

CITY OF UPPER ARLINGTON
FRANKLIN COUNTY
REGULAR AUDIT
JANUARY 1, 2015 – DECEMBER 31, 2015





Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Upper Arlington, Franklin County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2015 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

August 8, 2016

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**CITY OF UPPER ARLINGTON
FRANKLIN COUNTY**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City of Upper Arlington
Franklin County
3600 Tremont Road
Upper Arlington, Ohio 43221

To City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Upper Arlington, Franklin County, (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 24, 2016 wherein we noted the City adopted GASB Statement No. 68 and 71 as disclosed in Note 15.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS
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City of Upper Arlington
Franklin County
Independent Auditor's Report on Internal Control Over Financial
Reporting and On Compliance and Other
Matters Required By *Government Auditing Standards*

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
June 24, 2016

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CITY OF | **UPPER
ARLINGTON**
OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2015**

ISSUED BY:

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

Catherine M. Armstrong, CPA, CGFM
Director of Finance and Administrative Services

Brent W. Lewis, CPA
Assistant Finance Director

Jenna M. Miller
Human Resources/Finance Specialist

Bethany D. Staats, CPA
Finance Manager

Christopher D. Brady
Human Resources Manager

Karen A. Elifritz
Payroll Administrator

Barbara K. Podnar
Purchasing Administrator

Laura A. Lynde
Accounting Assistant

Tammy L. Grandy
Management Assistant



CITY OF | **UPPER ARLINGTON**



CITY OF | **UPPER ARLINGTON**

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**CITY OF UPPER ARLINGTON, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For The Year Ended December 31, 2015**

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CITY OF UPPER ARLINGTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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CITY OF | **UPPER
ARLINGTON**

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June 24, 2016

To the Honorable Deborah A. Johnson and Members of City Council,
And Citizens of the City of Upper Arlington:

The Comprehensive Annual Financial Report (CAFR) of the City of Upper Arlington, Ohio (City), for the fiscal year ended December 31, 2015, is submitted herewith. The report has a complete set of financial statements presented in accordance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by Wilson, Shannon & Snow, Inc. The independent auditor's report is located at the front of the financial section of this report.

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

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

In developing and revising the City's accounting and reporting control systems, consideration is given to the adequacy of internal controls to provide reasonable but not absolute assurance regarding the safeguarding of assets from loss, theft, or misuse and reliability of financial records for preparing the City's financial statements in conformity with GAAP and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits require estimates and judgments by management.

As management, we believe the data presented is accurate in all material aspects and that all disclosures necessary to enable the reader to acquire the maximum understanding of the City's financial activity have been included.

Profile of the Government

With its initial beginnings dating back to 1918, the City of Upper Arlington was organized on February 8, 1941 as a home-rule, Municipal Corporation organized under the laws of the State of Ohio. The City covers 9.77 square miles, located just northwest of downtown Columbus. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety; public service; parks and recreation; and community development.

As required by GAAP, the accompanying financial statements include all the organizations, activities and functions in which the City (primary government) and its component unit exercise financial accountability. The component unit discussed below is included in the City's reporting entity because of the significance of its operations and/or financial relationship with the City.

Discretely Presented Component Unit – A 13-member board governs the Upper Arlington Community Improvement Corporation (UA CIC). For financial reporting purposes, the CIC is reported separately from the City's operations because its purpose is to assist the City as a whole in the revitalization and enhancement of property within the City, and its governing body is not the same as that of the primary government.

The annual budget serves as the foundation for the City's financial planning and control. The City complies with the requirements of the Ohio Revised Code in the adoption of the budget. Appropriations for the operation of various City departments are established through the passage of an ordinance by City Council. Budgetary control is facilitated through the maintenance of an encumbrance system for purchase orders, and through the use of the City's automated financial system. The Council is required to hold public hearings on the proposed budget and to adopt the budget by no later than December 31, the close of the City's fiscal year.

The appropriated budget is prepared by fund, (e.g., General Fund), department (e.g., Police) and line item (e.g., Personal Services). The City Council may pass supplemental appropriations at any time by ordinance. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. The General Fund is presented in the required supplementary section, beginning on page 86. For governmental funds, other than the General Fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 96.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

The Bureau of Economic Analysis indicates that Ohio's economy grew more than any other State in the Great Lakes region in 2015, a rate of 2.9%. This placed the State's economy in the top three of growing states in the nation. The Ohio economy is currently valued at \$608 billion. Economic growth in the Columbus and Central Ohio region has been strong, with Columbus the 13th fastest growing city in the nation and first in the Midwest.

Reinvestment in Upper Arlington remained strong in 2015. The City's Community Development Department reviewed and inspected housing and commercial construction projects valued at more than \$95 million, the highest level in the City's history, with approximately 3,200 permits reviewed – which generated approximately \$900,000 in permit revenue, up 2.5% from 2014. Several housing projects were part of these impressive statistics, including completion of the Berkley House, a 256-unit, high-end apartment complex, and the start of construction of Hull Farms, a 14-lot subdivision off Lane Road.

Economic development activity remained steady and the Economic Development Office continued its proactive business retention and expansion program in order to better help businesses stay and grow here. The City remained focused on its efforts to attract and grow a mix of professional office and medical users in order to strengthen and diversify the overall business base. Some 2015 projects of note include:

- In June, construction began on the much-anticipated OSU Wexner Medical Center's Outpatient Care Upper Arlington facility at the Kingsdale Shopping Center along Zollinger Road. At approximately 100,000 square feet of space, an initial workforce estimate of 155 medical professionals is already projected to be higher when the facility opens. At this facility, the community will enjoy access to an exceptional range of medical services, Kingsdale businesses and restaurants will benefit greatly from an increase in patronage from workers and patients, and the City will receive a significant boost in income tax revenues. This project is ahead of the original opening schedule, with a community open house scheduled for late June 2016.
- The mixed-use project on Lane Avenue continues to thrive, with the insurance firm Overmyer Hall taking up occupancy in the office space.
- Plans were finalized for the construction of a 26,000 square foot OhioHealth medical facility that will include neurorehabilitation, family practice and lab services, at 3363 Tremont Road. Beginning in the spring of 2016, this project required demolition of an existing office building to the immediate north of the GetGo Gas Station to make way for the new building, with parking on two vacant, adjacent parcels to the north.
- Columbus Aesthetic and Plastic Surgery (CAPS) purchased 5005 Arlington Centre Boulevard off Henderson Road and received approval for the construction of a 19,400 square foot medical facility that will allow the practice to remain and expand in the Upper Arlington community. Construction began in the spring of 2016.

Long-term Financial Planning

The City of Upper Arlington's Master Plan, first adopted in 2001, and updated and re-adopted again in 2013, serves as the community's vision for its future, and comprehensively addresses a wide range of goals and considerations within the areas of land use, housing, community facilities and appearance, economic development, transportation and infrastructure, and implementation. The Master Plan's ultimate goal is to preserve and enhance the community's quality of life, while assuring fiscal stability over the long term.

A significant portion of the City's role in reinvesting in Upper Arlington is to protect and enhance those investments already made as the community grew and took shape over the course of many decades – our underground and surface infrastructure, public facilities and parks. The City remains committed to improving its aging infrastructure through its Capital Improvement Program (CIP). The most recent CIP is a ten-year plan of approximately \$124 million for years 2015 through 2024.

In 2014, significant effort was focused on addressing the City's fiscal challenges relative to securing a long-term funding source for its capital needs, with a successful outcome at the November ballot when voters approved a 0.5% increase in the income tax rate. The 0.5% is restricted for the capital plan. With the funding source in place, the City will continue to use the adopted financial and debt policies for capital investments, which call for the CIP plan to be funded using a combination of cash and financing. The City issues general obligation bonds for financing capital improvement projects. The bonds are primarily paid with income tax receipts. In addition to the 0.5%, the City Council approved setting aside an additional 8% of the income tax to retire existing debt in 2015 and 2016.

Relevant Financial Policies

A debt policy was adopted on September 8, 2003 to establish conditions for the use of debt and to create policies that minimize the City's debt service and issuance costs, retain the highest credit rating and maintain full and complete financial disclosure and reporting.

In addition, City financial policies dictate that a reserve will be maintained in the Unrestricted Fund Balance at a level for meeting the day-to-day obligations of the City equal to 30% of the General Fund operating budget.

Major Initiatives

The City has successfully retained Triple A financial ratings from Moody's Investors Service, and Standard & Poor's. These are the highest ratings available, and reaffirm that the City takes its fiscal responsibilities seriously. It also means the City can expect to benefit from the lowest possible interest rates in the marketplace at any given time for future bond sales.

As part of the Kingsdale Shopping Center redevelopment, in 2011 the City took ownership of undeveloped acreage fronting Zollinger Road with the goal of achieving a professional/medical office building at the site, signing a three-year Development Agreement with Echo/Continental focused on marketing the site for office use. As this agreement reached its end, efforts by the City to attract a medical office development proved successful and in June of 2014, the City and The Ohio State University Wexner Medical Center jointly announced plans for a 100,000 square foot health care facility. The project is expected to generate more than \$320,000 in income taxes and \$350,000 in local property taxes each year. As mentioned previously, the anticipated completion date is June 2016.

The year 2015 marked the beginning of the City's collection of an additional 0.5% in income tax, resulting from passage of Issue 23 in November of 2014. Per Council directive, 100% of the revenues raised from this increase will be dedicated to funding the City's capital needs, providing a long-term, critical funding source for the 10-year Capital Improvement Program. While the City did not realize the full increase from this new revenue source in 2015—since personal income tax filings for the year were not due until April of 2016—approximately \$3 million of the 2015 income tax revenues can be attributed to the tax increase.

With implementation of the second year of the City's first 10-year Capital Improvement Program, 2015 was an extremely busy construction season. Work began on the first phase of the Tremont Road reconstruction project, from Five Points south to Ridgeview Road, converting this section to three lanes with a middle turn lane, bike lanes and sidewalks for enhanced connectivity. At a cost of approximately \$7.1 million, the City was able to secure a \$1.9 million grant and \$2.5 million, low interest loan from the Ohio Public Works Commission, and to tap into \$1.1 million from the Permissive Tax Fund and \$.75 million from the Kingsdale West and Arlington Crossing TIF funds to help support this project. Sections of six other streets were reconstructed, and sections of 24 streets were resurfaced, including the section of Kenny Road from Tremont Road south to Fishinger Road, with the addition of new sidewalks to complete pedestrian connectivity. Additionally, a new waterline was installed along Derby Road.

Details were finalized for installing a fiber optic network to connect all City, Schools and Library buildings, at a total cost of approximately \$2.5 million. As part of the conditions of a \$500,000 grant from the State, the new Ohio State University Wexner Medical Center facility on Zollinger Road will be provided fiber access at no charge for a period of 20 years. The City was able to secure a 1.7% interest loan of \$1 million from the Franklin County Infrastructure Loan Program to help fund this project, saving the City approximately \$64,000 in interest over the life of the loan when compared to the City's bond issuance interest rate. Additionally, the City has put agreements in place with the Schools and Library to pay the equivalent of their current leased broadband lines to the City each year until the City's capital investment in this project is recouped.

In 2015, the recommendations that had emerged from a December 2013 Northam Park master planning process were shared with the community through an extensive community outreach process. After much debate, Council directed Staff to proceed with an abridged phase of upgrades that focused on replacement of the Tremont Pool (which the City had to close at the end of the 2014 swim season due to structural issues) and playground, along with associated support facilities such as pathways and landscaping, while keeping all other existing facilities intact and in use, including the tennis courts and athletic fields. Plans were developed and subsequently implemented beginning early in 2016 for another round of community engagement associated with this phase of improvements, which are expected to cost approximately \$7 million to complete. Further, Council directed Staff to conduct a comprehensive review of all Upper Arlington parks, facilities and recreational programming in 2016—to include an extensive community engagement process—to determine the community's needs and priorities for future park improvements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the 28th consecutive Certificate of Achievement for Excellence in Financial Reporting to the City of Upper Arlington for its comprehensive annual report for the fiscal year ended December 31, 2014.

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

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

Additionally, the City received its 10th consecutive Award for Outstanding Achievement in Popular Annual Financial Reporting from GFOA for the 2014 Popular Annual Financial Report, which provides a reader-friendly summary of the City's financial standing from year to year.

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

Respectfully submitted,



Catherine M. Armstrong, CPA
Finance & Administrative Services Director



Theodore J. Staton
City Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

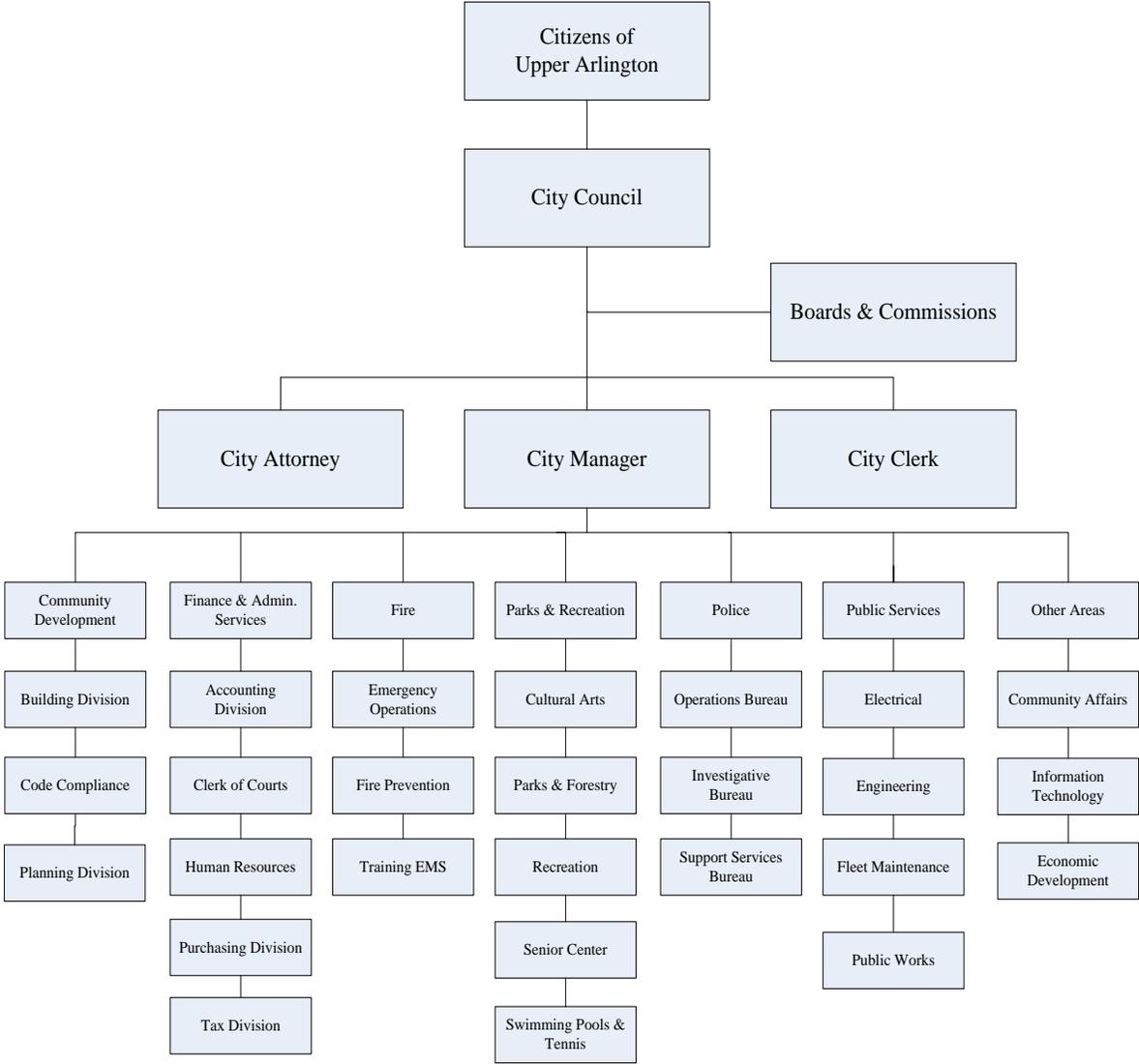
**City of Upper Arlington
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

**CITY OF UPPER ARLINGTON, OHIO
ORGANIZATIONAL CHART**



**CITY OF UPPER ARLINGTON, OHIO
LIST OF CITY OFFICIALS
December 31, 2015**

City Council

President/Mayor	Donald B. Leach, Jr.
Vice President/Vice Mayor	Deborah A. Johnson
Council Member	John C. Adams
Council Member	David E. DeCapua
Council Member	Kip Greenhill
Council Member	Mike Schadek
Council Member	Erik F. Yassenoff

Appointed Officials

City Manager	Theodore J. Staton
City Attorney	Jeanine Hummer
City Clerk	Ashley Ellrod
Clerk of Court	Melissa Kohler

Executive Staff

Assistant City Manager	Dan Ralley
Finance & Administrative Services Director	Catherine M. Armstrong
Fire Division Chief	Jeff Young
Parks and Recreation Director	Deborah McLaughlin
Police Division Chief	Brian Quinn
Public Services Director	Mark Kelsey



CITY OF | **UPPER**
ARLINGTON



City of Upper Arlington
Franklin County
3600 Tremont Road
Upper Arlington, Ohio 43221

INDEPENDENT AUDITOR'S REPORT

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Upper Arlington, Franklin County, Ohio (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Upper Arlington, Franklin County, Ohio, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 15 to the financial statements, during the year ended December 31, 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

City of Upper Arlington
Franklin County
Independent Auditor's Report

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2016 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Wilson, Shannon & Sons, Inc.

Newark, Ohio
June 24, 2016

A. REQUIRED SUPPLEMENTARY INFORMATION – MD&A

**CITY OF UPPER ARLINGTON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
(UNAUDITED)**

As management of the City of Upper Arlington (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Upper Arlington for the year ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found at the front of this report.

Financial Highlights

- The assets and deferred outflow of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$108.4 million (net position). Of this amount, \$20.5 million (unrestricted net position) may be used to meet the government's ongoing governmental activities obligations and \$3.4 million (unrestricted net position) may be used to meet the business-type activities obligations to citizens and creditors.
- The City's total net position increased by \$9.6 million, or 10%.
- At the end of the current year, the unassigned fund balance for the General Fund was \$18.8 million, or 63% of the total General Fund expenditures.
- As of the close of the current year, the City's governmental funds reported combined ending fund balances of \$65.3 million, an increase of \$14.8 million in comparison with the prior year. Of this total amount:
 - \$3.7 million, or 6%, represents non-spendable balances for inventories and advances.
 - \$18 million, or 28%, of the fund balance is categorized as restricted. Restricted fund balances have constraints externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.
 - \$25.8 million, or 39%, of the fund balance is categorized as committed. Committed fund balances have constraints as to use imposed by formal action of the government's highest level of decision-making authority. These constraints can only be removed or changed by taking the same type of action it employed to commit those amounts.
 - \$617,159, or 1%, of the fund balance is categorized as assigned. Assigned fund balances are constrained by the government's intent to use the funds for a specific purpose but are neither restricted nor committed.
 - \$17.2 million, or 26%, of the fund balance is categorized as unassigned. The unassigned fund balance represents fund balance that has not been restricted, committed, or assigned.

Overview of the Financial Statements

This management's discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad view of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows for future periods (e.g., uncollected taxes, and earned-but-unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities). The governmental activities of the City include public safety, general government, public services, parks and recreation, and community development. The business-type activities of the City include five enterprise activities: a sanitary sewer system, a stormwater system, a water management system, solid waste collection, and three swimming pool facilities.

The government-wide financial statements can be found on pages 19-21 of this report.

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for *governmental activities* in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in funds balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Upper Arlington maintains 25 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances (deficit) for the General Fund, General Obligation Bond Retirement Fund, Bonded Improvement Fund, Estate Tax Capital Projects Fund, and the Community Fiber Optic Fund, all of which are considered major funds. Data from the other 20 governmental funds are combined into a single, aggregated presentation.

Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the supplemental section of this report.

The basic governmental fund financial statements can be found on pages 22 – 29 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sanitary sewer, stormwater, swimming pools, and solid waste collection operations. *Internal service* funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains two internal service funds to recover costs and pay premiums for employee health and dental benefits; and to recover costs and pay premiums for workers compensation benefits.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Surcharge, Sanitary Sewer Surcharge, Stormwater, Swimming Pools, and Solid Waste Fund, which are considered to be major funds of the City. Additionally, the internal service funds are presented in the proprietary fund financial statements in one column.

The basic proprietary fund financial statements can be found on pages 30 – 37 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 38 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 39 – 84 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City. Required supplementary information can be found on pages 85 – 93 of this report.

Other Supplementary Information, including additional budgetary schedules, the combining statements referred to earlier in connection with non-major governmental funds and major business-type funds, are presented immediately following the other required supplemental information. The additional budgetary schedules, and combining and individual fund statements and schedules can be found on pages 95 – 164 of this report.

Additionally, the Statistical Section of this report, which can be used to enhance the understanding of the economic condition of the City as a whole, can be found on pages 165-205.

Net Position
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	<i>Restated</i>		<i>Restated</i>		<i>Restated</i>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>						
Current and other assets	\$ 89,225	\$ 74,539	\$ 4,365	\$ 3,906	\$ 93,590	\$ 78,445
Capital assets, net	89,918	82,786	32,642	32,533	122,560	115,319
Total assets	<u>179,143</u>	<u>157,325</u>	<u>37,007</u>	<u>36,439</u>	<u>216,150</u>	<u>193,764</u>
<u>Deferred Outflows of Resources</u>						
Total deferred outflows of resources	<u>5,554</u>	<u>3,480</u>	<u>122</u>	<u>101</u>	<u>5,676</u>	<u>3,581</u>
<u>Liabilities</u>						
Current and other liabilities	2,537	3,485	252	450	2,789	3,935
Long-term liabilities outstanding	96,302	81,655	1,680	1,621	97,982	83,276
Total liabilities	<u>98,839</u>	<u>85,140</u>	<u>1,932</u>	<u>2,071</u>	<u>100,771</u>	<u>87,211</u>
<u>Deferred Inflows of Resources</u>						
Total deferred inflows of resources	<u>12,618</u>	<u>11,303</u>	<u>13</u>	<u>-</u>	<u>12,631</u>	<u>11,303</u>
<u>Net Position</u>						
Net investment in capital assets	41,505	38,329	31,740	31,672	73,245	70,001
Restricted	11,195	9,551	-	-	11,195	9,551
Unrestricted	20,540	16,482	3,444	2,797	23,984	19,279
Total net position	<u>\$ 73,240</u>	<u>\$ 64,362</u>	<u>\$ 35,184</u>	<u>\$ 34,469</u>	<u>\$ 108,424</u>	<u>\$ 98,831</u>

During 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting the net pension asset and deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, from \$91.5 million to \$64.4 million for governmental activities and from \$35.1 million to \$34.5 million for business-type activities.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$108.4 million at the close of 2015.

A large portion of the City's net position (68%) reflects its investment in capital assets (e.g. land, construction in progress, buildings, improvements other than buildings, machinery and equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding plus any significant unspent bond proceeds. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, (10%) represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position (\$24 million) may be used to meet the government's on-going obligations to citizens and creditors. It is important to note that although the total unrestricted net position is \$24 million, the unrestricted net position of the City's business-type activities, \$3.4 million, may not be used to fund governmental activities.

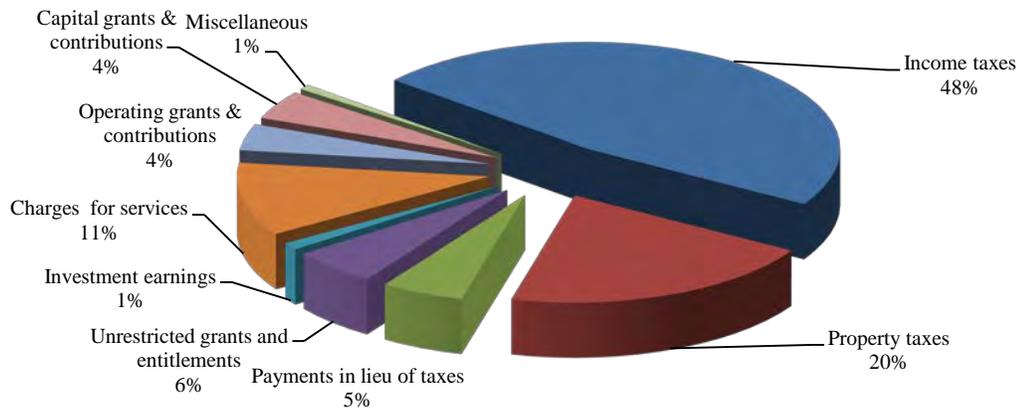
At the end of the current year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Overall net position of the City increased \$9.6 million (10%) in 2015. Net position for governmental activities increased \$8.9 million (14%), while the net position for business-type activities increased \$715,325 (2%). The large increase in overall net position can be primarily attributed to four main factors: (1) income tax revenue increased by \$6 million as a result of the City’s residents approved increasing the local income tax rate from 2% to 2.5%; (2) the City received \$2.1 million in grant receipts related to the Tremont Road reconstruction project; (3) \$12 million in capital asset additions offset by a \$4.6 million in depreciation expense; and (4) total bonded debt increased by \$15.4 as a result of the issuance of \$25 million in various purpose and refunding bonds offset by regular debt payment.

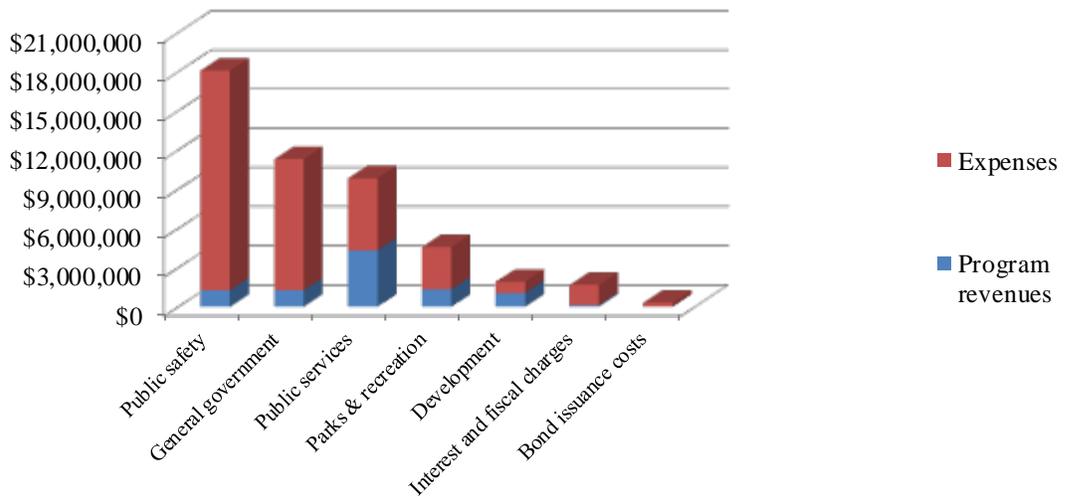
Governmental activities. As stated previously, Governmental activities net position increased by \$8.9 million. Governmental revenues increased by \$8.6 million primarily due to a \$6 million increase in income tax revenue. As mentioned above, an increased tax rate into effect January 1, 2015. Additionally, the City received \$2.1 million in grant receipts related to the Tremont Road reconstruction project.

The following charts illustrate both the 2015 revenues and expenses for governmental activities.

Revenues by Source - Governmental Activities



Expenses and Program Revenues - Governmental Activities



Changes in Net Position
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	<i>Restated</i>		<i>Restated</i>		<i>Restated</i>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues:						
<i>Program revenues:</i>						
Charges for services	\$ 5,336	\$ 4,740	\$ 4,565	\$ 4,460	\$ 9,901	\$ 9,200
Operating grants & contributions	1,905	2,032	-	-	1,905	2,032
Capital grants & contributions	2,085	-	-	-	2,085	-
<i>General revenues:</i>						
Income taxes	22,863	16,830	-	-	22,863	16,830
Property taxes	9,818	9,294	-	-	9,818	9,294
Payment in lieu of taxes	2,560	1,136	-	-	2,560	1,136
Unrestricted grants and entitlements	2,659	4,124	-	-	2,659	4,124
Unrestricted investment earnings	526	922	20	29	546	951
Other miscellaneous revenues	364	400	-	-	364	400
Total revenues	<u>48,116</u>	<u>39,478</u>	<u>4,585</u>	<u>4,489</u>	<u>52,701</u>	<u>43,967</u>
Expenses:						
General government	10,043	11,744	-	-	10,043	11,744
Public safety	16,812	16,206	-	-	16,812	16,206
Public services	5,524	4,977	-	-	5,524	4,977
Parks and recreation	3,233	3,143	-	-	3,233	3,143
Community development	864	892	-	-	864	892
Interest and fiscal charges	1,569	1,514	-	-	1,569	1,514
Bond issuance costs	288	152	-	-	288	152
Solid waste	-	-	2,063	2,109	2,063	2,109
Water surcharge	-	-	741	656	741	656
Sanitary sewer surcharge	-	-	636	632	636	632
Stormwater	-	-	560	487	560	487
Swimming pools	-	-	775	673	775	673
Total expenses	<u>38,333</u>	<u>38,628</u>	<u>4,775</u>	<u>4,557</u>	<u>43,108</u>	<u>43,185</u>
Change in net position before transfers	9,783	850	(190)	(68)	9,593	782
Transfers	(905)	(4,132)	905	4,132	-	-
Change in net position	<u>8,878</u>	<u>(3,282)</u>	<u>715</u>	<u>4,064</u>	<u>9,593</u>	<u>782</u>
Net position at beginning of year	64,362	N/A	34,469	N/A	98,831	N/A
Net position at end of year	<u>\$ 73,240</u>	<u>\$ 64,362</u>	<u>\$ 35,184</u>	<u>\$ 34,469</u>	<u>\$ 108,424</u>	<u>\$ 98,831</u>

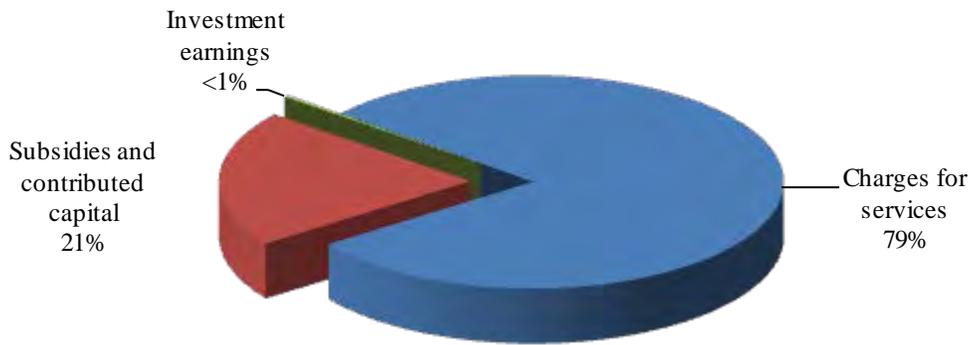
The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$2.9 million computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$3.2 million. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental Activities	Business-Type Activities	Total
Total 2015 program expenses under GASB 68	\$ 38,333	\$ 4,775	\$ 43,108
Pension expense under GASB 68	(3,162)	(82)	(3,244)
2015 contractually required contributions	2,860	76	2,936
Adjusted 2015 program expenses	38,031	4,769	42,800
Total 2014 program expenses under GASB 27	38,628	4,557	43,185
Increase (decrease) in program expenses not related to pension	\$ (597)	\$ 212	\$ (385)

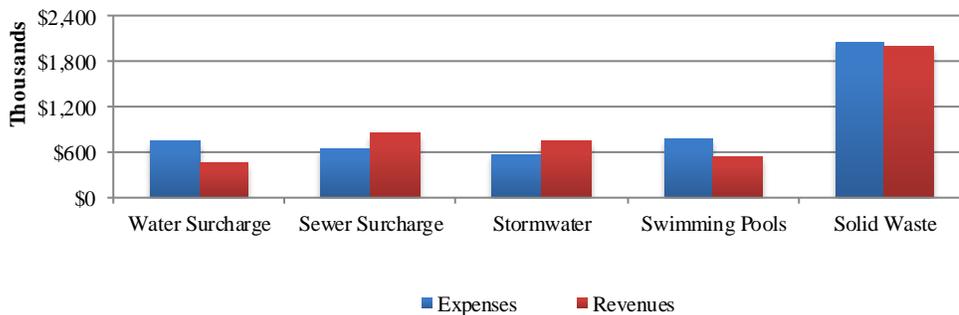
Business-type activities. Business-type activities increased the City’s net position by \$715,325. The key element of the increase was the current year subsidies and transfers of capital assets from governmental sources of \$905,400.

The following chart illustrates both 2015 revenues and expenses for the business type activities.

Revenues by Source - Business-type Activities



Expenses and Program Revenues - Business-type Activities



Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the close of the current year, the City's governmental funds reported combined ending fund balances of \$65.3 million, an increase of \$14.8 million in comparison with the prior year. Of this total amount:

- \$3.7 million, or 6%, represents non-spendable balances for inventories and advances.
- \$18 million, or 28%, of the fund balance is categorized as restricted. Restricted fund balances have constraints externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.
- \$25.8 million, or 39%, of the fund balance is categorized as committed. Committed fund balances have constraints as to use imposed by formal action of the government's highest level of decision-making authority. These constraints can only be removed or changed by taking the same type of action it employed to commit those amounts.
- \$617,159, or 1%, of the fund balance is categorized as assigned. Assigned fund balances are constrained by the government's intent to use the funds for a specific purpose but are neither restricted nor committed.
- \$17.2 million, or 26%, of the fund balance is categorized as unassigned. The unassigned fund balance represents fund balance that has not been restricted, committed, or assigned.

The General Fund is the chief operating fund of the City. At the end of the current year, the unassigned fund balance of the General Fund was \$18.8 million, while the total fund balance was \$34.9 million. The remaining fund balance consists of \$1.6 million restricted for pension obligations and capital improvements; \$10.3 million committed for capital improvements and/or payment of debt issued for capital improvements and general liability insurance; \$3.6 million in non-spendable balance for inventories and advances not expected to be returned within one year; and, \$617,159 assigned for future appropriations and expenditures.

During 2015, the City saw fund balances in the Estate Tax Capital Projects Fund and Community Fiber Optic Fund decrease by \$2.4 million and \$1.1 million, respectively. The decreases were attributable to the following:

- The decrease in the Estate Tax Capital Projects Fund was the result of spending down existing balances on capital expenditures. The capital expenditures out of this fund were offset by revenues received through the Ohio Public Works Commission as part of a project for the reconstruction of Tremont Road.
- The decrease in the Community Fiber Optic Fund was created in 2015, and capturing expenditures prior to the future revenues being received.

Three of the City's major governmental funds had increases in fund balance during 2015. The fund balance in the General Fund, General Obligation Bond Retirement Fund, and Bonded Improvement Fund increased \$4.4 million, \$1,084, and \$11.9 million, respectively. The increases were attributable to the following:

- The increase in the General Fund was primarily the result of increased income tax revenues. In November 2014, the City's residents approved increasing the local income tax rate from 2% to 2.5%, with the additional 0.5% dedicated for capital improvements. The new tax rate went into effect on January 1, 2015. The income tax revenues are deposited into a separate account (Capital Asset Management Fund) which is combined with several other accounts and reported as the General Fund for financial reporting purposes.
- The increase in the General Obligation Bond Retirement Fund resulted from debt transaction that included the issuance of new debt and repayment and refunding of outstanding debt during the year.
- The increase in the Bonded Improvement Fund was the result of the issuance of debt for the purpose of capital improvements.

Proprietary funds. The City's proprietary funds provide the same type of information found in the business-type activities of the government-wide financial statements, with the exception of the allocation of the internal service fund net position and related net income, but in more detail.

As of the close of the current year, the City's propriety funds reported combined ending net position of \$35 million, an increase of \$717,610 in comparison with the prior year. Of this total amount, \$31.7 million represents investment in capital assets (e.g. land, buildings, improvements other than buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding plus any significant unspent bond proceeds. The remaining \$3.3 million is unrestricted.

As mentioned above, net position increased \$717,610 during 2015. All of the enterprise funds, with the exception of Water Surcharge and Swimming Pools funds, saw an increase in net position during 2015. The largest increase in net position occurred in the Stormwater Fund at \$743,327. The increase was primarily the result of receiving its portion of capital assets (and related debt) that were completed during 2015 and paid for out of governmental activity funds. The largest decrease in net position occurred in the Swimming Pools Fund at (\$233,796). The decrease is the result of revenues being down due to inclement weather and having one less pool open during 2015 (Tremont Pool), the City contracting out pool operation during 2015, and loss on the disposal (undepreciated amount of capital asset) of Tremont Pool which was demolished during 2015.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2015, amounts to \$122.6 million, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress. The City's overall investment in capital assets, increased \$7.2 million, or 6.3%.

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

- **Key Construction-in-progress infrastructure projects included:** The City continued its to invest in the 10-year capital improvements plan for its aging infrastructure. Construction, engineering and studies for street, waterline, and stormwater projects that have begun and will begin continue into future years include: Tremont Road reconstruction, community fiber optic installation, Tremont Pool replacement, Northam Park renovations, street maintenance and street reconstruction programs, and various other street, waterline bridge, sewer, and stormwater project

- **Key Completed construction and infrastructure projects included:** Northam Park Parking Lot reconstruction, 2015 street maintenance and street reconstruction programs, and Derby Road water line replacement.

Capital assets, net of accumulated depreciation (in thousands)

	Governmental Activities		Business-type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 4,455	\$ 4,455	\$ 1,237	\$ 1,237	\$ 5,692	\$ 5,692
Construction in progress	8,132	2,750	943	886	9,075	3,636
Building	8,311	8,575	-	-	8,311	8,575
Improvement	6,693	5,347	4,195	3,726	10,888	9,073
Machinery and equipment	4,052	3,793	404	508	4,456	4,301
Infrastructure	58,275	57,866	25,863	26,176	84,138	84,042
Total	<u>\$89,918</u>	<u>\$ 82,786</u>	<u>\$32,642</u>	<u>\$ 32,533</u>	<u>\$122,560</u>	<u>\$115,319</u>

Additional information on the City's capital assets can be found in Note 4 on pages 54 - 56 of this report.

Long-term debt. At the end of the current year, the City had total bonded debt outstanding of \$58.9 million. This debt is backed by the full faith and credit of the City. The City does not have any revenue bonds.

**Outstanding Bonded General Obligation Debt
(in thousands)**

	Governmental Activities		Business-type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
General obligation bonds	\$ 57,765	\$ 42,440	\$ 721	\$ 520	\$ 58,486	\$ 42,960
Special assessment bonds	380	495	-	-	380	495
Total	<u>\$ 58,145</u>	<u>\$ 42,935</u>	<u>\$ 721</u>	<u>\$ 520</u>	<u>\$ 58,866</u>	<u>\$ 43,455</u>

During the current year, the City's total bonded debt increased by \$15.4 million as a result of the issuance of \$25 million in various purpose and refunding bonds for the purpose of funding capital improvements and advance refunding the callable maturities of the 2008 Fire Station and Infrastructure Bonds offset by regular debt payment.

The City has received an "Aaa" rating from Moody's and an "AAA" rating from Standard & Poor's for general obligation debt. These are the highest ratings available, and Upper Arlington is one of a small number of Ohio communities to have achieved this distinction.

Additional information on the City's long-term debt can be found in Note 6 on pages 59 - 68 of this report.

General Fund Budgetary Highlights

During 2015, the City amended its original General Fund revenue estimates by \$2 million and appropriations by \$4.6 million. The revenue estimate increase was highlighted by \$1 million return of funds advanced to the Kingsdale Core TIF Fund for repayment of debt. Other increases were made in anticipation of higher than expected property and other local tax revenues, charges for services revenues, licenses and permit revenues, intergovernmental revenues and other miscellaneous revenue. The increases to the original appropriations were highlighted by a \$1 million advance to the Kingsdale Core TIF Fund (described above) and advance of \$2.5 million to the Community Fiber Optic Fund for installation of fiber optic cable throughout the City. Other increases were made in relation to the refunding of debt during the year and higher than expected expenditures.

Economic Factors and Next Year's Budgets and Rates

- ❑ In 2015, Upper Arlington's average unemployment rate was 3.2%, which compares favorably to the state's average unemployment rate of 5.6%.
- ❑ The median household income in Upper Arlington is \$100,736, which is significantly higher the state's average of \$48,849.
- ❑ The State of Ohio legislation passed a state-wide revision of the municipal income tax laws based on the concept of uniformity, which will go into effect over the next several years. Parts of the law went into effect for tax year 2015 with the many more coming into play for tax year 2016.
- ❑ The Development Department issued 514 residential and commercial permits in 2015. The continued high level of home renovations speaks to residents' continued confidence in the City as a stable and desirable residential community.
- ❑ Two major developments began in the City during 2015 that are expected generate increased tax revenue for the City.
 - The Ohio State University Wexner Medical Center broke ground on the new 100,000 square foot, five-story Ohio State Outpatient Care Center in Kingsdale area.
 - The Daimler Group, Inc., on behalf of property owners VV&V Company and OhioHealth, began construction of a two-story, 26,620-square foot medical office building with 110 parking spaces on Tremont Road.
- ❑ During the current year, the unrestricted budgetary fund balance in the General Fund operating account decreased \$635,566 to a fund balance of \$16.5 million. The City has appropriated \$33.6 million for General Fund account operating expenditures in the 2016 year budget, which includes the 2016 budgeted revenues of \$33.1 million.
- ❑ Self-insured workers compensation claims were .7% of payroll. This is lower than the 1.3% anticipated in 2015. Health insurance costs remained stable during the current year. The City continues its efforts to contain costs by requiring employed spouses to be secondary on the City's health care plan as well as increased premium contributions. The City also contracted for a wellness program in 2015.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance & Administrative Services Director, 3600 Tremont Road, Upper Arlington, Ohio, 43221. This report is also available on the City's website at www.ua-ohio.net.

B. BASIC FINANCIAL STATEMENTS

CITY OF UPPER ARLINGTON, OHIO

STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Upper Arlington Community Improvement Corporation
Assets				
Cash, cash equivalents and investments	\$ 64,215,333	\$ 4,039,850	\$ 68,255,183	\$ -
Cash, cash equivalents in segregated accounts	-	-	-	6,749
Receivables (net of allowances for uncollectibles):				
Income taxes	8,799,926	-	8,799,926	-
Property and other taxes	10,078,987	-	10,078,987	-
Special assessments	763,790	-	763,790	-
Payments in lieu of taxes	1,869,455	-	1,869,455	-
Accounts	499,314	194,928	694,242	-
Accrued interest	136,751	3,684	140,435	-
Intergovernmental	2,852,021	-	2,852,021	-
Internal balances	(126,447)	126,447	-	-
Materials and supplies inventory	135,484	-	135,484	-
Capital assets:				
Non-depreciable	12,586,704	2,179,762	14,766,466	-
Depreciable	77,331,503	30,462,632	107,794,135	-
Total assets	<u>179,142,821</u>	<u>37,007,303</u>	<u>216,150,124</u>	<u>6,749</u>
Deferred Outflows of Resources	<u>5,553,701</u>	<u>122,267</u>	<u>5,675,968</u>	<u>-</u>
Liabilities				
Accounts payable	1,376,975	213,698	1,590,673	-
Accrued wages and benefits	836,637	26,882	863,519	-
Due to other governments	178,791	4,991	183,782	-
Accrued interest payable	144,768	6,042	150,810	-
Long-term liabilities				
Due within one year	5,371,216	337,101	5,708,317	-
Due in more than one year	90,930,873	1,342,915	92,273,788	-
Total liabilities	<u>98,839,260</u>	<u>1,931,629</u>	<u>100,770,889</u>	<u>-</u>
Deferred Inflows of Resources	<u>12,617,652</u>	<u>13,273</u>	<u>12,630,925</u>	<u>-</u>
Net Position				
Net investment in capital assets	41,504,828	31,740,212	73,245,040	-
Restricted for:				
Capital projects	5,882,051	-	5,882,051	-
Debt service	465,557	-	465,557	-
Street construction, maintenance and repairs	1,733,307	-	1,733,307	-
Law enforcement and education	921,828	-	921,828	-
Economic development	508,861	-	508,861	-
Pension obligations	1,142,793	-	1,142,793	-
Other purposes	539,968	-	539,968	-
Unrestricted	20,540,417	3,444,456	23,984,873	6,749
Total net position	<u>\$ 73,239,610</u>	<u>\$ 35,184,668</u>	<u>\$ 108,424,278</u>	<u>\$ 6,749</u>

See accompanying notes to the basic financial statements

CITY OF UPPER ARLINGTON, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 10,042,503	\$ 1,255,723	\$ -	\$ -
Public safety	16,812,310	1,168,732	94,807	-
Public services	5,523,542	555,361	1,677,072	2,085,135
Parks and recreation	3,232,835	1,308,312	25,941	-
Community development	864,403	1,047,371	-	-
Interest and fiscal charges	1,568,674	-	106,702	-
Bond issuance costs	288,072	-	-	-
Total governmental activities	<u>38,332,339</u>	<u>5,335,499</u>	<u>1,904,522</u>	<u>2,085,135</u>
Business-type activities:				
Solid waste	2,063,467	2,006,499	-	-
Water surcharge	740,734	446,727	-	-
Sanitary sewer surcharge	636,327	833,812	-	-
Stormwater	559,873	737,232	-	-
Swimming pools	774,891	541,009	-	-
Total business-type activities	<u>4,775,292</u>	<u>4,565,279</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 43,107,631</u>	<u>\$ 9,900,778</u>	<u>\$ 1,904,522</u>	<u>\$ 2,085,135</u>
Component unit:				
Upper Arlington Community Improvement Corporation	<u>\$ 5,691</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

General Revenues:
Income taxes
Property taxes
Payments in lieu of taxes
Unrestricted grants and entitlements
Investment earnings
Miscellaneous
Transfers
Total general revenues and transfers

Change in net position

Net position at beginning of year, restated
Net position at end of year

See accompanying notes to the basic financial statements

Primary Government			Component Unit
Net (Expense) Revenue and Changes in Net Position			Upper Arlington Community Improvement Corporation
Governmental Activities	Business-type Activities	Total	
\$ (8,786,780)	\$ -	\$ (8,786,780)	\$ -
(15,548,771)	-	(15,548,771)	-
(1,205,974)	-	(1,205,974)	-
(1,898,582)	-	(1,898,582)	-
182,968	-	182,968	-
(1,461,972)	-	(1,461,972)	-
(288,072)	-	(288,072)	-
<u>(29,007,183)</u>	<u>-</u>	<u>(29,007,183)</u>	<u>-</u>
-	(56,968)	(56,968)	-
-	(294,007)	(294,007)	-
-	197,485	197,485	-
-	177,359	177,359	-
-	(233,882)	(233,882)	-
-	<u>(210,013)</u>	<u>(210,013)</u>	<u>-</u>
<u>(29,007,183)</u>	<u>(210,013)</u>	<u>(29,217,196)</u>	<u>-</u>
-	-	-	(5,691)
22,862,865	-	22,862,865	-
9,818,706	-	9,818,706	-
2,560,001	-	2,560,001	-
2,658,809	-	2,658,809	-
526,158	19,938	546,096	14
363,604	-	363,604	-
(905,400)	905,400	-	-
<u>37,884,743</u>	<u>925,338</u>	<u>38,810,081</u>	<u>14</u>
8,877,560	715,325	9,592,885	(5,677)
<u>64,362,050</u>	<u>34,469,343</u>	<u>98,831,393</u>	<u>12,426</u>
<u>\$ 73,239,610</u>	<u>\$ 35,184,668</u>	<u>\$ 108,424,278</u>	<u>\$ 6,749</u>

CITY OF UPPER ARLINGTON, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2015

	General	General Obligation Bond Retirement	Bonded Improvement	Estate Tax Capital Projects	Community Fiber Optic
Assets:					
Cash, cash equivalents and investments	\$ 27,245,082	\$ 545,801	\$ 12,130,927	\$ 11,046,475	\$ 1,355,812
Receivables (net of allowances):					
Income taxes	8,799,926	-	-	-	-
Property and other taxes	9,300,619	774,230	-	-	-
Special assessments	479,868	283,922	-	-	-
Payments in lieu of taxes	-	-	-	-	-
Accounts	495,706	-	-	-	-
Accrued interest	102,246	-	10,186	20,808	-
Intergovernmental	1,210,033	51,726	-	613,634	-
Advances to other funds	3,518,000	-	-	-	-
Due from other funds	879,000	-	-	-	-
Materials and supplies inventory	68,026	-	-	-	-
Total assets	<u>\$ 52,098,506</u>	<u>\$ 1,655,679</u>	<u>\$ 12,141,113</u>	<u>\$ 11,680,917</u>	<u>\$ 1,355,812</u>
Liabilities:					
Accounts payable	\$ 237,852	\$ -	\$ 271,293	\$ 578,959	\$ 1,196
Accrued wages and benefits	780,315	-	7,701	3,024	-
Due to other governments	171,310	-	112	44	-
Advances from other funds	-	-	-	-	2,500,000
Due to other funds	217,360	-	399	234	-
Total liabilities	<u>1,406,837</u>	<u>-</u>	<u>279,505</u>	<u>582,261</u>	<u>2,501,196</u>
Deferred Inflows of Resources	<u>15,807,558</u>	<u>1,097,080</u>	<u>5,748</u>	<u>5,688</u>	<u>-</u>
Fund Balances:					
Nonspendable:					
Inventory	68,026	-	-	-	-
Advances	3,518,000	-	-	-	-
Restricted:					
Capital projects	598,559	-	11,855,860	-	-
Debt service	-	558,599	-	-	-
Street construction, maintenance and repairs	-	-	-	-	-
Pensions	969,399	-	-	-	-
Law enforcement and education	-	-	-	-	-
Other purposes	-	-	-	-	-
Committed:					
Capital projects	8,628,280	-	-	11,092,968	-
Emergency medical services	382,741	-	-	-	-
Economic development	508,861	-	-	-	-
Civil service	27,198	-	-	-	-
Self insurance	727,638	-	-	-	-
Technology	39,683	-	-	-	-
Parks and recreation	-	-	-	-	-
Assigned:					
Future appropriations	491,410	-	-	-	-
General government	44,153	-	-	-	-
Public safety	7,695	-	-	-	-
Parks and recreation	5,298	-	-	-	-
Community development	891	-	-	-	-
Public services	67,712	-	-	-	-
Unassigned (deficit)	18,798,567	-	-	-	(1,145,384)
Total fund balances (deficit)	<u>34,884,111</u>	<u>558,599</u>	<u>11,855,860</u>	<u>11,092,968</u>	<u>(1,145,384)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 52,098,506</u>	<u>\$ 1,655,679</u>	<u>\$ 12,141,113</u>	<u>\$ 11,680,917</u>	<u>\$ 1,355,812</u>

Other Governmental	Total Governmental
\$ 9,594,921	\$ 61,919,018
-	8,799,926
4,138	10,078,987
-	763,790
1,869,455	1,869,455
3,608	499,314
3,511	136,751
976,628	2,852,021
-	3,518,000
-	879,000
67,458	135,484
<u>\$ 12,519,719</u>	<u>\$ 91,451,746</u>
\$ 49,372	\$ 1,138,672
45,597	836,637
7,325	178,791
1,018,000	3,518,000
898,811	1,116,804
<u>2,019,105</u>	<u>6,788,904</u>
<u>2,431,761</u>	<u>19,347,835</u>
67,458	135,484
-	3,518,000
2,167,792	14,622,211
-	558,599
581,177	581,177
-	969,399
1,082,162	1,082,162
205,993	205,993
4,237,116	23,958,364
-	382,741
-	508,861
-	27,198
-	727,638
-	39,683
173,150	173,150
-	491,410
-	44,153
-	7,695
-	5,298
-	891
-	67,712
(445,995)	17,207,188
<u>8,068,853</u>	<u>65,315,007</u>
<u>\$ 12,519,719</u>	<u>\$ 91,451,746</u>

See accompanying notes to the basic financial statements



CITY OF | **UPPER ARLINGTON**

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CITY OF UPPER ARLINGTON, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES (DEFICIT)
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2015

Total Governmental Fund Balances	\$ 65,315,007
<i>Amounts reported for governmental activities in the statement of net position are different due to the following :</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	89,918,207
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	
Income taxes receivable	5,098,211
Property taxes receivable	34,331
Intergovernmental receivable	1,605,106
Accounts receivable	59,999
Interest receivable	55,251
In the statement of activities interest is accrued on outstanding loans payable, whereas in governmental funds, interest expenditures are reported when due.	(144,768)
The net pension liability is not due and payable in the current period; therefore, the liability and the related deferred inflows/outflows are not reported in governmental funds.	
Deferred outflows - pension	4,293,131
Deferred inflows - pension	(122,715)
Net pension liability	(31,579,016)
Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Accrued vacation and sick leave	(2,615,197)
Bonds payable	(58,144,605)
Deferred outflows - bond refundings, net	1,260,570
Premium on bonds, net	(3,399,848)
Discount on bonds, net	109,922
Accretion on bonds, net	(303,000)
Capital leases payable	(370,345)
Internal service fund activity is used to account for insurance cost on a reimbursement basis activity by fund and department. The assets and liabilities are recorded in the governmental activities in the statement of net position.	2,169,369
Net Position of Governmental Activities	<u><u>\$ 73,239,610</u></u>

See accompanying notes to the basic financial statements

CITY OF UPPER ARLINGTON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	General	General Obligation Bond Retirement	Bonded Improvement	Estate Tax Capital Projects	Community Fiber Optic
Revenues:					
Municipal income taxes	\$ 22,138,138	\$ -	\$ -	\$ -	\$ -
Property and other taxes	9,047,584	738,071	-	-	-
Special assessments	156,870	109,537	-	-	-
Payments in lieu of taxes	-	-	-	-	-
Charges for services	1,840,584	-	-	-	-
Licenses and permits	1,181,194	-	-	-	-
Fines and forfeitures	342,048	-	-	-	-
Intergovernmental	2,557,492	108,216	-	2,085,135	-
Investment earnings	352,044	-	26,853	116,521	-
Miscellaneous	1,497,570	-	-	-	-
Total revenues	<u>39,113,524</u>	<u>955,824</u>	<u>26,853</u>	<u>2,201,656</u>	<u>-</u>
Expenditures:					
Current:					
General government	8,260,058	11,646	-	-	-
Public safety	15,306,640	-	-	-	-
Public services	1,040,981	-	-	-	-
Parks and recreation	2,799,396	-	-	-	-
Community development	844,077	-	-	-	-
Capital outlay	1,625,171	-	4,269,535	4,557,549	1,145,384
Debt service:					
Principal retirement	180,372	7,194,863	-	-	-
Interest and fiscal charges	9,714	1,555,609	-	-	-
Bond issuance costs	-	288,072	-	-	-
Total expenditures	<u>30,066,409</u>	<u>9,050,190</u>	<u>4,269,535</u>	<u>4,557,549</u>	<u>1,145,384</u>
Excess (deficiency) of revenues over (under) expenditures	9,047,115	(8,094,366)	(4,242,682)	(2,355,893)	(1,145,384)
Other Financing Sources (Uses):					
Sale of capital assets	66,558	-	-	-	-
Sale of bonds	-	2,814,525	16,098,475	-	-
Discount on issuance of bonds and notes	-	(112,893)	-	-	-
Payment to refunding bond escrow agent	-	(6,759,764)	-	-	-
Sale of refunding bonds	-	6,082,000	-	-	-
Premium on issuance of bonds and notes	-	2,064,204	-	-	-
Transfers in	115,126	4,007,378	-	-	-
Transfers out	(4,808,123)	-	-	-	-
Total other financing sources (uses)	<u>(4,626,439)</u>	<u>8,095,450</u>	<u>16,098,475</u>	<u>-</u>	<u>-</u>
Net change in fund balances	4,420,676	1,084	11,855,793	(2,355,893)	(1,145,384)
Fund balance at beginning of year	30,463,435	557,515	67	13,448,861	-
Fund balance (deficit) at end of year	<u>\$ 34,884,111</u>	<u>\$ 558,599</u>	<u>\$ 11,855,860</u>	<u>\$ 11,092,968</u>	<u>\$ (1,145,384)</u>

See accompanying notes to the basic financial statements

Other Governmental	Total Governmental
\$ -	\$ 22,138,138
64,842	9,850,497
-	266,407
2,560,001	2,560,001
261,513	2,102,097
-	1,181,194
56,152	398,200
2,847,649	7,598,492
14,339	509,757
63,084	1,560,654
<u>5,867,580</u>	<u>48,165,437</u>
1,364,808	9,636,512
240,115	15,546,755
1,746,848	2,787,829
163,863	2,963,259
-	844,077
964,183	12,561,822
-	7,375,235
11,600	1,576,923
-	288,072
<u>4,491,417</u>	<u>53,580,484</u>
1,376,163	(5,415,047)
154,180	220,738
-	18,913,000
-	(112,893)
-	(6,759,764)
-	6,082,000
-	2,064,204
930,273	5,052,777
(484,194)	(5,292,317)
<u>600,259</u>	<u>20,167,745</u>
1,976,422	14,752,698
6,092,431	50,562,309
<u>\$ 8,068,853</u>	<u>\$ 65,315,007</u>



CITY OF | **UPPER ARLINGTON**

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CITY OF UPPER ARLINGTON, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

Net Change in Fund Balances - Total Governmental Funds	\$ 14,752,698
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Capital outlays	11,882,533
Depreciation expense	(3,605,436)
The effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations and disposals) is to decrease net position.	
Loss on disposal	(53,398)
Contributions, donations, and transfers of construction in progress	(665,860)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(286,876)
Contractually required contributions are reported as expenditures in governmental funds; however,, the statement of net position reports these amount as deferred outflows.	2,860,512
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense on the statement of activities.	(3,162,114)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Repayment of debt	7,375,235
Issuance of debt	(24,995,000)
Premium on issuance of debt	(2,064,204)
Discount on issuance of debt	112,893
Refunded debt	6,759,764
Accretion and amortization of premiums and deferred amount on refunding, etc.	33,502
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Compensated absences	(41,863)
Accrued interest	(25,253)
The net revenue (expense) of the internal service funds, including the internal balance, is allocated among governmental activities.	427
Change in Net Position of Governmental Activities	<u>\$ 8,877,560</u>

See accompanying notes to the basic financial statements

CITY OF UPPER ARLINGTON, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 AS OF DECEMBER 31, 2015

	Business-type Activities - Enterprise Funds		
	Solid Waste	Water Surcharge	Sanitary Sewer Surcharge
Assets:			
Current assets:			
Cash, cash equivalents and investments	\$ 203,312	\$ 682,724	\$ 1,035,290
Receivables (net of allowances):			
Accounts	35,193	42,062	72,770
Accrued interest	383	-	-
Due from other funds	-	-	-
Total current assets	<u>238,888</u>	<u>724,786</u>	<u>1,108,060</u>
Noncurrent assets:			
Nondepreciable capital assets	-	514	32
Depreciable capital assets, net	-	14,140,207	4,714,174
Total noncurrent assets	<u>-</u>	<u>14,140,721</u>	<u>4,714,206</u>
Total assets	<u>238,888</u>	<u>14,865,507</u>	<u>5,822,266</u>
Deferred Outflows of Resources	<u>-</u>	<u>31,353</u>	<u>37,916</u>
Liabilities:			
Current liabilities:			
Accounts payable	172,297	34,749	5,335
Accrued wages and benefits	-	5,684	17,116
Due to other governments	-	1,536	2,212
Due to other funds	-	3,390	5,141
Accrued vacation and sick leave	-	4,111	9,632
Loans payable	-	54,224	-
Bonds payable	-	29,565	-
Accrued interest payable	-	4,008	-
Total current liabilities	<u>172,297</u>	<u>137,267</u>	<u>39,436</u>
Noncurrent liabilities:			
Accrued vacation and sick leave	-	1,017	2,383
Loans payable	-	122,649	-
Bonds payable	-	272,166	-
Net pension liability	-	96,968	186,417
Total noncurrent liabilities	<u>-</u>	<u>492,800</u>	<u>188,800</u>
Total liabilities	<u>172,297</u>	<u>630,067</u>	<u>228,236</u>
Deferred Inflows of Resources:	<u>-</u>	<u>1,707</u>	<u>3,282</u>
Net Position:			
Net investment in capital assets	-	13,662,117	4,714,206
Unrestricted	66,591	602,969	914,458
Total net position	<u>\$ 66,591</u>	<u>\$ 14,265,086</u>	<u>\$ 5,628,664</u>

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

Business-type Activities - Enterprise Funds			Governmental
Stormwater	Swimming Pools	Total	Activities - Internal Service
\$ 1,752,496	\$ 366,028	\$ 4,039,850	\$ 2,296,315
44,903	-	194,928	-
3,301	-	3,684	-
-	-	-	248,938
<u>1,800,700</u>	<u>366,028</u>	<u>4,238,462</u>	<u>2,545,253</u>
943,157	1,236,059	2,179,762	-
8,023,169	3,585,082	30,462,632	-
<u>8,966,326</u>	<u>4,821,141</u>	<u>32,642,394</u>	<u>-</u>
<u>10,767,026</u>	<u>5,187,169</u>	<u>36,880,856</u>	<u>2,545,253</u>
29,631	23,367	122,267	-
1,044	273	213,698	238,303
3,057	1,025	26,882	-
1,084	159	4,991	-
2,217	386	11,134	-
5,437	-	19,180	-
-	-	54,224	-
234,132	-	263,697	-
2,034	-	6,042	-
<u>249,005</u>	<u>1,843</u>	<u>599,848</u>	<u>238,303</u>
1,345	-	4,745	-
-	-	122,649	-
189,446	-	461,612	-
149,363	321,161	753,909	-
<u>340,154</u>	<u>321,161</u>	<u>1,342,915</u>	<u>-</u>
<u>589,159</u>	<u>323,004</u>	<u>1,942,763</u>	<u>238,303</u>
2,630	5,654	13,273	-
8,542,748	4,821,141	31,740,212	-
1,662,120	60,737	3,306,875	2,306,950
<u>\$ 10,204,868</u>	<u>\$ 4,881,878</u>	<u>35,047,087</u>	<u>\$ 2,306,950</u>
		<u>137,581</u>	
		<u>\$ 35,184,668</u>	

See accompanying notes to the basic financial statements

CITY OF UPPER ARLINGTON, OHIO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Business-type Activities - Enterprise Funds		
	Solid Waste	Water Surcharge	Sanitary Sewer Surcharge
Operating Revenues:			
Charges for services	\$ 2,006,499	\$ 446,727	\$ 832,811
Miscellaneous	-	-	1,001
Total operating revenues	<u>2,006,499</u>	<u>446,727</u>	<u>833,812</u>
Operating Expenses:			
Personal services	-	202,139	287,034
Materials and supplies	-	56,772	29,357
Contractual services	2,063,467	27,504	63,096
Self-insurance	-	-	-
Depreciation, net	-	431,588	254,570
Miscellaneous	-	-	41
Total operating expenses	<u>2,063,467</u>	<u>718,003</u>	<u>634,098</u>
Operating income (loss)	(56,968)	(271,276)	199,714
Nonoperating Revenues (Expenses)			
Investment earnings	3,026	-	-
Interest expense	-	(22,023)	(1,179)
Loss on disposal of assets	-	-	-
Total nonoperating revenues (expenses)	<u>3,026</u>	<u>(22,023)</u>	<u>(1,179)</u>
Income (loss) before contributions and transfers	(53,942)	(293,299)	198,535
Capital contributions, net	-	117,245	-
Transfers in	<u>239,540</u>	<u>-</u>	<u>-</u>
Change in net position	185,598	(176,054)	198,535
Net position (deficit) at beginning of year, restated	(119,007)	14,441,140	5,430,129
Net position at end of year	<u>\$ 66,591</u>	<u>\$ 14,265,086</u>	<u>\$ 5,628,664</u>

Adjustment to consolidate the internal service fund activities related to the enterprise funds.
 Change in net position in business-type activities.

See accompanying notes to the basic financial statements

Business-type Activities - Enterprise Funds

<u>Stormwater</u>	<u>Swimming Pools</u>	<u>Total</u>	<u>Governmental Activities - Internal Service</u>
\$ 737,232	\$ 540,729	\$ 4,563,998	\$ 2,888,880
-	280	1,281	7,983
<u>737,232</u>	<u>541,009</u>	<u>4,565,279</u>	<u>2,896,863</u>
198,569	94,990	782,732	-
6,994	5,698	98,821	-
49,392	526,401	2,729,860	-
-	-	-	2,898,721
242,819	91,990	1,020,967	-
-	677	718	-
<u>497,774</u>	<u>719,756</u>	<u>4,633,098</u>	<u>2,898,721</u>
239,458	(178,747)	(67,819)	(1,858)
16,912	-	19,938	-
(48,641)	-	(71,843)	-
<u>(13,017)</u>	<u>(55,049)</u>	<u>(68,066)</u>	<u>-</u>
<u>(44,746)</u>	<u>(55,049)</u>	<u>(119,971)</u>	<u>-</u>
194,712	(233,796)	(187,790)	(1,858)
548,615	-	665,860	-
-	-	239,540	-
<u>743,327</u>	<u>(233,796)</u>	<u>717,610</u>	<u>(1,858)</u>
9,461,541	5,115,674		2,308,808
<u>\$ 10,204,868</u>	<u>\$ 4,881,878</u>		<u>\$ 2,306,950</u>
		(2,285)	
		<u>\$ 715,325</u>	

CITY OF UPPER ARLINGTON, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Solid Waste</u>	<u>Water Surcharge</u>	<u>Sanitary Sewer Surcharge</u>
Cash flow from Operating Activities			
Receipts from customers and users	\$ 2,009,713	\$ 445,071	\$ 832,478
Payments to suppliers and contractual services	(2,065,851)	(50,972)	(87,346)
Payments to employees	-	(214,196)	(295,555)
Net cash provided (used) by operating activities	<u>(56,138)</u>	<u>179,903</u>	<u>449,577</u>
Cash flow for Noncapital Financing Activities			
Transfer in	239,540	-	-
Net cash provided (used) by non-capital financing activities	<u>239,540</u>	<u>-</u>	<u>-</u>
Cash flow form Capital and Related Financing Activities			
Purchases of capital assets	-	(180,216)	-
Principal paid on capital debt	-	(106,397)	(67,307)
Interest paid on capital debt	-	(18,015)	(1,179)
Net cash (used) by capital and related financial activities	<u>-</u>	<u>(304,628)</u>	<u>(68,486)</u>
Cash flows for investing activities			
Interest and dividends received	2,675	-	-
Net cash provided by investing activities	<u>2,675</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	186,077	(124,725)	381,091
Cash and cash equivalents, January 1	<u>17,235</u>	<u>807,449</u>	<u>654,199</u>
Cash and cash equivalents, December 31	<u>\$ 203,312</u>	<u>\$ 682,724</u>	<u>\$ 1,035,290</u>

See accompanying notes to the basic financial statements

<u>Business-type Activities - Enterprise Funds</u>			
<u>Stormwater</u>	<u>Swimming Pools</u>	<u>Total</u>	<u>Governmental Activities - Internal Service</u>
\$ 740,413	\$ 541,009	\$ 4,568,684	\$ 3,030,031
(60,246)	(537,344)	(2,801,759)	(3,128,464)
(197,112)	(65,557)	(772,420)	-
<u>483,055</u>	<u>(61,892)</u>	<u>994,505</u>	<u>(98,433)</u>
-	-	239,540	-
-	-	239,540	-
(165,317)	-	(345,533)	-
(206,758)	-	(380,462)	-
(46,188)	-	(65,382)	-
<u>(418,263)</u>	<u>-</u>	<u>(791,377)</u>	<u>-</u>
16,745	-	19,420	-
<u>16,745</u>	<u>-</u>	<u>19,420</u>	<u>-</u>
81,537	(61,892)	462,088	(98,433)
<u>1,670,959</u>	<u>427,920</u>	<u>3,577,762</u>	<u>2,394,748</u>
<u>\$ 1,752,496</u>	<u>\$ 366,028</u>	<u>\$ 4,039,850</u>	<u>\$ 2,296,315</u>

(Continued)

CITY OF UPPER ARLINGTON, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Solid Waste</u>	<u>Water Surcharge</u>	<u>Sanitary Sewer Surcharge</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (56,968)	\$ (271,276)	\$ 199,714
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	-	431,588	254,570
(Increase) decrease in accounts receivable	3,214	(1,656)	(1,334)
Decrease in due from other funds	-	-	-
Increase (decrease) in accounts payable	(2,384)	33,825	5,148
Increase (decrease) in amounts payable related to equipment purchases			
Increase (decrease) in accrued payroll liabilities	-	1,029	3,992
Increase (decrease) in accrued vacation and sick leave	-	1,975	(4,916)
Increase (decrease) in net pension	-	(15,582)	(7,597)
Total adjustments	<u>830</u>	<u>451,179</u>	<u>249,863</u>
Net cash provided (used) by operating activities	<u>\$ (56,138)</u>	<u>\$ 179,903</u>	<u>\$ 449,577</u>
Non cash investing, capital, and financing activities:			
Contributions of capital assets from governmental activities	<u>\$ -</u>	<u>\$ 437,355</u>	<u>\$ -</u>
Contributions of capital-related debt from governmental activities	<u>\$ -</u>	<u>\$ (320,110)</u>	<u>\$ -</u>
Decrease in fair value of investments	<u>\$ (530)</u>	<u>\$ -</u>	<u>\$ -</u>
Loss on disposal of assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements

<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service</u>
<u>Stormwater</u>	<u>Swimming Pools</u>	<u>Total</u>	
\$ 239,458	\$ (178,747)	\$ (67,819)	\$ (1,858)
242,819	91,990	1,020,967	-
3,181	-	3,405	-
-	-	-	133,168
(1,171)	(4,568)	30,850	(229,743)
(4,769)	567	819	-
3,325	-	384	-
212	28,866	5,899	-
<u>243,597</u>	<u>116,855</u>	<u>1,062,324</u>	<u>(96,575)</u>
<u>\$ 483,055</u>	<u>\$ (61,892)</u>	<u>\$ 994,505</u>	<u>\$ (98,433)</u>
<u>\$ 654,031</u>	<u>\$ -</u>	<u>\$ 1,091,386</u>	<u>\$ -</u>
<u>\$ (105,416)</u>	<u>\$ -</u>	<u>\$ (425,526)</u>	<u>\$ -</u>
<u>\$ (4,565)</u>	<u>\$ -</u>	<u>\$ (5,095)</u>	<u>\$ -</u>
<u>\$ (13,017)</u>	<u>\$ (55,049)</u>	<u>\$ (68,066)</u>	<u>\$ -</u>

CITY OF UPPER ARLINGTON, OHIO

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
AS OF DECEMBER 31, 2015**

	<u>Agency</u>
Assets	
Cash, cash equivalents and investments	\$ 936,605
Cash with third-party fiscal agent	20,328
Accounts receivable	54,355
Total assets	<u>\$ 1,011,288</u>
Liabilities	
Due to others	\$ 1,011,288
Total liabilities	<u>\$ 1,011,288</u>

See accompanying notes to the basic financial statements

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (1) – Summary of significant accounting policies

(a) Reporting entity

The City of Upper Arlington (City) was organized on February 8, 1941 and is a home-rule, municipal corporation organized under the laws of the State of Ohio. The City operates under the Council-Manager form of government. Elected officials include seven council members.

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

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

The CIC was formed pursuant to Resolution 19-93 passed December 13, 1993. The CIC was designated as a not-for-profit organization of the City to assist in the revitalization and enhancement of property through advancing, encouraging and promoting industrial, economic, commercial and civic development. The CIC is governed by a thirteen-member board. The Code of Regulations for the CIC calls for six members to be appointed by the City, including: the City Manager, the President of City Council or designee, up to two additional City Council members, and the remaining nine seats by citizens recommended by the Mayor and confirmed by City Council. Thus the City appoints and or approves appointment of 100% of the Board. Additionally, the City has provided 100% of the past financial support of the CIC. The CIC does not operate with substantively the same governing body as the primary government. In addition, CIC through its economic development activities exists to benefit the citizens of Upper Arlington. The CIC is discretely presented as a component unit of the City. Financial statements can be obtained from Catherine Armstrong, Finance & Administrative Services Director, 3600 Tremont Road, Upper Arlington, Ohio 43221.

(b) Government-wide and fund financial statements

Beginning January 1, 2003, the City changed its financial reporting to comply with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Financial information of the City, including the City's discretely presented component unit, is presented in the accompanying statements in the following format:

- Management's discussion and analysis, a part of the required supplementary information, introduces the basic financial statements and provides analytical overview of the City's financial statements.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (1) – Summary of significant accounting policies (continued)

- Basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component units.

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

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

Program revenues include charges paid by the recipients of goods or services offered by programs and grants and/or contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes, are presented as general revenues.

Fund financial statements consist of a series of statements focusing on information about the City's major governmental funds, enterprise funds, and fiduciary funds.

Notes to the financial statements provide information that is essential to a user's understanding of the basic financial statements.

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

(c) Measurement focus and basis of accounting

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

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

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (1) – Summary of significant accounting policies (continued)

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

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

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

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

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

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (1) – Summary of significant accounting policies (continued)

The City reports the following major governmental funds:

General Fund – This fund accounts for all financial resources of the general government, except those required to be accounted for in another fund.

General Obligation Bond Retirement Fund – This fund accounts for the accumulation of resources for the payment of general obligation long-term debt principal, interest and related costs.

Bonded Improvement Fund – This fund accounts for issuance of bonds for the purchase of significant capital projects with useful lives of more than five years.

Estate Tax Capital Projects Fund – This fund accounts for remaining estate tax revenues dedicated for capital improvements with an emphasis on infrastructure.

Community Fiber Optic Fund – This fund was established in 2015 and accounts for the installation and repayment of the construction for the Upper Arlington fiber optic network. The fiber optic network will serve the Upper Arlington School District, the Upper Arlington Libraries and the City government as well as provide fiber to the Ohio State University Medical building. The network will also provide accessibility to fiber for local businesses.

The City reports the following major proprietary funds:

Solid Waste Fund – This fund accounts for the receipts generated from the refuse collection fees charged to the City's residents. Disbursements are for operating costs.

Water Surcharge Fund – This fund accounts for the surcharge applied to the consumption of water by all users within the City for the purpose of paying the cost of maintaining the City's water distribution system. These monies may be used for the construction and reconstruction of the water distribution system, including the repair/replacement of fire hydrants.

Sanitary Sewer Surcharge Fund – This fund accounts for the surcharge applied to the consumption of water by all users within the City for the purpose of paying the cost of maintaining the City's sanitary sewer system. These monies may be used for enlargement or replacement of the system and construction and reconstruction of main and interceptor sewers.

Stormwater Fund – This fund accounts for all receipts from stormwater drainage service charges, permit and inspection fees, direct charges and investment earnings for the purpose of paying the cost of operating the stormwater management utility. These monies may be used for the purchase of capital equipment and capital improvements, including the payment of principal and interest on debt issued for such purposes.

Swimming Pools Fund – This fund accounts for all receipts generated from admission to the City's two pools and the related disbursements associated with operating these pools.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (1) – Summary of significant accounting policies (continued)

Additionally, the City reports the following fund types:

Other Special Revenue Funds – These funds are used to account for revenues derived from specific taxes, grants, or other restricted or committed revenue sources. The use and limitation of the special revenue funds are specified by City ordinance or federal and state statutes.

Other Capital Project Funds – These funds are used to account for financial resources that are restricted, committed, or assigned and used for acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Internal Service Funds – These funds are used to account for financing services provided by one department to other departments of the City generally on a cost-reimbursement basis.

Agency Funds – These 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.

(d) Assets, liabilities, deferred outflows/inflows of resources, and net position or fund balance

1. Deposits and investments

City funds are pooled and invested to improve cash management. The City's cash and cash equivalents are considered to be cash on hand and demand deposits. The proprietary funds consider all highly liquid investments to be cash equivalents when purchased.

Investments for the City, as well as for its component unit, are reported at fair value as in accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31st. The STAR Ohio reported value is the same as the fair value of the pool shares.

2. Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" for the current portion of the interfund activity or "advances to/from other funds" for the non-current portion of the interfund activity. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the City. Real property tax revenues received in 2015 represent the collection of 2014 taxes. Real property taxes received in 2015 were levied after October 1, 2014, on the assessed values as of January 1, 2014, the lien date. Assessed values for real property taxes are taxes established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due January 20th; if paid semiannually, the first payment is due January 20th, with the remainder payable by June 20th.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (1) – Summary of significant accounting policies (continued)

Public utility property tax revenues received in 2015 represent the collection of 2014 taxes. Public utility real and tangible personal property taxes received in 2014 became a lien on December 31, 2014, were levied after October 1, 2014, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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

Accrued property taxes receivable represents real property and public utility property taxes which were measurable as of December 31, 2015, and for which there was an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2015 operations.

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

The full tax rate for all City operations for the year ended December 31, 2015 was \$6.58 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2015 property tax receipts were based are as follows:

	Assessed Valuation
Real Property	\$ 1,678,913,680
Public Utility Property	24,165,400
Total	\$ 1,703,079,080

The City levies an income tax of 2.5% (new rate effective January 1, 2015) on substantially all income earned within the City. In addition, residents of the City are required to pay City income tax on income they earn outside the City. However, a credit is allowed for income taxes paid to other municipalities. Employers within the City are required to withhold income tax on employee compensation and remit this tax at least quarterly. Corporation and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. The City utilizes the Regional Income Tax Agency (RITA) to administer and collect taxes for the City with the guidance of the City’s finance department. The income tax receivable includes both balances already filed by taxpayers and tax estimates, net of non-collectible taxes and refunds.

3. Inventories

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

4. Asset held for resale

As part of the Kingsdale Core development project, the City acquired land to be used for future redevelopment. This land was recorded as an asset at December 31, 2014 and was sold during 2015.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (1) – Summary of significant accounting policies (continued)

5. Capital assets

Capital assets, which include property, plant equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements and proprietary fund statements. The City defines capital assets as assets with an estimated useful life in excess of five years and an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement 34, the historical costs of governmental infrastructure assets (retroactive to January 1, 1980) are included as part of the governmental capital assets reported in the government-wide statements. Donated capital assets are recorded at estimated fair market value at the time of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

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

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

6. Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflow of resources reported on the government-wide statement of net position include pension and a deferred amount on refunding of bonds. The deferred outflows of resources on the proprietary fund statement of net position also include pension. The deferred outflows of resources related to pension are explained in Note 11. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (1) – Summary of Significant Accounting Policies (continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources on the government-wide statement of net position include property taxes, special assessments, and payments in lieu of taxes levied but unavailable for use until a future period and pension. The deferred inflows of resources on the proprietary fund statement of net position also include pension. The deferred inflows of resources related to pension are explained in Note 11. On the modified accrual basis of accounting, unavailable revenue related to certain receivables of income taxes, property taxes, payments in lieu of taxes, intergovernmental, grants, interest and charges for services are also reported as deferred inflows of resources on the governmental funds balance sheet.

7. Compensated absences

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

Vacation and sick leave accumulated by governmental fund type and proprietary fund type employees is recorded as an expense when incurred in the government-wide financial statements and the proprietary fund types. Vacation and sick leave accumulated by governmental fund type employees are recorded as expenditures when due in the governmental fund financial statements. When paid, compensated absences for governmental activities are paid from the fund to which the employee's payroll is charged.

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

8. Long-term obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable unamortized bond premium or discount. Net pension liability is also included in the long-term obligations and recalculated on an annual basis.

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

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (1) – Summary of significant accounting policies (continued)

9. Pensions

For purposes of measuring the net pension liability, deferred outflows and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

10. Fund balance

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

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

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

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. City Council has established fund balance policies that allow the Director of Finance and Administrative Services to assign fund balance for specific purposes. Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s budget.

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

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (1) – Summary of significant accounting policies (continued)

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

11. Net position

Net position represents the difference between assets, liabilities, and deferred inflows/outflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes primarily include resources restricted for recreation and various mayor's court activities.

The City applies restricted resources first, when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Note (2) – Cash and investments

Investment policies

The City follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. Fair value is determined by quoted market prices and acceptable other pricing methodologies.

The City pools its cash, except for that held by trustees, and fiscal and escrow agents, for maximum investing efficiency. Earnings on the pool are allocated to individual funds according to Chapter 221 of the Upper Arlington City Code. In management's opinion, all statutory requirements were met in distributing earnings of the pool to various funds.

The City Code, Chapter 221, Depositories and Investments, provides the City with its authorized investment instruments, which do not include derivatives. The City does invest in STAR Ohio, an investment pool managed by the State Treasurer's office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner similar to Rule 2a-7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which represents the price the investment could be sold for on December 31, 2015.

Management of STAR Ohio states that its policy also prohibits investing in derivatives and/or engaging in the use of reverse repurchase agreements. Average days to maturity of the STAR Ohio portfolio at December 31, 2015 were 49.4 days. The City is prohibited from using reverse repurchase agreements and does not leverage its investment portfolio in any manner. The City purchases investments, except for certificate of deposits, only through its investment advisor, New Albany Capital Partners, LLC (NAC). NAC is contracted by the City to make investment recommendations and must acknowledge in writing their comprehension and receipt of the City policies.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (2) – Cash and investments (continued)

The City's investment code and practices have consistently protected the portfolio from unnecessary credit risk (safety) and market risks (liquidity) while providing a competitive yield. The investments permitted by the City Code as well as limitations on investments are described in detail below.

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

- (A) U.S. Treasury Bills, Notes, and Bonds; various federal agency securities including issues of Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corp. (FHLMC), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Student Loan Marketing Association (SLMA), Government National Mortgage Association (GNMA), Tennessee Valley Authority (TVA) and other agencies or instrumentalities of the United States. GNMA mortgage-backed, pass-through securities are considered as eligible investments of the City and are not derivative securities, as defined under Ohio Revised Code § 135.14(C). Eligible investments include securities that may be "called", by the issuer, prior to the final maturity date. Any eligible investment may be purchased at a premium or a discount. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.
- (B) Bonds and other obligations of the State of Ohio.
- (C) Bonds and other obligations of any county, township, school district, municipal corporation, or other legally constituted taxing subdivision of Ohio, which is not at the time of such investment, in default in the payment of principal on any of its obligations.
- (D) Certificates of Deposit issued by institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC), provided that such institutions maintain banking operations within the State of Ohio. Certificates of deposit shall be collateralized using eligible securities or instruments as defined under Ohio Revised Code § 135.18 or 135.181. The selection of Ohio Revised Code § 135.18 or 135.181 for purposes of collateralization, shall be determined by the Finance Director. Under either method, the Finance Director may require an additional percentage of eligible collateral to compensate for any depreciation of market value of such pledged collateral, less any portion insured by the FDIC.
- (E) Repurchase Agreements with any eligible institution mentioned in Ohio Revised Code § 135.03, or any eligible securities dealer pursuant to (M) of Ohio Revised Code § 135.14. Repurchase agreements transacted with eligible securities dealers shall be executed on a delivery vs. payment basis. Eligible repurchase agreement collateral is restricted to securities listed in C.O. § 221.06(A), limited to final maturity dates of ten (10) years. The market value of securities subject to a repurchase agreement must exceed the principal value of the repurchase agreement amount by at least two percent (2%). Term repurchase agreements shall be limited to a maximum of thirty (30) days.
- (F) Banker's acceptances issued by any domestic bank rated in the highest category by one of two nationally recognized rating agencies.
- (G) No-load money market mutual funds, as defined in Ohio Revised Code § 135.14(B)(5), rated in the highest category by at least one nationally recognized rating agency, investing exclusively in the same types of eligible securities as defined in Division B(1) or B(2) under Ohio Revised Code § 135.14, and repurchase agreements secured by such obligations. Eligible money market funds shall comply with Ohio Revised Code § 135.01, regarding limitations and restrictions.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (2) – Cash and investments (continued)

- (H) Commercial paper issues of companies incorporated under the laws of the United States, rated A1+, A1 by Standard & Poor's and P1 by Moody's. The maximum maturity of commercial paper shall be two hundred and seventy (270) days from the date of purchase.
- (I) Medium term notes issued by a corporation, domiciled within the United States and having assets in excess of \$500 million, provided that such medium term notes have a maximum maturity of five (5) years and are highly rated, at the time of purchase, by Standard & Poor's or Moody's.

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

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

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

- (A) Limitations on investments of any single institution or issuer:
 - (1) The City's investment with any individual issuer shall not constitute more than five percent (5%) of such issuer's total outstanding issue in banker's acceptances, commercial paper or corporate medium term notes.
 - (2) The total value of certificates of deposit, purchased from any individual financial institution, shall not exceed three percent (3%) of that institution's total time deposits, provided that such total deposits do not exceed five percent (5%) of the City's average portfolio at the time of purchase.
- (B) Limitations on the investment of interim funds:

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

- (1) The aggregate total of all corporate medium term notes shall not exceed fifteen percent (15%) of the average portfolio, based upon purchase cost or book value, at the time of purchase. Commercial paper and bankers acceptances shall not be considered when calculating the maximum holdings in any single issuer.
 - (2) The use of derivative securities, as defined in Ohio Revised Code §135.14(C), is expressly prohibited.
 - (3) Collateralized mortgage obligations (CMOs) of any kind are expressly prohibited.
- (C) All eligible investments will mature within five (5) years from the date of settlement, unless the investment is matched to a specific obligation or debt of the City and the investment is specifically approved by the Finance Director.

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

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (2) – Cash and investments (continued)

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City's policy is that any financial institution located within the City of Upper Arlington is an institution which is eligible to become a public depository for active deposits (as defined by Chapter 221.02 of the City Code). All deposits, except for deposits held by fiscal and escrow agents or trustees, are collateralized with eligible securities in amounts equal to at least 105% of the total amount of all public moneys on deposit with the institutions. Such collateral, as permitted by Chapter 135 of the ORC and Chapter 221 of the City of Upper Arlington City Code, is held with the qualified trustee approved by the Finance & Administrative Services Director.

At December 31, 2015, the carrying value of all the City's cash deposits was \$1,188,243, including \$300,000 of non-negotiable certificates of deposit, and the bank balance was \$1,736,306. Of the bank balance, \$500,000 was covered by federal depository insurance and \$1,236,306 was collateralized with securities held by the financial institution or by its trust department or agent, but not in the City's name as defined by GASB Statement No. 40, *Deposits and Investment Risk Disclosures*.

Additionally, within its agency funds, the City had cash on hand with a third-party fiscal agent in the amount of \$20,328.

Investments

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

<u>Investment type</u>	<u>Fair value</u>	<u>Investment maturities</u>		
		<u>1 year or less</u>	<u>1 to 3 years</u>	<u>3 to 5 years</u>
STAR Ohio	\$ 2,239,233	\$ 2,239,233	\$ -	\$ -
Money market mutual fund	3,046,978	3,046,978	-	-
Lucas County note	1,000,960	1,000,960	-	-
FFCB	11,944,175	1,996,110	9,948,065	-
FHLB	12,469,461	6,493,776	4,487,685	1,488,000
FHLMC	6,984,019	400,036	4,601,083	1,982,900
FNMA	9,203,945	-	6,474,770	2,729,175
FMAC	11,205,904	999,450	9,212,124	994,330
US treasuries	9,908,870	2,497,645	3,480,890	3,930,335
Total investments	<u>\$ 68,003,545</u>	<u>\$18,674,188</u>	<u>\$38,204,617</u>	<u>\$ 11,124,740</u>

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy generally limits investment portfolio maturities to five years or less.

Credit Risk. The City's investment policy limits investments held to those issued by the U.S. Government or any of its agencies; STAR Ohio, and only very highly-rated money market funds, commercial paper, banker's acceptances, repurchase agreements, bonds and other obligations of the State of Ohio, bonds and other obligations of any county, township, school district, municipal corporation, or other legally constituted taxing subdivision of Ohio, which is not at the time of such investment, in default in the payment of principal on any of its obligations. Additionally, the City may invest in medium term notes issued by a corporation, domiciled within the United States and having assets in excess of \$500 million provided that they are highly rated by Standard & Poor's and/or Moody's.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (2) – Cash and investments (continued)

The City’s investments in federal agency securities (FFCB, FHLB, FHLMC, FNMA, and FMAC), US treasuries, Lucas County note, and money market mutual fund were given the highest ratings (Aaa, P-1, MIG-1) by Moody’s Investor Services. Additionally, Standard and Poor’s has assigned STAR Ohio an AAAM money market rating.

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

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City’s investments are not exposed to custodial credit risk, as defined by GASB Statement No. 40 as they are either insured, registered, held by the City, or held by an agent in the name of the City.

Reconciliation of cash and investments to the statement of net position: The following is a reconciliation of cash and investments to the statement of net position as of December 31, 2015:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 1,188,243
Cash held by third party agent	20,328
Investments	68,003,545
Total	<u>\$ 69,212,116</u>
 <u>Cash and investments per statements of net position</u>	
Governmental activities	\$ 64,215,333
Business-type activities	4,039,850
Agency Fund	956,933
Total	<u>\$ 69,212,116</u>

Interest revenue credited to the General Fund as of December 31, 2015 consisted of \$398,399 in interest earnings and \$46,355 in fair value losses. Of the \$398,399 in interest earnings credited to the General Fund as of December 31, 2015, \$250,302 represents the amount assigned from other funds not entitled to earn interest per Ohio statute.

Note (3) – Receivables and deferred inflows of resources

(a) Receivables

Receivables at December 31, 2015 consisted of income taxes, property and other taxes, special assessments, payments in lieu of taxes, accounts (billings for user charged services), accrued interest and intergovernmental receivables arising from grants, entitlements, and shared revenue. Receivables have been recorded to the extent that they are measurable at December 31, 2015.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (3) – Receivables and deferred inflows of resources

A summary of the items of receivables reported on the statement of net position follows:

	Governmental Activities	Business-type Activities
Income taxes	\$ 8,799,926	\$ -
Property and other taxes	10,078,987	-
Special assessments	763,790	-
Payments in lieu of taxes	1,869,455	-
Accounts	499,314	194,928
Accrued interest	136,751	3,684
Intergovernmental	2,852,021	-

Receivables have been separately identified on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

(b) Deferred inflows of resources

On the statement of net position, deferred inflows of resources include property taxes, special assessments, and payments in lieu of taxes for which there is an enforceable legal claim as of December 31, 2015, which were levied to finance year 2015 operations and pension (see Note 11).

	Governmental Activities	Business-type Activities
Property and other taxes	\$ 9,861,692	\$ -
Special assessments	763,790	-
Payments in lieu of taxes	1,869,455	-
Pension	122,715	13,273
	<u>\$ 12,617,652</u>	<u>\$ 13,273</u>

On the modified accrual basis of accounting, the City has recorded certain receivables where the related revenue is unavailable. Unavailable revenues have been reported as deferred inflows of resources on the governmental fund balance sheet for the following:

	General		Bonded Improvement	Estate Tax		Total
	General	Obligation Bond Retirement		Capital Projects	Other Governmental	
Deferred inflows:						
Income tax	\$ 5,098,211	\$ -	\$ -	\$ -	\$ -	\$ 5,098,211
Property tax	9,134,591	761,432	-	-	-	9,896,023
Special assessments	479,868	283,922	-	-	-	763,790
Payments in lieu of taxes	-	-	-	-	1,869,455	1,869,455
Intergovernmental	995,695	51,726	-	-	557,685	1,605,106
Accrued interest	42,802	-	5,748	5,688	1,013	55,251
Accounts	56,391	-	-	-	3,608	59,999
Total deferred inflows	<u>\$ 15,807,558</u>	<u>\$ 1,097,080</u>	<u>\$ 5,748</u>	<u>\$ 5,688</u>	<u>\$ 2,431,761</u>	<u>\$ 19,347,835</u>

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (4) – Capital assets

Capital asset activity for the year ended December 31, 2015 was as follows:

<i>Governmental Activities</i>	Beginning balance	Additions	Deductions	Transfers	Ending balance
Nondepreciable capital assets					
Land	\$ 4,454,512	\$ -	\$ -	\$ -	\$ 4,454,512
Construction in progress	2,749,786	10,321,409	(34,524)	(4,904,479)	8,132,192
Total nondepreciable assets	<u>7,204,298</u>	<u>10,321,409</u>	<u>(34,524)</u>	<u>(4,904,479)</u>	<u>12,586,704</u>
Depreciable capital assets					
Buildings	18,052,878	12,882	(65,856)	-	17,999,904
Improvements other than buildings	7,577,444	55,025	-	1,445,145	9,077,614
Machinery and equipment	15,336,959	1,319,657	(471,989)	-	16,184,627
Infrastructure	82,255,171	173,560	-	2,367,948	84,796,679
Total depreciable assets	<u>123,222,452</u>	<u>1,561,124</u>	<u>(537,845)</u>	<u>3,813,093</u>	<u>128,058,824</u>
Less accumulated depreciation					
Buildings	(9,478,238)	(258,052)	46,982	-	(9,689,308)
Improvements other than buildings	(2,230,443)	(154,840)	-	-	(2,385,283)
Machinery and equipment	(11,543,718)	(1,059,925)	471,989	-	(12,131,654)
Infrastructure	(24,388,457)	(2,132,619)	-	-	(26,521,076)
Total accumulated depreciation	<u>(47,640,856)</u>	<u>(3,605,436)</u>	<u>518,971</u>	<u>-</u>	<u>(50,727,321)</u>
Depreciable capital assets, net of accumulated depreciation	<u>75,581,596</u>	<u>(2,044,312)</u>	<u>(18,874)</u>	<u>3,813,093</u>	<u>77,331,503</u>
Total capital assets, net	<u>\$ 82,785,894</u>	<u>\$ 8,277,097</u>	<u>\$ (53,398)</u>	<u>\$ (1,091,386)</u>	<u>\$ 89,918,207</u>

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CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (4) – Capital assets (continued)

<i>Business-type Activities</i>	Beginning balance	Additions	Deductions	Transfers	Ending balance
Nondepreciable capital assets					
Land	\$ 1,236,573	\$ -	\$ -	\$ -	\$ 1,236,573
Construction in progress	885,942	106,552	(13,017)	(36,288)	943,189
Total nondepreciable assets	2,122,515	106,552	(13,017)	(36,288)	2,179,762
Depreciable capital assets					
Improvements other than buildings	4,853,483	-	(76,200)	619,348	5,396,631
Machinery and equipment	1,325,985	-	(85,073)	-	1,240,912
Infrastructure	46,801,092	660	-	508,326	47,310,078
Total depreciable assets	52,980,560	660	(161,273)	1,127,674	53,947,621
Less accumulated depreciation					
Improvements other than buildings	(1,126,995)	(96,058)	21,151	-	(1,201,902)
Machinery and equipment	(818,174)	(104,286)	85,073	-	(837,387)
Infrastructure	(20,625,077)	(820,623)	-	-	(21,445,700)
Total accumulated depreciation	(22,570,246)	(1,020,967)	106,224	-	(23,484,989)
Depreciable capital assets, net of accumulated depreciation	30,410,314	(1,020,307)	(55,049)	1,127,674	30,462,632
Total capital assets, net	\$ 32,532,829	\$ (913,755)	\$ (68,066)	\$ 1,091,386	\$ 32,642,394

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

Government Activities:

General government	\$ 318,837
Public safety	637,812
Public services	2,418,725
Parks and recreation	227,468
Community development	2,594
Total depreciation expense	<u>\$ 3,605,436</u>

Business-type Activities:

Water Surcharge	\$ 431,588
Sanitary Sewer Surcharge	254,570
Stormwater	242,819
Swimming Pools	91,990
Total depreciation expense	<u>\$ 1,020,967</u>

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (4) – Capital assets (continued)

Construction commitments

The City has active construction projects as of December 31, 2015. The projects include rebuilding streets and waterlines, installing fiber optic cable, replacing street light poles and traffic signals, stream stabilization, etc. At year-end, the City’s commitments with contractors are as follows:

<u>Company</u>	Contract Amount	Amount Remaining on Contract
American Electric Power	\$ 125,000	\$ 125,000
Burgess and Niple	1,583,593	1,104,338
Decker Construction	2,015,551	413,175
Double Z Construction	7,826,937	4,397,984
E.P. Ferris and Associates	122,295	29,222
EMH&T	196,223	66,518
Environmental Remediation Contractor	197,876	197,876
GPD Group	307,670	236,598
Insight Pipe Contracting	135,039	135,039
Jess Howard Electric	285,450	142,721
Ronco Communications and Electronics	772,308	77,230
Strawser Paving	715,510	76,434
Thayer Power and Communication Line	1,420,000	1,032,186

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by all funds on a budgetary basis of accounting. On the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities. Outstanding encumbrances, net of related payables, in the governmental funds at December 31, 2015 were as follows:

<u>Fund</u>	Encumbrances, net payables
General	\$ 235,908
Bonded Improvement	1,527,098
Estate Tax Capital Projects	3,633,853
Community Fiber Optic	1,294,462
Other Governmental	1,001,512
Total	<u>\$ 7,692,833</u>

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (5) – Interfund activity

(a) Due from/to other funds

During the course of operations, transactions occur between individual funds for goods provided or services and to cover costs in specific funds where revenues were not received. In the fund financial statements, these receivables and payables are reported as “due from other funds” or “due to other funds” on the balance sheet, and are normally expected to be liquidated in a year or less. Balances between governmental funds are eliminated on the government-wide financial statements.

“Due from/to other funds” balances at December 31, 2015 represent the premium charges payable to the internal service fund – employee benefits fund for the funding of medical insurance payments and the BWC administration fund for the funding of worker’s compensation claims. Additionally, the Due from/to other funds” balances in the General and Other Governmental funds include \$879,000 in interfund balances that are expected to be repaid within one year. See the table in 5(b) for further detail.

(b) Interfund balances

During the course of operations advances are made from the General Fund to cover costs in specific funds where revenues were not received by December 31. As mentioned in note 5(a) above, the portion of the advances expected to be repaid within a year or less are reported as “Due from/to other funds” on the balance sheet. The portion of the advances expected to be repaid in more than one year are reported as “advances from other funds” or “advances to other funds” on the balance sheet.

Interfund balances at December 31, 2015 as reported on the Governmental Funds Balance Sheet, consist of the following individual interfund advances:

Fund	Beginning balance	New advances	Advance repayments	Ending balance	Balance Sheet	
					Due from/to other funds *	Advances from/to
General	\$ 1,897,000	\$ 3,500,000	\$ (1,000,000)	\$ 4,397,000	879,000	3,518,000
Community Fiber Optic	-	(2,500,000)	-	(2,500,000)	-	(2,500,000)
Other Governmental:						
Kingsdale Core TIF	(1,018,000)	(1,000,000)	1,000,000	(1,018,000)	-	(1,018,000)
Lane Avenue TIF	(400,000)	-	-	(400,000)	(400,000)	-
Lane Avenue Mixed Use TIF	(479,000)	-	-	(479,000)	(479,000)	-
Total Other Governmental	<u>(1,897,000)</u>	<u>(1,000,000)</u>	<u>1,000,000</u>	<u>(1,897,000)</u>	<u>(879,000)</u>	<u>(1,018,000)</u>
Total	<u>\$ -</u>	<u>\$ -</u>				

* The "Due to other funds" amount presented on the Balance Sheet in the Other Governmental funds column also includes an additional \$19,811 in additional employee benefit expenditures, which are described in Note 5(a) above.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (5) – Interfund transactions (continued)

At December 31, 2014, the interfund balances in the Lane Avenue TIF and Lane Avenue Mixed Use TIF funds were reported on the balance sheet as “Advances from/to other funds” due to the expected repayment date being great than a year. At December 31, 2015, the balances in these two funds are expected to be repaid within one year and thus the balances are reported as Due from/to other funds. Interfund balances in the Kingsdale Core TIF and the Community Fiber Optic funds are expected to be repaid in more than one year. Accordingly, this balance is reported as Advances to/from other funds and a nonspendable fund balance has been established in the General Fund. Interfund balances between governmental funds are eliminated on the government-wide financial statements.

(c) Interfund transfers

Interfund transfers for the year ended December 31, 2015, consisted of the following, as reported in the fund financials:

<u>Transfers from</u>	<u>Transfers to</u>				<u>Total</u>
	<u>General</u>	<u>General Obligation Bond Retirement</u>	<u>Other Governmental</u>	<u>Solid Waste</u>	
General	\$ -	\$ 3,638,310	\$ 930,273	\$ 239,540	4,808,123
Other Governmental	115,126	369,068	-	-	484,194
Total	<u>\$ 115,126</u>	<u>\$ 4,007,378</u>	<u>\$ 930,273</u>	<u>\$ 239,540</u>	<u>\$ 5,292,317</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted for debt service from the funds collecting the receipts to the General Obligation Bond Retirement Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

An amount of \$115,126 transferred from the Chelsea TIF Fund (Other Governmental) to the General Fund as a result of the closing of the fund.

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

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (6) – Long-term liabilities

(a) Changes in long-term liabilities

The following is a summary of changes in long-term liabilities of the Governmental and Business-type Activities for the year ended December 31, 2015:

Governmental Activities	<i>(Restated)</i>			Ending	Due within
	Beginning	Additions	Reductions	balance	one year
	balance				
Bonds Payable					
<i>General obligation bonds:</i>					
2008 Fire station bonds 2.875%-4.375%	\$ 4,675,091	\$ -	\$ (3,844,765)	\$ 830,326	\$ 270,758
2008 Infrastructure bonds 2.875%-4.375%	3,094,909	-	(2,545,235)	549,674	179,242
2009 Various purpose bonds 2%-3%	840,000	-	(415,000)	425,000	425,000
2009A Building renovation refunding bonds 2%-4%	825,000	-	(130,000)	695,000	130,000
2009C Issue 4 refunding bonds 2%-3%	984,997	-	(365,000)	619,997	380,000
2009C Various purpose bonds 2%-4%	1,744,997	-	(325,000)	1,419,997	330,000
2011 Refunding bonds 2%-3.5%	5,565,000	-	(555,000)	5,010,000	575,000
2012 Lane Ave mixed used development bonds 2%-3.125%	6,660,000	-	(25,000)	6,635,000	25,000
2012 Various purpose bonds 2%-3%	3,190,000	-	(125,000)	3,065,000	130,000
2013 Refunding bonds 3%-4%	8,640,000	-	(405,000)	8,235,000	425,000
2014 Refunding bonds 1.5%-3.5%	6,220,000	-	-	6,220,000	-
2015 Various purpose bonds 1.5%-4%	-	18,487,474	(404,863)	18,082,611	651,303
2015 Refunding bonds 1.5%-4%	-	6,082,000	(105,000)	5,977,000	15,000
<i>Total general obligation bonds</i>	<u>42,439,994</u>	<u>24,569,474</u>	<u>(9,244,863)</u>	<u>57,764,605</u>	<u>3,536,303</u>
<i>Special assessment bonds:</i>					
1998 Neighborhood lighting bonds 4.85%	495,000	-	(115,000)	380,000	120,000
<i>Bond anticipation note:</i>					
Land acquisition bond anticipation note .3%	3,800,000	-	(3,800,000)	-	-
Unamortized premium on bonds	1,609,613	2,064,204	(273,969)	3,399,848	-
Unamortized discount on bonds	-	(112,893)	2,971	(109,922)	-
Accretion	237,750	65,250	-	303,000	-
Total bonds and note payable	<u>48,582,357</u>	<u>26,586,035</u>	<u>(13,430,861)</u>	<u>61,737,531</u>	<u>3,656,303</u>
Net pension liability					
OPERS	6,813,353	1,133,645	(976,781)	6,970,217	-
OP&FP	23,135,700	3,461,090	(1,987,991)	24,608,799	-
Total net pension liability	<u>29,949,053</u>	<u>4,594,735</u>	<u>(2,964,772)</u>	<u>31,579,016</u>	<u>-</u>
Accrued vacation and sick leave	2,573,334	3,326,479	(3,284,616)	2,615,197	1,531,359
Capital lease obligation	550,717	-	(180,372)	370,345	183,554
Total Governmental Activities long-term liabilities	<u>\$ 81,655,461</u>	<u>\$34,507,249</u>	<u>\$(19,860,621)</u>	<u>\$96,302,089</u>	<u>\$ 5,371,216</u>

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (6) – Long-term liabilities (continued)

<i>Business-type Activities</i>	<i>(Restated)</i>				
	Beginning balance	Additions	Reductions	Ending balance	Due within one year
<i>Water Surcharge Fund</i>					
General obligation bonds:					
2015 Various purpose bonds 1.5%-4%	\$ -	\$ 320,110	\$ (18,379)	\$ 301,731	\$ 29,565
Total general obligation bonds	-	320,110	(18,379)	301,731	29,565
OPWC loans:					
Western Fire Loop transmission line 3%	104,504	-	(69,149)	35,355	35,355
Arlington Avenue waterline 0%	160,387	-	(18,869)	141,518	18,869
Total OPWC loans	264,891	-	(88,018)	176,873	54,224
Net pension liability - OPERS	94,786	15,771	(13,589)	96,968	-
Accrued vacation and sick leave	3,153	31,228	(29,253)	5,128	4,111
<i>Total Water Surcharge Fund</i>	<u>362,830</u>	<u>367,109</u>	<u>(149,239)</u>	<u>580,700</u>	<u>87,900</u>
<i>Sewer Surcharge Fund</i>					
OPWC loans:					
Sanitary sewer projects 3.5%	67,307	-	(67,307)	-	-
Total OPWC loans	67,307	-	(67,307)	-	-
Net pension liability - OPERS	182,222	30,319	(26,124)	186,417	-
Accrued vacation and sick leave	16,931	36,695	(41,611)	12,015	9,632
<i>Total Sewer Surcharge Fund</i>	<u>266,460</u>	<u>67,014</u>	<u>(135,042)</u>	<u>198,432</u>	<u>9,632</u>
<i>Stormwater Fund</i>					
General obligation bonds:					
2009 Turkey Run stormwater refunding bonds 2%-3.25%	520,000	-	(170,000)	350,000	175,000
2015 Various purpose bonds 1.5%-4%	-	105,416	(36,758)	68,658	59,132
Total general obligation bonds	520,000	105,416	(206,758)	418,658	234,132
Unamortized premium on bonds	8,200	-	(3,280)	4,920	-
Total bonds payable	528,200	105,416	(210,038)	423,578	234,132
Net pension liability - OPERS	146,002	24,293	(20,932)	149,363	-
Accrued vacation and sick leave	3,457	29,156	(25,831)	6,782	5,437
<i>Total Stormwater Fund</i>	<u>677,659</u>	<u>158,865</u>	<u>(256,801)</u>	<u>579,723</u>	<u>239,569</u>
<i>Swimming Pools Fund</i>					
Net pension liability - OPERS	313,934	52,233	(45,006)	321,161	-
<i>Swimming Pools Fund</i>	<u>313,934</u>	<u>52,233</u>	<u>(45,006)</u>	<u>321,161</u>	<u>-</u>
Total Business-type Activities long-term liabilities	<u>\$ 1,620,883</u>	<u>\$ 645,221</u>	<u>\$ (586,088)</u>	<u>\$ 1,680,016</u>	<u>\$ 337,101</u>

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (6) – Long-term liabilities (continued)

Accrued vacation and sick leave will be paid with available resources with the appropriate fund that relates to each particular employee. The funds include the General Fund, the Street Maintenance and Repair Fund, the Water Surcharge Fund, the Sewer Surcharge Fund, and the Stormwater Fund.

General obligation bonds and notes are direct obligations and pledge the full faith and credit of the City. The City issues general obligation bonds and notes to provide funds for acquisition and construction of major capital equipment, infrastructure and facilities. General obligation bonds have been issued for both governmental and business-type activities.

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

General obligation bonds:

2015 Various purpose and refunding bonds

On April 14, 2015 the City issued \$24,995,000 in Various Purpose Limited Tax Bonds. The bonds were broken into the following two components based on the intended use of the proceeds: (1) 2015 Various Purpose Bonds (\$18,913,000) were issued for the purpose of retiring the Land Acquisition Bond Anticipation Notes and for acquiring, constructing, installing, and equipping capital projects and public infrastructure with related equipment, and; (2) 2015 Refunding Bonds (\$6,082,000) were issued to advance refund the callable portion of the City's outstanding 2008 Fire Station and Infrastructure Bonds. The advance refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

As mentioned above, the 2015 Various Purpose Bonds (\$18,913,000) were issued for the purpose of financing various capital improvements. These could include improvements to streets, parks, water lines, sewer lines, stormwater lines, etc. Due to the broadness in scope of the potential projects, the proceeds were deposited into the Bonded Improvement Fund. However, it is the intent of the City to repay the portion of the debt used to improve enterprise fund related assets (water lines, sewer lines, storm water line, etc.) out of the corresponding enterprise fund. Therefore, once the enterprise-related asset is completed, the capital asset and a corresponding portion of debt will be contributed to the appropriate enterprise fund. During 2015, capital assets and related debt associated with the 2015 Various Purpose Bonds were contributed to the Water Surcharge Fund and the Stormwater Surcharge Fund in the amount of \$320,110 and \$105,416, respectively.

The reacquisition price of the 2015 Refunding Bonds exceeded the net carrying amount of the old debt by \$736,297 for governmental-type activities. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which equal to the life of the 2015 Refunding Bonds issued. This refunding was undertaken to reduce the combined total debt service payments by \$349,571 and resulted in an economic gain of \$299,949.

The bond issues included serial and term bonds, in the amounts of \$22,760,000 and \$2,335,000, respectively. The bonds were issued for a twenty year period with final maturity at December 1, 2034. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. Payments of principal and interest are recorded as disbursements of the General Obligation Bond Retirement Fund.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (6) – Long-term liabilities (continued)

The \$2,335,000 term bonds maturing on December 1, 2030, are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Fiscal year	Principal amount to be redeemed
2029	\$ 1,100,000

The remaining principal amount of such Series 2015 Bonds (\$1,135,000) will be paid at stated maturity on December 1, 2030.

2014 Refunding bonds

On July 22, 2014, the City issued \$6,265,000 in Various Purpose Limited Tax Refunding Bonds for the purpose of currently refunding the remaining maturities of the Series 2010B Various Purpose Build America bonds.

The reacquisition price exceeded the net carrying amount of the old debt by \$48,263. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the Series 2013 bonds issued. This current refunding was undertaken to reduce the combined total debt service payments by \$48,487 and resulted in an economic gain of \$44,186.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2030. Payments of principal and interest are recorded as disbursements of the general obligation bond retirement fund.

2013 Refunding bonds

On June 12, 2013, the City issued \$8,640,000 in Various Purpose Limited Tax Refunding Bonds for the purpose of currently refunding the Series 2009 Various Purpose Build America bonds (\$7,320,000) and a portion (\$1,900,000) of the Series 2010B Various Purpose Build America bonds.

The reacquisition price exceeded the net carrying amount of the old debt by \$53,050. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the Series 2013 bonds issued. This current refunding was undertaken to reduce the combined total debt service payments by \$509,691 and resulted in an economic gain of \$413,839.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2029. Payments of principal and interest are recorded as disbursements of the general obligation bond retirement fund.

2012 Various purpose and Lane Ave mixed use development bonds

On November 20, 2012, the City issued \$10,000,000 in Various Purpose Bonds for infrastructure improvements in the Lane Avenue Mixed Use Development district (\$6,685,000) and for various infrastructure improvements (\$3,315,000).

The bond issue included serial and term bonds, in the amounts of \$6,240,000 and \$3,760,000, respectively. The bonds were issued for a thirty year period with final maturity at December 1, 2042.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (6) – Long-term liabilities (continued)

The term bonds were issued at \$3,760,000 in total. \$955,000 of the term bonds maturing on December 1, 2032, are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Fiscal year	Principal amount to be redeemed
2031	\$ 470,000

The remaining principal amount of such bonds (\$485,000) will be paid at stated maturity on December 1, 2032.

The \$560,000 term bonds maturing on December 1, 2035, are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Fiscal year	Principal amount to be redeemed
2034	\$ 275,000

The remaining principal amount of such bonds (\$285,000) will be paid at stated maturity on December 1, 2035.

The \$2,245,000 term bonds maturing on December 1, 2042, are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Fiscal year	Principal amount to be redeemed
2036	\$ 295,000
2037	300,000
2038	310,000
2039	320,000
2040	330,000
2041	340,000

The remaining principal amount of such bonds (\$350,000) will be paid at stated maturity on December 1, 2042.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2042. Payments of principal and interest are recorded as disbursements of the general obligation bond retirement fund.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (6) – Long-term liabilities (continued)

2011 Refunding bonds

On December 21, 2011, the City issued \$6,000,000 in Capital Improvement Refunding Bonds for the purpose of advance refunding the callable portion of the Series 2003 Various Purpose Bonds (principal \$5,905,000). The refunded debt is fully defeased.

The reacquisition price exceeded the net carrying amount of the old debt by \$451,391. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which equal to the life of the Series 2011 issued. This advance refunding was undertaken to reduce the combined total debt service payments by \$531,503 and resulted in an economic gain of \$480,017.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2023. Payments of principal and interest are recorded as disbursements of the general obligation bond retirement fund.

2009 Various purpose, Build America and refunding bonds

On December 1, 2009 the City issued \$5,295,000 (Series 2009A) in Various Purpose General Obligation Bonds, \$7,320,000 (Series 2009B) in Various Purpose Build America Bonds and \$5,489,994 (Series 2009C) in Refunding Bonds. Series 2009A was issued for the purpose of currently refunding the 1998 Turkey Run Bonds (\$1,275,000), advance refunding the 2001 Building Renovation Bonds (\$1,135,000) and for capital improvements (\$2,785,000). Series 2009B was issued for infrastructure and capital improvements. Series 2009C was issued for the purpose of currently refunding the 1998 Voted Issue 4 Bonds (\$2,715,000) and advance refunding the 2001 Voted Issue 4 Bonds (\$2,775,000). The refunded debt is fully defeased.

The reacquisition price exceeded the net carrying amount of the old debt by \$433,023 and \$29,595 for governmental-type and business-type activities, respectively. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which equal to the life of the Series 2009 issued. This refunding was undertaken to reduce the combined total debt service payments by \$435,175 and \$126,777 for Governmental and Business-type Activities, respectively and resulted in an economic gain of \$517,793.

The bond issue included serial, term and capital appreciation bonds, in the amounts of \$12,485,000, \$5,385,000 and \$264,994, respectively. The bonds were issued for a twenty year period with final maturity at December 1, 2030. The Capital appreciation bonds mature on December 1, 2017 (approximate initial offering yield to maturity of 3.5%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds maturing December 1, 2017 is \$725,000. Accreted interest totaled \$303,000 as of December 31, 2015.

The term bonds were issued at \$5,385,000 and were currently refunded with the issuance of the 2013 Refunding bonds.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2020. Payments of principal and interest are recorded as disbursements of the General Obligation Bond Retirement Fund and the Stormwater Fund.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (6) – Long-term liabilities (continued)

2008 Fire Station and infrastructure bonds

On September 11, 2008, the City issued \$9,972,000 in Various Purpose General Obligation Bonds for retiring notes outstanding previously issued for various capital improvements and for demolishing the Reed Road Fire Station, and constructing, furnishing and equipping a new Reed Road fire station.

Interest payments on the bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2028. Payments of principal and interest are recorded as disbursements of the General Obligation Bond Retirement Fund.

On April 14, 2015, \$5,965,000 was advance refunded through the issuance of the 2015 Refunding Bonds leaving an outstanding balance of \$1,380,000 as of December 31, 2015. The advance refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The final maturity of the remaining bonds is December 1, 2018

Special Assessment bonds:

1998 Neighborhood lighting special assessment bonds

On September 1, 1998, the City issued \$1,790,000 in Street Light General Obligation Bonds in anticipation of the collection of special assessments levied for the purpose of renovating and improving existing and installing new street lights and retiring notes previously issued for such purpose.

The bond issue included serial and term bonds, in the amounts of \$1,185,000 and \$605,000, respectively. The bonds were issued for a twenty year period with final maturity at December 1, 2018.

The \$600,000 term bonds maturing on December 1, 2018, are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Fiscal year	Principal amount to be redeemed
2016	120,000
2017	125,000

The remaining principal amount of such bonds (\$135,000) will be paid at stated maturity on December 1, 2018.

Interest payments on the remaining portion of the bonds are due on June 1 and December 1 of each year. The final maturity is December 1, 2018. Payments of principal and interest are recorded as disbursements of the General Obligation Bond Retirement Fund.

Bond anticipation notes:

See Note (6)(b).

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (6) – Long-term liabilities (continued)

OPWC loans:

The City has entered into three debt financing arrangements through the Ohio Public Works Commission (OPWC) to finance water and sewer infrastructure improvement projects. The amounts due to the OPWC are payable solely from general revenues. The loan agreements function similar to a line-of-credit agreement. The OPWC loans are being repaid from the Water Surcharge Fund and Sewer Surcharge Fund. The loan agreements require semi-annual payments based on the actual amount loaned. One of the OPWC loans, sanitary sewer projects, fully matured during 2015. The remaining two loans are scheduled to fully mature: January 1, 2016 (Western Fire Loop); and January 1, 2023 (Arlington Avenue).

Future debt service requirements

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2015 are follows:

	Governmental Activities			
	<i>General obligation</i>		<i>Special assessment</i>	
	Principal	Interest	Principal	Interest
2016	\$ 3,536,303	\$ 1,714,047	\$ 120,000	\$ 18,430
2017	3,400,502	2,113,083	125,000	12,610
2018	3,569,635	1,582,091	135,000	6,548
2019	3,659,235	1,488,854	-	-
2020	3,757,837	1,376,005	-	-
2021-2025	15,946,093	5,442,286	-	-
2026-2030	14,925,000	2,910,193	-	-
2031-2035	6,725,000	913,730	-	-
2036-2040	1,555,000	256,407	-	-
2041-2042	690,000	32,501	-	-
Total	\$ 57,764,605	\$ 17,829,197	\$ 380,000	\$ 37,588

	Business-type Activities			
	<i>General obligation</i>		<i>OPWC loans</i>	
	Principal	Interest	Principal	Interest
2016	\$ 263,697	\$ 82,632	\$ 54,224	\$ 530
2017	214,492	36,512	18,869	-
2018	30,365	23,153	18,869	-
2019	30,765	22,698	18,869	-
2020	32,163	21,467	18,869	-
2021-2025	148,907	80,515	47,173	-
Total	\$ 720,389	\$ 266,977	\$ 176,873	\$ 530

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (6) – Long-term liabilities (continued)

Debt limitation

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 municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City’s legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the City’s legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. 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, 2015, the City’s total debt margin was \$178.8 million and the unvoted debt margin was \$93.7 million.

(b) Short-term note payable

On July 22, 2014, the City issued a \$4.8 million Land Acquisition taxable bond anticipation note for the purpose of retiring the previously issued June 25, 2013. One million of the \$4.8 million note was recorded as a short-term note payable (fund liability) in the Kingsdale Core TIF Fund. The remaining \$3.8 million was recorded as a long-term liability (see Note 6a) due to being refinanced into long-term debt with the issuance of the Series 2015 various purpose bonds dated April 14, 2015.

The note had an interest rate of 0.3% and matured on April 15, 2015.

	Beginning balance	Additions	Reductions	Ending balance
Notes payable	\$ 1,000,000	\$ -	\$ (1,000,000)	\$ -

(c) Capital lease payable

During 2013, the City entered into a capital lease agreement for a fire truck originally purchased with City funds during 2012. The proceeds of the lease were used to reimburse the City.

The lease meets the criteria of a capital lease which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital lease payments have been reflected as debt service expenditures in the General Fund in the fund financial statements. Capital assets, acquired by lease, have been capitalized in the amount of \$919,196. This amount is equal to the present value of the future minimum lease payments at the time of acquisition (\$918,049) plus an additional \$1,147 in ancillary costs not included in the lease. A corresponding liability was recorded. As of December 31, 2015, accumulated depreciation on the machinery and equipment totaled \$448,655 leaving the current book value of \$470,541. Principal payments in 2015 totaled \$180,372.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2015:

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (6) – Long-term Liabilities (continued)

Year ending December 31,		
	2016	\$ 190,086
	2017	<u>190,086</u>
Total minimum lease payments		380,172
Less: amount representing interest		<u>(9,827)</u>
Present value of future minimum lease payments		<u><u>\$ 370,345</u></u>

Note (7) – Risk management

On October 1, 1997, the City established membership in the Central Ohio Risk Management Agency (CORMA) Self-Insurance Pool, Inc. CORMA was formed pursuant to ORC Section 2744.081. Members consist of the cities of Upper Arlington, Westerville, Pickerington, Dublin, Powell, Grove City, Groveport, and Canal Winchester. Each member has two representatives on the Board of Trustees. This Board establishes its own budget, hires and fires personnel and determines annual rates for its members. Membership in CORMA enables the City to take advantage of any economies to be realized from an insurance pool with other cities and also provides the City with more control over claims than what is normally available with traditional insurance coverage.

As part of participating in CORMA, coverage is provided for up to \$15,000,000 per occurrence and \$20,000,000 annual aggregate umbrella/excess liability for all liability claims and \$433,341,902 limit for property claims for the pool. Coverage is provided for general liability (\$1,000,000/\$2,000,000), law enforcement liability (\$1,000,000/\$1,000,000), public official liability (\$1,000,000/\$1,000,000), employment practices liability (\$1,000,000/\$2,000,000) and automobile liability (\$1,000,000). Pool retentions are \$25,000 per loss for property and \$630,000 aggregate for liability, with a \$100,000 per loss self-insurance retention. A third-party broker, with expertise in public entity pools, markets the program, identifies coverage lines and limits, and recommends the best insurer and insurance for procurement.

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

Settled claims have not exceeded insurance coverage in the past three years. There were no significant reductions in insurance coverage for the prior year.

The City is self-insured for the employees' health care, dental, and worker's compensation claims. To account for and finance its health, dental, and worker's compensation claims, the City established the Employee Benefit Fund and the BWC Administration Fund (internal service funds). Operating funds of the City participate in the program and make payments to the Employee Benefit Fund and BWC Administration Fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The City purchases specific stop loss insurance for health care claims, which exceed \$80,000 per covered individual in one year and aggregate stop loss coverage at 125% of annual expected claims. The City purchases stop loss insurance for worker's compensation claims, which exceeds \$350,000 per occurrence.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (7) – Risk management (continued)

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

	General liability	Health/dental/ workers compensation
	<u>2014</u>	
Unpaid claims - January 1, 2014	\$ -	\$ 286,844
Incurred claims	64,236	2,675,857
Payment of claims	<u>(58,644)</u>	<u>(2,668,313)</u>
Unpaid claims - December 31, 2014	<u>\$ 5,592</u>	<u>\$ 294,388</u>
	<u>2015</u>	
Unpaid claims - January 1, 2015	\$ 5,592	\$ 294,388
Incurred claims	12,394	2,543,733
Payment of claims	<u>(17,986)</u>	<u>(2,601,382)</u>
Unpaid claims - December 31, 2015	<u>\$ -</u>	<u>\$ 236,739</u>

A claims liability of \$236,739 (health/dental/workers compensation) in the Internal Service Fund accounts payable balance represents an estimate for incurred but unpaid claims liabilities and incurred but not reported claims liabilities.

Note (8) – Joint operating agreement

In 2003, the City of Upper Arlington and the Upper Arlington City School District (District) entered into a joint operating agreement to provide recreational facilities at Burbank Park for the benefit of the residents of the City. Whereas, pursuant to Ohio Revised Code Section 755.16, this agreement shall establish the working partnership between the City and the District regarding joint acquisition and construction of the project, as well as its shared operation and maintenance. The agreement establishes a four (4) member operations committee consisting of the Superintendent of the School District, the City Manager, the School District’s Athletic Director, and the Parks and Recreation Director of the City.

The Agreement shall exist until:

One year from date of certificate of establishment (July 11, 2003), and shall automatically renew for consecutive periods of one (1) year each for so long as the project is used for public athletic and recreational uses for the benefit of the residents of the City.

Note (9) – Subsequent events

There were no significant subsequent events.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (10) – Contingent liabilities

(a) Grants

The City receives financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2015.

(b) Litigation

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, 2015.

Note (11) – Pension plans

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *due to other governments* on both the accrual and modified accrual bases of accounting.

**CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

Note (11) – Pension plans (continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

**CITY OF UPPER ARLINGTON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2015**

Note (11) – Pension plans (continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2015 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2015 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$941,457 for 2015. Of this amount, \$57,679 is reported as a due to other government payable.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member’s average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (11) – Pension plans (continued)

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police	Firefighters
2015 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %
 2015 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OP&F was \$1,995,536 for 2015. Of this amount \$97,375 is reported as a due to other government payable .

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F’s total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (11) – Pension plans (continued)

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$ 7,724,126	\$ 24,608,799	\$ 32,332,925
Proportion of the Net Pension Liability	0.064049%	0.4750351%	
Pension Expense	\$ 844,020	\$ 2,400,474	\$ 3,244,494

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$ 412,239	\$ 1,060,616	\$ 1,472,855
City contributions subsequent to the measurement date	<u>941,457</u>	<u>1,995,536</u>	<u>2,936,993</u>
Total Deferred Outflows of Resources	<u><u>1,353,696</u></u>	<u><u>3,056,152</u></u>	<u><u>4,409,848</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	<u><u>\$ 135,988</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 135,988</u></u>

\$2,936,993 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2016	\$ 40,408	\$ 265,154	\$ 305,562
2017	40,410	265,154	305,564
2018	92,551	265,154	357,705
2019	103,027	265,154	368,181
2020	(33)	-	(33)
Thereafter	<u>(112)</u>	<u>-</u>	<u>(112)</u>
Total	<u><u>\$ 276,251</u></u>	<u><u>\$ 1,060,616</u></u>	<u><u>\$ 1,336,867</u></u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (11) – Pension plans (continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (11) – Pension plans (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	<u>100.00 %</u>	<u>5.28 %</u>

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
City's proportionate share of the net pension liability	\$14,211,950	\$7,724,126	\$2,259,866

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (11) – Pension plans (continued)

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F’s target asset allocation as of December 31, 2014 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	- %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00 %</u>	

* levered 2x

OP&F’s Board of Trustees has incorporated the “risk parity” concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (11) – Pension plans (continued)

Discount Rate The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 34,037,692	\$ 24,608,799	\$ 16,625,393

Note (12) – Post retirement benefit plans

(a) Ohio Public Employees Retirement System

Plan Description - Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains two cost-sharing multiple-employer defined benefit post-employment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (12) – Post retirement benefit plans (continued)

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, State and Local employers contributed at a rate of 14.0% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2015, 2014, and 2013 were \$156,909, \$157,080, and \$79,666, respectively; 94% has been contributed for 2015 and 100% has been contributed for 2014 and 2013. The remaining 2015 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

(b) Ohio Police and Fire Pension Fund

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at www.op-f.org.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (12) – Post retirement benefit plans (continued)

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2015 thru December 31, 2015. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters for the years ending December 31, 2015, 2014, and 2013 were \$438,897, \$442,445, and \$332,483, respectively. 95% has been contributed for 2015 and 100% has been contributed for 2014 and 2013. The remaining 2015 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements

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

Summary of Significant Accounting Policies

Organization

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

Basis of Accounting.

The accounts are maintained and these financial statements are presented on the accrual basis and in conformity with accounting principles generally accepted in the United States of America.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (13) – City of Upper Arlington CIC (continued)

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) 117, Financial Statement for Not-For-Profit Organizations. Under SFAS No. 117, the Corporation is required to report information regarding its financial position and activities according to three classes of net position: unrestricted net position, temporarily restricted net position, and permanently restricted net position. At December 31, 2015, the net position of the CIC is unrestricted.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows and for presentation of the Statement of Financial Position, all cash in checking accounts is considered to be cash and cash equivalents.

Concentration of Credit Risk

The CIC maintains its cash account in one commercial bank in Ohio. The cash balance is fully insured within the limits guaranteed by the Federal Deposit Insurance Corporation.

Use of Estimates.

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

Tax Exempt Status

The CIC is exempt from federal income tax under Section 501 (c) (6) of the Internal Revenue Code.

Restriction of Net Position

The CIC did not have any restrictions on cash as of December 31, 2015.

Contingent Liabilities

Management believes there are no pending claims or lawsuits.

Risk Management

The CIC is subjected to certain types of risk related to torts and errors and omissions in the performance of its normal functions. The CIC has in place Director's and Officers' liability insurance coverage of up to \$1,000,000 per occurrence and \$1,000,000 in aggregate with a \$2,500 deductible. Settlements did not exceed insurance coverage in the past three years. There was no reduction in insurance coverage from the prior year.

Note (14) – Fund deficit

At December 31, 2015, the Kingsdale Core TIF Fund (Other Governmental Funds) and the Community Fiber Optic Fund (major fund) had deficit fund balances of (\$445,995) and (\$1,145,384), respectively. These funds complied with Ohio State law, which does not permit a cash basis deficit at year end. The deficit fund balance in these funds resulted from an adjustment for accrued liabilities. The General Fund is responsible for any deficits in these funds and provides transfers when cash is required, rather than when accruals occur.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (15) – Change in Accounting Principle and Restatement of Fund Balance/Net Position

(a) Major fund reclassification

The Kingsdale Core TIF Fund did not meet the definition of major funds during 2015. Therefore, the fund was reclassified as Other Governmental Funds. The reclassification of this fund resulted in a change to beginning of year balances as detailed in the table below.

	Kingsdale Core TIF	Other Governmental
Fund balance, December 31, 2014	\$ (270,201)	\$ 6,362,632
Adjustments:		
Major fund reclassification	<u>270,201</u>	<u>(270,201)</u>
Restated fund balance, December 31, 2014	<u>\$ -</u>	<u>\$ 6,092,431</u>

(b) Change in Accounting Principle

For 2015, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2014:

	Governmental Activities	Business -Type Activities	Water Surcharge	Sanitary Sewer Surcharge	Stormwater	Swimming Pools
Net position December 31, 2014	\$ 91,469,048	\$ 35,113,909	\$ 14,524,044	\$ 5,589,509	\$ 9,589,241	\$ 5,390,256
Adjustments:						
Net Pension Liability	(29,949,053)	(736,944)	(94,786)	(182,222)	(146,002)	(313,934)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>2,842,055</u>	<u>92,378</u>	<u>11,882</u>	<u>22,842</u>	<u>18,302</u>	<u>39,352</u>
Restated Net Position December 31, 2014	<u>\$ 64,362,050</u>	<u>\$ 34,469,343</u>	<u>\$ 14,441,140</u>	<u>\$ 5,430,129</u>	<u>\$ 9,461,541</u>	<u>\$ 5,115,674</u>

In February 2015, the GASB issued Statement No. 72, “Fair Value Measurement and Application.” This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. The City has not determined the effects, if any, GASB No. 72 will have on its financial statements.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (15) – Change in Accounting Principle and Restatement of Fund Balance/Net Position (continued)

In June 2015, the GASB issued Statement No. 73, “*Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.*” The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The requirements of this Statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The City has not determined the effects, if any, GASB No. 73 will have on its financial statements.

In June 2015, the GASB issued Statement No. 74, “*Financial Reporting for Postemployment Benefit Plans Other than Pension Plans.*” The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits of OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. The City has not determined the effects, if any, on its financial statements.

In June 2015, the GASB issued Statement No. 75, “*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.*” The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. This Statement is effective for financial statements for fiscal years beginning after June 15, 2017. The City has not determined the effects, if any, on its financial statements.

In June 2015, the GASB issued Statement No. 76, “*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.*” The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. The City has not determined the effects, if any, on its financial statements.

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note (15) – Change in Accounting Principle and Restatement of Net Position (continued)

In August 2015, the GASB issued Statement No. 77, “*Tax Abatement Disclosures.*” Although many governments offer tax abatements and provide information to the public about them, they do not always provide the information necessary to assess how tax abatements affect their financial position and results of operations, including their ability to raise resources in the future. This Statement requires disclosure of tax abatement information about (1) a reporting government’s own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government’s tax revenues. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. The City has not determined the effects, if any, on its financial statements.

In December 2015, the GASB issued Statement No. 78, “*Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans.*” The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions.* This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. The City has not determined the effects, if any, on its financial statements.

In December 2015, the GASB issued Statement No. 79, “*Certain External Investment Pools and Pool Participants.*” This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. The City has not determined the effects, if any, on its financial statements.

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

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	GENERAL FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Income tax	\$ 20,830,000	\$ 20,830,000	\$ 21,490,632	\$ 660,632
Property and other local taxes	8,757,150	9,079,361	9,040,575	(38,786)
Special assessments	150,000	150,000	156,870	6,870
Charges for services	940,000	1,000,000	1,081,166	81,166
Licenses and permits	940,000	1,000,000	1,181,303	181,303
Fines and forfeitures	325,000	325,000	342,048	17,048
Intergovernmental	2,198,700	2,382,635	2,552,236	169,601
Investment earnings	423,700	423,700	382,523	(41,177)
Miscellaneous	1,098,500	1,458,500	1,501,834	43,334
Total revenues	<u>35,663,050</u>	<u>36,649,196</u>	<u>37,729,187</u>	<u>1,079,991</u>
<u>EXPENDITURES:</u>				
Current:				
Police				
Personal services	7,320,943	7,315,443	7,063,562	251,881
Other than personal services	385,100	390,600	289,593	101,007
Capital outlay	118,000	118,000	102,304	15,696
Fire				
Personal services	7,550,638	7,550,638	7,404,330	146,308
Other than personal services	246,500	246,500	231,659	14,841
Board of Health				
Other than personal services	242,770	257,770	254,111	3,659
Parks and recreation				
Personal services	2,108,686	2,108,686	1,965,400	143,286
Other than personal services	890,850	890,850	820,294	70,556
Capital outlay	92,500	92,500	61,069	31,431
Development				
Personal services	794,414	739,414	710,232	29,182
Other than personal services	115,300	150,300	135,362	14,938
Public Service Administration				
Personal services	976,010	876,010	677,617	198,393
Other than personal services	49,100	149,100	136,273	12,827
Public Works				
Personal services	765,438	742,438	735,873	6,565
Other than personal services	202,950	260,950	255,332	5,618
Capital outlay	427,500	423,500	397,488	26,012
City Manager				
Personal services	672,025	703,025	702,256	769
Other than personal services	98,150	107,150	104,603	2,547
City Attorney				
Personal services	619,269	619,269	583,614	35,655
Other than personal services	120,500	120,500	66,172	54,328

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015, CONTINUED

	GENERAL FUND			
	Adopted Budget	Revised Budget	Actual	Variance
City Clerk				
Personal services	266,040	256,040	219,335	36,705
Other than personal services	21,300	31,300	26,847	4,453
City Council				
Personal services	132,611	132,611	117,517	15,094
Other than personal services	6,000	6,000	1,357	4,643
Clerk of Court				
Personal services	158,735	159,210	159,051	159
Other than personal services	214,450	243,975	216,140	27,835
Finance				
Personal services	922,352	922,352	918,523	3,829
Other than personal services	166,000	166,000	117,411	48,589
Facilities Maintenance				
Other than personal services	986,000	1,151,000	1,001,692	149,308
Information Technology				
Personal services	355,552	355,552	354,242	1,310
Other than personal services	546,000	590,000	588,776	1,224
Capital outlay	249,823	329,823	209,536	120,287
General Government				
Personal services	593,338	558,338	410,502	147,836
Other than personal services	1,541,000	1,672,000	1,522,738	149,262
Total expenditures	<u>30,085,496</u>	<u>30,576,496</u>	<u>28,597,195</u>	<u>1,979,301</u>
Excess (deficiency) of expenditures over (under) revenues	5,577,554	6,072,700	9,131,992	3,059,292
<u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from sale of capital assets	-	-	66,558	66,558
Transfers-in	112,664	112,664	115,127	2,463
Transfers out	(4,323,839)	(4,972,942)	(4,805,088)	167,854
Advances in	-	1,000,000	1,000,000	-
Advances out	-	(3,500,000)	(3,500,000)	-
Total other financing sources (uses)	<u>(4,211,175)</u>	<u>(7,360,278)</u>	<u>(7,123,403)</u>	<u>236,875</u>
Net change in fund balance	1,366,379	(1,287,578)	2,008,589	3,296,167
Fund balances at beginning of year	24,176,188	24,176,188	24,176,188	-
Lapsed encumbrances	59,329	59,329	59,329	-
Fund balances at end of year	<u>\$ 25,601,896</u>	<u>\$ 22,947,939</u>	<u>\$ 26,244,106</u>	<u>\$ 3,296,167</u>

(Continued)

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

Reconciliation of the major differences between the budget basis and GAAP basis are as follows:

Net Change in Fund Balance

Budget Basis	\$ 2,008,589
Emergency Medical Services Fund change	(847,348)
Economic Development Venture Fund change	(19,454)
Civil Service fund change	(1,817)
Net Adjustment for Revenue Accruals	625,925
Net Adjustment for Expenditure Accruals	(150,911)
Net Adjustment for Other Financing Sources (Uses)	2,500,000
Adjustment for Encumbrances	305,692
GAAP Basis	<u><u>\$ 4,420,676</u></u>

CITY OF UPPER ARLINGTON, OHIO
NOTES TO THE BUDGETARY SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2015

Note (1) – Budgetary process

The City adopts annual expenditure budgets for all governmental, proprietary, and agency fund types, with the exception of the Flexible Benefits Fund. The CIC, a component unit of the City, does not adopt an annual expenditure budget. The City Council follows procedures outlined below in establishing the expenditure budget data reported in the Municipal Program of Services Adopted Budget for 2015 - 2016.

In October, the City Manager submits to City Council an estimate of the expenditures necessary to conduct the affairs of the City for the fiscal year commencing the following January 1. Budget estimates are distributed throughout the City including newspapers and libraries. Public hearings are held to obtain taxpayers’ comments.

Subsequent to January 1, and after publication of the proposed budget ordinance, the budget is legally enacted through passage of the ordinance. The budget specifies expenditure amounts by character for each activity within each fund.

No transfer of appropriations can be made without City Council action, with the exception of certain transfers within a department’s appropriation, within a fund, if the amounts are less than \$10,000. Expenditures cannot legally exceed appropriations at the character level. During 2015, various transfers of appropriations, supplemental appropriations, and reductions in appropriation were made in the following amounts:

<u>Fund Type</u>	<u>Increase/ (Decrease)</u>
General Fund	\$ 4,640,103
Special Revenue Funds	(893,550)
Debt Service Fund	11,790,213
Capital Projects Funds	8,034,298
Enterprise Funds	29,095

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

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

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

Note (2) – General fund budgetary highlights

During 2015, the City amended its original General Fund revenue estimates by \$2 million and appropriations by \$4.6 million. The revenue estimate increase was highlighted by \$1 million return of funds advanced to the Kingsdale Core TIF Fund for repayment of debt. Other increases were made in anticipation of higher than expected property and other local tax revenues, charges for services revenues, licenses and permit revenues, intergovernmental revenues and other miscellaneous revenue. The increases to the original appropriations were highlighted by a \$1 million advance to the Kingsdale Core TIF Fund (described above) and advance of \$2.5 million to the Community Fiber Optic Fund for installation of fiber optic cable throughout the City. Other increases were made in relation to the refunding of debt during the year and higher than expected expenditures.

CITY OF UPPER ARLINGTON, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEE'S RETIREMENT SYSTEM

Last Two Years (1)

	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability Traditional Plan	0.064049%	0.064049%
City's Proportionate Share of the Net Pension	\$ 7,724,126	\$ 7,550,297
City's Covered-Employee Payroll	\$ 7,854,017	\$ 7,970,038
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	98.35%	94.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability Traditional Plan	86.45%	86.36%

(1) Information prior to 2013 is not available.

Amounts presented as of the City's measurement date, which is the prior year-end.

CITY OF UPPER ARLINGTON, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO POLICE AND FIRE PENSION FUND

Last Two Years (1)

	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	0.4750351%	0.4750351%
City's Proportionate Share of the Net Pension Liability	\$ 24,608,799	\$ 23,135,700
City's Covered-Employee Payroll	\$ 7,393,927	\$ 7,851,553
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	332.82%	294.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%

(1) Information prior to 2013 is not available.

Amounts presented as of the City's measurement date, which is the prior year-end.

CITY OF UPPER ARLINGTON, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS
OHIO PUBLIC EMPLOYEE RETIREMENT SYSTEM

Last Three Years (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 941,457	\$ 942,482	\$ 1,036,105
Contributions in relation to the contractually required contribution	<u>941,457</u>	<u>942,482</u>	<u>1,036,105</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 7,845,468	\$ 7,854,017	\$ 7,970,038
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available.

CITY OF UPPER ARLINGTON, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS
OHIO POLICE AND FIRE PENSION FUND

Last Five Fiscal Years (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually Required Contribution	\$1,995,536	\$1,607,027	\$1,714,578	\$1,991,719	\$1,996,404
Contributions in relation to the contractually required contribution	<u>\$ 1,995,536</u>	<u>\$ 1,607,027</u>	<u>\$ 1,714,578</u>	<u>\$ 1,991,719</u>	<u>\$ 1,996,404</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered-employee payroll	\$ 9,338,241	\$ 7,393,927	\$ 7,851,553	\$ 9,128,185	\$ 9,155,982
Contributions as a percentage of covered-employee payroll	21.37%	21.73%	21.84%	21.82%	21.80%

(1) Information prior to 2011 is not available.



CITY OF | **UPPER ARLINGTON**

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D. OTHER SUPPLEMENTARY INFORMATION

CITY OF UPPER ARLINGTON, OHIO

FUND DESCRIPTIONS – MAJOR GOVERNMENTAL FUNDS

General Fund

The General Fund receives funds, which are not accounted for in any other fund of the City. The revenues are used to finance the general operations of the City. Due to legal requirements, activities of the General Fund are accounted for in the following accounts:

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

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

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

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

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

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

Emergency Medical Services (EMS) Account – By ordinance, City Council has established this account in order to pay the cost of activities for emergency medical service supplies and capital needs for the Fire Division. The fees received are from insurance companies and Medicare for providing emergency medical services to the Community. The EMS account is shown as a special revenue fund in the budgetary statements but as a general fund account in the GAAP statements.

Civil Service Account – Established in 1995 pursuant to C.O. Section 225.04, this Fund is used to pay the expenses associated with the Civil Service Commission. The money is transferred from the General Fund and used to pay the Civil Service Commission Secretary and the cost of tests that are required for promotional examinations. For financial reporting purposes, other than budgetary, this fund is reported within the General Fund. The Civil Service account is shown as a special revenue fund in the budgetary statements but as a general fund account in the GAAP statements.

Economic Development Venture Account – Established by C.O. 225.06 the fund commenced in January 1999 to stimulate investment in Upper Arlington by providing incentives and maintaining an attractive economic climate for business and expansion and new business recruitment. The Economic Development Venture account is shown as a special revenue fund in the budgetary statements but as a general fund account in the GAAP statements.

General Obligation Bond Retirement Fund

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

CITY OF UPPER ARLINGTON

FUND DESCRIPTIONS – MAJOR GOVERNMENTAL FUNDS

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.

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.

Community Fiber Optic Fund

This fund was established in 2015 and accounts for the installation and repayment of the construction for the Upper Arlington fiber optic network. The fiber optic network will serve the Upper Arlington School District, the Upper Arlington Libraries and the City government as well as provide fiber to the Ohio State University Medical building. The network will also provide accessibility to fiber for local businesses.

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL OPERATING ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2015

	GENERAL OPERATING ACCOUNT			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Income tax	\$ 15,750,000	\$ 15,750,000	\$ 16,189,948	\$ 439,948
Property and other local taxes	5,684,950	5,920,039	5,946,688	26,649
Special assessments	150,000	150,000	156,870	6,870
Charges for services	940,000	1,000,000	1,081,166	81,166
Licenses and permits	940,000	1,000,000	1,181,303	181,303
Fines and forfeitures	325,000	325,000	342,048	17,048
Intergovernmental	1,760,900	1,927,143	2,103,060	175,917
Investment earnings	415,000	415,000	376,502	(38,498)
Miscellaneous	1,003,500	1,353,500	1,388,967	35,467
Total revenues	<u>26,969,350</u>	<u>27,840,682</u>	<u>28,766,552</u>	<u>925,870</u>
<u>EXPENDITURES:</u>				
Current:				
Police				
Personal services	7,320,943	7,315,443	7,063,562	251,881
Other than personal services	385,100	390,600	289,593	101,007
Fire				
Personal services	7,550,638	7,550,638	7,404,330	146,308
Other than personal services	246,500	246,500	231,659	14,841
Board of Health				
Other than personal services	242,770	257,770	254,111	3,659
Parks and recreation				
Personal services	2,108,686	2,108,686	1,965,400	143,286
Other than personal services	890,850	890,850	820,294	70,556
Development				
Personal services	794,414	739,414	710,232	29,182
Other than personal services	115,300	150,300	135,362	14,938
Public Service Administration				
Personal services	976,010	876,010	677,617	198,393
Other than personal services	49,100	149,100	136,273	12,827
Public Works Division				
Personal services	765,438	742,438	735,873	6,565
Other than personal services	202,950	260,950	255,332	5,618
City Manager				
Personal services	672,025	703,025	702,256	769
Other than personal services	98,150	107,150	104,603	2,547
City Attorney				
Personal services	619,269	619,269	583,614	35,655
Other than personal services	120,500	120,500	66,172	54,328
City Clerk				
Personal services	266,040	256,040	219,335	36,705
Other than personal services	21,300	31,300	26,847	4,453

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL OPERATING ACCOUNT (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2015

	GENERAL OPERATING ACCOUNT (Continued)			
	Adopted Budget	Revised Budget	Actual	Variance
City Council				
Personal services	132,611	132,611	117,517	15,094
Other than personal services	6,000	6,000	1,357	4,643
Clerk of Court				
Personal services	158,735	159,210	159,051	159
Other than personal services	214,450	243,975	216,140	27,835
Finance				
Personal services	922,352	922,352	918,523	3,829
Other than personal services	166,000	166,000	117,411	48,589
Facilities Maintenance				
Other than personal services	986,000	1,151,000	1,001,692	149,308
Information Technology				
Personal services	355,552	355,552	354,242	1,310
Other than personal services	546,000	575,000	573,776	1,224
General Government				
Personal services	593,338	558,338	410,502	147,836
Other than personal services	1,491,000	1,622,000	1,508,721	113,279
Total expenditures	<u>29,018,021</u>	<u>29,408,021</u>	<u>27,761,397</u>	<u>1,646,624</u>
Excess (deficiency) of expenditures over revenues	(2,048,671)	(1,567,339)	1,005,155	2,572,494
<u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from sale of capital assets	-	-	66,558	66,558
Transfers in	112,664	112,664	115,127	2,463
Transfers out	(1,658,981)	(1,774,981)	(1,607,127)	167,854
Advances in	-	1,000,000	1,000,000	-
Advances out	-	(3,500,000)	(3,500,000)	-
Interaccount transfers in	2,683,000	2,683,000	2,284,721	(398,279)
Total other financing sources (uses)	<u>1,136,683</u>	<u>(1,479,317)</u>	<u>(1,640,721)</u>	<u>(161,404)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(911,988)	(3,046,656)	(635,566)	2,411,090
Fund balances at beginning of year	17,059,438	17,059,438	17,059,438	-
Lapsed encumbrances	56,179	56,179	56,179	-
Fund balances at end of year	<u>\$ 16,203,629</u>	<u>\$ 14,068,961</u>	<u>\$ 16,480,051</u>	<u>\$ 2,411,090</u>

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL ASSET MANAGEMENT ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2015

	CAPITAL ASSET MANAGEMENT ACCOUNT			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Income tax	\$ 5,080,000	\$ 5,080,000	\$ 5,300,684	\$ 220,684
Total revenues	<u>5,080,000</u>	<u>5,080,000</u>	<u>5,300,684</u>	<u>220,684</u>
<u>EXPENDITURES:</u>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of expenditures over revenues	5,080,000	5,080,000	5,300,684	220,684
<u>OTHER FINANCING (USES):</u>				
Transfers out	<u>(2,664,858)</u>	<u>(3,197,961)</u>	<u>(3,197,961)</u>	<u>-</u>
Total other financing (uses)	<u>(2,664,858)</u>	<u>(3,197,961)</u>	<u>(3,197,961)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	2,415,142	1,882,039	2,102,723	220,684
Fund balances at beginning of year	<u>5,489,078</u>	<u>5,489,078</u>	<u>5,489,078</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ 7,904,220</u></u>	<u><u>\$ 7,371,117</u></u>	<u><u>\$ 7,591,801</u></u>	<u><u>\$ 220,684</u></u>

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE AND FIRE PENSION ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2015

	POLICE AND FIRE PENSION ACCOUNT			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Property and other local taxes	\$ 2,349,200	\$ 2,407,865	\$ 2,356,411	\$ (51,454)
Intergovernmental	333,800	349,012	343,091	(5,921)
Total revenues	2,683,000	2,756,877	2,699,502	(57,375)
<u>EXPENDITURES:</u>				
Total expenditures	-	-	-	-
Excess (deficiency) of expenditures over revenues	2,683,000	2,756,877	2,699,502	(57,375)
<u>OTHER FINANCING (USES):</u>				
Interaccount transfers out	(2,683,000)	(2,683,000)	(2,284,721)	398,279
Total other financing (uses)	(2,683,000)	(2,683,000)	(2,284,721)	398,279
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	73,877	414,781	340,904
Fund balances at beginning of year	513,643	513,643	513,643	-
Fund balances at end of year	\$ 513,643	\$ 587,520	\$ 928,424	\$ 340,904

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL EQUIPMENT ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2015

	CAPITAL EQUIPMENT ACCOUNT			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Property and other local taxes	\$ 723,000	\$ 751,457	\$ 737,476	\$ (13,981)
Intergovernmental	104,000	106,480	106,085	(395)
Total revenues	<u>827,000</u>	<u>857,937</u>	<u>843,561</u>	<u>(14,376)</u>
<u>EXPENDITURES:</u>				
Current:				
Police				
Capital outlay	118,000	118,000	102,304	15,696
Parks and recreation				
Capital outlay	92,500	92,500	61,069	31,431
Public Service Administration				
Capital outlay	129,652	139,652	36,384	103,268
Public Works Division				
Capital outlay	427,500	423,500	397,488	26,012
Information Technology				
Capital outlay	152,895	238,895	135,921	102,974
Total expenditures	<u>920,547</u>	<u>1,012,547</u>	<u>733,166</u>	<u>279,381</u>
Excess (deficiency) of expenditures over revenues	(93,547)	(154,610)	110,395	265,005
Fund balances at beginning of year	380,205	380,205	380,205	-
Fund balances at end of year	<u>\$ 286,658</u>	<u>\$ 225,595</u>	<u>\$ 490,600</u>	<u>\$ 265,005</u>

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SELF-INSURED LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2015

	SELF-INSURED LOSS ACCOUNT			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Investment earnings	\$ 8,700	\$ 8,700	\$ 6,021	\$ (2,679)
Miscellaneous	10,000	20,000	36,663	16,663
Total revenues	18,700	28,700	42,684	13,984
<u>EXPENDITURES:</u>				
Current:				
General Government				
Other than personal services	50,000	50,000	14,017	35,983
Total expenditures	50,000	50,000	14,017	35,983
Excess (deficiency) of expenditures over revenues	(31,300)	(21,300)	28,667	49,967
Fund balances at beginning of year	699,879	699,879	699,879	-
Fund balances at end of year	\$ 668,579	\$ 678,579	\$ 728,546	\$ 49,967

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNICATIONS AND TECHNOLOGY ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2015

	COMMUNICATIONS AND TECHNOLOGY ACCOUNT			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Miscellaneous	\$ 85,000	\$ 85,000	\$ 76,204	\$ (8,796)
Total revenues	85,000	85,000	76,204	(8,796)
<u>EXPENDITURES:</u>				
Current:				
Information Technology				
Other than personal services	-	15,000	15,000	-
Capital outlay	96,928	90,928	73,615	17,313
Total expenditures	96,928	105,928	88,615	17,313
Excess (deficiency) of expenditures over revenues	(11,928)	(20,928)	(12,411)	8,517
Fund balances at beginning of year	33,945	33,945	33,945	-
Lapsed encumbrances	3,150	3,150	3,150	-
Fund balances at end of year	\$ 25,167	\$ 16,167	\$ 24,684	\$ 8,517



CITY OF | **UPPER ARLINGTON**

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CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TOTAL GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2015

	TOTAL GENERAL FUND ACCOUNTS			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Income tax	\$ 20,830,000	\$ 20,830,000	\$ 21,490,632	\$ 660,632
Property and other local taxes	8,757,150	9,079,361	9,040,575	(38,786)
Special assessments	150,000	150,000	156,870	6,870
Charges for services	940,000	1,000,000	1,081,166	81,166
Licenses and permits	940,000	1,000,000	1,181,303	181,303
Fines and forfeitures	325,000	325,000	342,048	17,048
Intergovernmental	2,198,700	2,382,635	2,552,236	169,601
Investment earnings	423,700	423,700	382,523	(41,177)
Miscellaneous	1,098,500	1,458,500	1,501,834	43,334
Total revenues	<u>35,663,050</u>	<u>36,649,196</u>	<u>37,729,187</u>	<u>1,079,991</u>
<u>EXPENDITURES:</u>				
Current:				
Police				
Personal services	7,320,943	7,315,443	7,063,562	251,881
Other than personal services	385,100	390,600	289,593	101,007
Capital outlay	118,000	118,000	102,304	15,696
Fire				
Personal services	7,550,638	7,550,638	7,404,330	146,308
Other than personal services	246,500	246,500	231,659	14,841
Board of Health				
Other than personal services	242,770	257,770	254,111	3,659
Parks and recreation				
Personal services	2,108,686	2,108,686	1,965,400	143,286
Other than personal services	890,850	890,850	820,294	70,556
Capital outlay	92,500	92,500	61,069	31,431
Development				
Personal services	794,414	739,414	710,232	29,182
Other than personal services	115,300	150,300	135,362	14,938
Public Service Administration				
Personal services	976,010	876,010	677,617	198,393
Other than personal services	49,100	149,100	136,273	12,827
Public Works Division				
Personal services	765,438	742,438	735,873	6,565
Other than personal services	202,950	260,950	255,332	5,618
Capital outlay	427,500	423,500	397,488	26,012
City Manager				
Personal services	672,025	703,025	702,256	769
Other than personal services	98,150	107,150	104,603	2,547
City Attorney				
Personal services	619,269	619,269	583,614	35,655
Other than personal services	120,500	120,500	66,172	54,328
City Clerk				
Personal services	266,040	256,040	219,335	36,705
Other than personal services	21,300	31,300	26,847	4,453

(Continued)

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TOTAL GENERAL FUND ACCOUNTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2015

	TOTAL GENERAL FUND ACCOUNTS			
	Adopted Budget	Revised Budget	Actual	Variance
City Council				
Personal services	132,611	132,611	117,517	15,094
Other than personal services	6,000	6,000	1,357	4,643
Clerk of Court				
Personal services	158,735	159,210	159,051	159
Other than personal services	214,450	243,975	216,140	27,835
Finance				
Personal services	922,352	922,352	918,523	3,829
Other than personal services	166,000	166,000	117,411	48,589
Facilities Maintenance				
Other than personal services	986,000	1,151,000	1,001,692	149,308
Information Technology				
Personal services	355,552	355,552	354,242	1,310
Other than personal services	546,000	590,000	588,776	1,224
Capital outlay	249,823	329,823	209,536	120,287
General Government				
Personal services	593,338	558,338	410,502	147,836
Other than personal services	1,541,000	1,672,000	1,522,738	149,262
Total expenditures	<u>30,085,496</u>	<u>30,576,496</u>	<u>28,597,195</u>	<u>1,979,301</u>
Excess (deficiency) of expenditures over revenues	5,577,554	6,072,700	9,131,992	3,059,292
<u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from sale of capital assets	-	-	66,558	66,558
Transfers out	(4,323,839)	(4,972,942)	(4,805,088)	167,854
Advances in	-	1,000,000	1,000,000	-
Advances out	-	(3,500,000)	(3,500,000)	-
Interaccount transfers in	2,683,000	2,683,000	2,284,721	(398,279)
Interaccount transfers out	(2,683,000)	(2,683,000)	(2,284,721)	398,279
Total other financing sources (uses)	<u>(4,211,175)</u>	<u>(7,360,278)</u>	<u>(7,123,403)</u>	<u>236,875</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	1,366,379	(1,287,578)	2,008,589	3,296,167
Fund balances at beginning of year	24,176,188	24,176,188	24,176,188	-
Lapsed encumbrances	59,329	59,329	59,329	-
Fund balances at end of year	<u>\$ 25,601,896</u>	<u>\$ 22,947,939</u>	<u>\$ 26,244,106</u>	<u>\$ 3,296,167</u>

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL OBLIGATION BOND RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>GENERAL OBLIGATION BOND RETIREMENT FUND</u>			
	<u>Adopted</u>	<u>Revised</u>	<u>Actual</u>	<u>Variance</u>
	<u>Budget</u>	<u>Budget</u>		
<u>REVENUES:</u>				
Property and other local taxes	\$ 670,312	\$ 670,312	\$ 737,476	\$ 67,164
Special assessments	82,762	82,762	109,537	26,775
Intergovernmental	100,000	100,000	108,216	8,216
Total revenues	<u>853,074</u>	<u>853,074</u>	<u>955,229</u>	<u>102,155</u>
<u>EXPENDITURES:</u>				
Current:				
Finance				
Other than personal services	<u>4,422,709</u>	<u>9,340,265</u>	<u>9,049,804</u>	<u>290,461</u>
Total expenditures	<u>4,422,709</u>	<u>9,340,265</u>	<u>9,049,804</u>	<u>290,461</u>
Excess (deficiency) of expenditures over revenues	(3,569,635)	(8,487,191)	(8,094,575)	392,616
<u>OTHER FINANCING SOURCES (USES):</u>				
Sale of bonds	-	2,814,525	2,814,525	-
Sale of refunding bonds	-	6,082,000	6,082,000	-
Premium on issuance of bonds	-	2,064,204	2,064,204	-
Payment to refunding bond escrow agent	-	(6,759,764)	(6,759,764)	-
Discount issuance of bonds and notes	-	(112,893)	(112,893)	-
Transfers in	<u>3,498,389</u>	<u>4,327,873</u>	<u>4,007,379</u>	<u>(320,494)</u>
Total other financing sources (uses)	<u>3,498,389</u>	<u>8,415,945</u>	<u>8,095,451</u>	<u>(320,494)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(71,246)	(71,246)	876	72,122
Fund balances at beginning of year	<u>544,927</u>	<u>544,927</u>	<u>544,927</u>	<u>-</u>
Fund balances at end of year	<u>\$ 473,681</u>	<u>\$ 473,681</u>	<u>\$ 545,803</u>	<u>\$ 72,122</u>

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BONDED IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	BONDED IMPROVEMENT FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Investment Earnings	\$ 15,000	\$ 15,000	\$ 28,003	\$ 13,003
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>28,003</u>	<u>13,003</u>
<u>EXPENDITURES:</u>				
Current:				
Parks and recreation				
Personal services	-	10,000	1,477	8,523
Capital outlay	-	5,140,000	216,008	4,923,992
Public Works Division				
Personal services	1,254,962	194,962	149,091	45,871
Capital outlay	4,314,401	5,788,401	5,421,845	366,556
Finance				
Other than personal services	264,000	-	-	-
Total expenditures	<u>5,833,363</u>	<u>11,133,363</u>	<u>5,788,421</u>	<u>5,344,942</u>
Excess (deficiency) of expenditures over revenues	(5,818,363)	(11,118,363)	(5,760,418)	5,357,945
<u>OTHER FINANCING SOURCES (USES):</u>				
Sale of bonds	<u>13,200,000</u>	<u>14,649,238</u>	<u>16,098,475</u>	<u>1,449,237</u>
Total other financing sources	<u>13,200,000</u>	<u>14,649,238</u>	<u>16,098,475</u>	<u>1,449,237</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	7,381,637	3,530,875	10,338,057	6,807,182
Fund balances at beginning of year	<u>67</u>	<u>67</u>	<u>67</u>	<u>-</u>
Fund balances at end of year	<u>\$ 7,381,704</u>	<u>\$ 3,530,942</u>	<u>\$ 10,338,124</u>	<u>\$ 6,807,182</u>

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ESTATE TAX CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	ESTATE TAX CAPITAL PROJECTS FUND			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Intergovernmental	\$ -	\$ 1,105,733	\$ 1,471,501	\$ 365,768
Investment Earnings	128,779	128,779	110,576	(18,203)
Total revenues	<u>128,779</u>	<u>1,234,512</u>	<u>1,582,077</u>	<u>347,565</u>
EXPENDITURES:				
Current:				
Parks and recreation				
Personal services	321,276	121,276	1,721	119,555
Other than personal services	-	5,000	4,061	939
Capital outlay	4,658,640	314,070	207,748	106,322
Public Service Administration				
Capital outlay	-	106,000	105,413	587
Public Works Division				
Personal services	2,412	87,412	86,868	544
Capital outlay	2,193,770	6,654,340	6,626,428	27,912
Total expenditures	<u>7,176,098</u>	<u>7,288,098</u>	<u>7,032,239</u>	<u>255,859</u>
Excess (deficiency) of expenditures over revenues	(7,047,319)	(6,053,586)	(5,450,162)	603,424
Fund balances at beginning of year	11,776,147	11,776,147	11,776,147	-
Lapsed encumbrances	612,840	612,840	612,840	-
Fund balances at end of year	<u>\$ 5,341,668</u>	<u>\$ 6,335,401</u>	<u>\$ 6,938,825</u>	<u>\$ 603,424</u>

CITY OF UPPER ARLINGTON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY FIBER OPTIC FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	COMMUNITY FIBER OPTIC FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES:</u>				
Current:				
Information Technology				
Capital outlay	-	2,500,000	2,439,846	60,154
Total expenditures	-	2,500,000	2,439,846	60,154
Excess (deficiency) of expenditures over revenues	-	(2,500,000)	(2,439,846)	60,154
<u>OTHER FINANCING SOURCES:</u>				
Advances in	-	2,500,000	2,500,000	-
Total other financing sources	-	2,500,000	2,500,000	-
Excess (deficiency) of revenues and other financing sources over expenditures	-	-	60,154	60,154
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ 60,154	\$ 60,154

CITY OF UPPER ARLINGTON

FUND DESCRIPTIONS – NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

Tax Incentive Review Fund

Created by C.O. 225.07, the fund receives deposits of fees required when agreements are entered into under Section 3735 of the Ohio Revised Code. These fees are used exclusively for the purpose of performing the duties of the Tax Incentive Review Board.

Street Maintenance and Repair Fund

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

Law Enforcement Fund

Established pursuant to Ohio Revised Section 2981.13, the fund accounts for the deposit of monies 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, the fund's expenditures are to be made for the furtherance of tree planting and care and related arboricultural activities, subject to appropriations made by City Council.

Enforcement Education Fund

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

Mayor's Court Computer Fund

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

Mayor's Court Special Project Fund

Established in 2013 pursuant to C.O. Section 171.08, the Mayor's Court collects a \$10.00 fee on each case as allowed by Ohio Revised Code 1901.26(B)(1). Revenues are to be used to pay the cost of special projects of the court including, but not limited to, the acquisition of additional facilities or rehabilitation of existing facilities, the acquisition of equipment, the hiring and training of staff, community service programs, mediation or dispute resolution services, the employment of magistrates, the training and education of magistrates, and other related services.

CITY OF UPPER ARLINGTON

FUND DESCRIPTIONS – NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds (continued)

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.

Neighborhood Lighting Fund

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

Clerk of Court Fund

Enacted by C.O. 171.06, the Clerk of Court 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 Court's office. The current fee is \$3.00.

Upper Arlington Visitor's Bureau Fund

Established in 2013 pursuant to C. O. Section 202, this fund collects 50% of the 3% hotel/motel excise tax levied in accordance with Ohio Revised Code Section 5379.09. Revenues are to be used solely to make contributions to convention and visitors' bureaus operating within Franklin County as directed by City Council.

Nonmajor Capital Project Funds

Tax Increment Financing (TIF) Districts

The City, pursuant to the Ohio Revised Code and City ordinances, has established nine tax increment financing (TIF) districts. A TIF represents a geographic area wherein property values created after the commencement date of the TIF are exempt, in whole or in part, from property taxes. Owner of such property, however, must pay amounts equal to the property taxes, known as "service fees," as though the TIF had not been established. These "service fees" will then repay the City for capital outlay expenditures relating to public improvements within or adjacent to the TIF area. Property values existing before the commencement date of a TIF continue to be subjected to property taxes. The City has created the following capital project funds to account for its nine TIFs: Lane Avenue Mixed Use TIF Fund, Lane Avenue TIF Fund, Chelsea TIF Fund, Arlington Crossing TIF Fund, Horizon TIF Fund, Kingsdale West TIF Fund, Kingsdale Core TIF Fund, Riverside North TIF Fund, and Riverside South TIF Fund.

Infrastructure Improvement Fund

Created by C.O. 137.10, the Infrastructure Improvement Fund was created to account for a seven- year capital project program. The General Fund provides an annual fund transfer to fund the program.

**CITY OF UPPER ARLINGTON, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015**

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total Nonmajor Governmental
Assets:			
Cash, cash equivalents and investments	\$ 2,424,254	\$ 7,170,667	\$ 9,594,921
Receivables (net of allowances):			
Property and other taxes	4,138	-	4,138
Payments in lieu of taxes	-	1,869,455	1,869,455
Accounts	3,608	-	3,608
Accrued interest	3,511	-	3,511
Intergovernmental	814,236	162,392	976,628
Materials and supplies inventory	67,458	-	67,458
Total assets	<u>\$ 3,317,205</u>	<u>\$ 9,202,514</u>	<u>\$ 12,519,719</u>
Liabilities:			
Accounts payable	\$ 49,372	\$ -	\$ 49,372
Accrued wages and benefits	45,597	-	45,597
Due to other governments	7,325	-	7,325
Advances from other funds	-	1,018,000	1,018,000
Due to other funds	19,808	879,003	898,811
Total liabilities	<u>122,102</u>	<u>1,897,003</u>	<u>2,019,105</u>
Deferred Inflows of Resources	<u>549,386</u>	<u>1,882,375</u>	<u>2,431,761</u>
Fund Balance:			
Nonspendable:			
Inventory	67,458	-	67,458
Restricted:			
Capital projects	-	2,167,792	2,167,792
Street construction, maintenance and repairs	581,177	-	581,177
Law enforcement and education	1,082,162	-	1,082,162
Other purposes	205,993	-	205,993
Committed:			
Capital projects	535,777	3,701,339	4,237,116
Parks and recreation	173,150	-	173,150
Unassigned (deficit)	-	(445,995)	(445,995)
Total fund balance	<u>2,645,717</u>	<u>5,423,136</u>	<u>8,068,853</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,317,205</u>	<u>\$ 9,202,514</u>	<u>\$ 12,519,719</u>

CITY OF UPPER ARLINGTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total Nonmajor Governmental
Revenues:			
Property and other taxes	\$ 64,842	\$ -	\$ 64,842
Payments in lieu of taxes	-	2,560,001	2,560,001
Charges for services	261,513	-	261,513
Fines and forfeitures	56,152	-	56,152
Intergovernmental	1,685,069	1,162,580	2,847,649
Investment earnings	14,339	-	14,339
Miscellaneous	63,084	-	63,084
Total revenues	<u>2,144,999</u>	<u>3,722,581</u>	<u>5,867,580</u>
Expenditures:			
Current:			
General government	5,000	1,359,808	1,364,808
Public safety	240,115	-	240,115
Public services	1,746,848	-	1,746,848
Parks and recreation	163,863	-	163,863
Capital outlay	165,791	798,392	964,183
Debt service:			
Interest and fiscal charges	-	11,600	11,600
Total expenditures	<u>2,321,617</u>	<u>2,169,800</u>	<u>4,491,417</u>
Excess (deficiency) of revenues over (under) expenditures	(176,618)	1,552,781	1,376,163
Other Financing Sources (Uses):			
Sale of capital assets	154,180	-	154,180
Transfers in	180,273	750,000	930,273
Transfers out	-	(484,194)	(484,194)
Total other financing sources (uses)	<u>334,453</u>	<u>265,806</u>	<u>600,259</u>
Net change in fund balances	157,835	1,818,587	1,976,422
Fund balance at beginning of year	2,487,882	3,604,549	6,092,431
Fund balance at end of year	<u>\$ 2,645,717</u>	<u>\$ 5,423,136</u>	<u>\$ 8,068,853</u>

**CITY OF UPPER ARLINGTON, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015**

	Tax Incentive Review	Street Maintenance and Repair	Law Enforcement	Tree Planting	Enforcement Education
Assets:					
Cash, cash equivalents and investments	\$ 25,937	\$ 416,797	\$ 910,674	\$ 73,611	\$ 13,911
Receivables (net of allowances):					
Property and other taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Accrued interest	-	785	1,715	-	-
Intergovernmental	-	812,500	1,736	-	-
Materials and supplies inventory	-	67,458	-	-	-
Total assets	<u>\$ 25,937</u>	<u>\$ 1,297,540</u>	<u>\$ 914,125</u>	<u>\$ 73,611</u>	<u>\$ 13,911</u>
Liabilities:					
Accounts payable	\$ -	\$ 41,723	\$ -	\$ -	\$ -
Accrued wages and benefits	-	38,779	3,544	-	-
Due to other governments	-	6,387	547	-	-
Due to other funds	-	17,019	2,117	-	-
Total liabilities	<u>-</u>	<u>103,908</u>	<u>6,208</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources	<u>-</u>	<u>544,997</u>	<u>491</u>	<u>-</u>	<u>-</u>
Fund Balance:					
Nonspendable:					
Inventory	-	67,458	-	-	-
Restricted:					
Street construction, maintenance and repairs	-	581,177	-	-	-
Law enforcement and education	-	-	907,426	-	13,911
Other purposes	25,937	-	-	-	-
Committed:					
Capital projects	-	-	-	-	-
Parks and recreation	-	-	-	73,611	-
Total fund balance	<u>25,937</u>	<u>648,635</u>	<u>907,426</u>	<u>73,611</u>	<u>13,911</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,937</u>	<u>\$ 1,297,540</u>	<u>\$ 914,125</u>	<u>\$ 73,611</u>	<u>\$ 13,911</u>

Mayor's Court Computer	Mayor's Court Special Project	Life Long Learning and Leisure	Neighborhood Lighting	Clerk of Court	Upper Arlington Visitor's Bureau	Total Nonmajor Special Revenue Funds
\$ 73,843	\$ 76,103	\$ 109,656	\$ 536,593	\$ 53,880	\$ 133,249	\$ 2,424,254
-	-	-	-	-	4,138	4,138
-	-	-	3,608	-	-	3,608
-	-	-	1,011	-	-	3,511
-	-	-	-	-	-	814,236
-	-	-	-	-	-	67,458
<u>\$ 73,843</u>	<u>\$ 76,103</u>	<u>\$ 109,656</u>	<u>\$ 541,212</u>	<u>\$ 53,880</u>	<u>\$ 137,387</u>	<u>\$ 3,317,205</u>
\$ 213	\$ -	\$ 6,885	\$ 432	\$ 119	\$ -	\$ 49,372
-	-	2,448	826	-	-	45,597
-	-	379	12	-	-	7,325
-	-	405	267	-	-	19,808
<u>213</u>	<u>-</u>	<u>10,117</u>	<u>1,537</u>	<u>119</u>	<u>-</u>	<u>122,102</u>
-	-	-	3,898	-	-	549,386
-	-	-	-	-	-	67,458
-	-	-	-	-	-	581,177
73,630	33,434	-	-	53,761	-	1,082,162
-	42,669	-	-	-	137,387	205,993
-	-	-	535,777	-	-	535,777
-	-	99,539	-	-	-	173,150
<u>73,630</u>	<u>76,103</u>	<u>99,539</u>	<u>535,777</u>	<u>53,761</u>	<u>137,387</u>	<u>2,645,717</u>
<u>\$ 73,843</u>	<u>\$ 76,103</u>	<u>\$ 109,656</u>	<u>\$ 541,212</u>	<u>\$ 53,880</u>	<u>\$ 137,387</u>	<u>\$ 3,317,205</u>

CITY OF UPPER ARLINGTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Tax Incentive Review	Street Maintenance and Repair	Law Enforcement	Tree Planting	Enforcement Education
Revenues:					
Property and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	17,514	-
Fines and forfeitures	-	-	-	-	2,514
Intergovernmental	-	1,647,187	37,882	-	-
Investment earnings	-	810	8,939	-	-
Miscellaneous	5,418	56,848	818	-	-
Total revenues	<u>5,418</u>	<u>1,704,845</u>	<u>47,639</u>	<u>17,514</u>	<u>2,514</u>
Expenditures:					
Current:					
General government	5,000	-	-	-	-
Public safety	-	-	221,135	-	444
Public services	-	1,713,157	-	-	-
Parks and recreation	-	-	-	13,486	-
Capital outlay	-	-	165,791	-	-
Total expenditures	<u>5,000</u>	<u>1,713,157</u>	<u>386,926</u>	<u>13,486</u>	<u>444</u>
Excess (deficiency) of revenues over (under) expenditures	418	(8,312)	(339,287)	4,028	2,070
Other Financing Sources:					
Sale of capital assets	-	-	154,180	-	-
Transfers in	-	180,273	-	-	-
Total other financing sources	<u>-</u>	<u>180,273</u>	<u>154,180</u>	<u>-</u>	<u>-</u>
Net change in fund balances	418	171,961	(185,107)	4,028	2,070
Fund balance at beginning of year	25,519	476,674	1,092,533	69,583	11,841
Fund balance at end of year	<u>\$ 25,937</u>	<u>\$ 648,635</u>	<u>\$ 907,426</u>	<u>\$ 73,611</u>	<u>\$ 13,911</u>

<u>Mayor's Court Computer</u>	<u>Mayor's Court Special Project</u>	<u>Life Long Learning and Leisure</u>	<u>Neighborhood Lighting</u>	<u>Clerk of Court</u>	<u>Upper Arlington Visitor's Bureau</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,842	\$ 64,842
-	-	180,264	63,735	-	-	261,513
10,102	33,434	-	-	10,102	-	56,152
-	-	-	-	-	-	1,685,069
-	-	-	4,590	-	-	14,339
-	-	-	-	-	-	63,084
<u>10,102</u>	<u>33,434</u>	<u>180,264</u>	<u>68,325</u>	<u>10,102</u>	<u>64,842</u>	<u>2,144,999</u>
-	-	-	-	-	-	5,000
8,258	-	-	-	10,278	-	240,115
-	-	-	33,691	-	-	1,746,848
-	-	150,377	-	-	-	163,863
-	-	-	-	-	-	165,791
<u>8,258</u>	<u>-</u>	<u>150,377</u>	<u>33,691</u>	<u>10,278</u>	<u>-</u>	<u>2,321,617</u>
1,844	33,434	29,887	34,634	(176)	64,842	(176,618)
-	-	-	-	-	-	154,180
-	-	-	-	-	-	180,273
-	-	-	-	-	-	334,453
1,844	33,434	29,887	34,634	(176)	64,842	157,835
71,786	42,669	69,652	501,143	53,937	72,545	2,487,882
<u>\$ 73,630</u>	<u>\$ 76,103</u>	<u>\$ 99,539</u>	<u>\$ 535,777</u>	<u>\$ 53,761</u>	<u>\$ 137,387</u>	<u>\$ 2,645,717</u>

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TAX INCENTIVE REVIEW FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	TAX INCENTIVE REVIEW FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Miscellaneous	\$ 5,000	\$ 5,500	\$ 5,418	\$ (82)
Total revenues	5,000	5,500	5,418	(82)
<u>EXPENDITURES:</u>				
Current:				
Finance				
Other than personal services	5,000	5,000	5,000	-
Total expenditures	5,000	5,000	5,000	-
Excess (deficiency) of expenditures over revenues	-	500	418	(82)
Fund balances at beginning of year	25,519	25,519	25,519	-
Fund balances at end of year	\$ 25,519	\$ 26,019	\$ 25,937	\$ (82)

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET MAINTENANCE AND REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	STREET MAINTENANCE AND REPAIR FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Intergovernmental	\$ 2,600,000	\$ 1,625,000	\$ 1,652,072	\$ 27,072
Investment Earnings	500	500	1,023	523
Miscellaneous	12,000	35,000	56,848	21,848
Total revenues	<u>2,612,500</u>	<u>1,660,500</u>	<u>1,709,943</u>	<u>49,443</u>
<u>EXPENDITURES:</u>				
Current:				
Public Works Division				
Personal services	521,449	711,449	709,070	2,379
Other than personal services	568,500	438,500	289,058	149,442
Capital outlay	975,000	-	-	-
Public Service Administration				
Personal services	473,256	463,256	360,260	102,996
Other than personal services	177,000	217,000	181,670	35,330
Total expenditures	<u>2,715,205</u>	<u>1,830,205</u>	<u>1,540,058</u>	<u>290,147</u>
Excess (deficiency) of expenditures over revenues	(102,705)	(169,705)	169,885	339,590
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	64,273	180,273	180,273	-
Total other financing sources	<u>64,273</u>	<u>180,273</u>	<u>180,273</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(38,432)	10,568	350,158	339,590
Fund balances at beginning of year	40,227	40,227	40,227	-
Fund balances at end of year	<u>\$ 1,795</u>	<u>\$ 50,795</u>	<u>\$ 390,385</u>	<u>\$ 339,590</u>

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	LAW ENFORCEMENT FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Intergovernmental	\$ -	\$ -	\$ 41,711	\$ 41,711
Investment Earnings	12,000	12,000	8,554	(3,446)
Miscellaneous	7,500	7,500	818	(6,682)
Total revenues	<u>19,500</u>	<u>19,500</u>	<u>51,083</u>	<u>31,583</u>
<u>EXPENDITURES:</u>				
Current:				
Police				
Personal services	225,271	225,271	208,785	16,486
Other than personal services	40,000	40,000	165,791	(125,791)
Capital outlay	232,638	232,638	21,953	210,685
Total expenditures	<u>497,909</u>	<u>497,909</u>	<u>396,529</u>	<u>101,380</u>
Excess (deficiency) of expenditures over revenues	(478,409)	(478,409)	(345,446)	132,963
<u>OTHER FINANCING SOURCES:</u>				
Proceeds from sale of capital assets	100,000	175,000	154,180	(20,820)
Total other financing sources	<u>100,000</u>	<u>175,000</u>	<u>154,180</u>	<u>(20,820)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(378,409)	(303,409)	(191,266)	112,143
Fund balances at beginning of year	1,104,312	1,104,312	1,104,312	-
Fund balances at end of year	<u>\$ 725,903</u>	<u>\$ 800,903</u>	<u>\$ 913,046</u>	<u>\$ 112,143</u>

CITY OF UPPER ARLINGTON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 TREE PLANTING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	TREE PLANTING FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Charges for services	\$ 13,500	\$ 13,500	\$ 17,514	\$ 4,014
Total revenues	13,500	13,500	17,514	4,014
<u>EXPENDITURES:</u>				
Current:				
Parks and recreation				
Other than personal services	20,000	20,000	14,601	5,399
Total expenditures	20,000	20,000	14,601	5,399
Excess (deficiency) of expenditures over revenues	(6,500)	(6,500)	2,913	9,413
Fund balances at beginning of year	70,698	70,698	70,698	-
Fund balances at end of year	\$ 64,198	\$ 64,198	\$ 73,611	\$ 9,413

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENFORCEMENT EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	ENFORCEMENT EDUCATION FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Fines and forfeitures	\$ 3,000	\$ 3,000	\$ 2,514	\$ (486)
Total revenues	3,000	3,000	2,514	(486)
<u>EXPENDITURES:</u>				
Current:				
Police				
Other than personal services	2,500	2,500	444	2,056
Total expenditures	2,500	2,500	444	2,056
Excess (deficiency) of expenditures over revenues	500	500	2,070	1,570
Fund balances at beginning of year	11,841	11,841	11,841	-
Fund balances at end of year	\$ 12,341	\$ 12,341	\$ 13,911	\$ 1,570

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MAYOR'S COURT COMPUTER FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	MAYOR'S COURT COMPUTER FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 10,102	\$ 102
Total revenues	10,000	10,000	10,102	102
<u>EXPENDITURES:</u>				
Current:				
Clerk of Court				
Other than personal services	17,700	17,700	8,056	9,644
Total expenditures	17,700	17,700	8,056	9,644
Excess (deficiency) of expenditures over revenues	(7,700)	(7,700)	2,046	9,746
Fund balances at beginning of year	71,798	71,798	71,798	-
Fund balances at end of year	\$ 64,098	\$ 64,098	\$ 73,844	\$ 9,746

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MAYOR'S COURT SPECIAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	MAYOR'S COURT SPECIAL PROJECT FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Fines and forfeitures	\$ 25,000	\$ 25,000	\$ 33,434	\$ 8,434
Total revenues	25,000	25,000	33,434	8,434
<u>EXPENDITURES:</u>				
Current:				
Other than personal services	15,000	15,000	-	15,000
Total expenditures	15,000	15,000	-	15,000
Excess (deficiency) of expenditures over revenues	10,000	10,000	33,434	23,434
Fund balances at beginning of year	42,669	42,669	42,669	-
Fund balances at end of year	\$ 52,669	\$ 52,669	\$ 76,103	\$ 23,434

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LIFE LONG LEARNING AND LEISURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	LIFE LONG LEARNING AND LEISURE FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Charges for services	\$ 180,000	\$ 180,000	\$ 160,705	\$ (19,295)
Total revenues	180,000	180,000	160,705	(19,295)
<u>EXPENDITURES:</u>				
Current:				
Parks and recreation				
Personal services	59,729	64,229	63,799	430
Other than personal services	107,200	102,700	83,508	19,192
Total expenditures	166,929	166,929	147,307	19,622
Excess (deficiency) of expenditures over revenues	13,071	13,071	13,398	327
Fund balances at beginning of year	96,258	96,258	96,258	-
Fund balances at end of year	\$ 109,329	\$ 109,329	\$ 109,656	\$ 327

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NEIGHBORHOOD LIGHTING FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	NEIGHBORHOOD LIGHTING FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Charges for services	\$ 62,500	\$ 62,500	\$ 63,735	\$ 1,235
Investment Earnings	5,000	5,000	4,573	(427)
Total revenues	67,500	67,500	68,308	808
<u>EXPENDITURES:</u>				
Current:				
Public Service Administration				
Personal services	27,806	27,806	24,193	3,613
Other than personal services	47,100	47,100	9,197	37,903
Total expenditures	74,906	74,906	33,390	41,516
Excess (deficiency) of expenditures over revenues	(7,406)	(7,406)	34,918	42,324
Fund balances at beginning of year	503,074	503,074	503,074	-
Fund balances at end of year	\$ 495,668	\$ 495,668	\$ 537,992	\$ 42,324

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CLERK OF COURT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	CLERK OF COURT FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 10,102	\$ 102
Total revenues	10,000	10,000	10,102	102
<u>EXPENDITURES:</u>				
Current:				
Clerk of Court				
Other than personal services	17,000	17,000	10,587	6,413
Total expenditures	17,000	17,000	10,587	6,413
Excess (deficiency) of expenditures over revenues	(7,000)	(7,000)	(485)	6,515
Fund balances at beginning of year	54,331	54,331	54,331	-
Lapsed encumbrances	35	35	35	-
Fund balances at end of year	\$ 47,366	\$ 47,366	\$ 53,881	\$ 6,515

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UPPER ARLINGTON VISITOR'S BUREAU FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

UPPER ARLINGTON VISITOR'S BUREAU FUND				
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Property and other local taxes	\$ 60,000	\$ 60,000	\$ 64,912	\$ 4,912
Total revenues	60,000	60,000	64,912	4,912
<u>EXPENDITURES:</u>				
Current:				
Finance				
Other than personal services	30,000	30,000	-	30,000
Total expenditures	30,000	30,000	-	30,000
Excess (deficiency) of expenditures over revenues	30,000	30,000	64,912	34,912
Fund balances at beginning of year	68,337	68,337	68,337	-
Fund balances at end of year	\$ 98,337	\$ 98,337	\$ 133,249	\$ 34,912

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMERGENCY MEDICAL SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	EMERGENCY MEDICAL SERVICES FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Charges for services	\$ 794,000	\$ 744,000	\$ 741,476	\$ (2,524)
Total revenues	794,000	744,000	741,476	(2,524)
<u>EXPENDITURES:</u>				
Current:				
Fire				
Other than personal services	140,000	140,000	117,074	22,926
Capital outlay	113,500	113,500	103,288	10,212
Finance				
Other than personal services	190,086	190,086	190,086	-
Total expenditures	443,586	443,586	410,448	33,138
Excess (deficiency) of expenditures over revenues	350,414	300,414	331,028	30,614
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	(448,900)	(440,350)	(440,349)	1
Total other financing (uses)	(448,900)	(440,350)	(440,349)	1
Excess (deficiency) of revenues and other financing over expenditures and other uses	(98,486)	(139,936)	(109,321)	30,615
Fund balances at beginning of year	409,110	409,110	409,110	-
Lapsed encumbrances	782	782	782	-
Fund balances at end of year	\$ 311,406	\$ 269,956	\$ 300,571	\$ 30,615

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CIVIL SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	CIVIL SERVICE FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES:</u>				
Current:				
General Government				
Other than personal services	15,000	15,000	12,716	2,284
Total expenditures	15,000	15,000	12,716	2,284
Excess (deficiency) of expenditures over revenues	(15,000)	(15,000)	(12,716)	2,284
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	10,000	10,000	10,000	-
Total other financing sources	10,000	10,000	10,000	-
Excess (deficiency) of revenues and other financing sources over expenditures	(5,000)	(5,000)	(2,716)	2,284
Fund balances at beginning of year	29,915	29,915	29,915	-
Fund balances at end of year	<u>\$ 24,915</u>	<u>\$ 24,915</u>	<u>\$ 27,199</u>	<u>\$ 2,284</u>

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ECONOMIC DEVELOPMENT VENTURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	ECONOMIC DEVELOPMENT VENTURE FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES:</u>				
Current:				
City Manager				
Other than personal services	595,168	595,168	451,251	143,917
Total expenditures	595,168	595,168	451,251	143,917
Excess (deficiency) of expenditures over revenues	(595,168)	(595,168)	(451,251)	143,917
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	595,168	595,168	427,314	(167,854)
Total other financing sources	595,168	595,168	427,314	(167,854)
Excess (deficiency) of revenues and other financing sources over expenditures	-	-	(23,937)	(23,937)
Fund balances at beginning of year	482,855	482,855	482,855	-
Lapsed encumbrances	50,000	50,000	50,000	-
Fund balances at end of year	\$ 532,855	\$ 532,855	\$ 508,918	\$ (23,937)

**CITY OF UPPER ARLINGTON, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2015**

	<u>Lane Avenue Mixed Use TIF</u>	<u>Lane Avenue TIF</u>	<u>Chelsea TIF</u>	<u>Arlington Crossing TIF</u>
Assets:				
Cash, cash equivalents and investments	\$ 1,191,179	\$ 513,031	\$ -	\$ 155,689
Receivables (net of allowances):				
Payments in lieu of taxes	856,920	93,442	-	140,317
Intergovernmental	-	-	-	12,483
Total assets	<u>\$ 2,048,099</u>	<u>\$ 606,473</u>	<u>\$ -</u>	<u>\$ 308,489</u>
Liabilities:				
Advances from other funds	\$ -	\$ -	\$ -	\$ -
Due to other funds	479,000	400,000	-	-
Total liabilities	<u>479,000</u>	<u>400,000</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources	<u>856,920</u>	<u>93,442</u>	<u>-</u>	<u>152,800</u>
Fund Balance:				
Restricted:				
Capital projects	712,179	113,031	-	155,689
Committed:				
Capital projects	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balance (deficit)	<u>712,179</u>	<u>113,031</u>	<u>-</u>	<u>155,689</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,048,099</u>	<u>\$ 606,473</u>	<u>\$ -</u>	<u>\$ 308,489</u>

<u>Horizon TIF</u>	<u>Kingsdale West TIF</u>	<u>Kingsdale Core TIF</u>	<u>Riverside North TIF</u>	<u>Riverside South TIF</u>	<u>Infrastructure Improvement</u>	<u>Total Nonmajor Capital Projects</u>
\$ 1,097,060	\$ 71,020	\$ 572,005	\$ 5,977	\$ 12,836	\$ 3,551,870	\$ 7,170,667
332,984	42,081	398,077	1,527	4,107	-	1,869,455
-	437	-	-	-	149,472	162,392
<u>\$ 1,430,044</u>	<u>\$ 113,538</u>	<u>\$ 970,082</u>	<u>\$ 7,504</u>	<u>\$ 16,943</u>	<u>\$ 3,701,342</u>	<u>\$ 9,202,514</u>
\$ -	\$ -	\$ 1,018,000	\$ -	\$ -	\$ -	\$ 1,018,000
-	-	-	-	-	3	879,003
-	-	1,018,000	-	-	3	1,897,003
<u>332,984</u>	<u>42,518</u>	<u>398,077</u>	<u>1,527</u>	<u>4,107</u>	<u>-</u>	<u>1,882,375</u>
1,097,060	71,020	-	5,977	12,836	-	2,167,792
-	-	-	-	-	3,701,339	3,701,339
-	-	(445,995)	-	-	-	(445,995)
<u>1,097,060</u>	<u>71,020</u>	<u>(445,995)</u>	<u>5,977</u>	<u>12,836</u>	<u>3,701,339</u>	<u>5,423,136</u>
<u>\$ 1,430,044</u>	<u>\$ 113,538</u>	<u>\$ 970,082</u>	<u>\$ 7,504</u>	<u>\$ 16,943</u>	<u>\$ 3,701,342</u>	<u>\$ 9,202,514</u>

CITY OF UPPER ARLINGTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Lane Avenue Mixed Use TIF	Lane Avenue TIF	Chelsea TIF	Arlington Crossing TIF
Revenues:				
Payments in lieu of taxes	\$ 964,599	\$ 78,331	\$ -	\$ 251,768
Intergovernmental	-	-	-	32,233
Total revenues	<u>964,599</u>	<u>78,331</u>	<u>-</u>	<u>284,001</u>
Expenditures:				
Current:				
General government	415,635	884	-	6,432
Capital outlay	-	-	-	550,000
Debt service:				
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>415,635</u>	<u>884</u>	<u>-</u>	<u>556,432</u>
Excess (deficiency) of revenues over (under) expenditures	548,964	77,447	-	(272,431)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	<u>(199,231)</u>	<u>-</u>	<u>(115,126)</u>	<u>-</u>
Total other financing sources (uses)	<u>(199,231)</u>	<u>-</u>	<u>(115,126)</u>	<u>-</u>
Net change in fund balances	349,733	77,447	(115,126)	(272,431)
Fund balance (deficit) at beginning of year	<u>362,446</u>	<u>35,584</u>	<u>115,126</u>	<u>428,120</u>
Fund balance (deficit) at end of year	<u>\$ 712,179</u>	<u>\$ 113,031</u>	<u>\$ -</u>	<u>\$ 155,689</u>

Horizon TIF	Kingsdale West TIF	Kingsdale Core TIF	Riverside North TIF	Riverside South TIF	Infrastructure Improvement	Total Nonmajor Capital Projects
\$ 278,832	\$ 42,055	\$ 938,787	\$ 1,525	\$ 4,104	\$ -	\$ 2,560,001
-	875	-	-	-	1,129,472	1,162,580
<u>278,832</u>	<u>42,930</u>	<u>938,787</u>	<u>1,525</u>	<u>4,104</u>	<u>1,129,472</u>	<u>3,722,581</u>
3,159	490	933,144	17	47	-	1,359,808
-	200,000	-	-	-	48,392	798,392
-	-	11,600	-	-	-	11,600
<u>3,159</u>	<u>200,490</u>	<u>944,744</u>	<u>17</u>	<u>47</u>	<u>48,392</u>	<u>2,169,800</u>
275,673	(157,560)	(5,957)	1,508	4,057	1,081,080	1,552,781
-	-	-	-	-	750,000	750,000
-	-	(169,837)	-	-	-	(484,194)
-	-	<u>(169,837)</u>	-	-	<u>750,000</u>	<u>265,806</u>
275,673	(157,560)	(175,794)	1,508	4,057	1,831,080	1,818,587
821,387	228,580	(270,201)	4,469	8,779	1,870,259	3,604,549
<u>\$ 1,097,060</u>	<u>\$ 71,020</u>	<u>\$ (445,995)</u>	<u>\$ 5,977</u>	<u>\$ 12,836</u>	<u>\$ 3,701,339</u>	<u>\$ 5,423,136</u>

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LANE AVENUE MIXED USE TIF FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	LANE AVENUE MIXED USE TIF FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Payments in lieu of taxes	\$ 406,000	\$ 964,000	\$ 964,599	\$ 599
Total revenues	406,000	964,000	964,599	599
<u>EXPENDITURES:</u>				
Current:				
Finance				
Other than personal services	206,000	626,000	415,640	210,360
Total expenditures	206,000	626,000	415,640	210,360
Excess (deficiency) of expenditures over revenues	200,000	338,000	548,959	210,959
<u>OTHER FINANCING SOURCES USES:</u>				
Transfers out	(199,231)	(199,231)	(199,231)	-
Total other financing uses	(199,231)	(199,231)	(199,231)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	769	138,769	349,728	210,959
Fund balances at beginning of year	841,450	841,450	841,450	-
Fund balances at end of year	\$ 842,219	\$ 980,219	\$ 1,191,178	\$ 210,959

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LANE AVENUE TIF FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	LANE AVENUE TIF FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Payments in lieu of taxes	\$ 150,000	\$ 78,000	\$ 78,331	\$ 331
Total revenues	150,000	78,000	78,331	331
<u>EXPENDITURES:</u>				
Current:				
Finance				
Other than personal services	2,500	2,500	887	1,613
Total expenditures	2,500	2,500	887	1,613
Excess (deficiency) of expenditures over revenues	147,500	75,500	77,444	1,944
Fund balances at beginning of year	435,587	435,587	435,587	-
Fund balances at end of year	\$ 583,087	\$ 511,087	\$ 513,031	\$ 1,944

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CHELSEA TIF FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	CHELSEA TIF FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES:</u>				
Current:				
Total expenditures	-	-	-	-
Excess (deficiency) of expenditures over revenues	-	-	-	-
<u>OTHER FINANCING USES:</u>				
Operating transfers-out	(112,664)	(115,127)	(115,127)	-
Total other financing uses	(112,664)	(115,127)	(115,127)	-
Excess (deficiency) of revenues over expenditures and other uses	(112,664)	(115,127)	(115,127)	-
Fund balances at beginning of year	115,127	115,127	115,127	-
Fund balances at end of year	<u>\$ 2,463</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ARLINGTON CROSSING TIF FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	ARLINGTON CROSSING TIF FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Payments in lieu of taxes	\$ 165,000	\$ 221,000	\$ 251,768	\$ 30,768
Intergovernmental	30,000	30,000	32,233	2,233
Total revenues	195,000	251,000	284,001	33,001
<u>EXPENDITURES:</u>				
Current:				
Public Works Division				
Capital outlay	-	550,000	550,000	-
Finance				
Other than personal services	6,000	6,500	6,432	68
Total expenditures	6,000	556,500	556,432	68
Excess (deficiency) of expenditures over revenues	189,000	(305,500)	(272,431)	33,069
Fund balances at beginning of year	428,120	428,120	428,120	-
Fund balances at end of year	\$ 617,120	\$ 122,620	\$ 155,689	\$ 33,069

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HORIZON TIF FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	HORIZON TIF FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Payments in lieu of taxes	\$ 330,000	\$ 278,000	\$ 278,832	\$ 832
Total revenues	<u>330,000</u>	<u>278,000</u>	<u>278,832</u>	<u>832</u>
<u>EXPENDITURES:</u>				
Current:				
Finance				
Other than personal services	5,000	4,500	3,159	1,341
Total expenditures	<u>5,000</u>	<u>4,500</u>	<u>3,159</u>	<u>1,341</u>
Excess (deficiency) of expenditures over revenues	325,000	273,500	275,673	2,173
Fund balances at beginning of year	821,387	821,387	821,387	-
Fund balances at end of year	<u>\$ 1,146,387</u>	<u>\$ 1,094,887</u>	<u>\$ 1,097,060</u>	<u>\$ 2,173</u>

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
KINGSDALE WEST TIF FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	KINGSDALE WEST TIF FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Payments in lieu of taxes	\$ 50,400	\$ 41,700	\$ 42,055	\$ 355
Intergovernmental	300	300	875	575
Total revenues	50,700	42,000	42,930	930
<u>EXPENDITURES:</u>				
Current:				
Public Works Division				
Capital outlay	-	200,000	200,000	-
Finance				
Other than personal services	2,000	2,000	490	1,510
Total expenditures	2,000	202,000	200,490	1,510
Excess (deficiency) of expenditures over revenues	48,700	(160,000)	(157,560)	2,440
Fund balances at beginning of year	228,580	228,580	228,580	-
Fund balances at end of year	\$ 277,280	\$ 68,580	\$ 71,020	\$ 2,440

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
KINGSDALE CORE TIF FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	KINGSDALE CORE TIF FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Payments in lieu of taxes	\$ 480,000	\$ 938,000	\$ 938,787	\$ 787
Total revenues	480,000	938,000	938,787	787
<u>EXPENDITURES:</u>				
Current:				
Finance				
Other than personal services	5,161,600	1,961,600	1,944,753	16,847
Total expenditures	5,161,600	1,961,600	1,944,753	16,847
Excess (deficiency) of expenditures over revenues	(4,681,600)	(1,023,600)	(1,005,966)	17,634
<u>OTHER FINANCING SOURCES:</u>				
Proceeds from sale of capital assets	-	1,300,000	1,300,000	-
Proceeds from notes	4,800,000	-	-	-
Operating transfers-out	-	(169,840)	(169,837)	3
Advances in	-	1,000,000	1,000,000	-
Advances out	-	(1,000,000)	(1,000,000)	-
Total other financing sources	4,800,000	1,130,160	1,130,163	3
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	118,400	106,560	124,197	17,637
Fund balances at beginning of year	447,808	447,808	447,808	-
Fund balances at end of year	\$ 566,208	\$ 554,368	\$ 572,005	\$ 17,637

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RIVERSIDE NORTH TIF FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	RIVERSIDE NORTH TIF FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Payments in lieu of taxes	\$ 1,600	\$ 1,600	\$ 1,525	\$ (75)
Total revenues	1,600	1,600	1,525	(75)
<u>EXPENDITURES:</u>				
Current:				
Finance				
Other than personal services	100	100	17	83
Total expenditures	100	100	17	83
Excess (deficiency) of expenditures over revenues	1,500	1,500	1,508	8
Fund balances at beginning of year	4,469	4,469	4,469	-
Fund balances at end of year	\$ 5,969	\$ 5,969	\$ 5,977	\$ 8

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RIVERSIDE SOUTH TIF FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	RIVERSIDE SOUTH TIF FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Payments in lieu of taxes	\$ 4,200	\$ 4,200	\$ 4,104	\$ (96)
Total revenues	4,200	4,200	4,104	(96)
<u>EXPENDITURES:</u>				
Current:				
Finance				
Other than personal services	100	100	47	53
Total expenditures	100	100	47	53
Excess (deficiency) of expenditures over revenues	4,100	4,100	4,057	(43)
Fund balances at beginning of year	8,779	8,779	8,779	-
Fund balances at end of year	\$ 12,879	\$ 12,879	\$ 12,836	\$ (43)

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INFRASTRUCTURE IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	INFRASTRUCTURE IMPROVEMENT FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Intergovernmental	\$ -	\$ 980,000	\$ 980,000	\$ -
Total revenues	<u>-</u>	<u>980,000</u>	<u>980,000</u>	<u>-</u>
<u>EXPENDITURES:</u>				
Current:				
Parks and recreation				
Personal services	-	2,000	1,009	991
Capital outlay	130,000	107,552	3,034	104,518
Public Works Division				
Capital outlay	-	1,000,448	1,000,448	-
Total expenditures	<u>130,000</u>	<u>1,110,000</u>	<u>1,004,491</u>	<u>105,509</u>
Excess (deficiency) of expenditures over revenues	(130,000)	(130,000)	(24,491)	105,509
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	750,000	750,000	750,000	-
Total other financing sources	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures	620,000	620,000	725,509	105,509
Fund balances at beginning of year	1,825,913	1,825,913	1,825,913	-
Fund balances at end of year	<u>\$ 2,445,913</u>	<u>\$ 2,445,913</u>	<u>\$ 2,551,422</u>	<u>\$ 105,509</u>



CITY OF | **UPPER ARLINGTON**

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CITY OF UPPER ARLINGTON
FUND DESCRIPTIONS – ENTERPRISE FUNDS

Solid Waste Fund

Revenues are generated from the refuse collection fees charged to the City's residents. Expenses are for operating costs.

Water Surcharge Fund

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

Sanitary Sewer Surcharge Fund

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

Stormwater Fund

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

Swimming Pools Fund

Pursuant to C.O. Section 225.01, the fund was established by a management agreement between the City and the Upper Arlington Board of Education (Board). Revenues are generated from admission to the Pool. Expenses are for operating costs and capital equipment.

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SOLID WASTE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	SOLID WASTE FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>OPERATING REVENUES:</u>				
Charges for services	\$ 1,932,000	\$ 1,932,000	\$ 2,009,728	\$ 77,728
Total operating revenues	<u>1,932,000</u>	<u>1,932,000</u>	<u>2,009,728</u>	<u>77,728</u>
<u>OPERATING EXPENSES:</u>				
Current:				
Solid Waste				
Other than personal services	<u>2,172,540</u>	<u>2,142,540</u>	<u>2,090,927</u>	<u>51,613</u>
Total operating expenses	<u>2,172,540</u>	<u>2,142,540</u>	<u>2,090,927</u>	<u>51,613</u>
Excess (deficiency) of operating expenses over (under) operating revenues	(240,540)	(210,540)	(81,199)	129,341
<u>NONOPERATING REVENUES:</u>				
Investment earnings	1,000	2,500	3,161	661
Transfers in	<u>239,540</u>	<u>239,540</u>	<u>239,540</u>	<u>-</u>
Total nonoperating revenues	<u>240,540</u>	<u>242,040</u>	<u>242,701</u>	<u>661</u>
Net change in fund equity	-	31,500	161,502	130,002
Fund equity at beginning of year	<u>13,279</u>	<u>13,279</u>	<u>13,279</u>	<u>-</u>
Fund equity at end of year	<u>\$ 13,279</u>	<u>\$ 44,779</u>	<u>\$ 174,781</u>	<u>\$ 130,002</u>

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER SURCHARGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	WATER SURCHARGE FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>OPERATING REVENUES:</u>				
Charges for services	\$ 469,000	\$ 469,000	\$ 445,071	\$ (23,929)
Total operating revenues	<u>469,000</u>	<u>469,000</u>	<u>445,071</u>	<u>(23,929)</u>
<u>OPERATING EXPENSES:</u>				
Current:				
Public Works Division				
Personal services	336,124	306,124	214,718	91,406
Other than personal services	212,638	137,000	116,703	20,297
Capital outlay	7,500	17,500	15,511	1,989
Finance				
Other than personal services	-	124,412	124,411	1
Total expenses	<u>556,262</u>	<u>585,036</u>	<u>471,343</u>	<u>113,693</u>
Net change in fund equity	(87,262)	(116,036)	(26,272)	89,764
Fund equity at beginning of year	622,607	622,607	622,607	-
Lapsed encumbrances	2,617	2,617	2,617	-
Fund equity at end of year	<u>\$ 537,962</u>	<u>\$ 509,188</u>	<u>\$ 598,952</u>	<u>\$ 89,764</u>

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SANITARY SEWER SURCHARGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	SANITARY SEWER SURCHARGE FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>OPERATING REVENUES:</u>				
Charges for services	\$ 847,000	\$ 847,000	\$ 831,477	\$ (15,523)
Miscellaneous	1,500	1,500	1,001	(499)
Total operating revenues	848,500	848,500	832,478	(16,022)
<u>OPERATING EXPENSES:</u>				
Current:				
Public Works Division				
Personal services	344,592	344,592	295,556	49,036
Other than personal services	389,953	316,499	117,188	199,311
Capital outlay	13,500	17,500	16,010	1,490
Finance				
Other than personal services	68,487	102,261	68,486	33,775
Total expenses	816,532	780,852	497,240	283,612
Net change in fund equity	31,968	67,648	335,238	267,590
Fund equity at beginning of year	654,200	654,200	654,200	-
Fund equity at end of year	\$ 686,168	\$ 721,848	\$ 989,438	\$ 267,590

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STORMWATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	STORMWATER FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>OPERATING REVENUES:</u>				
Charges for services	\$ 744,000	\$ 744,000	\$ 740,397	\$ (3,603)
Total revenues	<u>744,000</u>	<u>744,000</u>	<u>740,397</u>	<u>(3,603)</u>
<u>OPERATING EXPENSES:</u>				
Current:				
Public Works Division				
Personal services	400,961	320,961	200,517	120,444
Other than personal services	59,800	69,800	66,224	3,576
Finance				
Other than personal services	<u>185,400</u>	<u>252,947</u>	<u>252,946</u>	<u>1</u>
Total expenses	<u>646,161</u>	<u>643,708</u>	<u>519,687</u>	<u>124,021</u>
Excess (deficiency) of operating expenses over (under) operating revenues	97,839	100,292	220,710	120,418
<u>NONOPERATING REVENUES (EXPENSES):</u>				
Investment earnings	<u>20,000</u>	<u>20,000</u>	<u>17,089</u>	<u>(2,911)</u>
Total nonoperating revenues (expenses)	<u>20,000</u>	<u>20,000</u>	<u>17,089</u>	<u>(2,911)</u>
Net change in fund equity	117,839	120,292	237,799	117,507
Fund equity at beginning of year, restated	1,479,078	1,479,078	1,479,078	-
Lapsed encumbrances	25	25	25	-
Fund equity at end of year	<u>\$ 1,596,942</u>	<u>\$ 1,599,395</u>	<u>\$ 1,716,902</u>	<u>\$ 117,507</u>

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SWIMMING POOLS FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	SWIMMING POOLS FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>OPERATING REVENUES:</u>				
Charges for services	\$ 606,000	\$ 546,000	\$ 540,729	\$ (5,271)
Miscellaneous	-	-	280	280
Total operating revenues	<u>606,000</u>	<u>546,000</u>	<u>541,009</u>	<u>(4,991)</u>
<u>OPERATING EXPENSES:</u>				
Current:				
Parks and recreation				
Personal services	478,004	78,004	65,557	12,447
Other than personal services	193,500	593,500	472,182	121,318
Capital outlay	80,000	80,000	61,226	18,774
Total expenses	<u>751,504</u>	<u>751,504</u>	<u>598,965</u>	<u>152,539</u>
Net change in fund equity	(145,504)	(205,504)	(57,956)	147,548
Fund equity at beginning of year	423,985	423,985	423,985	-
Fund equity at end of year	<u>\$ 278,481</u>	<u>\$ 218,481</u>	<u>\$ 366,029</u>	<u>\$ 147,548</u>

CITY OF UPPER ARLINGTON

FUND DESCRIPTIONS – INTERNAL SERVICE FUNDS

Employee Benefits Fund

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

BWC Administration Fund

Pursuant to Codified Ordinances Section 137.05, monies are deposited into the fund for the purpose of paying the cost of and pay claims for workers' compensation benefits of the employees of the City. Revenues come from the proportionate cost of employee benefits contained in the operating budgets of departments of other funds, third party reimbursements and refunds for employee benefits.

CITY OF UPPER ARLINGTON, OHIO

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AS OF DECEMBER 31, 2015

	Employee Benefits Fund	BWC Administration Fund	Total
Assets:			
Current assets:			
Cash, cash equivalents and investments	\$ 1,877,077	\$ 419,238	\$ 2,296,315
Receivables (net of allowances):			
Due from other funds	193,099	55,839	248,938
Total current assets	<u>2,070,176</u>	<u>475,077</u>	<u>2,545,253</u>
Total assets	<u>2,070,176</u>	<u>475,077</u>	<u>2,545,253</u>
Liabilities:			
Current liabilities:			
Accounts payable	193,690	44,613	238,303
Total current liabilities	<u>193,690</u>	<u>44,613</u>	<u>238,303</u>
Total liabilities	<u>193,690</u>	<u>44,613</u>	<u>238,303</u>
Net Position:			
Unrestricted	1,876,486	430,464	2,306,950
Total net position	<u>\$ 1,876,486</u>	<u>\$ 430,464</u>	<u>\$ 2,306,950</u>

CITY OF UPPER ARLINGTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Employee Benefits Fund	BWC Administration Fund	Total
Operating Revenues:			
Charges for services	\$ 2,743,354	\$ 145,526	\$ 2,888,880
Miscellaneous	2,308	5,675	7,983
Total operating revenues	<u>2,745,662</u>	<u>151,201</u>	<u>2,896,863</u>
Operating Expenses:			
Self-insurance	<u>2,855,446</u>	43,275	2,898,721
Total operating expenses	<u>2,855,446</u>	<u>43,275</u>	<u>2,898,721</u>
Operating income (loss)	(109,784)	107,926	(1,858)
Net position at beginning of year	<u>1,986,270</u>	<u>322,538</u>	<u>2,308,808</u>
Net position at end of year	<u>\$ 1,876,486</u>	<u>\$ 430,464</u>	<u>\$ 2,306,950</u>

CITY OF UPPER ARLINGTON, OHIO

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Employee Benefits Fund	BWC Administration Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 2,793,468	\$ 236,563	\$ 3,030,031
Payments to suppliers and contractual services	<u>(2,998,840)</u>	<u>(129,624)</u>	<u>(3,128,464)</u>
Net cash provided (used) by operating activities	<u>(205,372)</u>	<u>106,939</u>	<u>(98,433)</u>
Cash and cash equivalents, January 1	<u>2,082,449</u>	<u>312,299</u>	<u>2,394,748</u>
Cash and cash equivalents, December 31	<u><u>\$ 1,877,077</u></u>	<u><u>\$ 419,238</u></u>	<u><u>\$ 2,296,315</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (109,784)	\$ 107,926	\$ (1,858)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Decrease in due from other funds	47,806	85,362	133,168
Increase (decrease) in accounts payable	<u>(143,394)</u>	<u>(86,349)</u>	<u>(229,743)</u>
Total adjustments	<u>(95,588)</u>	<u>(987)</u>	<u>(96,575)</u>
Net cash provided (used) by operating activities	<u><u>\$ (205,372)</u></u>	<u><u>\$ 106,939</u></u>	<u><u>\$ (98,433)</u></u>

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMPLOYEE BENEFITS FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	EMPLOYEE BENEFITS FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>OPERATING REVENUES:</u>				
Charges for services	\$ 3,430,000	\$ 3,430,000	\$ 2,791,160	\$ (638,840)
Miscellaneous	278,000	278,000	2,308	(275,692)
Total operating revenues	<u>3,708,000</u>	<u>3,708,000</u>	<u>2,793,468</u>	<u>(914,532)</u>
<u>OPERATING EXPENSES:</u>				
Current:				
Finance				
Personal services	3,460,030	3,410,030	2,487,512	922,518
Other than personal services	580,000	630,000	509,465	120,535
Total expenses	<u>4,040,030</u>	<u>4,040,030</u>	<u>2,996,977</u>	<u>1,043,053</u>
Net change in fund equity	(332,030)	(332,030)	(203,509)	128,521
Fund equity at beginning of year	2,079,483	2,079,483	2,079,483	-
Lapsed encumbrances	1,102	1,102	1,102	-
Fund equity at end of year	<u>\$ 1,748,555</u>	<u>\$ 1,748,555</u>	<u>\$ 1,877,076</u>	<u>\$ 128,521</u>

CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BWC ADMINISTRATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	BWC ADMINISTRATION FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<u>OPERATING REVENUES:</u>				
Charges for services	\$ 240,000	\$ 240,000	\$ 236,563	\$ (3,437)
Total operating revenues	240,000	240,000	236,563	(3,437)
<u>OPERATING EXPENSES:</u>				
Current:				
Finance				
Personal services	150,000	150,000	27,856	122,144
Other than personal services	155,000	155,000	101,768	53,232
Total expenses	305,000	305,000	129,624	175,376
Net change in fund equity	(65,000)	(65,000)	106,939	171,939
Fund equity at beginning of year	312,298	312,298	312,298	-
Fund equity at end of year	\$ 247,298	\$ 247,298	\$ 419,237	\$ 171,939

CITY OF UPPER ARLINGTON
FUND DESCRIPTIONS – FIDUCIARY FUNDS

Agency Funds

Returnable Bonds Fund

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

Unclaimed Funds Fund

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

Construction Withholding Fund

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

Mayor's Court Fund

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

Flexible Benefits Fund

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

Payroll Clearing Fund

The fund accounts for payroll and deduction checks of employees.

Revolving Fund

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

CITY OF UPPER ARLINGTON, OHIO

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS (AGENCY FUNDS ONLY)
 AS OF DECEMBER 31, 2015

	Agency Funds			
	Returnable Bonds Fund	Unclaimed Funds Fund	Construction Withholding Fund	Mayor's Court Fund
<u>ASSETS</u>				
Cash, cash equivalents and investments	\$ -	\$ 3,205	\$ 607,609	\$ 51,114
Cash with third-party fiscal agent	-	-	-	-
Accounts receivable	-	-	54,355	-
Total assets	<u>\$ -</u>	<u>\$ 3,205</u>	<u>\$ 661,964</u>	<u>\$ 51,114</u>
<u>LIABILITIES</u>				
Due to others	\$ -	\$ 3,205	\$ 661,964	\$ 51,114
Total liabilities	<u>\$ -</u>	<u>\$ 3,205</u>	<u>\$ 661,964</u>	<u>\$ 51,114</u>

Agency Funds			
<u>Flexible Benefits Fund</u>	<u>Payroll Clearing Fund</u>	<u>Revolving Fund</u>	<u>Totals</u>
\$ -	\$ 241,727	\$ 32,950	\$ 936,605
20,328	-	-	20,328
-	-	-	54,355
<u>\$ 20,328</u>	<u>\$ 241,727</u>	<u>\$ 32,950</u>	<u>\$ 1,011,288</u>
\$ 20,328	\$ 241,727	\$ 32,950	\$ 1,011,288
<u>\$ 20,328</u>	<u>\$ 241,727</u>	<u>\$ 32,950</u>	<u>\$ 1,011,288</u>

CITY OF UPPER ARLINGTON, OHIO

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS (AGENCY FUNDS ONLY)
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Balances Jan. 1, 2015	Additions	Deductions	Balances Dec. 31, 2015
RETURNABLE BONDS FUNDS				
Assets				
Cash and investments	\$ 35,000	\$ -	\$ 35,000	\$ -
Liabilities				
Due to others	\$ 35,000	\$ -	\$ 35,000	\$ -
UNCLAIMED FUNDS				
Assets				
Cash and investments	\$ 1,856	\$ 1,349	\$ -	\$ 3,205
Liabilities				
Due to others	\$ 1,856	\$ 1,349	\$ -	\$ 3,205
CONSTRUCTION WITHHOLDING FUND				
Assets				
Cash and investments	\$ 710,422	\$ 698,280	\$ 801,093	\$ 607,609
Accounts receivable	31,924	54,355	31,924	54,355
Total assets	\$ 742,346	\$ 752,635	\$ 833,017	\$ 661,964
Liabilities				
Due to others	\$ 742,346	\$ 752,635	\$ 833,017	\$ 661,964
MAYOR'S COURT FUND				
Assets				
Cash and investments	\$ 57,936	\$ 568,338	\$ 575,160	\$ 51,114
Liabilities				
Due to others	\$ 57,936	\$ 568,338	\$ 575,160	\$ 51,114
FLEXIBLE BENEFITS FUND				
Assets				
Cash with third party fiscal agent	\$ 14,992	\$ 105,753	\$ 100,417	\$ 20,328
Liabilities				
Due to others	\$ 14,992	\$ 105,753	\$ 100,417	\$ 20,328
PAYROLL CLEARING FUND				
Assets				
Cash and investments	\$ 226,269	\$ 22,092,547	\$ 22,077,089	\$ 241,727
Liabilities				
Due to others	\$ 226,269	\$ 22,092,547	\$ 22,077,089	\$ 241,727
REVOLVING FUND				
Assets				
Cash and investments	\$ 32,292	\$ 137,217	\$ 136,559	\$ 32,950
Liabilities				
Due to others	\$ 32,292	\$ 137,217	\$ 136,559	\$ 32,950
TOTAL AGENCY FUNDS				
Assets				
Cash and investments	\$ 1,063,775	\$ 23,497,731	\$ 23,624,901	\$ 936,605
Cash with third party fiscal agent	14,992	105,753	100,417	20,328
Accounts receivable	31,924	54,355	31,924	54,355
Total assets	\$ 1,110,691	\$ 23,657,839	\$ 23,757,242	\$ 1,011,288
Liabilities				
Due to others	\$ 1,110,691	\$ 23,657,839	\$ 23,757,242	\$ 1,011,288



CITY OF | **UPPER**
ARLINGTON

CITY OF UPPER ARLINGTON

E. STATISTICAL SECTION

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

Contents

Tables

Financial Trends

These schedules contain trend information to help understand how the City's financial performance and wellbeing has changed over time.

1-4

Revenue Capacity

These schedules contain information to help assess the City's most significant revenue sources.

5-15

Debt Capacity

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

16-19

Demographic and Economic Information

This schedule contains service and infrastructure data to help the reader understand how the information in the City's financial activities take place.

20

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

21-23

City of Upper Arlington, Ohio
Net Position by Component
Last Ten Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Year			
	<u>2015</u>	<i>Restated</i> <u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental Activities				
Net investment in capital assets	\$ 41,505	\$ 38,329	\$ 37,816	\$ 40,921
Restricted for:				
Capital projects	5,882	4,759	3,057	976
Debt service	466	496	468	365
Street construction, maintenance & repair	1,733	1,497	1,371	1,365
Law enforcement (public safety)	922	1,105	1,099	1,426
Economic development	509	528	62	639
Pension obligations	1,143	739	532	253
Other purposes	540	427	319	184
Unrestricted	20,540	16,482	50,027	48,603
<i>Total Governmental Activities Net Position</i>	<u>\$ 73,240</u>	<u>\$ 64,362</u>	<u>\$ 94,751</u>	<u>\$ 94,732</u>
Business-type activities				
Net investment in capital assets	\$ 31,740	\$ 31,672	\$ 27,573	\$ 22,426
Unrestricted	3,444	2,797	3,477	3,573
<i>Total Business-Type Activities Net Position</i>	<u>\$ 35,184</u>	<u>\$ 34,469</u>	<u>\$ 31,050</u>	<u>\$ 25,999</u>
Primary Government				
Net investment in capital assets	\$ 73,245	\$ 70,001	\$ 65,389	\$ 63,347
Restricted				
Capital projects	5,882	4,759	3,057	976
Debt service	466	496	468	365
Street construction, maintenance & repair	1,733	1,497	1,371	1,365
Law enforcement and education	922	1,105	1,099	1,426
Economic development	509	528	62	639
Pension obligations	1,143	739	532	253
Other purposes	540	427	319	184
Unrestricted	23,984	19,279	53,504	52,176
<i>Total Primary Government Net Position</i>	<u>\$ 108,424</u>	<u>\$ 98,831</u>	<u>\$ 125,801</u>	<u>\$ 120,731</u>

Source:

City of Upper Arlington Finance Department

Table 1

Year						
<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	
\$ 33,668	\$ 35,574	\$ 32,666	\$ 29,923	\$ 26,458	\$ 23,100	
5,216	3,817	3,219	2,956	2,491	1,909	
284	222	186	137	527	758	
1,478	1,565	1,735	2,026	1,172	1,097	
1,115	1,062	823	973	1,396	1,227	
403	353	536	355	533	611	
316	322	386	365	314	321	
65	47	62	67	470	330	
43,720	37,753	38,116	40,506	40,708	38,680	
<u>\$ 86,265</u>	<u>\$ 80,715</u>	<u>\$ 77,729</u>	<u>\$ 77,308</u>	<u>\$ 74,069</u>	<u>\$ 68,033</u>	
\$ 20,905	\$ 19,329	\$ 18,599	\$ 18,025	\$ 17,613	\$ 17,972	
3,529	3,458	3,585	3,858	3,603	3,132	
<u>\$ 24,434</u>	<u>\$ 22,787</u>	<u>\$ 22,184</u>	<u>\$ 21,883</u>	<u>\$ 21,216</u>	<u>\$ 21,104</u>	
\$ 54,573	\$ 54,903	\$ 51,265	\$ 47,948	\$ 44,071	\$ 41,072	
5,216	3,817	3,219	2,956	2,491	1,909	
284	222	186	137	527	758	
1,478	1,565	1,735	2,026	1,172	1,097	
1,115	1,062	823	973	1,396	1,227	
403	353	536	355	533	611	
316	322	386	365	314	321	
65	47	62	67	470	330	
47,249	41,211	41,701	44,364	44,311	41,812	
<u>\$ 110,699</u>	<u>\$ 103,502</u>	<u>\$ 99,913</u>	<u>\$ 99,191</u>	<u>\$ 95,285</u>	<u>\$ 89,137</u>	

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

	Year			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses				
Governmental Activities:				
General Government	\$ 10,043	\$ 11,744	\$ 8,333	\$ 7,492
Public Safety	16,812	16,206	16,031	16,570
Public Services	5,524	4,977	5,561	4,996
Parks and Recreation	3,233	3,143	3,085	3,137
Community Development	864	892	1,005	1,045
Interest on long-term debt	1,569	1,514	1,660	2,108
Bond issuance costs	288	152	154	-
<i>Total Governmental Activities Expenses</i>	<u>38,333</u>	<u>38,628</u>	<u>35,829</u>	<u>35,348</u>
Business-Type activities:				
Solid Waste	2,063	2,109	2,077	2,051
Water	741	656	527	481
Sewer	636	632	579	701
Stormwater	560	487	494	587
Swimming pool	775	673	694	708
<i>Total Business-Type Activities Expenses</i>	<u>4,775</u>	<u>4,557</u>	<u>4,371</u>	<u>4,528</u>
<i>Total Primary Government Expenses</i>	<u>\$ 43,108</u>	<u>\$ 43,185</u>	<u>\$ 40,200</u>	<u>\$ 39,876</u>
Program Revenues				
Governmental Activities:				
Charges for services:				
General Government	\$ 1,256	\$ 1,092	\$ 1,131	\$ 652
Public Safety	1,169	1,178	1,066	1,347
Public Services	556	162	267	124
Parks and Recreation	1,308	1,208	1,196	1,068
Community Development	1,047	1,100	923	797
Operating grants and contributions	1,905	2,032	1,941	2,177
Capital grants and contributions	2,085	-	-	388
<i>Total Governmental Activities Program Revenues</i>	<u>9,326</u>	<u>6,772</u>	<u>6,524</u>	<u>6,553</u>
Business-Type Activities:				
Charges for services:				
Solid Waste	2,006	1,917	1,961	1,986
Water	447	431	454	484
Sewer	834	788	818	850
Stormwater	737	758	748	752
Swimming pools	541	566	588	646
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	-
<i>Total Business-Type Activities Program Revenues</i>	<u>4,565</u>	<u>4,460</u>	<u>4,569</u>	<u>4,718</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 13,891</u>	<u>\$ 11,232</u>	<u>\$ 11,093</u>	<u>\$ 11,271</u>

Table 2

<u>Year</u>					
<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 7,981	\$ 7,903	\$ 8,189	\$ 8,851	\$ 7,154	\$ 8,200
15,973	15,724	16,110	15,776	15,082	14,266
4,649	5,159	4,709	4,889	5,679	5,167
3,147	3,052	3,346	3,331	3,269	3,142
935	953	984	991	944	853
1,822	1,464	1,205	996	958	1,111
-	-	-	-	-	-
<u>34,507</u>	<u>34,255</u>	<u>34,543</u>	<u>34,834</u>	<u>33,086</u>	<u>32,739</u>
2,041	2,009	1,952	2,334	1,949	1,983
567	453	400	564	318	333
676	651	794	736	700	660
1,027	1,069	858	683	704	692
658	667	736	686	626	603
<u>4,969</u>	<u>4,849</u>	<u>4,740</u>	<u>5,003</u>	<u>4,297</u>	<u>4,271</u>
<u>\$ 39,476</u>	<u>\$ 39,104</u>	<u>\$ 39,283</u>	<u>\$ 39,837</u>	<u>\$ 37,383</u>	<u>\$ 37,010</u>
\$ 793	\$ 818	\$ 971	\$ 698	\$ 616	\$ 173
1,507	1,391	1,370	493	1,297	988
2,340	80	76	79	106	76
1,983	879	848	860	805	815
762	1,053	677	760	781	774
410	2,060	1,813	1,632	1,703	1,704
-	-	80	195	248	300
<u>7,795</u>	<u>6,281</u>	<u>5,835</u>	<u>4,717</u>	<u>5,556</u>	<u>4,830</u>
1,954	1,685	1,664	2,052	1,872	1,794
415	400	378	338	332	288
791	774	771	734	708	550
761	548	537	542	552	521
638	628	608	640	658	632
-	-	-	32	5	-
-	-	-	14	6	1,434
<u>4,559</u>	<u>4,035</u>	<u>3,958</u>	<u>4,352</u>	<u>4,133</u>	<u>5,219</u>
<u>\$ 12,354</u>	<u>\$ 10,316</u>	<u>\$ 9,793</u>	<u>\$ 9,069</u>	<u>\$ 9,689</u>	<u>\$ 10,049</u>

City of Upper Arlington, Ohio
Changes in Net Position, Last Ten Years - (Continued)
(accrual basis of accounting)
(amounts expressed in thousands)

	Year			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net(Expense)Revenue				
Governmental Activities	\$ (29,007)	\$ (31,856)	\$ (29,305)	\$ (28,795)
Business-Type Activities	(210)	(97)	198	190
<i>Total Primary Government Net Expense</i>	<u>\$ (29,217)</u>	<u>\$ (31,953)</u>	<u>\$ (29,107)</u>	<u>\$ (28,605)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes				
Income taxes	22,863	16,830	18,474	15,663
Property taxes	9,819	9,294	9,245	8,936
Intergovernmental (1)	5,219	5,260	5,824	12,195
Unrestricted investment earnings	526	922	(90)	703
Miscellaneous	363	400	723	1,117
Transfers	(905)	(4,132)	(4,852)	(1,352)
Total governmental activities	<u>37,885</u>	<u>28,574</u>	<u>29,324</u>	<u>37,262</u>
Business-type activities:				
Investment earnings	20	29	-	23
Miscellaneous	-	-	1	-
Transfers	905	4,132	4,852	1,352
<i>Total Business-Type Activities</i>	<u>925</u>	<u>4,161</u>	<u>4,853</u>	<u>1,375</u>
<i>Total Primary Government</i>	<u>\$ 38,810</u>	<u>\$ 32,735</u>	<u>\$ 34,177</u>	<u>\$ 38,637</u>
Change in Net Position				
Governmental activities	8,878	(3,282)	19	8,467
Business-type activities	715	4,064	5,051	1,565
<i>Total Primary Government Change in Net Position</i>	<u>\$ 9,593</u>	<u>\$ 782</u>	<u>\$ 5,070</u>	<u>\$ 10,032</u>

Note:

(1) For comparison purposes, payments in lieu of taxes (current year) and estate tax revenue (prior years) have been included with intergovernmental revenue.

Sources:

City of Upper Arlington Finance Department

Table 2

<u>Year</u>					
<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ (26,712)	\$ (27,974)	\$ (28,708)	\$ (30,117)	\$ (27,530)	\$ (27,909)
(410)	(814)	(782)	(651)	(164)	948
<u>\$ (27,122)</u>	<u>\$ (28,788)</u>	<u>\$ (29,490)</u>	<u>\$ (30,768)</u>	<u>\$ (27,694)</u>	<u>\$ (26,961)</u>
16,045	13,165	12,173	13,627	14,615	12,944
9,043	9,122	9,109	8,847	8,826	9,098
8,245	8,879	7,676	9,368	5,876	7,377
609	866	887	2,562	2,693	2,134
355	293	332	1,289	1,556	1,414
(2,035)	(1,365)	(1,048)	(895)	-	(160)
<u>32,262</u>	<u>30,960</u>	<u>29,129</u>	<u>34,798</u>	<u>33,566</u>	<u>32,807</u>
22	51	35	185	276	228
-	-	-	239	-	-
2,036	1,365	1,048	895	-	160
<u>2,058</u>	<u>1,416</u>	<u>1,083</u>	<u>1,319</u>	<u>276</u>	<u>388</u>
<u>\$ 34,320</u>	<u>\$ 32,376</u>	<u>\$ 30,212</u>	<u>\$ 36,117</u>	<u>\$ 33,842</u>	<u>\$ 33,195</u>
5,550	2,986	421	4,681	6,036	4,898
1,648	602	301	668	112	1,336
<u>\$ 7,198</u>	<u>\$ 3,588</u>	<u>\$ 722</u>	<u>\$ 5,349</u>	<u>\$ 6,148</u>	<u>\$ 6,234</u>

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

	<u>Year</u>			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General fund				
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Nonspendable	\$ 3,586	\$ 1,962	\$ 2,023	\$ 2,559
Restricted	1,568	959	1,021	1,026
Committed	10,314	8,465	8,788	8,877
Assigned	617	491	3,468	-
Unassigned (deficit)	18,799	18,586	16,594	21,867
<i>Total General Fund</i>	<u>\$ 34,884</u>	<u>\$ 30,463</u>	<u>\$ 31,894</u>	<u>\$ 34,329</u>
All other governmental funds				
Reserved	N/A	N/A	N/A	N/A
Unreserved, reported in:				
Special revenue funds	N/A	N/A	N/A	N/A
Capital projects funds	N/A	N/A	N/A	N/A
Debt service funds	N/A	N/A	N/A	N/A
Nonspendable	\$ 67	\$ 114	\$ 34	\$ 4,925
Restricted	16,452	4,295	9,247	11,108
Committed	15,504	15,960	16,600	12,617
Assigned	-	-	-	-
Unassigned	(1,592)	(270)	(801)	(5,723)
<i>Total All Other Governmental Funds</i>	<u>\$ 30,431</u>	<u>\$ 20,099</u>	<u>\$ 25,080</u>	<u>\$ 22,927</u>

Sources:

City of Upper Arlington Finance Department

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

Table 3

<u>Year</u>						
<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	
	N/A	\$ 1,817	\$ 1,248	\$ 1,302	\$ 878	\$ 1,038
	N/A	26,258	25,506	28,671	27,554	26,462
\$	2,832	N/A	N/A	N/A	N/A	N/A
	861	N/A	N/A	N/A	N/A	N/A
	9,809	N/A	N/A	N/A	N/A	N/A
	-	N/A	N/A	N/A	N/A	N/A
	17,621	N/A	N/A	N/A	N/A	N/A
<u>\$</u>	<u>31,123</u>	<u>\$ 28,075</u>	<u>\$ 26,754</u>	<u>\$ 29,973</u>	<u>\$ 28,432</u>	<u>\$ 27,500</u>
	N/A	\$ 3,181	\$ 4,239	\$ 7,251	\$ 2,087	\$ 1,103
	N/A	2,196	2,536	2,628	2,723	2,324
	N/A	19,506	14,476	9,279	10,879	11,752
	N/A	358	294	229	685	916
\$	4,922	N/A	N/A	N/A	N/A	N/A
	9,403	N/A	N/A	N/A	N/A	N/A
	9,192	N/A	N/A	N/A	N/A	N/A
	-	N/A	N/A	N/A	N/A	N/A
	(4,749)	N/A	N/A	N/A	N/A	N/A
<u>\$</u>	<u>18,768</u>	<u>\$ 25,241</u>	<u>\$ 21,545</u>	<u>\$ 19,387</u>	<u>\$ 16,374</u>	<u>\$ 16,095</u>

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

	Year					
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues						
Taxes	\$ 31,989	\$ 26,710	\$ 26,131	\$ 33,890	\$ 28,344	\$ 28,433
Intergovernmental (1)	10,425	7,200	7,831	5,450	5,624	4,632
Licenses and permits	1,181	1,115	1,066	877	945	922
Charges for services	2,102	2,004	1,994	2,014	1,899	1,891
Fines and forfeits	398	373	345	362	430	416
Investment earnings	510	899	(106)	703	609	866
Miscellaneous	1,561	1,299	1,683	1,660	1,493	1,128
<i>Total Revenues</i>	<u>48,166</u>	<u>39,600</u>	<u>38,944</u>	<u>44,956</u>	<u>39,344</u>	<u>38,288</u>
Expenditures						
General Government	9,637	11,359	6,532	7,332	7,557	7,880
Public Safety	15,547	15,646	15,930	15,527	15,784	15,651
Public Services	2,788	2,697	4,081	3,135	2,913	3,190
Parks and Recreation	2,963	2,925	2,866	3,008	3,017	3,040
Community Development	844	958	994	994	956	991
Health Services	-	-	-	-	-	-
Capital outlay	12,562	10,763	5,272	10,830	16,095	8,923
Debt services						
Principal	7,375	3,092	2,850	2,595	2,480	1,985
Interest	1,577	1,530	1,735	1,819	1,743	1,393
Other charges	288	152	154	151	131	148
<i>Total Expenditures</i>	<u>53,581</u>	<u>49,122</u>	<u>40,414</u>	<u>45,391</u>	<u>50,676</u>	<u>43,201</u>
<i>Excess of Revenues Over(Under)</i>						
<i>Expenditures</i>	(5,415)	(9,522)	(1,470)	(435)	(11,332)	(4,913)
Other Financing Sources (Uses)						
Transfers in	5,053	4,919	9,851	7,285	5,036	6,661
Transfers out	(5,292)	(6,058)	(9,861)	(7,297)	(5,036)	(7,111)
Bonds/Notes issued	18,800	3,800	-	10,000	6,000	10,000
Refunding bonds and escrow transfer	6,082	6,265	8,640	-	-	-
Premium on bonds/notes issued	2,064	217	775	247	284	25
Payment of refunding notes	-	-	-	-	-	-
Payment to refunded bond escrow agent	(6,760)	(6,348)	(9,273)	-	(6,151)	-
Installment loan issued	-	-	-	-	-	-
Capital lease proceeds	-	-	918	-	-	-
Sale of capital assets	221	315	138	333	208	381
<i>Total Other Financing Sources (Uses)</i>	<u>20,168</u>	<u>3,110</u>	<u>1,188</u>	<u>10,568</u>	<u>341</u>	<u>9,956</u>
<i>Net Change in Fund Balances</i>	<u>\$ 14,753</u>	<u>\$ (6,412)</u>	<u>\$ (282)</u>	<u>\$ 10,133</u>	<u>\$ (10,991)</u>	<u>\$ 5,043</u>
Debt Service as a Percentage of						
Noncapital Expenditures	21.82%	12.05%	13.05%	12.77%	12.21%	9.85%
Sources:						
City of Upper Arlington Finance Department						
Note:						
(1) For comparison purposes, payments in lieu of taxes is included with intergovernmental revenue						

Table 4

<u>Year</u>			
<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 27,322	\$ 27,576	\$ 27,261	\$ 26,228
4,208	4,372	4,295	4,783
819	862	917	733
1,913	1,911	1,812	1,585
388	362	362	394
887	1,997	2,218	2,134
896	1,569	2,051	2,045
<u>36,433</u>	<u>38,649</u>	<u>38,916</u>	<u>37,902</u>
7,939	8,510	6,909	6,538
16,252	15,188	14,677	13,531
2,892	2,998	3,875	3,453
3,149	3,147	3,025	2,897
975	968	936	850
-	-	-	-
13,601	7,114	6,686	4,667
1,487	4,964	1,195	1,848
1,177	1,227	972	991
235	120		
<u>47,707</u>	<u>44,236</u>	<u>38,275</u>	<u>34,775</u>
(11,274)	(5,587)	641	3,127
5,605	3,348	5,826	2,661
(5,801)	(3,396)	(5,826)	(2,822)
10,090	9,972	3,972	3,972
6,715	-	-	-
488	123	40	25
-	-	(3,972)	(3,972)
(7,058)	-	-	-
-	-	-	-
-	-	-	-
174	94	530	174
<u>10,213</u>	<u>10,141</u>	<u>570</u>	<u>38</u>
<u>\$ (1,061)</u>	<u>\$ 4,554</u>	<u>\$ 1,211</u>	<u>\$ 3,165</u>
7.81%	16.68%	6.86%	9.43%

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

<u>Year</u>	<u>Income</u> <u>Tax</u>	<u>Property</u> <u>Tax</u>	<u>Estate</u> <u>Tax</u>	<u>Motor Fuel</u> <u>Tax</u>	<u>Total</u>
2015	\$ 22,863	\$ 9,818	\$ 65	\$ 12,005	\$ 44,751
2014	16,830	9,294	216	1,172	27,512
2013	18,474	9,245	2,430	1,152	31,301
2012	15,663	8,936	8,235	1,146	33,980
2011	16,045	9,044	3,652	1,134	29,875
2010	13,165	9,122	4,462	1,141	27,890
2009	12,173	9,109	4,192	1,018	26,492
2008	13,627	8,847	3,743	1,139	27,356
2007	14,616	8,826	2,282	1,131	26,855
2006	12,944	9,098	3,761	1,132	26,935

Source:

City of Upper Arlington Finance Department

**City of Upper Arlington, Ohio
Principal Property Taxpayers
Current and Nine Years Ago
(amounts expressed in thousands)**

	2015		2006	
	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
<u>Public Utilities</u>				
Columbus Southern Power Co.	\$ 12,407,190	11.77%	\$ 9,135,130	0.59%
AEP Ohio Transmission	7,719,660	7.33%		
Columbia Gas of Ohio Inc.	4,109,090	3.90%	1,203,830	0.08%
Ohio Bell Telephone			4,765,440	0.31%
<u>Real Estate</u>				
Huntington National Bank	1,856,670	1.76%	1,693,300	0.11%
Kenbrook Village Company	3,043,600	2.89%	2,310,000	0.15%
Lane Avenue Enterprises	3,465,010	3.29%		
Echo Contentental	9,464,210	8.98%		
Scioto Country Club Inc.	4,026,050	3.82%	4,052,230	0.26%
Centro NP Greentree SC	3,176,260	3.01%		
Lane Avenue 450 LLC	7,659,000	7.27%	1,941,660	0.13%
Lane Avenue Redevelopment	7,087,510	6.73%		
Orthopaedic Medical	4,729,210	4.49%		
National Church Residences	2,634,110	2.50%		
Tremont Center Company	2,220,290	2.11%		
First Community Village	11,020,320	10.46%	5,478,310	0.35%
GGRE son Central II Arlington LLC	4,116,010	3.91%		
Berkley House LLC	2,530,220	2.40%		
Lane Avenue Office Building LLC	2,433,550	2.31%		
Tree of Life Christian Ministries LLC	2,057,610	1.95%		
RRC Acquisitions Inc.			7,315,010	0.47%
New Plan Financing I Inc.			3,456,260	0.22%
Compuserve Inc.			7,560,040	0.49%
UAP-Columbus JV-326132			7,310,450	0.47%
Kimco Development Corp.			3,500,570	0.23%
<u>Tangible Personal Property</u>				
America Online Inc.			1,228,458	0.08%
Time Warner Entertainment Company LP			747,981	0.05%
CBC Companies Inc			1,026,051	0.07%
Honeywell International Inc.			752,115	0.05%
Ohio Orthopedic Center of Excellence Inc.			366,611	0.02%
Rich's Department Stores Inc.			293,916	0.02%
Kroger Company			282,372	0.02%
Medtronic USA Inc			194,401	0.01%
Tamarkin Company			349,338	0.02%
Ohio Orthopedic Surgery Institute LLC			211,343	0.01%
ALL OTHERS	9,622,600	9.13%	1,483,395,468	95.79%
TOTAL ASSESSED VALUATION	\$ 105,378,170	100.00%	\$ 1,548,570,284	100.00%

Source: Franklin County, Ohio; County Auditor

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

<u>Year</u>	<u>City of Upper Arlington</u>					<u>Overlapping Rates Franklin County</u>			
	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Police & Fire Pension Millage</u>	<u>Capital Equipment Millage</u>	<u>Total City Millage</u>	<u>Operating Millage</u>	<u>Specialty Service Millage¹</u>	<u>Metro Parks Millage</u>	<u>Total County Millage</u>
2015	3.90	0.50	1.68	0.50	6.58	1.47	16.25	0.75	18.47
2014	3.90	0.50	1.68	0.50	6.58	1.47	16.25	0.75	18.47
2013	3.90	0.54	1.68	0.50	6.62	1.47	16.25	0.75	18.47
2012	3.90	0.54	1.68	0.50	6.62	1.47	16.25	0.75	18.47
2011	3.90	0.54	1.54	0.50	6.48	1.47	15.85	0.75	18.07
2010	3.90	0.54	1.54	0.50	6.48	1.47	15.85	0.75	18.07
2009	3.90	0.54	1.54	0.50	6.48	1.47	15.85	0.75	18.07
2008	3.90	0.52	1.54	0.50	6.46	1.47	15.90	0.65	18.02
2007	3.90	0.44	1.54	0.50	6.38	1.47	16.37	0.65	18.49
2006	3.90	0.44	1.80	0.50	6.64	1.47	16.32	0.65	18.44

Notes:

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

Source: Franklin County, Ohio; County Auditor

Overlapping Rates					
Upper Arlington Schools			Library		Total Direct & Overlapping Rates
Operating Millage	Debt Service Millage	Total School Millage	Operating Millage	Total Library Millage	
104.11	1.85	105.96	2.00	2.00	133.01
104.11	1.97	106.08	2.00	2.00	133.13
104.11	1.97	106.08	2.00	2.00	133.17
100.11	1.97	102.08	2.00	2.00	129.17
100.11	1.97	102.08	2.00	2.00	128.63
100.11	1.97	102.08	2.00	2.00	128.63
100.11	1.97	102.08	2.00	2.00	128.63
94.46	1.97	96.43	2.00	2.00	122.91
93.91	1.97	95.88	2.00	2.00	122.75
93.91	1.97	95.88	2.00	2.00	122.96

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

Year Ended <u>December 31</u>	Real Property			Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate
	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Public Utility Property</u>	<u>General</u>		
2015	\$ 1,539,456,620	\$ 139,457,060	\$ 24,165,400	\$ -	\$ 1,703,079,080	6.58
2014	1,533,958,110	149,341,880	23,905,680	-	1,707,205,670	6.58
2013	1,405,652,200	133,744,520	22,872,510	-	1,562,269,230	6.62
2012	1,405,147,490	137,151,530	21,922,850	-	1,564,221,870	6.62
2011	1,410,425,940	149,473,060	14,095,190	-	1,573,994,190	6.48
2010	1,432,981,270	135,734,450	12,720,930	-	1,581,436,650	6.48
2009	1,429,916,090	139,163,160	11,480,320	698,120	1,581,257,690	6.48
2008	1,419,959,820	140,637,860	10,791,660	1,396,240	1,572,785,580	6.46
2007	1,403,290,100	128,782,010	10,411,260	5,925,871	1,548,409,241	6.38
2006	1,394,180,700	129,708,510	15,114,070	9,567,004	1,548,570,284	6.64

Source: Franklin County, Ohio; County Auditor

Estimated Actual Taxable Value	Assessed Value as a Percentage of <u>Actual Value</u>
\$ 4,865,940,229	35.00%
4,877,730,486	35.00%
4,463,626,371	35.00%
4,469,205,343	35.00%
4,497,126,257	35.00%
4,518,390,429	35.00%
4,518,676,966	35.00%
4,495,268,789	35.00%
4,430,798,827	35.00%
4,435,420,245	35.00%

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

<u>Employer</u>	<u>2015</u>		<u>2014</u>		<u>2013</u>		<u>2012</u>		<u>2011</u>	
	<u>Employees</u>	<u>Percentage of Total City Employment</u>								
UA Board of Education	849	4.9%	838	4.8%	812	4.7%	850	5.0%	860	5.1%
AOL Midwest	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
First Community Village	231	1.3%	225	1.3%	225	1.3%	378	2.2%	352	2.1%
City of Upper Arlington	216	1.2%	216	1.2%	218	1.3%	224	1.3%	241	1.4%
Kroger	99	0.6%	99	0.6%	94	0.5%	107	0.6%	107	0.6%
Giant Eagle	143	0.8%	128	0.7%	175	1.0%	200	1.2%	201	1.2%
Scioto Country Club	200	1.1%	200	1.1%	200	1.2%	200	1.2%	173	1.0%
Wellington School	130	0.7%	160	0.9%	160	0.9%	160	0.9%	160	0.9%
National Church Residences	232	1.3%	211	1.2%	174	1.0%	184	1.1%	194	1.1%
Willis HRH	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Ohio State University	325	1.9%	325	1.9%	325	1.9%	325	1.9%	325	1.9%
CBC Companies	202	1.2%	203	1.2%	170	1.0%	198	1.2%	175	1.0%
Ohio Orthopaedic Center	186	1.1%	175	1.0%	243	1.4%	214	1.3%	158	0.9%
Total	2,813	16.10%	2,780	15.90%	2,796	16.20%	3,040	17.90%	2,946	17.20%
Total City Employees	17,489 (1)		17,489		17,378		17,018		17,018	

<u>Employer</u>	<u>2010</u>		<u>2009</u>		<u>2008</u>		<u>2007</u>	
	<u>Employees</u>	<u>Percentage of Total City Employment</u>						
UA Board of Education	880	5.0%	880	5.2%	880	4.7%	890	5.0%
AOL Midwest	-	0.0%	-	0.0%	-	0.0%	107	0.6%
First Community Village	360	2.1%	370	2.2%	410	2.2%	384	2.2%
City of Upper Arlington	246	1.4%	243	1.4%	245	1.3%	263	1.5%
Kroger	107	0.6%	143	0.8%	-	0.0%	113	0.6%
Giant Eagle	201	1.1%	197	1.2%	200	1.1%	160	0.9%
Scioto Country Club	173	1.0%	-	0.0%	-	0.0%	157	0.9%
Wellington School	160	0.9%	170	1.0%	170	0.9%	170	1.0%
National Church Residences	177	1.0%	173	1.0%	210	1.1%	173	1.0%
Willis HRH	106	0.6%	132	0.8%	125	0.7%	130	0.7%
Ohio State University	290	1.7%	285	1.7%	300	1.6%	309	1.7%
CBC Companies	175	1.0%	175	1.0%	170	0.9%	157	0.9%
Ohio Orthopaedic Center	185	1.1%	170	1.0%	170	0.9%		
Total	3,060	17.50%	2,938	17.30%	2,880	15.40%	3,013	17.00%
Total City Employees	17,552		17,076		18,773		17,851	

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

Notes:

- (1) Total City Employees data for 2014 was used as data from 2015 was not yet available.
(2) Data prior to 2006 was not available or kept.



CITY OF | **UPPER ARLINGTON**

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

Income Averages for Upper Arlington Tax Years 2014-2005

Tax Year	Income Range Tax Year	Individual Resident Filers	Percent of Filers	Local Taxable Income	Percent of Taxable Income
2014	0-19,999	2,884	23.1%	\$ 21,594,351	1.3%
2014	20,000-49,999	1,876	15.1%	64,481,885	3.9%
2014	50,000-74,999	1,268	10.2%	78,878,817	4.8%
2014	75,000-99,999	1,235	9.9%	107,265,158	6.5%
2014	Over 100,000	<u>5,200</u>	41.7%	<u>1,372,204,630</u>	83.4%
	Total	12,463		\$ 1,644,424,841	
2013	0-19,999	2,971	24.2%	\$ 22,095,174	1.4%
2013	20,000-49,999	1,849	15.1%	64,080,477	4.1%
2013	50,000-74,999	1,282	10.4%	79,711,821	5.2%
2013	75,000-99,999	1,259	10.3%	109,807,642	7.1%
2013	Over 100,000	<u>4,914</u>	40.0%	<u>1,272,099,979</u>	82.2%
	Total	12,275		\$ 1,547,795,093	
2012	0-19,999	2,961	24.1%	\$ 21,196,023	1.4%
2012	20,000-49,999	1,964	16.0%	68,089,408	4.5%
2012	50,000-74,999	1,370	11.1%	85,085,775	5.6%
2012	75,000-99,999	1,212	9.9%	105,334,609	6.9%
2012	Over 100,000	<u>4,789</u>	38.9%	<u>1,249,530,060</u>	81.7%
	Total	12,296		\$ 1,529,235,875	
2011	0-19,999	2,910	24.7%	\$ 21,326,493	1.5%
2011	20,000-49,999	1,897	16.1%	65,075,294	4.6%
2011	50,000-74,999	1,285	10.9%	79,842,261	5.6%
2011	75,000-99,999	1,237	10.5%	107,598,014	7.6%
2011	Over 100,000	<u>4,463</u>	37.8%	<u>1,139,965,891</u>	80.6%
	Total	11,792		\$ 1,413,807,953	
2010	0-19,999	3,167	25.7%	\$ 22,421,688	1.6%
2010	20,000-49,999	2,063	16.7%	71,104,776	5.1%
2010	50,000-74,999	1,448	11.7%	90,036,981	6.5%
2010	75,000-99,999	1,274	10.3%	110,848,623	8.0%
2010	Over 100,000	<u>4,389</u>	35.6%	<u>1,094,467,390</u>	78.8%
	Total	12,341		\$ 1,388,879,458	

Sources: Regional Income Tax Authority

Table 10

Tax Year	Income Range Tax Year	Individual Resident Filers	Percent of Filers	Local Taxable Income	Percent of Taxable Income
2009	0-19,999	3,557	26.4%	\$ 24,452,373	1.8%
2009	20,000-49,999	2,348	17.4%	80,775,621	5.8%
2009	50,000-74,999	1,610	12.0%	99,913,085	7.2%
2009	75,000-99,999	1,407	10.4%	122,308,215	8.8%
2009	Over 100,000	4,547	33.8%	1,063,175,559	76.5%
	Total	13,469		\$ 1,390,624,853	
2008	0-19,999	3,502	26.4%	\$ 23,754,404	1.7%
2008	20,000-49,999	2,271	17.1%	79,149,064	5.6%
2008	50,000-74,999	1,515	11.4%	94,207,245	6.6%
2008	75,000-99,999	1,411	10.6%	122,833,691	8.6%
2008	Over 100,000	4,591	34.5%	1,103,314,611	77.5%
	Total	13,290		\$ 1,423,259,015	
2007	0-19,999	3,664	30.1%	\$ 26,359,565	2.4%
2007	20,000-49,999	1,637	13.5%	54,251,610	4.9%
2007	50,000-74,999	1,407	11.6%	79,693,160	7.2%
2007	75,000-99,999	1,245	10.2%	100,589,849	9.1%
2007	Over 100,000	4,216	34.6%	849,276,468	76.5%
	Total	12,169		\$ 1,110,170,652	
2006	0-19,999	3,695	30.3%	\$ 26,984,865	2.5%
2006	20,000-49,999	1,672	13.7%	55,616,909	5.2%
2006	50,000-74,999	1,451	11.9%	82,344,261	7.7%
2006	75,000-99,999	1,267	10.4%	100,839,642	9.4%
2006	Over 100,000	4,114	33.7%	803,216,492	75.1%
	Total	12,199		\$ 1,069,002,169	
2005	0-19,999	3,803	30.7%	\$ 26,682,883	2.6%
2005	20,000-49,999	1,800	14.5%	61,121,765	6.0%
2005	50,000-74,999	1,503	12.1%	84,143,579	8.2%
2005	75,000-99,999	1,295	10.5%	103,131,636	10.1%
2005	Over 100,000	3,973	32.1%	746,916,424	73.1%
	Total	12,374		\$ 1,021,996,287	

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

Local Taxes Paid by Upper Arlington Residents for Tax Years 2014 -2005

Tax Year	Taxes Paid by Upper Arlington Residents	%	Taxes credited to other municipalities	%	Total Local Income tax Paid by Residents
2014	4,317,783	15.7%	23,231,790	84.3%	27,549,573
2013	4,247,356	16.6%	21,354,249	83.4%	25,601,605
2012	4,187,114	16.6%	21,038,943	83.4%	25,226,057
2011	3,971,038	16.5%	20,086,924	83.5%	24,057,962
2010	3,608,055	15.6%	19,450,755	84.4%	23,058,810
2009	3,455,776	15.0%	19,413,911	85.0%	22,819,687
2008	3,600,753	15.4%	19,827,002	84.6%	23,427,755
2007	3,368,303	14.8%	19,335,641	85.2%	22,703,944
2006	3,093,888	14.2%	18,743,528	85.8%	21,837,416
2005	2,640,738	12.9%	17,799,188	87.1%	20,439,926

Source: Regional Income Tax Agency, Brecksville, Ohio

Notes:

- (1) Income reported represents income taxable at the local level. Local taxable income excludes some revenue sources taxable at the federal level, such as pensions, investment earnings, and capital gains.
- (2) While the City imposes a 2.5% income tax on its residents (effective January 1, 2015), a credit of up to 2.5% is allowed for income earned outside the City. Thus, the City's actual income tax collections are substantially less than 2.5% of local taxable income. In addition local taxable income includes income tax received from non-resident individuals who work within the jurisdiction, and are not required to file an annual return.
- (3) Differences in amounts reported as local tax collected by Upper Arlington residents and "Taxes from Individuals" amounts reported in Table 11 result from timing differences in collection and distribution of tax by the Regional Income Tax Agency (RITA), along with payments by non-resident individuals who remit payments for taxes from work performed inside the City.
- (4) Information for 2015 was not available.

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

Tax Year	Tax Rate	Total Tax Collected	Taxes From Withholding	Percentage of Taxes From Withholding	Taxes From Net Profits	Percentage of Taxes From Net Profits	Taxes From Individuals	Percentage of Taxes From Individuals
2015	2.5%	\$ 21,491	\$ 13,644	63%	\$ 2,108	10%	\$ 5,739	27%
2014	2.0%	16,907	10,668	63%	1,844	11%	4,395	26%
2013	2.0%	16,789	10,210	61%	2,064	12%	4,515	27%
2012	2.0%	15,253	10,043	66%	1,587	10%	3,623	24%
2011	2.0%	14,662	9,485	65%	1,706	12%	3,471	23%
2010	2.0%	13,595	8,823	65%	1,654	12%	3,118	23%
2009	2.0%	12,856	8,470	66%	1,368	11%	3,018	23%
2008	2.0%	13,459	8,861	66%	1,199	9%	3,399	25%
2007	2.0%	13,725	8,976	65%	1,590	12%	3,159	23%
2006	2.0%	12,948	8,537	66%	1,300	10%	3,111	24%

Sources:

1. City of Upper Arlington Finance Department

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

Year	Assessment Billings	Assessment Collections
2015	\$ 263,168	\$ 250,319
2014	256,684	248,133
2013	264,847	256,662
2012	264,759	258,840
2011	227,378	221,385
2010	227,806	221,426
2009	191,228	183,462
2008	164,544	158,503
2007	176,749	170,283
2006	170,875	165,602

Source: Franklin County, Ohio; County Auditor

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

Year Ended <u>December 31</u>	Total Tax Levy for <u>Year</u>	Collected within the Year of the Levy		Total Collections to Date			Outstanding Delinquent <u>Taxes</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	<u>Delinquent Amount</u>	<u>Total Collected</u>	<u>Percentage of Levy</u>	
2015	\$ 11,092	\$ 10,659	96.1%	\$ 335	\$ 10,994	99.1%	\$ 201
2014	10,628	10,114	95.2%	218	10,332	97.2%	225
2013	10,539	9,873	93.7%	212	10,085	95.7%	306
2012	10,263	9,814	95.6%	201	10,015	97.6%	331
2011	10,331	9,959	96.4%	139	10,098	97.7%	297
2010	10,319	10,039	97.3%	280	10,039	97.3%	280
2009	10,227	9,789	95.7%	182	9,971	97.5%	256
2008	9,956	9,629	96.7%	156	9,785	98.3%	171
2007	9,825	9,607	97.8%	216	9,823	100.0%	2
2006	9,922	9,748	98.2%	154	9,902	99.8%	20

Sources:

1. Franklin County, Ohio Auditor's Office

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

	Year				
	<u>2015</u>	<i>Restated</i> <u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Water Surcharge Fund					
Assets	\$ 14,865	\$ 14,977	\$ 13,078	\$ 8,467	\$ 7,946
Net Position	14,265	14,441	12,683	7,959	7,518
Operating Revenue	447	431	454	484	415
Operating (Expense)	(718)	(650)	(518)	(470)	(553)
Non-operating					
Interest expense	(22)	(5)	(9)	(12)	(15)
Capital contributions	117	1,149	4,798	438	790
Transfers in	-	916	-	-	-
Changes in net position	(176)	1,841	4,725	440	637
Rate per 1000 cubic feet (MCF)	-	-	-	-	-
Surcharge rate on commodity	10%	10%	10%	10%	10%
Sewer Surcharge Fund					
Assets	\$ 5,822	\$ 5,694	\$ 5,697	\$ 5,883	\$ 5,361
Net Position	5,629	5,430	5,432	5,192	4,803
Operating Revenues	834	788	818	850	792
Operating (Expense)	(634)	(625)	(567)	(687)	(656)
Non-operating					
Investment income	-	-	-	-	-
Interest expense	(1)	(6)	(12)	(17)	(23)
Other, net	-	-	1	1	(2)
Capital contributions	-	-	-	242	699
Transfers in	-	-	-	-	-
Changes in net position	199	157	240	389	810
Rate per 1000 cubic feet (MCF)	n/a	n/a	n/a	n/a	n/a
Surcharge rate on commodity	0%	18%	18%	18%	18%
Stormwater Fund					
Assets	\$ 10,767	\$ 10,189	\$ 8,187	\$ 8,104	\$ 7,451
Net Position	10,205	9,462	7,448	7,151	6,300
Operating Revenue	737	758	748	753	760
Operating (Expense)	(498)	(467)	(471)	(753)	(1,000)
Non-operating					
Investment income	17	28	(1)	20	17
Interest expense	(49)	(20)	(23)	(26)	(29)
Other, net	(13)	-	-	-	-
Capital contributions	549	1,843	44	658	-
Changes in net position	743	2,142	297	652	(252)
Annual residential rate	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45

Table 15

		<u>Year</u>				
		<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$	7,411	\$ 7,231	\$ 6,502	\$ 6,360	\$ 6,434	
	6,882	6,600	5,775	5,542	5,530	
	401	378	338	332	287	
	(441)	(379)	(539)	(292)	(297)	
	(19)	(22)	(25)	(28)	(36)	
	341	847	458	1	786	
	-	-	-	-	-	
	282	824	232	13	740	
	-	-	-	n/a	\$ 2.25	
10%	10%	10%	10%	10%	n/a	
\$	4,733	\$ 4,856	\$ 4,856	\$ 5,002	\$ 5,179	
	3,992	3,865	3,847	3,804	3,806	
	774	771	734	708	551	
	(640)	(768)	(695)	(667)	(602)	
	2	-	-	-	-	
	(28)	(32)	(40)	(47)	(57)	
	-	-	-	-	(1)	
	20	5	44	4	563	
	-	42	-	-	-	
	128	18	43	(2)	454	
	n/a	n/a	n/a	n/a	\$ 4.90	
18%	18%	18%	18%	18%	n/a	
\$	7,244	\$ 7,365	\$ 7,703	\$ 7,286	\$ 7,329	
	6,008	5,944	6,235	5,690	5,584	
	547	536	541	552	521	
	(1,049)	(784)	(611)	(640)	(610)	
	45	36	158	270	224	
	(32)	(74)	(71)	(76)	(82)	
	(1)	(5)	-	-	-	
	554	-	528	-	85	
	64	(291)	545	106	138	
\$	33	\$ 33	\$ 33	\$ 33	\$ 33	

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

	Year				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Swimming Pools Fund					
Assets	\$ 5,187	\$ 5,396	\$ 5,500	\$ 5,608	\$ 5,673
Net Position	4,882	5,116	5,498	5,606	5,670
Operating Income	541	566	588	646	638
Operating (Expense)	(720)	(673)	(693)	(711)	(657)
Non-operating					
Other, net	(55)	-	-	(1)	-
Transfers in	-	-	-	-	-
Capital contributions	-	-	-	2	-
Changes in net position	(234)	(107)	(105)	(64)	(19)
Cost of a resident family membership (family of four)	\$ 220.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 200.00
Solid Waste Fund					
Assets	\$ 239	\$ 56	\$ 39	\$ 123	\$ 174
Net Position	67	(119)	(152)	(47)	4
Operating Income	2,006	1,917	1,961	1,986	1,954
Operating (Expense)	(2,063)	(2,109)	(2,077)	(2,052)	(2,041)
Non-operating					
Investment income	3	1	1	3	5
Other, net	-	-	-	-	-
Transfers in	240	-	10	12	-
Transfers out	-	224	-	-	-
Changes in net position	186	33	(105)	(51)	(82)
Cost of a single trash sticker	\$ 2.90	\$ 2.90	\$ 2.90	\$ 2.90	\$ 2.90

Source: City of Upper Arlington Finance Department

Table 15

		<u>Year</u>							
		<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>			
\$	5,692	\$	5,733	\$	5,863	\$	5,892	\$	5,870
	5,688		5,731		5,858		5,891		5,859
	628		608		640		658		632
	(666)		(736)		(686)		(626)		(603)
	(5)		-		-		-		-
	-		-		-		-		11
	-		-		14		-		151
	(43)		(128)		(32)		32		191
\$	200.00	\$	200.00	\$	200.00	\$	200.00	\$	180.00
\$	255	\$	122	\$	235	\$	439	\$	602
	86		(44)		91		207		324
	1,685		1,664		2,052		1,872		1,794
	(2,009)		(1,946)		(2,362)		(2,001)		(1,982)
	4		-		27		6		6
	-		(6)		303		5		(1)
	450		153		48		1		149
	-		-		(183)		-		-
	130		(135)		(115)		(117)		(34)
\$	2.40	\$	2.40	\$	2.40	\$	3.10	\$	2.50

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

<u>Year</u>	<u>General Bonded Debt Outstanding</u>			<u>Other Governmental Activities Debt</u>			
	<u>General Obligation Bonds</u>	<u>Build America & Recovery Zone Bonds</u>	<u>Total</u>	<u>Special Assessment Bonds</u>	<u>Bond Anticipation Note</u>	<u>Capital Leases</u>	<u>Installment Loans</u>
2015	\$ 61,358	\$ -	\$ 61,358	\$ 380	\$ -	\$ 370	\$ -
2014	44,288	-	44,288	495	4,800	551	-
2013	38,980	6,300	45,280	605	4,800	728	-
2012	32,895	15,520	48,415	710	4,800	-	-
2011	25,390	15,520	40,910	810	4,800	-	-
2010	27,475	15,520	42,995	905	-	-	-
2009	27,570	7,320	34,890	995	-	-	-
2008	26,002	-	26,002	1,085	105	-	105
2007	20,807	-	20,807	1,170	207	-	207
2006	21,822	-	21,822	1,250	307	-	307

Notes:

(1) See the Schedule of Demographic and Economic Statistics on page 184 for personal income and population data.

Sources:

City of Upper Arlington Finance Department

<u>Business-Type Activities</u>				
<u>General</u>	<u>Ohio Public</u>	<u>Total</u>	<u>Percentage</u>	<u>Per</u>
<u>Obligation</u>	<u>Works</u>	<u>Primary</u>	<u>of Personal</u>	<u>Capita (1)</u>
<u>Bonds</u>	<u>Commission</u>	<u>Government</u>	<u>Income (1)</u>	<u>Capita (1)</u>
<u>Loans</u>				
\$ 726	\$ 177	\$ 63,011	3.41%	\$ 1,843
528	332	50,994	2.89%	1,499
680	590	52,683	2.88%	1,556
840	872	55,637	3.13%	1,647
1,000	947	48,467	2.81%	1,435
1,150	1,201	46,251	2.67%	1,370
1,300	1,448	38,633	2.29%	1,195
1,405	1,686	30,388	1.76%	893
1,575	1,916	25,882	1.83%	768
1,750	2,139	27,575	2.08%	874

City of Upper Arlington, Ohio
General Bonded Debt Outstanding as a Percentage of
Estimated Actual Taxable Value of Property and per Capita
Last Ten Years
(amounts expressed in thousands, except per capita amount)

Year	General Bonded Debt Outstanding	Less: Amounts Available in Debt Service Fund Restricted only for Principal Payments	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2015	\$ 62,084	\$ -	\$ 62,084	3.65%	\$ 1,816
2014	44,816	-	44,816	2.63%	1,318
2013	45,960	-	45,960	2.94%	1,358
2012	49,255	-	49,255	3.15%	1,458
2011	41,910	-	41,910	2.66%	1,240
2010	44,145	-	44,145	2.79%	1,307
2009	36,190	-	36,190	2.29%	1,120
2008	27,407	-	27,407	1.74%	806
2007	22,382	-	22,382	1.45%	664
2006	23,572	-	23,572	1.52%	747

Source: City of Upper Arlington Finance Department

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) See Table 8 for taxable property value data.

(3) Population and personal income data can be found in Table 20.

(4) General bonded debt outstanding Includes general obligation bonds and notes, Build America and Recovery Zone bonds, and business-type activities general obligation bonds.

City of Upper Arlington, Ohio
Direct and Overlapping Governmental Activities Debt
As of December 31, 2015

<u>Governmental Unit</u>	<u>Assessed Valuation</u>	<u>Gross General Obligation</u>	<u>Estimated Percentage Applicable to Upper Arlington¹</u>	<u>Estimated Share of Overlapping Debt</u>
Direct				
City of Upper Arlington	\$ 1,703,079,080	\$ 61,357,531	100.00%	\$ 61,357,531
Overlapping				
Franklin County	26,642,445,640	262,080,000	6.39%	16,746,912
Columbus City School District	8,897,475,930	428,336,556	0.03%	128,501
Dublin City School District	3,028,890,110	144,912,230	0.30%	434,737
Upper Arlington City School District	1,719,170,040	18,847,172	98.36%	18,538,078
Central Ohio JVS	4,832,980,320	<u>1,390,000</u>	0.19%	<u>2,622</u>
Subtotal, overlapping debt		855,565,958		35,850,850
Total direct and overlapping debt		<u>\$ 916,923,489</u>		<u>\$ 97,208,381</u>

Source: Auditor, Franklin County; Settlement Division

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

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

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

	Year			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Overall debt limit	\$ 178,823	\$ 179,257	\$ 164,038	\$ 164,243
Total net debt applicable to limit	39,080	43,902	43,931	54,764
Legal debt margin	139,743	135,355	120,107	109,479
Total net debt applicable to the limit as a percentage of debt limit	21.85%	24.49%	26.78%	33.34%
Unvoted Debt limit	\$ 93,669	\$ 93,896	\$ 85,925	\$ 86,032
Total net debt applicable to limit	37,620	41,730	37,066	47,589
Legal debt margin	56,629	52,724	48,859	38,443
Total net debt applicable to the limit as a percentage of debt limit	40.16%	44.44%	43.14%	55.32%

Overall (Voted and Unvoted) Debt Limitation:

Total assessed value	\$1,703,079 (1)
Debt limit (10 1/2% of total assessed value)	178,823
Debt applicable to limit:	
General obligation bonds and notes	58,486
Less: Amount set aside for repayment of general obligation debt	559
Total net debt applicable to limit	<u>57,927</u>

Legal debt margin \$ 120,896

Source: City of Upper Arlington Finance Department

Notes:

(1) Excludes accretion on deep discount debt per state law.

		<u>Year</u>					
		<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$	165,269	\$ 166,051	\$ 166,032	\$ 165,143	\$ 162,583	\$ 162,600	
	46,750	43,542	38,339	28,263	23,552	24,822	
	118,519	122,509	127,693	136,880	139,031	137,778	
	28.29%	26.22%	23.09%	17.11%	14.49%	15.27%	
\$	86,570	\$ 86,979	\$ 86,969	\$ 86,503	\$ 85,162	\$ 85,171	
	42,025	38,187	32,849	21,793	15,917	16,496	
	44,545	48,792	54,120	64,710	69,245	68,675	
	48.54%	43.90%	37.77%	25.19%	18.69%	19.37%	

Unvoted Debt Limitation:

Total assessed value	\$ 1,703,079
Debt limit (5 1/2% of total assessed value)	93,669
Debt applicable to limit:	
General obligation bonds and notes	58,486
Less: Debt outside limitations	<u>2,040</u>
Debt within limitation	56,446
Less: Amount set aside for repayment of general obligation debt	<u>559</u>
Total net debt applicable to limit	<u>55,887</u>
Legal debt margin for unvoted debt	<u><u>\$ 37,782</u></u>

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

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (amounts expressed in thousands)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Age (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment</u>	
						<u>Local Rate (3)</u>	<u>State Rate (4)</u>
2015	34,191	\$ 1,845,288	\$ 53,970	42.8	5,894	4.4%	5.2%
2014	34,008	1,766,103	51,932	41.8	5,786	4.8%	5.7%
2013	33,848	1,830,229	54,072	42.9	5,812	6.2%	7.1%
2012	33,785	1,776,787	52,591	42.8	5,847	6.1%	7.2%
2011	33,785	1,724,690	51,049	42.8	5,521	7.5%	8.6%
2010	33,771	1,735,289	51,384	41.8	5,521	7.7%	9.5%
2009	32,321	1,808,910	52,145	42.2	5,415	9.8%	10.2%
2008	34,023	1,726,701	50,751	42.1	5,438	5.3%	6.5%
2007	33,686	1,415,654	42,025	42.6	5,492	4.9%	5.8%
2006	31,550	1,325,889	42,025	42.6	5,628	4.7%	5.5%

Sources:

1. U.S. Census Bureau, American Fact Finder.
2. Ohio Department of Education, Enrollment by District.
3. U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics
4. U.S. Bureau of Labor Statistics, State and Local Unemployment Rates

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

Function	Full-time Equivalent Employees as of December 31				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Public Safety					
Police	63.0	63.0	63.0	65.0	65.0
Fire	57.0	60.0	60.0	60.0	64.0
General Government	36.5	35.8	36.6	40.1	40.1
Public Services (3)	41.2	41.9	44.4	33.0	33.3
Parks and Recreation (2)	54.4	55.1	52.2	56.3	56.3
Community Development	8.8	8.8	9.8	9.8	9.3
Utilities (1)	0.0	0.0	0.0	9.8	9.8
Total	260.8	264.5	266.0	274.1	277.8

Function	Full-time Equivalent Employees as of December 31				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Public Safety					
Police	65.0	65.0	65.0	65.0	65.0
Fire	64.0	64.0	64.0	64.0	64.0
General Government	46.5	47.6	47.6	47.6	47.0
Public Services	34.2	34.2	34.2	34.2	33.2
Parks and Recreation (2)	50.8	50.8	51.5	50.8	49.8
Community Development	10.0	10.0	10.0	10.0	10.0
Utilities (1)	12.2	12.2	12.2	12.2	12.2
Sanitation	-	0.0	23.2	23.2	23.2
Total	282.7	283.8	307.7	307.0	304.4

Notes:

- (1) Includes water, sewer and stormwater
- (2) Includes seasonal employees for parks and recreation programs and swimming pools
- (3) Public services and utilities functions combined during 2013.

Source:

City of Upper Arlington Finance Department

City of Upper Arlington, Ohio
Capital Asset Statistics
Last Ten Years

Function	Year			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<i>Public Safety - Police</i>				
Number of police stations	1	1	1	1
Number of police cruisers	15	15	15	15
Number of pieces of equipment	257	257	257	257
<i>Public Safety - Fire</i>				
Number of fire stations	2	2	2	2
Number of fire engines	3	3	3	3
Number of medics	3	3	3	3
Number of pieces of equipment	264	253	275	298
<i>Public Services</i>				
Miles of roads	356	204		204
Number of traffic signals	51	51	52	52
Number of streetlights	1,491	1,491	1,491	1,497
<i>Parks and Recreation</i>				
Number of parks	28	28	28	28
Acres of parkland	170	170	170	170
Number of swimming pools	2	2	3	3
Number of tennis courts	21	21	21	21
Number of senior centers	1	1	1	1
<i>Utilities</i>				
Number of fire hydrants	1,958	1,958	1,958	1,958
Number of catch basins	3,400	3,400	3,400	3,400
Miles of sanitary sewer	145	145	145	145
<i>Solid Waste</i>				
Number of packer trucks	-	-	-	-
Number of satellite vehicles	-	-	-	-
Roll-Off Truck	-	-	-	-
Stake Bed Truck	-	-	-	-
Pick-up Trucks	-	-	-	-

Sources:

1. City of Upper Arlington departments

Table 22

<u>Year</u>					
<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
1	1	1	1	1	1
15	15	15	15	13	15
257	257	257	255	255	257
2	3	3	3	3	3
3	3	3	3	3	3
3	4	4	3	3	3
288	272	272	295	306	319
204	204	204	154	154	153
52	52	52	52	52	54
1,497	1,427	1,427	1,427	809	659
28	28	28	25	25	22
170	180	180	180	180	180
3	3	3	3	3	3
20	20	20	23	23	23
1	1	1	1	1	1
1,958	1,958	1,958	1,958	1,958	1,958
3,400	3,400	3,400	3,400	3,400	3,400
145	145	145	145	145	143
-	-	-	-	10	11
-	-	-	7	21	22
-	-	-	-	1	1
-	-	-	-	1	1
-	-	-	3	4	3

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

Function	Operating Indicators by Function			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<i>Public Safety - Police</i>				
Number of citations issued	4,146	4,109	3,678	4,015
Number of arrests	630	503	451	474
Number of accidents	406	453	407	478
<i>Public Safety - Fire</i>				
Number of fire responses	1,898	1,806	1,664	1,821
Number of EMS responses	3,128	3,049	3,114	3,196
Number of inspections	1,518	1,815	2,023	2,085
<i>General Government</i>				
Number of probation cases	203	270	293	251
Number of traffic cases	2,802	2,728	2,560	2,900
Number of fleet management repairs	1,182	1,795	1,667	2,034
<i>Public Services</i>				
Roadway repairs-surface (sq. ft.)	25,312	13,861	2,955	23,110
Street cleaning-leaf collection (cu. Yds.)	20,838	21,819	20,946	16,123
Street cleaning-snow removal (hours)	2,997	2,741	2,462	519
<i>Parks and Recreation</i>				
Number of registrations for programs	13,551	18,906	14,330	11,806
Number of programs/classes	966	2,039	1,996	1,918
Number of trees planted (less removed trees)	123	210	80	221
<i>Community Development</i>				
Number of building permits issued	514	624	521	426
Number of building inspections conducted	2,374	3,050	2,249	2,645
Number of code investigations	735	627	827	894
<i>Utilities</i>				
Number of fire hydrant repairs (water)	154	107	77	60
Number of catch basin repairs (stormwater)	195	170	50	92
Number of manhole repairs (sewer)	2	5	16	45
<i>Solid Waste</i>				
Number of refuse collected (tons)	5,526	6,459	5,945	6,116
Number of yard waste collected (tons)	100	1,185	298	182
Number of recyclables collected (tons)	4,652	4,608	4,615	4,662

Sources:

1. City of Upper Arlington departments

Operating Indicators by Function

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
4,200	4,642	4,497	4,181	4,293	3,616
592	633	705	711	586	734
524	510	496	539	516	555
4,815	3,077	3,226	3,500	3,493	3,300
3,224	3,418	3,916	4,000	3,954	3,533
1,917	1,435	952	1,437	1,437	1,700
269	289	302	269	216	227
2,977	3,459	3,253	3,200	2,939	3,178
2,210	2,328	2,370	2,407	2,898	2,874
21,051	35,336	86,425	116,686	109,082	131,774
17,503	18,312	21,178	22,669	21,668	22,235
1,207	2,787	823	1,168	2,002	294
16,415	67,628	12,173	8,999	11,406	22,409
1,934	5,183	1,461	1,383	802	1,146
194	210	215	275	306	173
463	370	378	383	376	380
5,069	3,210	3,014	2,259	2,455	2,542
817	1,121	924	1,017	934	698
57	92	86	97	75	106
108	200	195	225	244	82
64	-	28	54	42	63
6,618	6,209	6,400	6,700	6,814	7,120
205	282	384	300	391	599
4,956	4,805	5,600	4,400	4,362	5,747

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Dave Yost • Auditor of State

CITY OF UPPER ARLINGTON

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST 18, 2016