | | |
| Amount available in debt service funds | \$ 1,246,015 | 748,918 |
| Amount to be provided for retirement of general long-term obligations | <u>16,300,519</u> | <u>17,787,248</u> |
| TOTAL ASSETS | \$ <u>17,546,534</u> | <u>18,536,166</u> |
| <u>LIABILITIES:</u> | | |
| Accrued vacation and sick leave | \$ 1,993,022 | 1,753,664 |
| Installment loan payable | 288,966 | 377,871 |
| Bonds payable | <u>15,264,546</u> | <u>16,404,631</u> |
| TOTAL LIABILITIES | \$ <u>17,546,534</u> | <u>18,536,166</u> |



191 West Nationwide Boulevard
Suite 500
Columbus, OH 43215-2568

Telephone 614 249 2300
Fax 614 249 2348

**Independent Auditors' Report on Compliance and Internal Control
Over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Members of City Council
City of Upper Arlington, Ohio

and

The Honorable Betty Montgomery
Auditor of State

We have audited the general purpose financial statements of the City of Upper Arlington, Ohio (the City) as of and for the year ended December 31, 2002, and have issued our report thereon dated June 5, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the City's Council and management and the Ohio Auditor of State and is not intended to be and should not be used by anyone other than those specified parties.

KPMG LLP

June 5, 2003

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CITY OF | **UPPER**
ARLINGTON

**General Governmental Expenditures by Function
Last Ten Years
(All Governmental Fund Types)**

| <u>Fiscal Year</u> | <u>Public Safety</u> | <u>General Government</u> | <u>Public Services</u> | <u>Parks and Recreation</u> | <u>Community Development</u> | <u>Health</u> | <u>Capital Outlay</u> | <u>Debt Service</u> | <u>Total</u> |
|--------------------|----------------------|---------------------------|------------------------|-----------------------------|------------------------------|---------------|-----------------------|---------------------|--------------|
| 1993 | 8,344,094 | 5,926,274 | 2,249,946 | 1,912,418 | 577,750 | 151,392 | 3,074,259 | 1,980,606 | 24,216,739 |
| 1994 | 8,963,329 | 5,143,635 | 2,363,810 | 2,140,063 | 598,093 | 192,027 | 2,725,113 | 1,828,866 | 23,954,936 |
| 1995 | 8,823,084 | 4,545,731 | 2,228,412 | 2,340,395 | 584,402 | 162,474 | 445,707 | 1,810,040 | 20,940,245 |
| 1996 | 9,557,755 | 5,075,901 | 1,834,849 | 1,868,871 | 559,622 | 152,860 | 554,714 | 1,801,842 | 21,406,414 |
| 1997 | 8,878,570 | 4,917,977 | 1,813,259 | 1,927,825 | 557,421 | 118,922 | 2,271,254 | 1,502,953 | 21,988,181 |
| 1998 | 9,533,696 | 5,149,758 | 1,841,950 | 2,008,057 | 550,421 | 120,688 | 4,931,346 | 8,998,268 | 33,134,184 |
| 1999 | 10,349,664 | 6,054,366 | 1,950,505 | 2,078,885 | 566,864 | 108,552 | 4,168,235 | 1,768,708 | 27,045,779 |
| 2000 | 9,915,840 | 6,619,799 | 2,018,615 | 1,981,096 | 492,099 | 137,987 | 5,197,964 | 1,765,440 | 28,128,840 |
| 2001 | 10,697,929 | 6,436,954 | 2,383,048 | 2,316,486 | 601,614 | 161,421 | 3,505,275 | 2,113,414 | 28,216,141 |
| 2002 | 11,471,936 | 7,311,405 | 2,043,689 | 2,966,906 | 621,527 | 153,639 | 9,020,391 | 2,045,082 | 35,634,575 |

Source: Finance Department, City of Upper Arlington

**General Revenues by Source
Last Ten Years
(All Governmental Fund Types)**

| Fiscal Year | Income Taxes | Property Taxes | Inter Governmental | Estate Taxes | Charges For Services | Investment Earnings | Fines And Forfeitures | Licenses And Permits | Miscellaneous(1) | Increase (Decrease) in Fair Value of Investments (2) | Total |
|-------------|--------------|----------------|--------------------|--------------|----------------------|---------------------|-----------------------|----------------------|------------------|--|------------|
| 1993 | 8,255,474 | 4,778,177 | 2,951,850 | 2,806,590 | 325,449 | 763,689 | 254,130 | 285,442 | 764,865 | | 21,185,666 |
| 1994 | 7,953,375 | 5,388,055 | 3,090,712 | 2,668,587 | 471,932 | 594,245 | 232,771 | 291,057 | 708,154 | | 21,398,888 |
| 1995 | 8,355,598 | 5,373,884 | 3,285,785 | 2,184,447 | 650,470 | 592,224 | 266,337 | 227,973 | 686,069 | | 21,622,787 |
| 1996 | 8,205,419 | 5,441,146 | 3,540,056 | 2,406,737 | 742,135 | 597,948 | 233,653 | 399,084 | 1,072,212 | | 22,638,390 |
| 1997 | 8,079,010 | 5,875,318 | 3,609,192 | 4,888,658 | 753,938 | 836,797 | 262,009 | 342,816 | 1,028,810 | | 25,676,548 |
| 1998 | 9,406,931 | 7,519,363 | 3,364,427 | 4,687,336 | 777,985 | 1,500,726 | 279,149 | 268,601 | 1,369,356 | 315,157 | 29,489,031 |
| 1999 | 12,313,204 | 6,685,315 | 3,379,685 | 5,641,678 | 840,531 | 1,319,607 | 317,521 | 298,740 | 1,178,745 | (636,407) | 31,338,619 |
| 2000 | 11,776,958 | 7,479,554 | 3,673,534 | 3,895,389 | 842,915 | 1,678,846 | 379,326 | 333,064 | 1,309,137 | 523,313 | 31,892,036 |
| 2001 | 13,877,775 | 7,633,843 | 3,961,428 | 4,261,767 | 904,900 | 1,839,820 | 367,339 | 306,492 | 1,261,301 | 332,209 | 34,746,874 |
| 2002 | 12,386,901 | 10,295,227 | 4,312,034 | 4,149,899 | 1,435,276 | 1,665,656 | 341,999 | 622,813 | 1,306,160 | 203,720 | 36,719,685 |

Notes:

(1) Includes special assessments

(2) 1998 was the first year for this revenue category which records unrealized gains on investments in accordance with GASB Statement No. 31.

Source: Finance Department, City of Upper Arlington

**Property Tax Levies and Collections
Last Ten Years**

| <u>Fiscal Year</u> | <u>Total Tax Levy</u> | <u>Current Tax Collections</u> | <u>Percent Of Levy Collected</u> | <u>Delinquent Tax Collections</u> | <u>Total Tax Collections</u> | <u>Percent of Total Tax Collections To Tax Levy</u> | <u>Percent of Delinquent Taxes to Tax Levy</u> |
|--------------------|-----------------------|--------------------------------|----------------------------------|-----------------------------------|------------------------------|---|--|
| 1993 | 4,747,095 | 4,670,370 | 98.38% | 87,111 | 4,757,481 | 100.22% | 3.27% |
| 1994 | 5,317,615 | 5,239,310 | 98.53% | 107,526 | 5,346,836 | 100.55% | 2.61% |
| 1995 | 5,344,932 | 5,285,826 | 98.89% | 83,737 | 5,369,563 | 100.46% | 2.73% |
| 1996 | 5,412,824 | 5,347,189 | 98.79% | 76,001 | 5,423,190 | 100.19% | 3.04% |
| 1997 | 6,013,241 | 5,773,906 | 96.02% | 96,416 | 5,870,322 | 97.62% | 5.74% |
| 1998 | 6,946,627 | 6,827,432 | 98.28% | 296,137 | 7,123,569 | 102.55% | 3.44% |
| 1999 | 6,412,472 | 6,313,867 | 98.46% | 157,309 | 6,471,176 | 100.92% | 3.35% |
| 2000 | 6,923,375 | 6,823,885 | 98.56% | 129,453 | 6,953,338 | 100.43% | 8.94% |
| 2001 | 6,931,261 | 6,763,017 | 97.57% | 164,082 | 6,927,099 | 99.94% | 12.72% |
| 2002 | 7,333,379 | 7,180,875 | 97.92% | 197,253 | 7,378,128 | 100.61% | 2.69% |

Source: Office of the County Auditor, Franklin County, Ohio

**Assessed and Estimated Actual Value of Taxable Property
Last Ten Years**

| <u>Tax Year</u> | <u>Real Property & Public Utility</u> | | <u>Tangible Personal Property</u> | | <u>Total Assessed Value</u> |
|---------------------|---|---|-----------------------------------|---------------------------------------|-------------------------------------|
| | <u>Assessed Value</u> | <u>Estimated Actual Value (1)</u> | <u>Assessed Value</u> | <u>Estimated Actual Value</u> | |
| 1993 | 836,321,350 | 2,389,489,571 | 23,262,806 | 93,051,224 | 859,584,156 |
| 1994 | 839,485,790 | 2,398,530,829 | 26,530,456 | 106,121,824 | 866,016,246 |
| 1995 | 842,038,480 | 2,405,824,229 | 29,186,722 | 116,746,888 | 871,225,202 |
| 1996 | 955,600,450 | 2,730,287,000 | 38,912,009 | 155,648,036 | 994,512,459 |
| 1997 | 959,512,370 | 2,741,463,914 | 45,182,344 | 180,729,376 | 1,004,694,714 |
| 1998 | 964,348,230 | 2,755,280,657 | 56,148,837 | 224,595,348 | 1,020,497,067 |
| 1999 | 1,067,428,160 | 3,049,794,743 | 34,396,677 | 137,586,708 | 1,101,824,837 |
| 2000 | 1,071,543,820 | 3,061,553,771 | 31,888,687 | 127,554,748 | 1,103,432,507 |
| 2001 | 1,077,988,810 | 3,079,968,029 | 29,031,195 | 116,124,780 | 1,107,020,005 |
| 2002 | 1,257,796,540 | 3,593,704,400 | 21,904,698 | 87,618,792 | 1,279,701,238 |

Notes:

(1) Real property and public utility property are assessed at 35% of appraised value.

Source: Office of the County Auditor, Franklin County, Ohio

**Property Tax Rates - All Direct and Overlapping Governments
Last Ten Years
Property Tax Rates per \$1,000 of Assessed Valuation**

| Tax Year | <u>City of Upper Arlington</u> | | | | | | | | | | <u>Other Governments</u> | | |
|-------------|--------------------------------|--------------------|--------------------------------|------------------------|-------|--------------------|--------|---------|--------|--|--------------------------|--|--|
| | General Fund | Debt Retirement | Police and Fire Pensions | Capital Improvement | Total | School District | County | Library | Total | | | | |
| 1993 | 3.90 | 0.36 | 1.60 | 0.50 | 6.36 | 68.15 | 14.87 | - | 89.38 | | | | |
| 1994 | 3.90 | 0.28 | 1.60 | 0.50 | 6.28 | 74.65 | 14.57 | 1.00 | 96.50 | | | | |
| 1995 | 3.90 | 0.29 | 1.60 | 0.50 | 6.29 | 78.12 | 14.82 | 1.00 | 100.23 | | | | |
| 1996 | 3.90 | 0.27 | 1.60 | 0.50 | 6.27 | 78.12 | 14.82 | 1.00 | 100.21 | | | | |
| 1997 | 3.90 | 0.84 | 1.60 | 0.50 | 6.84 | 77.86 | 15.22 | 1.00 | 100.92 | | | | |
| 1998 | 3.90 | 0.42 | 1.60 | 0.50 | 6.42 | 84.03 | 17.54 | 1.00 | 108.99 | | | | |
| 1999 | 3.90 | 0.39 | 1.60 | 0.50 | 6.39 | 83.95 | 17.64 | 1.00 | 108.98 | | | | |
| 2000 | 3.90 | 0.39 | 1.60 | 0.50 | 6.39 | 83.32 | 17.64 | 1.00 | 108.35 | | | | |
| 2001 | 3.90 | 0.76 | 1.60 | 0.50 | 6.76 | 89.52 | 17.64 | 1.00 | 114.92 | | | | |
| 2002 | 3.90 | 0.66 | 1.80 | 0.50 | 6.86 | 89.15 | 17.64 | 2.00 | 115.65 | | | | |

**Ratio of Net General Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Years**

| Tax Year | Assessed Value (1) | Gross General Bonded Debt (2) | Less Debt Service Fund | Net General Bonded Debt | Ratio of Net General Bonded Debt to Assessed Value | Estimated Population (3) | Net General Bonded Debt Per Capita |
|----------|--------------------|-------------------------------|------------------------|-------------------------|--|--------------------------|------------------------------------|
| 1993 | 859,584,156 | 14,605,000 | 268,950 | 14,336,050 | 1.67 | 34,279 | 418.22 |
| 1994 | 866,016,246 | 13,205,000 | 3,826 | 13,201,174 | 1.53 | 34,279 | 385.11 |
| 1995 | 871,225,202 | 11,740,000 | 10,880 | 11,729,120 | 1.35 | 35,700 | 328.55 |
| 1996 | 994,512,459 | 10,205,000 | 22,658 | 10,182,342 | 1.02 | 35,686 | 285.33 |
| 1997 | 1,004,694,714 | 9,045,000 | 32,602 | 9,012,398 | 0.90 | 35,686 | 252.55 |
| 1998 | 1,020,497,067 | 17,849,988 | 558,936 | 17,291,052 | 1.69 | 35,686 | 484.53 |
| 1999 | 1,101,824,837 | 16,339,988 | 649,988 | 15,690,000 | 1.42 | 35,686 | 439.67 |
| 2000 | 1,103,432,507 | 14,769,988 | 747,913 | 14,022,075 | 1.27 | 33,686 | 416.26 |
| 2001 | 1,107,020,005 | 19,908,965 | 748,918 | 19,160,047 | 1.73 | 33,686 | 568.78 |
| 2002 | 1,279,701,238 | 18,440,929 | 1,246,015 | 17,194,914 | 1.34 | 33,686 | 510.45 |

Notes:

(1) Assessed value from Table 4

(2) Amounts excluded Bond Anticipation Notes

(3) Population estimates for 2000 are from the U.S. Census Bureau.

Other estimates are prepared by the City of Upper Arlington.

**Computation of Legal Debt Margin
December 31, 2002**

| | | |
|---|------------------|------------------------|
| Total Assessed Valuation | | <u>\$1,279,701,238</u> |
| Overall Debt Limitation: | | |
| 10 1/2% of assessed valuation | | 134,368,630 |
| Gross bonded indebtedness | 18,440,929 | |
| Less: Amount available in debt service fund | <u>1,246,015</u> | |
| Net debt within limitation | | <u>17,194,914</u> |
| Legal debt margin within 10 1/2% limitation | | <u>\$117,173,716</u> |
| Unvoted Debt Limitation: | | |
| 5 1/2% of assessed valuation | | \$70,383,568 |
| Gross bonded indebtedness | 18,440,929 | |
| Less: Debt outside limitations | <u>8,975,929</u> | |
| Debt within limitation | 9,465,000 | |
| Less: Amount available in debt service fund | <u>1,246,015</u> | |
| Net debt within limitation | | <u>8,218,985</u> |
| Legal debt margin within 5 1/2% limitation | | <u>\$62,164,583</u> |

Source: Finance Department, City of Upper Arlington

**Computation of Direct and Overlapping Debt
December 31, 2002**

| | <u>Assessed Valuation</u> | <u>Net Outstanding</u> | <u>Percent Overlapping</u> | <u>Amount Applicable To City of Upper Arlington</u> |
|-------------------------|-------------------------------|-----------------------------|--------------------------------|---|
| Direct - | | | | |
| City of Upper Arlington | \$1,279,701,238 | <u>\$17,194,914</u> | 100.00% | <u>\$17,194,914</u> |
| Overlapping: | | | | |
| Upper Arlington Schools | 1,291,391,761 | 38,029,366 | 98.80% | 37,573,014 |
| Dublin Schools | 2,427,171,162 | 168,666,982 | 16.00% | 269,867 |
| Franklin County | 24,744,179,485 | <u>151,355,625</u> | 5.17% | <u>7,825,086</u> |
| | | <u>358,051,973</u> | | <u>45,667,967</u> |
| Total | | <u><u>\$375,246,887</u></u> | | <u><u>\$62,862,881</u></u> |

Sources: Office of the County Auditor, Franklin County, Ohio

**Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General Expenditures
Last Ten Years**

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> | <u>Total General Expenditures</u> | <u>Percentage of Debt Service to General Expenditures</u> |
|------------------------|------------------|-----------------|-------------------------------|---|---|
| 1993 | 1,330,000 | 924,574 | 2,254,574 | 24,216,739 | 9.31% |
| 1994 | 1,400,000 | 877,402 | 2,277,402 | 23,954,936 | 9.51% |
| 1995 | 1,465,000 | 799,257 | 2,264,257 | 20,940,245 | 10.81% |
| 1996 | 1,535,000 | 717,194 | 2,252,194 | 21,406,414 | 10.52% |
| 1997 | 1,160,000 | 630,418 | 1,790,418 | 21,988,181 | 8.14% |
| 1998 | 1,445,000 | 643,906 | 2,088,906 | 33,134,183 | 6.30% |
| 1999 | 1,510,000 | 774,446 | 2,284,446 | 27,045,779 | 8.45% |
| 2000 | 1,570,000 | 710,617 | 2,280,617 | 28,128,840 | 8.11% |
| 2001 | 1,681,952 | 845,018 | 2,526,970 | 28,216,141 | 8.96% |
| 2002 | 1,468,036 | 951,024 | 2,419,060 | 35,634,575 | 6.79% |

Source: Finance Department, City of Upper Arlington

**Demographic Statistics
Last Five Census**

| <u>Year</u> | <u>Population</u> | <u>Occupied Households</u> | <u>Total Dwelling Units</u> | <u>Persons Per Household</u> | <u>Median Income</u> |
|-------------|-------------------|--------------------------------|-------------------------------------|--------------------------------------|--------------------------|
| 1960 | 28,486 | 8,503 | 8,868 | 3.35 | 11,915 |
| 1970 | 38,630 | 12,311 | 12,642 | 3.13 | 17,971 |
| 1980 | 35,648 | 13,542 | 13,902 | 3.06 | 32,184 |
| 1990 | 34,128 | 13,956 | 14,376 | 2.40 | 53,140 |
| 2000 | 33,686 | 13,985 | 14,432 | 2.39 | 62,787 |

Source: U.S. Census Bureau, Census 2000

Property Value, Construction, and Bank Deposits Last Ten Years

| Fiscal Year | Residential (1) | | Commercial (1) | | Total | | Bank Deposits (2) | Property Value (3) |
|-------------|-----------------|------------|----------------|------------|----------------|-------------|-------------------|--------------------|
| | No. of Permits | Value | No. of Permits | Value | No. of Permits | Total Value | | |
| 1993 | 437 | 18,491,005 | 71 | 4,741,002 | 508 | 23,232,007 | 18,074,036,000 | 2,389,489,571 |
| 1994 | 406 | 18,259,982 | 45 | 3,595,709 | 451 | 21,855,691 | 19,048,525,000 | 2,474,332,131 |
| 1995 | 271 | 10,659,878 | 64 | 3,684,361 | 335 | 14,344,239 | 20,065,000,000 | 2,405,824,229 |
| 1996 | 275 | 15,539,650 | 69 | 27,766,303 | 344 | 43,305,953 | 20,601,499,000 | 2,730,287,000 |
| 1997 | 292 | 15,318,859 | 82 | 12,655,046 | 374 | 27,973,905 | 19,077,211,000 | 2,741,463,914 |
| 1998 | 296 | 13,263,492 | 76 | 7,688,901 | 372 | 20,952,393 | 41,599,732,000 | 2,755,280,657 |
| 1999 | 331 | 26,774,877 | 88 | 4,576,772 | 419 | 31,351,649 | 39,568,044,000 | 3,049,794,743 |
| 2000 | 306 | 26,702,623 | 55 | 11,994,250 | 361 | 38,696,873 | 36,931,205,000 | 3,061,553,771 |
| 2001 | 302 | 24,392,481 | 54 | 22,630,527 | 356 | 47,023,008 | 39,056,316,000 | 3,079,968,029 |
| 2002 | 324 | 27,670,535 | 59 | 16,216,977 | 383 | 43,887,512 | 36,916,366,000 | 3,593,704,400 |

Sources:

(1) City of Upper Arlington, Development Department

(2) Total deposits of all banks headquartered in Franklin County (includes national and state chartered banks.) State of Ohio Department of Commerce, Banks Division

(3) Office of the County Auditor, Franklin County, Ohio

**Principal Property Taxpayers
December 31, 2002**

| | <u>Assessed Valuation</u> | <u>% of Total Assessed Valuation</u> |
|---|-------------------------------|--|
| <u>Real Property & Public Utility</u> | | |
| 1. Columbus & Southern Power Company | \$8,729,230 | 0.68 |
| 2. Ohio Bell Telephone Company | 7,718,210 | 0.60 |
| 3. Columbia Gas of Ohio Inc. | 1,141,850 | 0.09 |
| 4. First Community Village | 7,257,260 | 0.57 |
| 5. RRC Acquisitions, Inc. | 6,068,240 | 0.47 |
| 6. UAP-Columbus JV | 5,237,050 | 0.41 |
| 7. Compuserve, Inc. | 5,188,870 | 0.41 |
| 8. New Plan Financing Inc. | 3,601,690 | 0.28 |
| 9. Scioto Country Club, Inc. | 3,561,790 | 0.28 |
| 10. Kimco Development Corp. | 2,999,160 | 0.23 |
| Total | <u>\$51,503,350</u> | 4.02 |
| <u>Tangible Personal Property</u> | | |
| 1. Uunet Technologies Inc. | \$6,174,540 | 0.48 |
| 2. America Online Inc. | 3,043,510 | 0.24 |
| 3. Time Warner Entertainment Co., LP | 1,980,950 | 0.15 |
| 4. Rich's Department Stores Inc. | 1,230,680 | 0.10 |
| 5. Circuit City Stores Inc. | 940,380 | 0.07 |
| 6. Kroger Company | 582,650 | 0.05 |
| 7. BOAHC Inc. | 416,090 | 0.03 |
| 8. Wild Oats Market Inc. | 385,800 | 0.03 |
| 9. Ameritech New Media Inc. | 380,820 | 0.03 |
| 10. Stein Mart | 335,130 | 0.03 |
| Total | <u>\$15,470,550</u> | 1.21 |

Source: Office of the County Auditor, Franklin County, Ohio

Miscellaneous Statistics

General City Information

| | |
|-----------------------|------------------------|
| Date of Incorporation | February 8, 1941 |
| Form of Government | Council – City Manager |
| Full-Time Employees | 257 |
| Area | 9.7 square miles |
| Population | 33,686 |
| Dwellings | 14,432 |
| Median Family Income | \$62,787 |
| Median Age | 42.6 |

Community

| | |
|------------------------|----------------|
| Shopping centers | 8 (241 stores) |
| Grocery stores | 4 |
| Restaurants | 40 |
| Gas Stations | 8 |
| Financial Institutions | 21 |
| Churches | 16 |

Parks & Recreation

| | |
|--------------------------|----------------|
| Parks | 17 (180 acres) |
| Swimming pools | 3 |
| Baseball/softball fields | 21 |
| Tennis courts | 36 |
| Shuffleboard courts | 8 |
| Senior Center | 1 |

Police Protection

| | |
|------------------------------|----|
| Number of stations | 1 |
| Number of sworn officers | 48 |
| Number of civilian personnel | 12 |
| Pieces of equipment | 25 |

Fire Protection

| | |
|------------------------------|----|
| Number of stations | 3 |
| Number of sworn personnel | 61 |
| Number of civilian personnel | 4 |
| Pieces of equipment | 23 |

Education

| | |
|------------------------|---|
| Public – Elementary | 5 |
| Public – Middle School | 2 |
| Public – High School | 1 |
| Parochial | 2 |
| Private | 1 |

Special Assessment Billings and Collections Last Ten Years

| <u>Fiscal Year</u> | <u>Assessment Billings</u> | <u>Assessment Collections</u> |
|------------------------|--------------------------------|-----------------------------------|
| 1993 | 32,300 | 27,540 |
| 1994 | 24,768 | 19,949 |
| 1995 | 33,831 | 27,366 |
| 1996 | 34,739 | 28,793 |
| 1997 | 38,222 | 46,495 |
| 1998 | 41,176 | 42,846 |
| 1999 | 278,861 | 275,593 |
| 2000 | 357,762 | 307,461 |
| 2001 | 288,991 | 242,909 |
| 2002 | 247,721 | 241,828 |

Source: Office of the County Auditor, Franklin County, Ohio



CITY OF | **UPPER**
ARLINGTON

3600 Tremont Road
Upper Arlington, Ohio 43221-1595
Phone: 614-583-5280 • TDD: 614-442-3216
Fax: 614-457-6620
www.ua-ohio.net



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

CITY OF UPPER ARLINGTON

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 21, 2003**