

CITY OF UPPER ARLINGTON

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 1999

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Richard A. King

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Director

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Payroll Administrator

Linda R. Pruden
Management Assistant

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CITY OF | UPPER ^{ARL} ARLINGTON

LIST OF CITY OFFICIALS
ELECTED OFFICIALS
As of January 1, 2000

President/Mayor	David A. Varda
Vice President/Vice Mayor	Paula Brooks
Council Member	Lynne C. Brown
Council Member	Timothy S. Rankin
Council Member	Clark P. Pritchett, Jr.
Council Member	Joseph W. Ray
Council Member	James R. Winfree

APPOINTED OFFICIALS

City Manager	Richard A. King
City Attorney	Sharon Hunter Pfancuff
City Clerk	Margie Carvour
Clerk of Courts	Cynthia J. Bitter

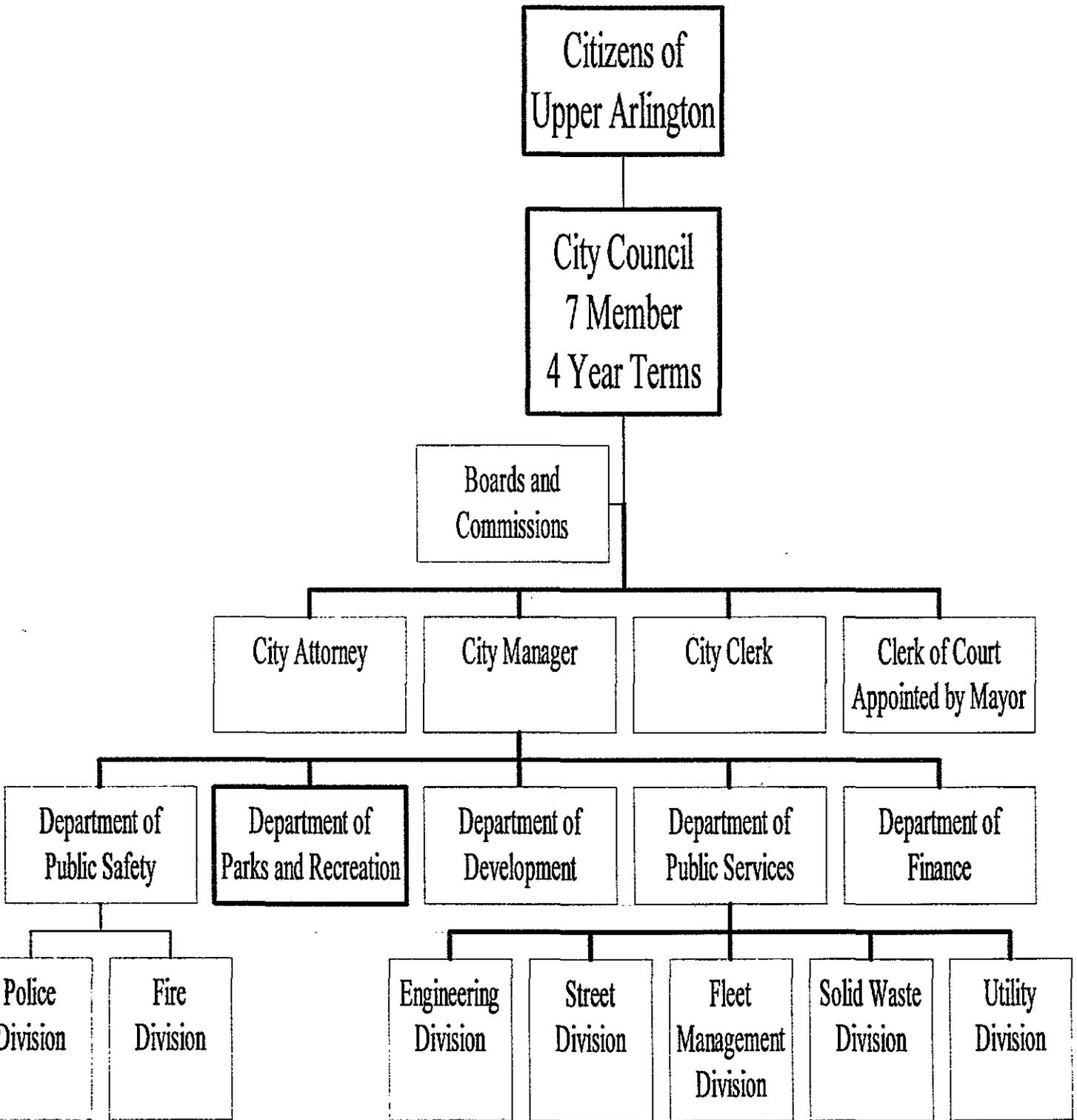
EXECUTIVE STAFF

Development Director	Dean R. Sivinski
Finance Director	Catherine Armstrong
Fire Division Chief	Mitchell Ross
Parks and Recreation Director	Tim Thissen
Police Division Chief	Dwight A. Holcomb
Public Services Director	Larry Helscel
Director of Economic Development	Patricia Dalton
Information Technology Director	Christopher Husenitza



CITY OF | UPPER  ARLINGTON

City of Upper Arlington Organizational Chart





CITY OF | U P P E R ^{AR} T A R L I N G T O N



June 12, 2000

**The Honorable David A. Varda and
Members of City Council
City of Upper Arlington, Ohio**

Dear Mayor Varda and Members of City Council:

The Comprehensive Annual Financial Report of the City of Upper Arlington, Ohio, for the fiscal year ended December 31, 1999, is submitted herewith. The report is presented in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of the various funds. The City Finance Department is responsible for the accuracy of the data presented and the completeness and fairness of the presentation.

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

Contents of the Report

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

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

Reporting Entity

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

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David A. Varda, President of Council • Paula Brooks, Vice President of Council • Lynne C. Brown • Clark P. Pritchett, Jr. • Timothy S. Rankin • Joseph W. Ray
James R. Winfree • Richard A. King, City Manager • Sharon H. Pfancuff, City Attorney • Margie C. Carvour, Clerk of Council

As required by generally accepted accounting principles, the accompanying general purpose financial statements include all the organizations, activities and functions in which the City (the Primary government) exercises financial accountability.

Economic Condition and Outlook

The City is seldom impacted by the economic shifts at the national or local level. For the most part, the City is a residential community with only a small commercial base. Commercial enterprises comprise about four percent of the total land use in the City. There is no industry in the City. The commercial base is concentrated in three corridors: Lane Avenue Shopping Center, Kingsdale Shopping Center and the Henderson Road Corridor. Although individual units within the corridors may turn over, in the aggregate there is stability.

The major employers located in the City are public, non-profit corporations, resulting in stability in the employment base. The exception is CompuServe, a computer time and information sharing service. In 1997, America On-Line (AOL) purchased CompuServe. AOL has committed to maintaining operations in Upper Arlington. The company is also currently undergoing a significant renovation and expansion of the CompuServe headquarters in Upper Arlington, and has committed to City and State officials that operations will remain in the City for at least 10 years.

Within the commercial base there are a large number of professional offices that account for about one-third of the total income tax receipts. The City's small economic base is evidenced by the fact that, on average, less than ten percent of income tax receipts come from corporate profits, which accounts for the stability in income tax receipts.

We are fortunate in that we do not have major expenditures associated with commercial growth, since the City is nearly fully developed. As a result, we concentrate on providing quality public services to our residents.

Current Year Accomplishments

If 1998 was the year of technology planning in Upper Arlington, 1999 was the year of implementation. Our expanded information technology staff accomplished the huge task of installing and operating new local and wide area networks, enabling City staff to communicate more quickly and efficiently between departments and separate City buildings. This efficiency also included the transition from internal payroll preparation to a partnership with Automated Data Processing, Inc. (ADP). This transition incorporated new software, allowing both the Finance and Human Resources departments enhanced ability to process and access information.

The City also upgraded its phone system to incorporate the latest communication technology. Besides being more cost-effective, the new system gives residents and colleagues to take advantage of direct-dial capability to allow direct access to staff.

Upper Arlington also took a bold look at the community's future by working to revise the City's master plan - a process that had not been done since the 1960's. A 35-member panel of residents representing a varied cross-section of the community formed the Community Vision Partnership to identify existing conditions in the community and then develop a set of goals, priorities and objectives to highlight in the new comprehensive plan.

Communication became a higher priority in 1999. Part of the success of the Community Vision Partnership is buy-in from the residents; therefore, to aid in this effort, the City held a series of public forums, highlighting renowned speakers from Central Ohio and around the country.

The City also launched a new publication of its own in 1999. *Upper Arlington Magazine™* debuted in November. The bi-monthly magazine is the result of a public/private partnership between the City of Upper Arlington and the Publishing Groups Ltd. The Publishing Group staff handles feature articles and advertising sales and the City provides copy for the exclusive City Pages section in each issue.

Upper Arlington saw new and economic activity this past year with expansion of National Church Residences, the addition of Horizons Companies (a multimedia production company) and the growth of CompuServe.

Future Initiatives

In 2000, the technology push will continue as the City begins taking bill payments online thanks, in part, to an innovative partnership with the private company govWorks. Upper Arlington will become one of the first communities in the country and the first in Ohio to actually utilize e-government.

Other City Goals for the year 2000 include:

1. Renovation of the City's Municipal Services Center, which has not been done since it was built in the 1970's. This calls for reallocation of existing space, new paint, carpet and furnishings, more meeting and conference space, alternative storage options and adaptations to meet technology needs.
2. Continued progress in the City's capital and infrastructure improvements including the addition of three new engineering staff to facilitate the Capital Improvements Program.
3. Finalizing the City's Master Plan and presenting it to City Council for adoption.
4. Hosting the second Upper Arlington Firefighter's Combat Challenge at Kingsdale Center. Last year's inaugural event brought over 120 firefighters from around the United States and Canada to compete and attracted hundreds of spectators.
5. Completion of the first comprehensive Community Attitude Survey conducted in Upper Arlington since the 1960's.
6. Continue to explore economic development and redevelopment opportunities within the community.
7. Develop and implement a merit pay system for employees, which includes a comprehensive evaluation process and training for staff supervisors.

Service Efforts and Accomplishments

The City prides itself in providing quality services to its residents. In 1999, we continued our programs that have made the quality of life in Upper Arlington the envy of other communities. Our Parks and

Recreation Department continues to expand on the programs that are available to all citizens, with particular emphasis on residents. In addition to the free services available at all parks, a number of fee-for-service programs are also available, including exercise classes and summer day camp. A particular focus involves the senior citizens, with numerous programs available at the Senior Center.

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

The City has a number of advisory boards, committees and commissions to which residents are appointed by either the Mayor or the City Council. The members perform functions as provided by the enabling legislation. There are presently 9 such organizations. In addition, City Council periodically establishes task forces to examine particular issues in the Community.

FINANCIAL INFORMATION

Accounting and Administrative Internal Controls

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

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

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

The concept of reasonable assurance recognizes that:

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

Management believes that internal controls adequately meet the above objectives.

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

The City Manager is responsible for approving all expenditures and for executing all contracts. The Finance Director supervises the Finance Department, whose duties include:

1. Examination of all claims for payment and certification as to the availability of appropriations to pay claims;

2. Maintenance of accounting records, property and equipment inventories, and accounting internal controls;
3. Preparation of interim financial reports as well as the annual financial report;
4. Central purchasing and the preparation of payrolls;
5. Income tax administration;
6. Investment of City funds; and
7. Special projects as directed by the City Manager or City Council.

Budgetary Control

The City complies with the requirements of the Ohio Revised Code in the adoption of the budget. Appropriations for the operation of various City departments are established through the passage of an ordinance by City Council. Budgetary control is facilitated through the maintenance of an encumbrance system for purchase orders, and through the use of the City's automated financial system.

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

General Government Functions

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

Schedule of Revenues:

Revenues from all governmental fund type operations approximated \$31,339,000. The amount of revenues from various sources, the percentage of the total, and the increase or decrease from 1998 are shown in the following schedule (in thousands of dollars or percents):

	1999	1998	Increase (Decrease) Dollars	Percent	Percent 1999	of Total 1998
Income taxes	\$12,313	\$9,407	\$2,906	30.9%	39.3%	31.9%
Property taxes	6,685	7,519	(834)	(11.1%)	21.3%	25.5%
Intergovernmental	3,380	3,365	15	0.4%	10.8%	11.4%
Estate taxes	5,642	4,687	955	20.4%	18.0%	15.9%

	1999	1998	Increase Dollars	(Decrease) Percent	Percent 1999	of Total 1998
Charges for services	840	778	62	8.0%	2.7%	2.6%
Investment earnings	1,320	1,501	(181)	(12.1%)	4.2%	5.1%
Net Increase (Decrease) in fair value of investments	(636)	315	(951)	(301.9%)	(2.0%)	1.1%
Fines and forfeits	317	279	38	13.6%	1.0%	1.0%
Licenses and permits	299	269	30	11.2%	1.0%	0.9%
Miscellaneous	1,179	1,369	(190)	(13.9%)	3.7%	4.6%
TOTAL	\$31,339	\$29,489	\$1,850	6.3%	100.0%	100.0%

Income, property and estate taxes, along with governmental revenues, comprise approximately 90% of the City's revenues. The City has received estate tax in excess of \$2 million for nine consecutive years and in excess of \$4 million for the last three years. The estate tax revenue average for the last ten years is \$3.1 million. The City's income tax rate is 2% of salaries and/or net profits from the operation of a business. The withholdings of the tax from salaries is the largest component of the income tax. The withholdings category makes up 73% of the total income tax received in 1999 up 47% from last year. This unusually large increase can be largely attributed to one employer's incentive program. This is not expected to be a recurring item.

Property taxes decreased approximately 11% in 1999. Most of this decrease was anticipated since it occurred from a lower tax levy for the payment of debt. The remaining decrease is attributable to a decrease in personal property tax. This occurred in a reorganization of one large tax payer. The City received a record \$5.6 million in estate tax in 1999. This is an increase of 20% over last year. The estate tax is highly unpredictable as a revenue stream. However, the economy as a whole and the stock market in general has attributed to the higher estate settlements in the past few years.

Intergovernmental revenue increased slightly to \$3.380 million from \$3.365 million. Intergovernmental revenues primarily come from the State of Ohio and include the City's share of the distribution from the Local Government Fund, a form of general revenue sharing; the City's share of gasoline tax distributions and motor vehicle license fees; and some small grants accounting for approximately 11% of the City's revenue.

Licenses and Permits revenue increased in excess of 11%. The license and permit revenue fluctuate with the amount of construction and renovation taking place in the City. Although 11% is a large increase, the 1998 revenue was unusually low.

Miscellaneous Revenue decreased approximately 14%. This decrease was anticipated as 1998 revenue was mostly attributed to non-reoccurring payments. The 1999 \$1.2 million is more comparable with 1997 and 1996 revenue.

In 1999 charges for services primarily reflect the fees charged by the Parks and Recreation Department for the various programs that are provided to citizens throughout the year. There is a direct correlation

between fee-based programs and the expenditures to undertake the programs, in that insufficient registrations for a program will result in its cancellation. This revenue category increased 8% over 1998.

Investment earnings decreased 12% in 1999. This decrease is partially due to the decrease availability of bond proceeds to be invested. The overall average return on investments was 6.87% in 1999 which is similar to the average return of 6.93% in 1998. The investment earnings comprise 4.2% of the total revenue of the City.

The change in fair value of investment amount is the change between cost and fair value of the City's investments at December 31, 1999.

Beginning in June, 1999, the Federal Reserve began raising interest rates to prevent domestic inflation pressures. By December 31, 1999, the Federal Reserve had raised rates three times by a total of $\frac{3}{4}$ of a point. Higher interest rates decrease the value of governmental securities and agency obligations already issued because they are paying a lower rate of interest than currently available with new issues.

Even under these conditions, the City's portfolio, however, has outperformed the market. At December 31, the City's portfolio has an average maturity of 1.9 years and an unrealized loss of approximately 1.15%. Comparatively, the average 2 year Treasury Note had a loss in excess of 1.50% during 1999.

The City intends to hold all investments to maturity and, therefore, doesn't expect to ever have to incur these unrealized losses. In addition, the City's portfolio has enough short-term liquidity to meet current obligations and there is little risk of a forced sale of these securities and obligations.

Schedule of Expenditures

Expenditures for all governmental fund type operations totaled approximately \$27,046,000 and the expenditures for major functions of the City, the percentage of the total and the increase or decrease from 1998 are shown in the following schedule (in thousands of dollars or percents):

	1999	1998	Increase (Decrease)		Percent of Total	
			Dollars	Percent	1999	1998
Public safety	\$10,350	\$9,534	\$816	8.6%	38.3%	28.8%
General government	6,054	5,150	904	17.6%	22.4%	15.5%
Public services	1,950	1,842	108	5.9%	7.2%	5.6%
Parks and recreation	2,079	2,008	71	3.5%	7.7%	6.1%
Community development	567	550	17	3.1%	2.1%	1.7%
Health	109	121	(12)	(9.9%)	0.4%	0.4%
Capital outlay	4,168	4,931	(763)	(15.5%)	15.4%	14.9%
Debt Service	1,769	8,998	(7,229)	(80.3%)	6.5%	27.0%
Total	\$27,046	\$33,134	\$(6,088)	(18.4%)	100.0%	100.0%

The City's overall expenditures decreased in 1999 by approximately 18%. However, this percentage is skewed by the capital outlay and debt service category. In 1998, the City issued \$5.1 million in General Obligation notes that were replaced with bonds. Since no bonds were issued in 1999, the activity in the debt service expense category was comprised of the yearly principal and interest payments. The decrease in capital outlay is a result of the declining bond proceeds used for capital improvements.

Excluding the capital outlay and debt service, other operating expenditures increased approximately 10%. The majority of this increase occurred in General government function. General government expenditures include the costs of maintaining the legislative and administrative branches of the City government including the City Council, City Clerk, City Attorney, City Manager, Finance Department, Clerk of Mayor's Court, Information Technology Services, Fleet Maintenance and the cost of operating the Municipal Services Center. In 1999, two staff positions were added to Information Technology Services. The City also added a Human Resource Specialist and a Safety Coordinator in the office of the City Manager.

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

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

Public Safety expenditures increased approximately 9% due mostly to increased personnel cost. Firefighters were awarded an approximate 6% annual salary increase by an arbitrator. Increased overtime in the Police Division along with a 4% wage increase attributed to most of the additional costs in the category.

Review of Fund Balances of Governmental Funds

	1999	1998
Fund balances, January 1	\$22,771	17,233
Revenues and other sources	37,941	47,452
Expenditures and other uses	(33,787)	(41,861)
Residual equity transfer		(83)
Change in accounting principle		30
Fund balances, December 31	26,925	22,771
Reserve for encumbrances	(2,237)	(809)
Reserve for self-insurance	(1,886)	(1,991)
Reserve for capital equipment, debt service & improvements	(1,366)	(1,880)
Reserve for inventory	(145)	(155)

	1999	1998
Total reservations	(5,634)	(4,835)
Unreserved fund balances	\$21,291	17,936

The increase in the fund balance is attributed to both the increase in revenues and reduction in expenditures as previously discussed.

The reservations are legal restrictions on the use of funds. The reserve for encumbrances represents the portion of unexecuted purchase orders and contracts that are expected to come due in 2000 or later.

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

The reserve for capital equipment, debt service and improvements represent legal restrictions on income tax and property tax revenues. By ordinance 13 1/3% of income tax revenues are to be dedicated for this purpose. In addition, one-half mill of property tax receipts have also been dedicated for this purpose, also by ordinance. The reserve reflects the amount available for these purposes at the end of 1999. The funds are maintained in two general fund accounts: capital asset management and capital improvement.

Additional Financial Information

The City does not rely on grant funds from the federal or state governments for any functions. In 1999, the City received a grant from the Ohio Arts Council for the cultural arts programs.

Proprietary Operations

The City operates four enterprise operations. One is for the collection and disposal of refuse, accounted for in the Solid Waste Fund. The other three are for the maintaining of the water, sewer and stormwater lines of the City. The water and sewer user fees are based upon water usage by the residents. Stormwater fees are broken into two classes: class A (residential) properties are assessed a \$33.00 annual fee and class B (commercial) properties are charged based on equivalent run-off unit (ERU). The water surcharge in 1999 was \$2.25 per metered cubic foot (MCF). The sanitary sewer surcharge was \$4.65 per MCF. The stormwater class B fee in 1999 was \$14.67 per ERU.

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

The following is a summary of the proprietary operations (in thousands of dollars):

	1999	1998
Operating revenues	\$4,699	\$4,277
Operating expenses	4,374	3,959
Operating income	325	318
Non-operating revenues & expenses, net	21	(332)
Operating transfers-in	139	163
Net income	485	149
Depreciation on contributed capital	360	297
Increase in retained earnings	845	446
Retained earnings, beginning of year	741	295
Retained earnings, end of year	1,587	741

The increase in retained earnings was obtained by expenditure reductions and increased revenues.

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

Fiduciary Fund Types

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

Debt Administration

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

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

In 1999, the ratio of general obligation debt to property tax valuation was 1.4%, excluding the amount available in debt service funds; however, a substantial portion of the debt is being paid from sources other than the property tax.

In accordance with state statutes, the City is limited in the amount of debt that can be issued without a vote of the people, and to the amount of total debt that can be issued. The limits are 5- 1/2% and 10 1/2% of assessed valuation, respectively. For unvoted debt, the limit at the end of 1999 was \$60.6 million, and the limit for total debt was \$115.7 million. The capacity to issue additional debt at the end of 1999 was \$50 million for unvoted debt and \$100 million for total debt. Net general bonded debt per capita at the end of 1999 was \$439.67.

At the end of 1999, total general obligation bonded debt was \$16,339,988.

The City also had \$3,504,850 in outstanding loans from the Ohio Public Works Commission. These loans made for infrastructure projects will be repaid by the revenues of the Enterprise funds.

Cash Management

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

Cash temporarily idle during the year was invested in overnight repurchase agreements; in U.S. Treasury Notes ranging from one year to four years to maturity; in investments in mutual funds and pools managed by the State of Ohio; and in securities issued by government agencies, including the Federal Home Loan Mortgage Corporation and Federal National Mortgage Association and in Commercial Paper. The yields on the portfolio at December 31 ranged from approximately 4.2% to 6.9%, and the average for the entire portfolio was 5.9 %. In 1999, interest income amounted to \$1,716,732.

The City's investments are categorized to give an indication of the level of risk assumed by the City at December 31, 1999. Category 1 includes insured or registered investments for which the securities are held by the City's agent or the agent's trust department in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the City's agent or the agent's trust department in the City's name.

Category 3 includes uninsured and unregistered investments for which the securities are held by the City's agent or the agent's trust department, but not in the City's name. Investments in mutual funds and pools managed by other governments are not required to be categorized. At year-end investments were as follows:

	Category			Fair Value
	1	2	3	
U. S. Government Securities	\$ 8,883,750	-	-	\$ 8,883,750
Federal Agency Securities	13,027,639	-	-	13,027,639
Commercial Paper	1,968,818	-	-	1,968,818
Corporate Notes	2,974,058	-	-	2,974,058
STAROhio				<u>3,298,324</u>
Total investments	<u>\$26,854,265</u>			<u>\$ 30,152,589</u>

In addition to the investments, \$597,371 was available in cash deposits.

Risk Management

On October 1, 1997, the City established membership in the CORMA Self-Insurance pool for property liability coverage. Membership in the Pool, which includes other cities, enables the City to have more control over claims and still realize any savings from the insurance pool. The City has purchased general liability insurance through CORMA which covers claims up to \$20,000,000 with a \$100,000 deductible.

Prior to membership in CORMA, the City was self-insured for property liability coverage. The action was taken after analyzing the City's experience for losses due to liability compared to the cost of the liability coverage paid to the insurer. The City has established an account for self-insurance and has reserved approximately \$1.9 million of the general fund balance to cover liability claims. This amount will remain until the City is satisfied that all claims have been settled. The City has purchased insurance to cover claims above \$1 million. In addition, City Council has set aside \$5 million of the City's total debt capacity to be used for catastrophic liabilities. This means that the City could issue up to \$5 million in debt if needed.

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

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

New Accounting Pronouncements

In December 1998, the GASB issued Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. This statement requires the recognition of nonexchange transactions in the financial statements unless the transactions are not measurable (reasonably estimable) or are not probable of collection. This statement is effective for periods beginning after June 15, 2000, and the City has not adopted the provisions of this statement in the accompanying financial statements. Management has not completed the process of evaluating the impact that will result from adopting this statement, and therefore unable to disclose the impact that adopting the statement will have on its financial position and results of operations when such statement is adopted.

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This statement represents a dramatic change in the way state and local governments present basic financial information. This statement is effective for periods beginning after June 15, 2002, and the City has not adopted the provisions of this statement in the accompanying financial statements. Management has not completed the process of evaluating the impact that will result from adopting this statement, and therefore unable to disclose the impact that adopting the statement will have on its financial position and results of operations when such statement is adopted.

Independent Audit

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

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Upper Arlington for its comprehensive annual report for the fiscal year ended December 31, 1998.

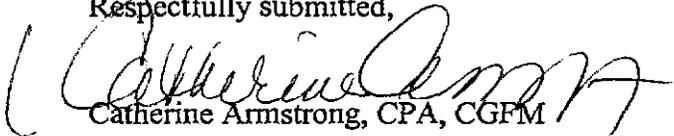
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal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

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

Acknowledgements

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

Respectfully submitted,


Catherine Armstrong, CPA, CGFM
Finance Director


Richard A. King
City Manager



CITY OF | UPPER  ARLINGTON

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, 1998

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



Carol Brueck
President

Jeffrey L. Esler
Executive Director



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

Members of City Council
City of Upper Arlington, Ohio:

We have reviewed the independent auditor's report of the City of Upper Arlington, Franklin County, prepared by KPMG LLP, for the audit period January 1, 1999 through December 31, 1999. 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, appearing to read "Jim Petro", written over a large, stylized flourish that loops around the text.

JIM PETRO
Auditor of State

June 29, 2000



CITY OF | UPPER  ARLINGTON



Two Nationwide Plaza
Columbus, OH 43215

Telephone 614 249 2300
Fax 614 249 2348

Independent Auditors' Report

Members of City Council
City of Upper Arlington, Ohio:

We have audited the accompanying general purpose financial statements of the City of Upper Arlington, Ohio (the City) for the year ended December 31, 1999 as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City as of December 31, 1999 and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2000 on our consideration of the City's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grants.

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

KPMG LLP

June 2, 2000



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



CITY OF | UPPER  ARLINGTON

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1999
(with totals for December 31, 1998)**

Governmental Fund Types

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
ASSETS:				
Equity in pooled cash and investments (note 3) \$	15,206,211	1,026,679	631,698	7,855,047
Receivables (note 4)	8,654,044	690,843	558,332	14,585
Inventory	85,669	59,693		
Due from other funds (note 10)	2,459,637			
Other assets				
Property, plant and equipment (net of depreciation, where applicable) (note 6)				
Amounts available in debt service funds				
Amount to be provided for retirement of general long-term debt				
TOTAL ASSETS	\$ 26,405,561	1,777,215	1,190,030	7,869,632

See accompanying notes to the general purpose financial statements.

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
Enterprise (note 8)	Internal Service	Agency	General Fixed Assets	General Long-term Obligations	1999	1998
2,382,182	63,511	3,584,632			30,749,960	28,420,905
442,676					10,360,480	9,905,100
					145,362	155,347
	168,017				2,627,654	31,802
69,576					69,576	105,875
14,054,456			20,093,790		34,148,246	33,923,590
				649,988	649,988	558,936
				12,976,766	12,976,766	14,318,684
16,948,890	231,528	3,584,632	20,093,790	13,626,754	91,728,032	87,420,239

(Continued)

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1999
(with totals for December 31, 1998)**

Governmental Fund Types

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ 513,011	44,842		597,468
Due to other funds (note 10)	168,017			
Deferred revenue	5,931,095	557,624	540,042	
Accrued liabilities	1,386,867	69,253		
Accrued vacation and sick leave (note 7)	333,172			
Accrued retirement payments (note 7)	175,889			
Bonds and notes payable (note 7)				
Due to others				
TOTAL LIABILITIES	8,508,051	671,719	540,042	597,468
<u>FUND EQUITY AND OTHER CREDITS:</u>				
Investment in general fixed assets				
Contributed capital				
Retained earnings				
Fund balances:				
Reserved for inventory	85,669	59,693		
Reserved for encumbrances	318,102	60,540		1,858,366
Reserved for general liability self insurance	1,885,632			
Reserved for capital equipment, debt service and improvements	1,365,501			
Unreserved	14,242,606	985,263	649,988	5,413,798
TOTAL FUND EQUITY AND OTHER CREDITS	17,897,510	1,105,496	649,988	7,272,164
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 26,405,561	1,777,215	1,190,030	7,869,632

See accompanying notes to the general purpose financial statements.

Exhibit I, (Concluded)

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals	
			General Fixed Assets	General Long-term Obligations	(Memorandum Only)	
Enterprise (note 8)	Internal Service	Agency			1999	1998
45,063	231,528				1,431,912	817,766
		2,459,637			2,627,654	31,802
302,821					7,331,582	7,204,207
175,294					1,631,414	1,418,831
170,416				1,473,150	1,976,738	1,808,504
					175,889	645,863
7,691,234				12,153,604	19,844,838	21,525,180
		1,124,995			1,124,995	3,504,514
8,384,828	231,528	3,584,632	0	13,626,754	36,145,022	36,956,667
			20,093,790		20,093,790	19,705,947
6,977,411					6,977,411	7,244,823
1,586,651					1,586,651	741,374
					145,362	155,347
					2,237,008	809,377
					1,885,632	1,990,938
					1,365,501	1,879,982
					21,291,655	17,935,784
8,564,062	0	0	20,093,790	0	55,583,010	50,463,572
16,948,890	231,528	3,584,632	20,093,790	13,626,754	91,728,032	87,420,239

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
For the Fiscal Year Ended December 31, 1999**

	Governmental Fund Types		
	General	Special Revenue	Debt Service
REVENUES:			
Income tax	\$ 12,313,204		
Property taxes	6,037,970		647,345
Intergovernmental	2,482,479	897,206	
Estate tax	5,641,678		
Charges for services	505,501	335,030	
Investment earnings	1,124,170	15,996	
Net increase (decrease) in fair value of investments	(586,664)	(9,100)	
Fines and forfeits	291,862	25,659	
Licenses and permits	298,740		
Miscellaneous	1,052,175	126,570	
Total revenues	29,161,115	1,391,361	647,345
EXPENDITURES:			
Current:			
Public safety	10,336,342	13,322	
General government	5,925,630	128,736	
Public services	810,829	1,139,676	
Parks and recreation	1,811,387	267,498	
Community development	566,864		
Health services		108,552	
Capital outlay	1,039,372	58,583	
Debt service:			
Principal retirement			1,188,410
Interest and fiscal charges			580,298
Total expenditures	20,490,424	1,716,367	1,768,708
Excess (deficiency) of revenues over expenditures	8,670,691	(325,006)	(1,121,363)
OTHER FINANCING SOURCES (USES):			
Proceeds from bonds and notes			
Proceeds from refunding bonds			
Escrow transfer for advance refunding of bonds			
Operating transfers-in		704,000	1,212,415
Operating transfers-out	(6,741,278)		
Total other financing sources (uses)	(6,741,278)	704,000	1,212,415
Excess of revenues and other financing sources over expenditures and other uses	1,929,413	378,994	91,052
Fund balances at beginning of the year before cumulative effect of change in accounting principle	15,968,097	726,502	558,936
Cumulative effect of change in accounting principle			
Restated fund balances at beginning of year	15,968,097	726,502	558,936
Residual Equity Transfers			
Fund balances at end of year	\$ 17,897,510	1,105,496	649,988

See accompanying notes to the general purpose financial statements.

Exhibit II

Capital Projects	Totals (Memorandum Only)	
	1999	1998
	12,313,204	9,406,931
	6,685,315	7,519,363
	3,379,685	3,364,427
	5,641,678	4,687,336
	840,531	777,985
179,441	1,319,607	1,500,726
(40,643)	(636,407)	315,157
	317,521	279,149
	298,740	268,601
	1,178,745	1,369,356
138,798	31,338,619	29,489,031
	10,349,664	9,533,696
	6,054,366	5,149,758
	1,950,505	1,841,950
	2,078,885	2,008,057
	566,864	550,421
	108,552	120,688
3,070,280	4,168,235	4,931,346
	1,188,410	8,325,997
	580,298	672,271
3,070,280	27,045,779	33,134,184
(2,931,482)	4,292,840	(3,645,153)
		9,354,413
		5,766,019
		(5,721,613)
4,685,753	6,602,168	2,842,803
0	(6,741,278)	(3,006,100)
4,685,753	(139,110)	9,235,522
1,754,271	4,153,730	5,590,369
5,517,893	22,771,428	17,233,229
		30,484
5,517,893	22,771,428	17,263,713
		(82,654)
7,272,164	26,925,158	22,771,428

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
BUDGET BASIS (note 15)
For the Fiscal Year Ended December 31, 1999**

	General Fund			
	Adopted	Revised	Actual	Variance
	Budget	Budget		
REVENUES:				
Income tax	\$ 8,810,000	11,982,000	12,124,362	142,362
Property taxes	6,137,658	6,247,658	5,971,524	(276,134)
Intergovernmental	2,416,313	2,416,313	2,471,068	54,755
Estate tax	2,100,000	3,125,000	3,201,833	76,833
Charges for services	428,400	475,000	505,501	30,501
Investment earnings	525,000	525,000	1,370,444	845,444
Fines and forfeits	265,000	265,000	281,633	16,633
Licenses and permits	432,100	291,000	298,740	7,740
Miscellaneous	230,500	385,000	390,208	5,208
Reimbursements	343,000	459,000	515,803	56,803
Total revenues	<u>21,687,971</u>	<u>26,170,971</u>	<u>27,131,116</u>	<u>960,145</u>
EXPENDITURES:				
Current:				
Public safety	9,789,282	10,232,420	10,061,026	171,394
General government	6,065,083	6,299,227	5,934,101	365,126
Public services	924,357	889,357	840,741	48,616
Parks and recreation	1,868,660	1,866,160	1,819,906	46,254
Community development	576,567	582,067	557,566	24,501
Health services				
Capital outlay	1,105,910	1,393,341	985,509	407,832
Debt service:				
Principal and interest				
Total expenditures	<u>20,329,859</u>	<u>21,262,572</u>	<u>20,198,849</u>	<u>1,063,723</u>
Excess (deficiency) of revenues over expenditures	<u>1,358,112</u>	<u>4,908,399</u>	<u>6,932,267</u>	<u>2,023,868</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from bonds and notes				
Operating transfers-in	2,327,500	2,940,830	3,058,740	117,910
Operating transfers-out	(5,961,155)	(10,174,633)	(9,660,908)	513,725
Total other financing sources (uses)	<u>(3,633,655)</u>	<u>(7,233,803)</u>	<u>(6,602,168)</u>	<u>631,635</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(2,275,543)</u>	<u>(2,325,404)</u>	<u>330,099</u>	<u>2,655,503</u>
Fund balances at beginning of year	14,323,560	14,323,560	14,323,560	
Lapsed encumbrances	253,643	253,643	253,643	
Fund balances at end of year	<u>\$ 12,301,660</u>	<u>12,251,799</u>	<u>14,907,302</u>	<u>2,655,503</u>

See accompanying notes to the general purpose financial statements

Exhibit III

Special Revenue Funds				Debt Service Funds			
Adopted Budget	Revised Budget	Actual	Variance	Adopted Budget	Revised Budget	Actual	Variance
				415,303	415,303	520,552	105,249
1,000,000	850,000	912,038	62,038				
356,325	358,825	333,070	(25,755)				
12,100	16,600	19,241	2,641				
18,000	24,932	25,659	727				
21,200	86,200	91,824	5,624				
	30,000	31,446	1,446			108,503	108,503
1,407,625	1,366,557	1,413,278	46,721	415,303	415,303	629,055	213,752
25,000	33,000	7,292	25,708				
26,200	536,234	129,476	406,758				
1,174,949	1,198,995	1,139,673	59,322				
298,825	298,825	269,349	29,476				
108,553	108,553	108,552	1				
85,700	94,102	94,067	35				
				2,143,456	2,284,456	2,284,446	10
1,719,227	2,269,709	1,748,409	521,300	2,143,456	2,284,456	2,284,446	10
(311,602)	(903,152)	(335,131)	568,021	(1,728,153)	(1,869,153)	(1,655,391)	213,762
260,000	910,000	704,000	(206,000)	1,728,153	1,728,153	1,728,153	
260,000	910,000	704,000	(206,000)	1,728,153	1,728,153	1,728,153	
(51,602)	6,848	368,869	362,021		(141,000)	72,762	213,762
557,233	557,233	557,233		558,936	558,936	558,936	
11,798	11,798	11,798					
517,429	575,879	937,900	362,021	558,936	417,936	631,698	213,762

(Continued)

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
BUDGET BASIS (note 15)
For the Fiscal Year Ended December 31, 1999**

	Capital Projects Funds			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Income tax	\$			
Property taxes				
Intergovernmental				
Estate tax				
Charges for services				
Investment earnings	150,000	150,000	211,341	61,341
Fines and forfeits				
Licenses and permits				
Miscellaneous				
Reimbursements				
Total revenues	150,000	150,000	211,341	61,341
EXPENDITURES:				
Current:				
Public safety				
General government				
Public services				
Parks and recreation				
Community development				
Health services				
Capital outlay	3,228,000	8,586,699	4,714,321	3,872,378
Debt service:				
Principal and interest				
Total expenditures	3,228,000	8,586,699	4,714,321	3,872,378
Excess (deficiency) of revenues over expenditures	(3,078,000)	(8,436,699)	(4,502,980)	3,933,719
OTHER FINANCING SOURCES (USES):				
Proceeds from bonds and notes				
Operating transfers-in		4,685,753	4,685,753	
Operating transfers-out				
Total other financing sources (uses)		4,685,753	4,685,753	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(3,078,000)	(3,750,946)	182,773	3,933,719
Fund balances at beginning of year	5,304,331	5,304,331	5,304,331	
Lapsed encumbrances	86,792	86,792	86,792	
Fund balances at end of year	\$ 2,313,123	1,640,177	5,573,896	3,933,719

See accompanying notes to the general purpose financial statements

Exhibit III (Concluded)

Total (Memorandum only)			
Adopted Budget	Revised Budget	Actual	Variance
8,810,000	11,982,000	12,124,362	142,362
6,552,961	6,662,961	6,492,076	(170,885)
3,416,313	3,266,313	3,383,106	116,793
2,456,325	3,483,825	3,534,903	51,078
440,500	491,600	524,742	33,142
693,000	699,932	1,607,444	907,512
265,000	265,000	281,633	16,633
453,300	377,200	390,564	13,364
230,500	415,000	530,157	115,157
343,000	459,000	515,803	56,803
<u>23,660,899</u>	<u>28,102,831</u>	<u>29,384,790</u>	<u>1,281,959</u>
9,814,282	10,265,420	10,068,318	197,102
6,091,283	6,835,461	6,063,577	771,884
2,099,306	2,088,352	1,980,414	107,938
2,167,485	2,164,985	2,089,255	75,730
685,120	690,620	666,118	24,502
85,700	94,102	94,067	35
4,333,910	9,980,040	5,699,830	4,280,210
<u>2,143,456</u>	<u>2,284,456</u>	<u>2,284,446</u>	<u>10</u>
<u>27,420,542</u>	<u>34,403,438</u>	<u>28,946,025</u>	<u>5,457,411</u>
<u>(3,759,643)</u>	<u>(6,300,605)</u>	<u>438,765</u>	<u>6,739,370</u>
4,315,653	10,264,736	10,176,646	(88,090)
(5,961,155)	(10,174,633)	(9,660,908)	513,725
<u>(1,645,502)</u>	<u>90,103</u>	<u>515,738</u>	<u>425,635</u>
<u>(5,405,145)</u>	<u>(6,210,502)</u>	<u>954,503</u>	<u>7,165,005</u>
20,744,060	20,744,060	20,744,060	
352,233	352,233	352,233	
<u>15,691,148</u>	<u>14,885,791</u>	<u>22,050,796</u>	<u>7,165,005</u>

**COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
For the Fiscal Year ended December 31, 1999**

	Enterprise (note 8)	Internal Service	Totals (Memorandum Only)	
			1999	1998
OPERATING REVENUE:				
Charges for services	\$ 2,945,238	1,716,449	4,661,687	4,257,824
Other	37,753		37,753	19,110
Total revenues	2,982,991	1,716,449	4,699,440	4,276,934
OPERATING EXPENSES:				
Personal services	1,425,528		1,425,528	1,444,452
Disposal fees	294,871		294,871	267,819
Materials and supplies	377,679		377,679	462,077
Depreciation	559,529		559,529	552,921
Insurance claims		1,716,449	1,716,449	1,231,415
Total expenses	2,657,607	1,716,449	4,374,056	3,958,684
Operating income	325,384	0	325,384	318,250
NON-OPERATING REVENUES (EXPENSES):				
Investment earnings	97,141		97,141	110,720
Intergovernmental	300,000		300,000	0
Net increase (decrease) in fair value of investments	(22,593)		(22,593)	0
Interest expense	(353,922)		(353,922)	(443,013)
Total non-operating revenue (expenses)	20,626	0	20,626	(332,293)
Net income (loss) before transfers-in	346,010	0	346,010	(14,043)
Operating transfers-in	139,110		139,110	163,297
Net income	485,120	0	485,120	149,254
Add depreciation on fixed assets acquired by contributed capital	360,157		360,157	296,632
Increase in retained earnings	845,277	0	845,277	445,886
Beginning retained earnings	741,374	0	741,374	295,488
Ending retained earnings	\$ 1,586,651	0	1,586,651	741,374

See accompanying notes to the general purpose financial statements.



CITY OF | U P P E R  A R L I N G T O N

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
For the Fiscal Year Ended December 31, 1999
(with totals for the year ended December 31, 1998)

	Enterprise Funds	Internal Service	Totals (Memorandum Only)	
			1999	1998
Cash Flows from Operating Activities:				
Cash received from customers	\$ 2,947,226	1,580,234	4,527,460	4,321,480
Cash payments to suppliers for goods and services	(835,054)	(1,545,871)	(2,380,925)	(776,439)
Cash payments to employees for services	(1,550,020)		(1,550,020)	(2,840,458)
Net cash provided by operating activities	562,152	34,363	596,515	704,583
Cash Flows from Noncapital Financing Activities:				
Subsidy from General Fund	139,110		139,110	139,111
Net cash provided by noncapital financing activities	139,110		139,110	139,111
Cash Flows from Capital and Related Financing Activities:				
Proceeds from bonds and notes				4,267,512
Escrow transfer for advance refunding of bonds				(1,763,714)
Proceeds from county vehicle fund	300,000		300,000	0
Acquisition of capital assets	(305,221)		(305,221)	(375,504)
Principal paid on bonds and notes	(491,932)		(491,932)	(2,984,846)
Interest paid on bonds and notes	(320,497)		(320,497)	(338,049)
Net cash used by capital and related financing activities	(817,650)		(817,650)	(1,194,601)
Cash Flows from Investing Activities:				
Interest on investments	93,484		93,484	107,332
Net cash provided by investing activities:	93,484		93,484	107,332
Net increase (decrease) in cash and cash equivalents	(22,904)	34,363	11,459	(243,575)
Cash and cash equivalents at beginning of year	2,405,086	29,148	2,434,234	2,677,809
Cash and cash equivalents at end of year	\$ 2,382,182	63,511	2,445,693	2,434,234

(Continued)

See accompanying notes to the general purpose financial statements.

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
For the Fiscal Year Ended December 31, 1999
(with totals for the year ended December 31, 1998)

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	Enterprise Funds	Internal Service	Totals (Memorandum Only)	
			1999	1998
Operating income	\$ 325,384		325,384	318,250
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	559,529		559,529	552,921
Decrease (increase) in accounts receivable	(313,377)		(313,377)	68,451
Decrease (increase) in due from other funds		(136,222)	(136,222)	(31,795)
Increase (decrease) in accounts payable	15,241	170,585	185,826	(63,612)
Increase (decrease) in accrued liabilities	(124,492)		(124,492)	(147,522)
Increase (decrease) in deferred revenue	99,867		99,867	7,890
Net cash provided by operating activities	\$ 562,152	34,363	596,515	704,583

Noncash Investing, Financing and Capital Activities:

The enterprise funds had \$5,290 and \$24,226 of investment receivables at December 31, 1999 and 1998, respectively. The enterprise funds had \$59,013 and \$61,887 of accrued interest payable at December 31, 1999 and 1998, respectively. The enterprise funds acquired \$0 and \$2,223 in property, plant and equipment that were not paid for by December 31, 1999 and 1998.

The enterprise funds received contributions of equipment in the amounts of \$92,745 and \$82,654 in 1999 and 1998, respectively.

See accompanying notes to the general purpose financial statements.



CITY OF | U P P E R  A R L I N G T O N

Notes to General Purpose Financial Statements
For the Year Ended December 31, 1999

(1) Reporting Entity

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

As required by generally accepted accounting principles (GAAP), the accompanying general-purpose financial statements include all the organizations, activities and functions in which the City (the primary government) exercises financial accountability.

(2) Summary of Significant Accounting Policies

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

(a) Basis of Presentation - Fund Accounting

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. The various funds are summarized by type in the general-purpose financial statements. The following fund types and account groups are used by the City:

GOVERNMENTAL FUNDS

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

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

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

Notes to General Purpose Financial Statements
For the Year Ended December 31, 1999

(2) Summary of Significant Accounting Policies (Continued)

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

GOVERNMENTAL FUNDS (Continued)

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

PROPRIETARY FUNDS

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

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

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

FIDUCIARY FUNDS

Agency Funds - Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature and do not involve measurement of results of operations.

ACCOUNT GROUPS

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

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

Notes to General Purpose Financial Statements
For the Year Ended December 31, 1999

(2) Summary of Significant Accounting Policies (Continued)

(b) Basis of Accounting

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

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

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

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

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

Notes to General Purpose Financial Statements
For the Year Ended December 31, 1999

(2) Summary of Significant Accounting Policies (Continued)

(b) Basis of Accounting (Continued)

The City applies GASB Statement No. 22 in regard to the collection of taxpayer-assessed tax revenue. This statement requires revenue from taxpayer-assessed taxes, net of estimated refunds, to be recognized in governmental funds in the accounting period in which they become measurable and available.

City income taxes withheld from taxpayers and received by the City within 60 days of year-end are recorded as revenues and receivables. All other income taxes are recorded as revenues when received in cash because they are not measurable and available until actually received.

Fines and forfeits, licenses and permits and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. Property taxes levied for collection in 1999 and uncollected at December 31, 1999 and estimated realizable delinquent property taxes are recorded as revenues to the extent cash is received during the year or soon thereafter to be used to pay liabilities of the current period. Property taxes assessed in 1999 for collection in 2000 are recorded as deferred revenue at December 31, 1999.

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

(c) Budgetary Data

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

1. In November, the City Manager submits to City Council an estimate of the expenditures necessary to conduct the affairs of the City for the fiscal year commencing the following January 1.
2. Budget estimates are distributed throughout the City including newspapers and libraries, and public hearings are held to obtain taxpayers comments.
3. Subsequent to January 1, and after publication of the proposed budget ordinance, the budget is legally enacted through passage of the ordinance. The budget specifies expenditure amounts by object for each activity within each fund.

**Notes to General Purpose Financial Statements
For the Year Ended December 31, 1999**

(2) Summary of Significant Accounting Policies (Continued)

(c) Budgetary Data (Continued)

4. No transfers of appropriations can be made without City Council action, with the exception of certain transfers within a department's appropriation, within a fund, if the amounts are less than \$2,500. Expenditures cannot legally exceed appropriations at the object level. During 1999 various transfers of appropriations and supplemental appropriations were made in the following amounts:

General Fund	\$5,146,191
Special Revenue Funds	550,482
Debt Service	141,000
Capital Projects	5,358,699

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

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

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

Notes to General Purpose Financial Statements
For the Year Ended December 31, 1999

(2) Summary of Significant Accounting Policies (Continued)

(d) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is employed in all governmental funds. Encumbrances are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

(e) Cash and Cash Equivalents and Investments

City funds are pooled and invested to improve cash management. Each fund type's portion of the pool is shown on the Combined Balance Sheet – All Fund Types and Account Groups as "equity in pooled cash and investments". For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Interest is allocated to funds that are required, by law, to receive interest. It is calculated on a monthly basis as a percentage of beginning fund balance to total fund balance of all City funds.

(f) Inventories

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

(g) Fixed Assets - Governmental Funds

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

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

No depreciation has been provided on general fixed assets.

**Notes to General Purpose Financial Statements
For the Year Ended December 31, 1999**

(2) Summary of Significant Accounting Policies (Continued)

(h) Fixed Assets - Proprietary Fund

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

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

(i) Capital Equipment, Debt Service and Improvements

The City reserves a portion of its property and income tax revenue to fund capital improvements and debt service. The amount of General Fund balance reserved by ordinance for this purpose at December 31, 1999, was \$1,376,434.

(j) Vacation and Sick Leave

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

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

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

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

Notes to General Purpose Financial Statements
For the Year Ended December 31, 1999

(2) Summary of Significant Accounting Policies (Continued)

(k) Contributed Capital

Depreciation on contributed fixed assets is allocated to contributed capital using the straight-line method over the same lives as described for the related property, plant and equipment in note 2(h). A summary of the changes in contributed capital for the year ending December 31, 1999, follows:

Source	Solid Waste	Water Surcharge	Sewer Surcharge	Stormwater Utility	Total
Fixed assets contributed	\$902	0	0	\$91,843	\$92,745
Depreciation of fixed assets acquired by contributed capital	(7,547)	(71,881)	(97,250)	(183,479)	(360,157)
Total additions (deletions), net	(6,645)	(71,881)	(97,250)	(91,636)	(267,412)
Contributed capital, January 1, 1999	1,324,464	2,049,332	2,660,866	1,210,161	7,244,823
Contributed capital, December 31, 1999	<u>\$1,317,819</u>	<u>\$1,977,451</u>	<u>\$2,563,616</u>	<u>\$1,118,525</u>	<u>\$6,977,411</u>

(m) Comparative Data

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

(n) Total Columns on the General Purpose Financial Statements

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

Notes to General Purpose Financial Statements
For the Year Ended December 31, 1999

(2) Summary of Significant Accounting Policies (Continued)

(o) Statement of Cash Flows

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

(p) New Accounting Pronouncements

In December 1998, the GASB issued Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. This statement requires the recognition of nonexchange transactions in the financial statements unless the transactions are not measurable (reasonably estimable) or are not probable of collection. This statement is effective for periods beginning after June 15, 2000, and the City has not adopted the provisions of this statement in the accompanying financial statements. Management has not completed the process of evaluating the impact that will result from adopting this statement, and therefore is unable to disclose the impact that adopting the statement will have on its financial position and results of operations when such statement is adopted.

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This statement represents a significant change in the way state and local governments present basic financial information. This statement is effective for periods beginning after June 15, 2002, and the City has not adopted the provisions of this statement in the accompanying financial statements. Management has not completed the process of evaluating the impact that will result from adopting this statement, and therefore is unable to disclose the impact that adopting the statement will have on its financial position and results of operations when such statement is adopted.

3) Cash and Investments

At December 31, 1999, the carrying value of the City's cash deposits was \$597,371, of which \$100,000 was a non-negotiable certificate of deposit. Cash balances per the bank were \$830,083. \$300,000 of the City's deposits are insured by Federal depository insurance and \$530,083 were collateralized with pooled pledged securities held by its agent in accordance with the Ohio Revised Code (Category 3). All deposits are in institutions that are members of the Federal Reserve System.

The City is authorized by Ordinance to invest in notes, bonds or other obligations of the United States or of any agency or instrumentality thereof, including repurchase agreements secured by such obligations. Additionally the City may invest in Banker's acceptances which are eligible for purchase by the Federal Reserve System and are issued by Banks domiciled within the State

Notes to General Purpose Financial Statements
For the Year Ended December 31, 1999

3) Cash and Investments (Continued)

of Ohio and corporate notes, bonds and commercial paper issued by corporations incorporated under the laws of the United States or any State thereof, and whose maturity does not exceed five years provided the security is rated at least A+ by Standard and Poor's and A-1 by Moody's Investor Services. Earnings on investments are credited to various funds as provided by state law and City ordinances.

It is the City's policy to invest in the State Treasury Asset Reserve of Ohio (STAROhio), government securities, and commercial paper. STAROhio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner similar with Rule 2a-7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 1999. It is management's intent to hold all investments until maturity.

The City's investments are categorized to give an indication of the level of risk assumed by the City at December 31, 1999. Category 1 includes insured or registered investments or investments for which the securities are held by the City or City's agent (only if the City's agent is not also the counterparty) or the agent's trust department in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the City's agent or the agent's trust department, but not in the City's name. Investments in pools managed by other governments (STAROhio) are not required to be categorized.

	<u>Category</u>			<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
U. S. Government Securities	\$ 8,883,750	-	-	\$ 8,883,750
Federal Agency Securities	13,027,639	-	-	13,027,639
Commercial Paper	1,968,818	-	-	1,968,818
Corporate Notes	2,974,058	-	-	2,974,058
STAROhio				<u>3,298,324</u>
Total investments	<u>\$26,854,265</u>			<u>\$ 30,152,589</u>

**Notes to General Purpose Financial Statements
For the Year Ended December 31, 1999**

(4) Receivables

Receivables at December 31, 1999, consist of the following:

	Property, Estate & <u>Income Tax</u>	Customer <u>Accounts</u>	<u>Other</u>	Total <u>Receivables</u>
General Fund	\$8,278,042		\$376,002	\$8,654,044
Special Revenue			690,843	690,843
Debt Service	558,332			558,332
Capital Projects			14,585	14,585
Enterprise		\$416,813	25,863	442,676
Total	\$8,836,374	\$416,813	\$1,107,293	\$10,360,480

(5) Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; personal injuries; and natural disasters. The City provides coverage for up to \$1,000,000 for each liability claim and \$1,000 for each property damage claim. To provide funding for potential claims, the City established by ordinance a reservation of the General Fund fund balance of \$1,885,632 for these losses. In addition, the City also passed legislation that reserves \$5,000,000 of the City's unvoted debt capacity to cover potential catastrophic claims, judgments and actions.

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

Coverage is limited to property coverage which provides coverage for up to \$125,000 with a \$25,000 deductible for each property liability claim. The City has purchased commercial insurance for claims, which exceed these amounts. The City has purchased general liability insurance through CORMA which covers claims up to \$20,000,000 with a \$100,000 deductible per claim.

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

Notes to General Purpose Financial Statements
For the Year Ended December 31, 1999

(5) Insurance (Continued)

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

Settlements did not exceed insurance coverage in 1997, 1998, or 1999. There were no reductions on insurance coverage from the prior year.

The following is a schedule of the change in insurance claims for the year ended December 31, 1998 & 1999:

	1998	
	General Liability	Health Claims
Unpaid claims January 1, 1998	\$0	\$ 78,012
Incurred claims	176,558	1,231,415
Payment of claims	<u>(176,558)</u>	<u>(1,248,484)</u>
Unpaid claims December 31, 1998	\$0	\$ 60,943
	1999	
Unpaid claims January 1, 1999	\$0	\$ 60,943
Incurred claims	140,015	1,716,449
Payment of claims	<u>(138,220)</u>	<u>(1,545,864)</u>
Unpaid claims December 31, 1999	\$1,795	\$ 231,528

A claims liability of \$231,528 in the internal service accounts payable balance represents an estimate for incurred but unpaid claims liabilities.

Notes to General Purpose Financial Statements
For the Year Ended December 31, 1999

(5) Insurance (Continued)

The City belongs to the Ohio Municipal League Equity Rating Pool for Workers Compensation Insurance. The purpose of the pool is to achieve lower workers' compensation rates for group participants and foster cost-effective claims management skills. The pool provides for equity redistribution in which participants, dependent upon their losses, may receive refunds for low losses resulting in savings for the pool, or incur additional contribution for high losses, which exceed the pool's rate. The City received refunds in the last three years in the following amounts:

1997	\$291,165
1998	44,868
1999	63,593

(6) Fixed Assets

Enterprise plant and equipment at December 31, 1999 consist of the following:

Buildings/Structures	\$457,976
Infrastructure (Water/Sewer Lines)	25,287,383
Machinery, equipment, furniture and fixtures	1,209,241
Subtotal	26,954,600
Less: accumulated depreciation	(12,900,144)
Total	<u>\$14,054,456</u>

A summary of changes in general fixed assets for the year ending December 31, 1999, follows:

	Balance January 1, 1999	Additions	Deletions	Balance December 31, 1999
Land	\$2,146,538			\$2,146,538
Buildings & Improvements	10,216,327	\$160,451		10,376,778
Machinery, equipment, furniture & fixtures	7,343,082	1,079,884	\$852,492	7,570,474
Total	\$19,705,947	\$1,240,335	\$852,492	\$20,093,790

**Notes to General Purpose Financial Statements
For the Year Ended December 31, 1999**

(7) Long-Term Obligations

A summary of changes in long-term obligations for the year ended December 31, 1999, follows:

General Long-Term Obligations Account Group:	Balance January 1, 1999	Additions	Deletions	Balance December 31, 1999
Accrued vacation & sick leave	\$1,359,717	\$113,433		\$1,473,150
Accrued retirement payments	175,889		\$175,889	0
General obligations bonds	13,342,014		1,188,410	12,153,604
Total General Long-term Obligations	\$14,877,620	\$113,433	\$1,364,299	\$13,626,754

Additions and deletions of accrued vacation and sick leave are shown net since it is impracticable for the City to determine these amounts separately. The accrued retirement payments are the result of an early retirement incentive program initiated by the City in 1995.

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

Bonds & Notes payable at December 31, 1999 are summarized below:

General Obligations Bonds:	Balance January 1, 1999	Additions	Deletions	Balance December 31, 1999
6.375% 2002 Municipal Building Improvements	\$200,000		50,000	150,000
6.375% Street Improvements	590,000		65,000	525,000
5.9% 2001 Street Resurfacing	275,000		85,000	190,000
5.9% 2001 Capital improvements	370,000		115,000	255,000
4.56% 2008 Sewer Improvement Bonds	345,000		25,000	320,000
4.01% 2006 Refunding Issue	6,705,000		820,000	5,885,000
4.57% 2017 Turkey Run Bonds	2,455,000		90,000	2,365,000
4.72% 2017 Voted Issue 4	5,119,988		200,000	4,919,988
4.68% Street Light Bonds	1,790,000		60,000	1,730,000
Total General Obligation Bonds	17,849,988		1,510,000	16,339,988
Ohio Public Works Commission Loans 3.5% Infrastructure Projects	3,675,192		170,342	3,504,850
Total bonds and notes payable	\$21,525,180	0	1,680,342	19,844,838

Notes to General Purpose Financial Statements
For the Year Ended December 31, 1999

(7) Long-Term Obligations (Continued)

General obligation bonds and Ohio Public Works Commission (OPWC) loans are backed by the full faith and credit of the City. Principal and interest payments of general obligation bonds are made primarily through income tax and property tax or user fees. The loans from the OPWC were made through the State Issue Two Program for infrastructure renovations. The principal and interest payments of the OPWC loans are made primarily from water and sewer surcharge fees.

In 1998, the City issued \$7.54 million of Refunding Issue Bonds for the purpose of providing funds to advance refund and defease the existing Infrastructure bonds, Street Improvement, bonds, and Building Renovation bonds. The net proceeds of this issue were used to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the General Long-Term Debt Account Group. As of December 31, 1999, \$6,220,000 of these defeased bonds are still outstanding.

In November 1997, the citizens of Upper Arlington voted approval to issue \$10.1 million in general obligation bonds. \$5.1 million was issued in 1998. As of December 31, 1999, the remaining \$5 million remains unissued.

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

The annual requirements to pay principal and interest subsequent to December 31, 1999 are as follows:

Year Ending December 31:	Principal	Interest	Total
2000	\$1,746,139	827,170	2,573,309
2001	1,749,086	824,065	2,573,151
2002	1,396,368	766,472	2,162,840
2003	1,479,742	633,048	2,112,790
2004	1,531,372	573,230	2,104,602
And thereafter	11,942,131	3,298,992	15,241,122
	\$19,844,838	6,922,977	26,767,814

**Notes to General Purpose Financial Statements
For the Year Ended December 31, 1999**

(7) Long-Term Obligations (Continued)

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of a municipal corporation cannot exceed 5.5% of the total taxation value of property.

The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 1999, the City's total net debt amounted to 1.42% of the total assessed value of all property within the City. The aggregate amount of the City's unvoted debt is subject to overlapping debt restrictions with Franklin County and the Upper Arlington School District. As of December 31, 1999, these entities have complied with the requirement that overlapping debt must not exceed 1% (10 mills) of assessed property value.

The City has reserved by ordinance \$5,000,000 of its unvoted net debt capacity for the purpose of funding potential self-insured losses. As of December 31, 1999, no debt had been issued for this purpose.

(8) Segment Information-Enterprise Funds

The City maintains four enterprise funds, which are intended to be self-supporting through user fees and surcharges for services to the public. Financial segment information as of and for the year ended December 31, 1999 is presented below:

	Solid Waste	Water Surcharge	Sewer Surcharge	Stormwater Fund	Total
Operating revenue	\$1,393,536	375,174	689,728	524,553	3,282,991
Depreciation	28,055	143,762	197,971	189,741	559,529
Operating income (loss)	(12,414)	124,996	172,851	39,951	625,384
Net Income	133,592	22,318	43,720	285,490	485,120
Contributed capital, additions (deletions)	(6,645)	(71,881)	(97,250)	(91,636)	(267,412)
Property, plant and equipment additions	1,849	0	22,959	372,436	397,244
Property, plant and equipment deletions	103,913	0	70,640	2,617	177,170
Operating transfers	139,110	0	0	0	139,110
Net working capital	(204,440)	275,369	121,258	2,008,653	2,200,804
Total assets	514,529	4,854,391	5,445,261	6,134,709	16,948,890
Bonds and notes payable	0	2,244,398	2,886,185	2,560,651	7,691,234
Total liabilities	543,376	2,286,455	2,972,952	2,582,045	8,384,828
Total equity (accumulated deficiency)	(28,847)	2,567,936	2,472,309	3,552,664	8,564,062

Notes to General Purpose Financial Statements
For the Year Ended December 31, 1999

(9) Defined Benefit Pension Plans and Postemployment Benefits

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

(a) Retirement Plan – Safety Forces

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

Funding Policy – Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's required and actual contributions to PFDPF for the years ending December 31, 1999, 1998, and 1997 were as follows:

Year	Contribution
1999	\$1,309,613
1998	1,265,118
1997	1,271,287

The employees' contributions to PFDPF for the years ended December 31, 1999, and 1998 were \$711,373 and \$580,119, respectively.

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

**Notes to General Purpose Financial Statements
For the Year Ended December 31, 1999**

(9) Defined Benefit Pension Plans and Postemployment Benefits (Continued)

(a) Retirement Plan – Safety Forces (Continued)

care cost paid from the funds of the PFDPF shall be included in the employer's contribution rate.

The Ohio Revised Code provides the statutory authority allowing the Fund's Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you go basis. Currently 7.0% of covered payroll, the Board-defined allocation, is used to pay retiree health care expenses. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The number of participants eligible to received health care benefits as of December 31, 1998, the latest information available, were 11,424 for Police and 9,186 for Firefighters. The portion of the City's contributions that were used to pay post-employment benefits was \$187,574 for Police and \$228,380 for Firefighters. The Fund's total health care expense for the year ending December 31, 1998 was \$78,596,790, which is net of member contributions of \$5,331,515.

(b) Retirement Plan – General Employees

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

Funding Policy – The City and covered employees contribute at actuarially determined rates for 1999, 13.55% and 8.5%, respectively, of covered employee payroll to PERS. During 1999 and 1998, 4.2% and 4.2%, respectively, of the City's contribution was used to fund post-employment health care benefits, available to retirees with at least ten-years of service credit.

Notes to General Purpose Financial Statements
For the Year Ended December 31, 1999

(9) Defined Benefit Pension Plans and Postemployment Benefits (Continued)

(b) Retirement Plan – General Employees (Continued)

Chapter 145 of the Ohio Revised Code assigns authority of the PERS Board to amend the funding policy. The City's required and actual contributions to PERS for the years ended December 31, 1999, 1998, 1997, and were as follows:

Year	Contributions
1999	\$882,517
1998	846,261
1997	863,179

The City's employees' contributions to PERS for the years ended December 31, 1999, and 1998 were \$470,064 and \$530,865, respectively. PERS also provides post-retirement health care coverage to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is available. The health care coverage provided by the PERS is considered an Other Postemployment Benefits (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to PERS. The 1999 employer contribution rate was 13.55% of covered payroll; 4.2% was the portion that was used to fund health care for the year 1999.

OPEB are financed through employer contributions and investment earnings. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely.

Expenditures for OPEB during 1999 were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,255,641. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

During 1997, PERS adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1999, employer contributions equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

**Notes to General Purpose Financial Statements
For the Year Ended December 31, 1999**

(10) Due to/from Other Funds

At December 31, 1999, the City had a total of \$2,627,654 in Due to/from Other Funds, as follows:

	Due From	Due To
Internal Service Fund:		
Employee Benefit Fund	\$168,017	
Agency Fund:		
Revolving Fund		2,459,637
General Fund:		
General Operating Account	2,459,637	168,017
TOTAL	\$2,627,654	\$2,627,654

(11) Income Taxes

The City levies a tax of 2% on substantially all income earned within the City. In addition, residents of the City are required to pay City income tax on income they earn outside the City. However, a credit is allowed for income taxes paid to other municipalities.

Employers within the City are required to withhold income tax on employee compensation and remit this tax at least quarterly. Corporation and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

(12) Property Taxes

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the City. All property taxes are collected on behalf of the City by Franklin County. Due and collection dates, as established by Franklin County, were January 20, 1999 and June 20, 1999 for those taxes due during 1998.

Real property taxes collected during 1999 had lien and levy dates of January 1, 1998 and December 31, 1998, respectively. Real property taxes with 1999 levy dates are recorded as receivables and deferred revenue at the end of 1999. Assessed values are established by State law at 35% of appraised market value. A revaluation of all property is required to be completed no less than every six years. The last revaluation was completed in December, 1996. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 50% of cost). Tangible personal property assessments are 25% of true value.

Notes to General Purpose Financial Statements
For the Year Ended December 31, 1999

(12) Property Taxes (Continued)

The assessed value upon which the 1999 levy was based, was as follows:

Real estate	\$1,043,709,740
Public utility	23,718,420
Tangible personal	34,396,677
Total	\$1,101,824,837

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .2% (2 mills) of assessed value. Increases in the property tax rate are restricted only by voter willingness to approve such increases. The voters passed two such issues in 1997. In March, 1997, a 1-mill replacement levy to fund the Police and Firemen pensions was approved. In November, 1997, a .84 mill property tax was passed to provide the issuance of \$10 million of bonds for infrastructure improvements. Total 1997 tax rate for the City for collection in 1998 was 6.39 mills including the voted increases. No property tax increases were passed by the voters in 1999.

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

(13) Contingencies

The City is a defendant in a number of lawsuits pertaining to matters which are incidental to performing routine governmental functions. City management is of the opinion that ultimate settlement of such claims will not result in a material adverse effect on the City's financial position as of December 31, 1999.

(14) Individual Fund Disclosures

The following funds had deficit retained earnings at December 31, 1999:

Solid Waste Fund	\$1,346,666
Sewer Surcharge Fund	\$91,307

These deficits reflect the accrual of liabilities required by generally accepted accounting principles. These funds have positive cash balances as required by Ohio law.

Notes to General Purpose Financial Statements
For the Year Ended December 31, 1999

(15) Budget Basis of Accounting

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

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

	General Fund	Special Revenue Fund Types	Debt Service Fund Types	Capital Projects Fund Types	Totals
GAAP Basis	\$1,929,413	378,994	91,052	1,754,271	4,153,730
Increase (decrease):					
Due to revenues:					
Received in cash during year but already accrued as					
Receivables (GAAP) at December 31, 1998	8,710,283	599,086	428,406	19,097	9,756,872
Accrued as receivables at December 31, 1999 but not Recognized in budget	(11,113,681)	(690,843)	(558,332)	(14,585)	(12,377,441)
Due to encumbrances:					
Expenditures of amounts Encumbered during year Ended December 31, 1998	715,021	28,150	-	185,721	928,386
Amounts encumbered in prior Years, outstanding December 31, 1999	-	-	-	-	-
Recognized as expenditures In budget	(467,372)	(93,385)	-	(2,287,517)	(2,848,274)
Due to expenditures:					
Accrued as liabilities At December 31, 1998, but not recognized in budget	(8,534,853)	(547,364)	(428,406)	(112,325)	(9,622,948)
Accrued as liabilities at December 31, 1999	8,508,051	671,719	540,042	597,468	10,317,280
Inventory	(3,427)	13,412	-	-	9,985
Net decrease in fair value of investments not recognized in budget	586,664	9,100	-	40,643	636,407
Budget Basis	<u>330,099</u>	<u>368,869</u>	<u>72,762</u>	<u>182,773</u>	<u>954,503</u>

Notes to General Purpose Financial Statements
For the Year Ended December 31, 1999

(15) Budget Basis of Accounting (continued)

Fund Balance at end of the year

General Fund	Special Revenue Fund Types	Debt Service Fund Types	Capital Projects Fund Types	Totals
17,897,510	1,105,496	649,988	7,272,164	26,925,158
-	-	-	-	-
(11,113,681)	(690,843)	(558,332)	(14,585)	(12,377,441)
-	-	-	-	-
(77,055) (467,372)	- (93,385)	-	(34,277) (2,287,517)	(111,332) (2,848,274)
-	-	-	-	-
8,508,051 (85,669)	671,719 (59,693)	540,042 -	597,468 -	10,317,280 (145,362)
245,518	4,606	-	40,643	290,767
<u>14,907,302</u>	<u>937,900</u>	<u>631,698</u>	<u>5,573,896</u>	<u>22,050,796</u>



CITY OF | UPPER  ARLINGTON

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

GENERAL FUND

The General Fund receives funds which are not accounted for in any other fund of the City. The revenues are used to finance the general operations of the City.

GENERAL FUND ACCOUNTS

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

GENERAL OPERATING ACCOUNT

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

CAPITAL ASSET MANAGEMENT ACCOUNT

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

POLICE AND FIRE PENSION ACCOUNT

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

CAPITAL IMPROVEMENTS ACCOUNT

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

SELF-INSURED LOSS ACCOUNT

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

**GENERAL FUND
COMPARATIVE BALANCE SHEET
December 31, 1999 and 1998**

	<u>1999</u>	<u>1998</u>
ASSETS:		
Equity in pooled cash and investments	\$ 15,206,211	15,710,425
Receivables	8,654,044	8,710,283
Due from other funds	2,459,637	0
Inventory	85,669	82,242
	<hr/>	<hr/>
TOTAL ASSETS	26,405,561	24,502,950
	<hr/>	<hr/>
LIABILITIES:		
Accounts payable	513,011	623,714
Due To Other Funds	168,017	
Deferred revenue	5,931,095	6,119,797
Accrued liabilities	1,386,867	1,175,742
Accrued vacation and sick leave	333,172	284,736
Accrued retirement payments	175,889	330,864
	<hr/>	<hr/>
TOTAL LIABILITIES	8,508,051	8,534,853
	<hr/>	<hr/>
FUND EQUITY:		
Fund balances:		
Reserved for inventory	85,669	82,242
Reserved for encumbrances	318,102	528,362
Reserved for general liability self insurance	1,885,632	1,990,938
Reserved for capital equipment, debt service and improvements	1,365,501	1,879,982
Unreserved	14,242,606	11,486,573
	<hr/>	<hr/>
TOTAL FUND EQUITY	17,897,510	15,968,097
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND EQUITY	\$ 26,405,561	24,502,950
	<hr/>	<hr/>

GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Fiscal Years Ended December 31, 1999

	<u>1999</u>	<u>1998</u>
REVENUES:		
Income tax	\$ 12,313,204	9,406,931
Property taxes	6,037,970	6,333,317
Intergovernmental	2,482,479	2,417,728
Estate tax	5,641,678	4,687,336
Charges for services	505,501	499,975
Investment earnings	1,124,170	1,209,852
Net Increase (Decrease) in Fair Value of Investments	(586,664)	311,312
Fines and forfeits	291,862	267,185
Licenses and permits	298,740	256,697
Miscellaneous	1,052,175	1,274,993
Total revenues	<u>29,161,115</u>	<u>26,665,326</u>
EXPENDITURES:		
Current:		
Public safety	10,336,342	9,521,187
General government	5,925,630	5,135,744
Public services	810,829	820,985
Parks and recreation	1,811,387	1,758,532
Community development	566,864	550,421
Capital outlay	1,039,372	2,746,345
Total expenditures	<u>20,490,424</u>	<u>20,533,214</u>
Excess of revenues over expenditures	<u>8,670,691</u>	<u>6,132,112</u>
OTHER FINANCING SOURCES (USES)		
Proceeds from refunding bonds	0	5,766,019
Escrow transfer for advance refunding of bonds	0	(5,721,613)
Operating transfers-in	0	4,430
Operating transfers-out	(6,741,278)	(2,526,645)
Total other financing sources (uses)	<u>(6,741,278)</u>	<u>(2,477,809)</u>
Excess of revenues and other financing sources over expenditures and other uses	1,929,413	3,654,303
Fund balances at beginning of year before cumulative effect of change in accounting principle	15,968,097	12,317,809
Cumulative effect of change in accounting principle	0	29,835
Restated fund balances at beginning of year	<u>15,968,097</u>	<u>12,347,644</u>
Residual equity transfer	0	(33,850)
Fund balances at end of year	<u>\$ 17,897,510</u>	<u>15,968,097</u>

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999

	1999				1998
	Adopted Budget	Revised Budget	Actual	Variance	Actual
REVENUES:					
Income tax	\$ 8,810,000	11,982,000	12,124,362	142,362	9,093,556
Property taxes	6,137,658	6,247,658	5,971,524	(276,134)	6,270,295
Intergovernmental	2,416,313	2,416,313	2,471,068	54,755	2,421,625
Estate tax	2,100,000	3,125,000	3,201,833	76,833	5,158,740
Charges for services	428,400	475,000	505,501	30,501	499,975
Investment earnings	525,000	525,000	1,370,444	845,444	1,067,233
Fines and forfeits	265,000	265,000	281,633	16,633	268,786
Licenses and permits	432,100	291,000	298,740	7,740	256,697
Miscellaneous	230,500	385,000	390,208	5,208	369,012
Reimbursements	343,000	459,000	515,803	56,803	903,387
Total revenues	21,687,971	26,170,971	27,131,116	960,145	26,309,306
EXPENDITURES:					
Current:					
Public safety	9,789,282	10,232,420	10,061,026	171,394	9,498,928
General government	6,065,083	6,299,227	5,934,101	365,126	5,236,099
Public services	924,357	889,357	840,741	48,616	839,451
Parks and recreation	1,868,660	1,866,160	1,819,906	46,254	1,748,468
Community development	576,567	582,067	557,566	24,501	555,445
Capital outlay	1,105,910	1,393,341	985,509	407,832	3,176,016
Total expenditures	20,329,859	21,262,572	20,198,849	1,063,723	21,054,407
Excess of revenues over expenditures	1,358,112	4,908,399	6,932,267	2,023,868	5,254,899
OTHER FINANCING SOURCES (USES):					
Operating transfers-in	2,327,500	2,940,830	3,058,740	117,910	4,430
Operating transfers-out	(5,961,155)	(10,174,633)	(9,660,908)	513,725	(2,386,420)
Total other financing sources (uses)	(3,633,655)	(7,233,803)	(6,602,168)	631,635	(2,381,990)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(2,275,543)	(2,325,404)	330,099	2,655,503	2,872,909
Fund balances at beginning of year	14,323,560	14,323,560	14,323,560		11,438,339
Lapsed encumbrances	253,643	253,643	253,643		11,988
Equity fund transfer					324
Fund balances at end of year	\$ 12,301,660	12,251,799	14,907,302	2,655,503	14,323,560

**ALL GENERAL FUND ACCOUNTS
COMBINING BALANCE SHEET
December 31, 1999**

	General Operating Account	Capital Asset Management Account
ASSETS:		
Equity in pooled cash and investments	\$ 12,012,447	1,134,472
Receivables	6,276,714	225,235
Due from other funds	2,459,637	
Inventory	85,669	
	<hr/>	<hr/>
TOTAL ASSETS	20,834,467	1,359,707
LIABILITIES:		
Accounts payable	420,615	5,215
Due to other funds	168,017	
Deferred revenue	3,927,671	
Accrued liabilities	1,386,867	
Accrued vacation and sick leave	333,172	
Accrued retirement payments	175,889	
	<hr/>	<hr/>
TOTAL LIABILITIES	6,412,231	5,215
FUND EQUITY:		
Fund balances:		
Reserved for inventory	85,669	
Reserved for encumbrances	164,495	75,154
Reserved for self insurance		
Reserved for capital equipment, debt service and improvements		1,279,338
Unreserved	14,172,072	
	<hr/>	<hr/>
TOTAL FUND EQUITY	14,422,236	1,354,492
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND EQUITY	\$ 20,834,467	1,359,707

Exhibit A-4

<u>Police and Fire Pension Account</u>	<u>Capital Improvements Account</u>	<u>Self-Insured Loss Account</u>	<u>Total</u>
	176,369	1,882,923	15,206,211
1,597,938	549,653	4,504	8,654,044
			2,459,637
			85,669
<u>1,597,938</u>	<u>726,022</u>	<u>1,887,427</u>	<u>26,405,561</u>
	85,386	1,795	513,011
			168,017
1,527,404	476,020		5,931,095
			1,386,867
			333,172
			175,889
<u>1,527,404</u>	<u>561,406</u>	<u>1,795</u>	<u>8,508,051</u>
			85,669
	78,453		318,102
		1,885,632	1,885,632
	86,163		1,365,501
70,534			14,242,606
<u>70,534</u>	<u>164,616</u>	<u>1,885,632</u>	<u>17,897,510</u>
<u>1,597,938</u>	<u>726,022</u>	<u>1,887,427</u>	<u>26,405,561</u>

**ALL GENERAL FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN ACCOUNT BALANCES
For the Fiscal Year Ended December 31, 1999**

	General Operating Account	Capital Asset Management Account
REVENUES:		
Income tax	\$ 10,674,494	1,638,710
Property taxes	3,840,773	
Intergovernmental	2,482,479	
Estate tax	5,641,678	
Charges for services	505,501	
Investment earnings	1,047,891	
Net Increase (Decrease) in fair value of investments	(544,370)	
Fines and forfeits	291,862	
Licenses and permits	298,740	
Miscellaneous	842,776	51,575
	25,081,824	1,690,285
Total revenues		
EXPENDITURES:		
Current:		
Public safety	10,336,342	
General government	5,786,339	
Public services	810,829	
Parks and recreation	1,811,387	
Community development	566,864	
Capital outlay		5,215
	19,311,761	5,215
Total expenditures		
Excess of revenues over expenditures	5,770,063	1,685,070
OTHER FINANCING SOURCES (USES):		
Operating transfers-out	(1,593,110)	(5,148,168)
Interaccount transfers-in	1,710,986	3,058,740
Interaccount transfers-out	(3,058,740)	
	(2,940,864)	(2,089,428)
Total other financing sources (uses)		
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	2,829,199	(404,358)
	11,593,037	1,758,850
Fund balances at beginning of year		
Fund balances at end of year	\$ 14,422,236	1,354,492

Exhibit A-5

Police and Fire Pension Account	Capital Improvements Account	Self-Insured Loss Account	Total
			12,313,204
1,672,935	524,262		6,037,970
			2,482,479
			5,641,678
			505,501
		76,279	1,124,170
		(42,294)	(586,664)
			291,862
			298,740
	157,824		1,052,175
<u>1,672,935</u>	<u>682,086</u>	<u>33,985</u>	<u>29,161,115</u>
			10,336,342
		139,291	5,925,630
			810,829
			1,811,387
			566,864
	1,034,157		1,039,372
<u>0</u>	<u>1,034,157</u>	<u>139,291</u>	<u>20,490,424</u>
<u>1,672,935</u>	<u>(352,071)</u>	<u>(105,306)</u>	<u>8,670,691</u>
			(6,741,278)
			4,769,726
<u>(1,710,986)</u>			<u>(4,769,726)</u>
<u>(1,710,986)</u>	<u>0</u>	<u>0</u>	<u>(6,741,278)</u>
			1,929,413
<u>(38,051)</u>	<u>(352,071)</u>	<u>(105,306)</u>	<u>1,929,413</u>
<u>108,585</u>	<u>516,687</u>	<u>1,990,938</u>	<u>15,968,097</u>
<u>70,534</u>	<u>164,616</u>	<u>1,885,632</u>	<u>17,897,510</u>

**ALL GENERAL FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN ACCOUNT BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

	General Operating Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Income tax	7,635,627	9,880,302	10,509,618	629,316
Property taxes	4,019,800	4,019,800	3,868,284	(151,516)
Intergovernmental	2,416,313	2,416,313	2,471,068	54,755
Estate tax	2,100,000	3,125,000	3,201,833	76,833
Charges for services	428,400	475,000	505,501	30,501
Investment earnings	425,000	425,000	1,276,504	851,504
Fines and forfeits	265,000	265,000	281,633	16,633
Licenses and permits	432,100	291,000	298,740	7,740
Miscellaneous	230,500	385,000	389,566	4,566
Reimbursements	343,000	349,000	408,831	59,831
Total revenues	18,295,740	21,631,415	23,211,578	1,580,163
EXPENDITURES:				
Current:				
Public safety	9,789,282	10,232,420	10,061,026	171,394
General government	5,965,083	6,124,227	5,795,881	328,346
Public services	924,357	889,357	840,741	48,616
Parks and recreation	1,868,660	1,866,160	1,819,906	46,254
Community development	576,567	582,067	557,566	24,501
Capital outlay				
Total expenditures	19,123,949	19,694,231	19,075,120	619,111
Excess (deficiency) of revenues over expenditures	(828,209)	1,937,184	4,136,458	2,199,274
OTHER FINANCING SOURCES (USES)				
Operating transfers-in				
Operating transfers-out	(4,748,740)	(5,026,465)	(4,512,740)	513,725
Interaccount transfers-in	1,611,242	1,721,242	1,710,986	(10,256)
Interaccount transfers-out				
Total other financing sources (uses)	(3,137,498)	(3,305,223)	(2,801,754)	503,469
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(3,965,707)	(1,368,039)	1,334,704	2,702,743
Fund balances at beginning of year	10,589,760	10,589,760	10,589,760	0
Lapsed encumbrances	21,309	21,309	21,309	0
Fund balances at end of year	6,645,362	9,243,030	11,945,773	2,702,743

Exhibit A-6

Capital Asset Management Fund				Police and Fire Pension Account			
<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
1,174,373	2,101,698	1,614,744	(486,954)	1,611,242	1,721,242	1,602,401	(118,841)
1,174,373	2,101,698	1,614,744	(486,954)	1,611,242	1,721,242	1,602,401	(118,841)
350,000	357,000	7,000	350,000				
350,000	357,000	7,000	350,000	0	0	0	0
824,373	1,744,698	1,607,744	(136,954)	1,611,242	1,721,242	1,602,401	(118,841)
2,302,500 (1,212,415)	2,915,830 (5,148,168)	3,058,740 (5,148,168)	142,910 0				
				(1,611,242)	(1,721,242)	(1,710,986)	10,256
1,090,085	(2,232,338)	(2,089,428)	142,910	(1,611,242)	(1,721,242)	(1,710,986)	10,256
1,914,458	(487,640)	(481,684)	5,956	0	0	(108,585)	(108,585)
1,414,965	1,414,965	1,414,965	0	108,585	108,585	108,585	0
126,036	126,036	126,036	0				
3,455,459	1,053,361	1,059,317	5,956	108,585	108,585	0	(108,585)

(Continued)

**ALL GENERAL FUND ACCOUNTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN ACCOUNT BALANCES
 BUDGET AND ACTUAL - BUDGET BASIS
 For the Fiscal Year Ended December 31, 1999**

	Capital Improvements Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Income tax	\$			
Property taxes	506,616	506,616	500,839	(5,777)
Intergovernmental				
Estate tax				
Charges for services				
Investment earnings				
Fines and forfeits				
Licenses and permits				
Miscellaneous			642	642
Reimbursements		110,000	106,972	(3,028)
Total revenues	506,616	616,616	608,453	(8,163)
EXPENDITURES:				
Current:				
Public safety				
General government				
Public services				
Parks and recreation				
Community development				
Capital outlay	755,910	1,036,341	978,509	57,832
Total expenditures	755,910	1,036,341	978,509	57,832
Excess (deficiency) of revenues over expenditures	(249,294)	(419,725)	(370,056)	49,669
OTHER FINANCING SOURCES (USES)				
Operating transfers-in	25,000	25,000	0	(25,000)
Operating transfers-out				
Interaccount transfers-in				
Interaccount transfers-out				
Total other financing sources (uses)	25,000	25,000	0	(25,000)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(224,294)	(394,725)	(370,056)	24,669
Fund balances at beginning of year	263,806	263,806	263,806	0
Lapsed encumbrances	106,298	106,298	106,298	0
Fund balances at end of year	145,810	(24,621)	48	24,669

Exhibit A-6 (Concluded)

Self-Insured Loss Account				Total			
Adopted Budget	Revised Budget	Actual	Variance	Adopted Budget	Revised Budget	Actual	Variance
				8,810,000	11,982,000	12,124,362	142,362
				6,137,658	6,247,658	5,971,524	(276,134)
				2,416,313	2,416,313	2,471,068	54,755
				2,100,000	3,125,000	3,201,833	76,833
				428,400	475,000	505,501	30,501
100,000	100,000	93,940	(6,060)	525,000	525,000	1,370,444	845,444
				265,000	265,000	281,633	16,633
				432,100	291,000	298,740	7,740
				230,500	385,000	390,208	5,208
				343,000	459,000	515,803	56,803
100,000	100,000	93,940	(6,060)	21,687,971	26,170,971	27,131,116	960,145
				9,789,282	10,232,420	10,061,026	171,394
100,000	175,000	138,220	36,780	6,065,083	6,299,227	5,934,101	365,126
				924,357	889,357	840,741	48,616
				1,868,660	1,866,160	1,819,906	46,254
				576,567	582,067	557,566	24,501
				1,105,910	1,393,341	985,509	407,832
100,000	175,000	138,220	36,780	20,329,859	21,262,572	20,198,849	1,063,723
0	(75,000)	(44,280)	30,720	1,358,112	4,908,399	6,932,267	2,023,868
				2,327,500	2,940,830	3,058,740	117,910
				(5,961,155)	(10,174,633)	(9,660,908)	513,725
				1,611,242	1,721,242	1,710,986	(10,256)
				(1,611,242)	(1,721,242)	(1,710,986)	10,256
0	0	0	0	(3,633,655)	(7,233,803)	(6,602,168)	631,635
	(75,000)	(44,280)	30,720	(2,275,543)	(2,325,404)	330,099	2,655,503
1,946,444	1,946,444	1,946,444	0	14,323,560	14,323,560	14,323,560	0
				253,643	253,643	253,643	0
1,946,444	1,871,444	1,902,164	30,720	12,301,660	12,251,799	14,907,302	2,655,503

**GENERAL OPERATING ACCOUNT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

	Adopted Budget	Revised Budget	Actual	Variance
<u>PUBLIC SAFETY</u>				
Police Department				
Personal services	\$ 4,562,926	4,537,926	4,432,671	105,255
Other than personal services	226,350	224,420	200,527	23,893
Total Police Department	4,789,276	4,762,346	4,633,198	129,148
Fire Department				
Personal services	4,747,106	5,215,106	5,214,127	979
Other than personal services	252,900	254,968	213,701	41,267
Total Fire Department	5,000,006	5,470,074	5,427,828	42,246
TOTAL PUBLIC SAFETY	9,789,282	10,232,420	10,061,026	171,394
<u>GENERAL GOVERNMENT</u>				
Department of Public Services				
Personal services	567,226	605,226	598,629	6,597
Other than personal services	197,750	230,825	227,647	3,178
Total Department of Public Services	764,976	836,051	826,276	9,775
City Manager				
Personal services	540,146	577,146	570,391	6,755
Other than personal services	151,840	149,140	112,292	36,848
Total City Manager	691,986	726,286	682,683	43,603
Finance Department				
Personal services	535,252	537,502	537,262	240
Other than personal services	109,100	127,350	124,751	2,599
Total Finance Department	644,352	664,852	662,013	2,839
City Council				
Personal services	27,960	28,960	28,747	213
Other than personal services	10,500	8,000	4,755	3,245
Total City Council	38,460	36,960	33,502	3,458

(Continued)

**GENERAL OPERATING ACCOUNT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

	Adopted Budget	Revised Budget	Actual	Variance
City Clerk				
Personal services	\$ 234,935	238,935	238,767	168
Other than personal services	15,200	11,200	6,709	4,491
Total City Clerk	<u>250,135</u>	<u>250,135</u>	<u>245,476</u>	<u>4,659</u>
City Attorney				
Personal services	487,895	485,395	474,366	11,029
Other than personal services	38,750	46,250	44,854	1,396
Total City Attorney	<u>526,645</u>	<u>531,645</u>	<u>519,220</u>	<u>12,425</u>
Mayor's Court				
Personal services	117,452	109,462	109,359	103
Other than personal services	92,300	121,790	121,136	654
Total Mayor's Court	<u>209,752</u>	<u>231,252</u>	<u>230,495</u>	<u>757</u>
Facilities Maintenance				
Personal services	107,308	107,308	95,369	11,939
Other than personal services	749,575	840,575	733,573	107,002
Total Facilities Maintenance	<u>856,883</u>	<u>947,883</u>	<u>828,942</u>	<u>118,941</u>
Data Processing				
Personal services	215,721	195,721	184,736	10,985
Other than personal services	49,000	69,000	58,400	10,600
Total Data Processing	<u>264,721</u>	<u>264,721</u>	<u>243,136</u>	<u>21,585</u>
General Administration				
Personal services	574,973	574,873	547,320	27,553
Other than personal services	1,142,200	1,059,569	976,818	82,751
Total General Administration	<u>1,717,173</u>	<u>1,634,442</u>	<u>1,524,138</u>	<u>110,304</u>
TOTAL GENERAL GOVERNMENT	5,965,083	6,124,227	5,795,881	328,346

(Continued)

**GENERAL OPERATING ACCOUNT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

	Adopted Budget	Revised Budget	Actual	Variance
<u>PUBLIC SERVICES</u>				
Department of Public Services				
Personal services	\$ 881,682	846,682	809,992	36,690
Other than personal services	42,675	42,675	30,749	11,926
<i>Total Department of Public Services</i>	<u>924,357</u>	<u>889,357</u>	<u>840,741</u>	<u>48,616</u>
TOTAL PUBLIC SERVICES	924,357	889,357	840,741	48,616
<u>PARKS AND RECREATION</u>				
Parks and Recreation Department				
Personal services	1,419,841	1,419,841	1,392,940	26,901
Other than personal services	448,819	446,319	426,966	19,353
<i>Total Parks and Recreation Department</i>	<u>1,868,660</u>	<u>1,866,160</u>	<u>1,819,906</u>	<u>46,254</u>
TOTAL PARKS AND RECREATION	1,868,660	1,866,160	1,819,906	46,254
<u>COMMUNITY DEVELOPMENT</u>				
Department of Development				
Personal services	515,667	515,667	500,926	14,741
Other than personal services	60,900	66,400	56,640	9,760
<i>Total Department of Development</i>	<u>576,567</u>	<u>582,067</u>	<u>557,566</u>	<u>24,501</u>
TOTAL COMMUNITY DEVELOPMENT	576,567	582,067	557,566	24,501
TOTAL EXPENDITURES	<u>\$ 19,123,949</u>	<u>19,694,231</u>	<u>19,075,120</u>	<u>619,111</u>

**CAPITAL ASSET MANAGEMENT FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

	Adopted Budget	Revised Budget	Actual	Variance
<u>CAPITAL OUTLAY</u>				
Department of Public Service				
Capital Outlay	\$ 350,000	357,000	7,000	350,000
Total Department of Public Service	350,000	357,000	7,000	350,000
TOTAL CAPITAL OUTLAY	<u>350,000</u>	<u>357,000</u>	<u>7,000</u>	<u>350,000</u>
TOTAL EXPENDITURES	<u>\$ 350,000</u>	<u>357,000</u>	<u>7,000</u>	<u>350,000</u>

**CAPITAL IMPROVEMENTS ACCOUNT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

	Adopted <u>Budget</u>	Revised <u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>CAPITAL OUTLAY</u>				
Police Department	\$ 81,700	130,930	112,512	18,418
Fire Department	149,910	147,842	137,124	10,718
Parks and Recreation	52,100	63,700	62,242	1,458
Development Department	3,100	2,600	2,548	52
Public Service Administration	20,500	20,500	20,468	32
Streets	216,800	216,800	216,590	210
Maintenance	9,200	9,725	6,808	2,917
Utility Division	0	60	60	0
City Manager	1,000	2,200	2,120	80
City Attorney	600	600	0	600
City Clerk	6,000	6,000	3,290	2,710
Finance	5,500	5,500	5,129	371
Facilities Maintenance	4,500	230,063	225,541	4,522
Data Processing	205,000	195,340	179,600	15,740
General Administration	0	4,481	4,477	4
TOTAL CAPITAL OUTLAY	<u>755,910</u>	<u>1,036,341</u>	<u>978,509</u>	<u>57,832</u>
TOTAL EXPENDITURES	<u>\$ 755,910</u>	<u>1,036,341</u>	<u>978,509</u>	<u>57,832</u>

**SELF-INSURED LOSS ACCOUNT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

	Adopted Budget	Revised Budget	Actual	Variance
GENERAL GOVERNMENT				
General Administration				
Other than personal services	\$ 100,000	175,000	138,220	36,780
Total General Administration	<u>100,000</u>	<u>175,000</u>	<u>138,220</u>	<u>36,780</u>
TOTAL GENERAL GOVERNMENT	<u>100,000</u>	<u>175,000</u>	<u>138,220</u>	<u>36,780</u>
TOTAL EXPENDITURES	<u>\$ 100,000</u>	<u>175,000</u>	<u>138,220</u>	<u>36,780</u>

SPECIAL REVENUE FUNDS

STREET CONSTRUCTION MAINTENANCE AND REPAIR FUND

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

LAW ENFORCEMENT FUND

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

TREE PLANTING FUND

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

ENFORCEMENT EDUCATION FUND

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

BOARD OF HEALTH FUND

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

LAW ENFORCEMENT BLOCK GRANT FUND

Established in 1997 pursuant to C. O. 137.11, the Law Enforcement Block Grant Fund was created to account for the Department of Justice grant to be used solely for law enforcement. The City must provide matching funds that total one-ninth of the funds received by the Justice Department. Each grant must be spent within 24 months or returned to the Justice Department.

MAYOR'S COURT COMPUTER FUND

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

LIFELONG LEARNING AND LEISURE FUND

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

CIVIL SERVICE FUND

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

CLERK OF COURT FUND

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

ECONOMIC DEVELOPMENT VENTURE FUND

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

NEIGHBORHOOD LIGHTING FUND

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

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 1999**

	Street Construction Maintenance and Repair Fund	Law Enforcement Fund	Tree Planting Fund	Enforcement Education Fund	Law Board of Health Block Grant Enforcement Fund	0
ASSETS:						
Equity in pooled cash and investments \$	87,754	302,856	3,469	4,264	554	
Receivables	684,718	4,024				
Inventory	59,693					
TOTAL ASSETS	\$ 832,165	306,880	3,469	4,264	554	0
LIABILITIES:						
Accounts payable \$	22,420	8,825				
Deferred Revenue	557,624					
Accrued liabilities	62,648					
TOTAL LIABILITIES	642,692	8,825	0	0	0	0
FUND EQUITY:						
Fund balances:						
Reserved for inventory	59,693					
Reserved for encumbrances	58,656					
Unreserved	71,124	298,055	3,469	4,264	554	
TOTAL FUND EQUITY	189,473	298,055	3,469	4,264	554	0
TOTAL LIABILITIES AND FUND EQUI \$	832,165	306,880	3,469	4,264	554	0

Exhibit B-1

Mayor's Court Computer Fund	Life Long Learning and Leisure Fund	Civil Service Fund	Clerk of Court Fund	Economic Development Venture Fund	Neighborhood Lighting Fund	Totals	
						1999	1998
26,141	91,871	24,599	28,817	397,455	58,899	1,026,679	601,675
					2,101	690,843	599,086
						59,693	73,105
<u>26,141</u>	<u>91,871</u>	<u>24,599</u>	<u>28,817</u>	<u>397,455</u>	<u>61,000</u>	<u>1,777,215</u>	<u>1,273,866</u>
	13,597					44,842	21,140
	6,605					557,624	453,050
						69,253	73,174
<u>0</u>	<u>20,202</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>671,719</u>	<u>547,364</u>
						59,693	73,105
	1,884					60,540	33,887
<u>26,141</u>	<u>69,785</u>	<u>24,599</u>	<u>28,817</u>	<u>397,455</u>	<u>61,000</u>	<u>985,263</u>	<u>619,510</u>
<u>26,141</u>	<u>71,669</u>	<u>24,599</u>	<u>28,817</u>	<u>397,455</u>	<u>61,000</u>	<u>1,105,496</u>	<u>726,502</u>
<u>26,141</u>	<u>91,871</u>	<u>24,599</u>	<u>28,817</u>	<u>397,455</u>	<u>61,000</u>	<u>1,777,215</u>	<u>1,273,866</u>

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended December 31, 1999

	Street Construction Maintenance & Repair Fund	Law Enforcement Fund	Tree Planting Fund	Enforcement Education Fund	Board of Health Fund
REVENUES:					
Intergovernmental	\$ 897,206				
Charges for services	820		2,422		
Investment earnings	2,851	10,939			
Net Increase (Decrease) in fair value of investments	(2,326)	(6,075)			
Fines and Forfeits					
Miscellaneous	30,077	92,778		3,715	
Total revenues	928,628	97,642	2,422	3,715	0
EXPENDITURES:					
Current:					
Public safety		13,322			
General Government				5,985	
Public services	1,139,600				
Parks and Recreation			223		
Health Services					108,552
Capital outlay		45,010			
Total expenditures	1,139,600	58,332	223	5,985	108,552
Excess (deficiency) of revenues over expenditures	(210,972)	39,310	2,199	(2,270)	(108,552)
OTHER FINANCING SOURCES (USES):					
Operating transfers-in	100,000				84,000
Operating transfers-out					
Total other financing sources (uses)	100,000	0	0	0	84,000
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(110,972)	39,310	2,199	(2,270)	(24,552)
Fund balances at beginning of year before cumulative effect of change in accounting principle	300,445	258,745	1,270	6,534	25,106
Cumulative effect of change in accounting principle					
Restated fund balances at beginning of year	300,445	258,745	1,270	6,534	25,106
Equity Fund Transfer					
Fund balance at end of year	\$ 189,473	298,055	3,469	4,264	554

Law Enforcement Block Grant Fund	Mayor's Court Computer Fund	Life Long Learning & Leisure Fund	Civil Service Fund	Clerk of Court Fund	Economic Development Fund	Neighborhood Lighting Fund	Totals	
							1999	1998
							897,206	946,699
		272,219				59,569	335,030	278,010
104 (104)						2,102 (595)	15,996 (9,100)	15,336 3,845
	12,840			12,819			25,659	23,868
							126,570	94,363
0	12,840	272,219	0	12,819	0	61,076	1,391,361	1,362,121
							13,322	12,509
			20,206		102,545		128,736	14,014
						76	1,139,676	1,020,965
		265,485		1,790			267,498	249,525
							108,552	120,688
8,125	5,448						58,583	85,193
8,125	5,448	265,485	20,206	1,790	102,545	76	1,716,367	1,502,894
(8,125)	7,392	6,734	(20,206)	11,029	(102,545)	61,000	(325,006)	(140,773)
			20,000		500,000		704,000	386,333
							0	(5,763)
0	0	0	20,000	0	500,000	0	704,000	380,570
(8,125)	7,392	6,734	(206)	11,029	397,455	61,000	378,994	239,797
8,125	18,749	64,935	24,805	17,788			726,502	486,380
							0	649
8,125	18,749	64,935	24,805	17,788	0	0	726,502	487,029
								(324)
0	26,141	71,669	24,599	28,817	397,455	61,000	1,105,496	726,502

**SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

Street Construction Maintenance and Repair Fund

	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Intergovernmental	\$ 1,000,000	850,000	912,038	62,038
Charges for services			820	820
Investment earnings		4,500	4,003	(497)
Fines and forfeits				
Miscellaneous	15,000			0
Reimbursements		30,000	30,077	77
Total revenues	1,015,000	884,500	946,938	62,438
EXPENDITURES:				
Current:				
Public safety				
General government				
Public services	1,149,949	1,173,995	1,131,159	42,836
Parks and recreation				
Health services				
Capital outlay	50,000	50,954	50,954	0
Total expenditures	1,199,949	1,224,949	1,182,113	42,836
Excess (deficiency) of revenues over expenditures	(184,949)	(340,449)	(235,175)	105,274
OTHER FINANCING SOURCES (USES):				
Operating transfers-in	150,000	300,000	100,000	(200,000)
Total other financing sources (uses)	150,000	300,000	100,000	(200,000)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(34,949)	(40,449)	(135,175)	(94,726)
Fund balances at beginning of year	149,842	149,842	149,842	0
Lapsed encumbrances	619	619	619	0
Fund balances at end of year	\$ 115,512	110,012	15,286	(94,726)

Exhibit B-3

Law Enforcement Fund				Tree Planting Fund			
Budget	Revised Budget	Actual	Variance	Budget	Revised Budget	Actual	Variance
					2,500	2,422	(78)
12,000	12,000	13,073	1,073				
5,000	85,000	88,109	3,109				0
		1,369	1,369				
17,000	97,000	102,551	5,551	0	2,500	2,422	(78)
25,000	33,000	7,292	25,708				
				2,500	2,500	223	2,277
27,575	29,575	29,540	35				
52,575	62,575	36,832	25,743	2,500	2,500	223	2,277
(35,575)	34,425	65,719	31,294	(2,500)	0	2,199	2,199
0	0	0	0	0	0	0	0
(35,575)	34,425	65,719	31,294	(2,500)	0	2,199	2,199
236,901	236,901	236,901	0	1,270	1,270	1,270	0
106	106	106	0				
201,432	271,432	302,726	31,294	(1,230)	1,270	3,469	2,199

(Continued)

SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999

	<u>Enforcement Education Fund</u>			
	<u>Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES:</u>				
Intergovernmental				\$
Charges for services				
Investment earnings				
Fines and forfeits				
Miscellaneous	1,200	1,200	3,715	2,515
Reimbursements				
Total revenues	1,200	1,200	3,715	2,515
<u>EXPENDITURES:</u>				
Current:				
Public safety				
General government	1,200	6,000	5,985	15
Public services				
Parks and recreation				
Health services				
Capital outlay				
Total expenditures	1,200	6,000	5,985	15
Excess (deficiency) of revenues over expenditures	0	(4,800)	(2,270)	2,530
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating transfers-in				
Total other financing sources (uses)	0	0	0	0
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	0	(4,800)	(2,270)	2,530
Fund balances at beginning of year	6,534	6,534	6,534	0
Lapsed encumbrances				
Fund balances at end of year	\$ 6,534	1,734	4,264	2,530

Exhibit B-3 (Continued)

Board of Health Fund				Law Enforcement Block Grant Fund			
Budget	Revised Budget	Actual	Variance	Budget	Revised Budget	Actual	Variance
							0
				100	100	204	104
0	0	0	0	100	100	204	104
108,553	108,553	108,552	1	8,125	8,125	8,125	0
108,553	108,553	108,552	1	8,125	8,125	8,125	0
(108,553)	(108,553)	(108,552)	1	(8,025)	(8,025)	(7,921)	104
90,000	90,000	84,000	(6,000)				
90,000	90,000	84,000	(6,000)	0	0	0	0
(18,553)	(18,553)	(24,552)	(5,999)	(8,025)	(8,025)	(7,921)	104
25,106	25,106	25,106	0	7,921	7,921	7,921	0
6,553	6,553	554	(5,999)	(104)	(104)	0	104

(Continued)

**SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - BUDGET BASIS
 For the Fiscal Year Ended December 31, 1999**

	Mayor's Court Computer Fund			
	Budget	Revised Budget	Actual	Variance
REVENUES:				
Intergovernmental	\$			
Charges for services				
Investment earnings				
Fines and forfeits	10,000	16,932	12,840	(4,092)
Miscellaneous				
Reimbursements				
Total revenues	10,000	16,932	12,840	(4,092)
EXPENDITURES:				
Current:				
Public safety				
General government	0	5,234	0	5,234
Public services				
Parks and recreation				
Health services				
Capital outlay	0	5,448	5,448	0
Total expenditures	0	10,682	5,448	5,234
Excess (deficiency) of revenues over expenditures	10,000	6,250	7,392	1,142
OTHER FINANCING SOURCES (USES)				
Operating transfers-in				
Total other financing sources (uses)	0	0	0	0
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	10,000	6,250	7,392	1,142
Fund balances at beginning of year	18,749	18,749	18,749	0
Lapsed encumbrances				
Fund balances at end of year	\$ 28,749	24,999	26,141	1,142

Exhibit B-3 (Continued)

Life Long Learning And Leisure Fund				Civil Service Fund			
Budget	Revised Budget	Actual	Variance	Budget	Revised Budget	Actual	Variance
296,325	296,325	272,219	(24,106)				
296,325	296,325	272,219	(24,106)	0	0	0	0
				25,000	25,000	20,946	4,054
296,325	296,325	269,126	27,199				
296,325	296,325	269,126	27,199	25,000	25,000	20,946	4,054
0	0	3,093	3,093	(25,000)	(25,000)	(20,946)	4,054
				20,000	20,000	20,000	0
0	0	0	0	20,000	20,000	20,000	0
0	0	3,093	3,093	(5,000)	(5,000)	(946)	4,054
67,577	67,577	67,577	0	25,545	25,545	25,545	0
11,073	11,073	11,073					
78,650	78,650	81,743	3,093	20,545	20,545	24,599	4,054

(Continued)

**SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - BUDGET BASIS
 For the Fiscal Year Ended December 31, 1999**

	Clerk of Courts Fund			
	Budget	Revised Budget	Actual	Variance
REVENUES:				
Intergovernmental				
Charges for services				
Investment earnings				
Fines and forfeits	8,000	8,000	12,819	4,819
Miscellaneous				
Reimbursements				
<i>Total revenues</i>	<u>8,000</u>	<u>8,000</u>	<u>12,819</u>	<u>4,819</u>
EXPENDITURES:				
Current:				
Public safety				
General government				
Public services	5,000	5,000	1,790	3,210
Parks and recreation				
Health services				
Capital outlay				
<i>Total expenditures</i>	<u>5,000</u>	<u>5,000</u>	<u>1,790</u>	<u>3,210</u>
Excess (deficiency) of revenues over expenditures	<u>3,000</u>	<u>3,000</u>	<u>11,029</u>	<u>8,029</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers-in				
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>3,000</u>	<u>3,000</u>	<u>11,029</u>	<u>8,029</u>
<i>Fund balances at beginning of year</i>	<u>17,788</u>	<u>17,788</u>	<u>17,788</u>	<u>0</u>
Lapsed encumbrances				
<i>Fund balances at end of year</i>	<u>\$ 20,788</u>	<u>\$ 20,788</u>	<u>\$ 28,817</u>	<u>\$ 8,029</u>

Exhibit B-3 (Continued)

Economic Development Venture Fund				Neighborhood Lighting Fund			
Budget	Revised Budget	Actual	Variance	Budget	Revised Budget	Actual	Variance
				60,000	60,000	57,609 1,961	(2,391) 1,961
0	0	0	0	60,000	60,000	59,570	(430)
0	500,000	102,545	397,455	20,000	20,000	6,724	13,276
0	500,000	102,545	397,455	20,000	20,000	6,724	13,276
0	(500,000)	(102,545)	397,455	40,000	40,000	52,846	12,846
	500,000	500,000					
0	500,000	500,000	0	0	0	0	0
0	0	397,455	397,455	40,000	40,000	52,846	12,846
0	0	0	0				0
0	0	397,455	397,455	40,000	40,000	52,846	12,846

(Continued)

SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999

	Total			
	Budget	Revised Budget	Actual	Variance
REVENUES:				
Intergovernmental	\$ 1,000,000	850,000	912,038	62,038
Charges for services	356,325	358,825	333,070	(25,755)
Investment earnings	12,100	16,600	19,241	2,641
Fines and forfeits	18,000	24,932	25,659	727
Miscellaneous	21,200	86,200	91,824	5,624
Reimbursements	0	30,000	31,446	1,446
Total revenues	1,407,625	1,366,557	1,413,278	46,721
EXPENDITURES:				
Current:				
Public safety	25,000	33,000	7,292	25,708
General government	26,200	536,234	129,476	406,758
Public services	1,174,949	1,198,995	1,139,673	59,322
Parks and recreation	298,825	298,825	269,349	29,476
Health services	108,553	108,553	108,552	1
Capital outlay	85,700	94,102	94,067	35
Total expenditures	1,719,227	2,269,709	1,748,409	521,300
Excess (deficiency) of revenues over expenditures	(311,602)	(903,152)	(335,131)	568,021
OTHER FINANCING SOURCES (USES)				
Operating transfers-in	260,000	910,000	704,000	(206,000)
Total other financing sources (uses)	260,000	910,000	704,000	(206,000)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(51,602)	6,848	368,869	362,021
Fund balances at beginning of year	557,233	557,233	557,233	0
Lapsed encumbrances	11,798	11,798	11,798	0
Fund balances at end of year	\$ 517,429	575,879	937,900	362,021

STREET CONSTRUCTION MAINTENANCE AND REPAIR FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999

	Adopted Budget	Revised Budget	Actual	Variance
<u>PUBLIC SERVICES</u>				
Department of Public Services				
Personal Services	\$ 829,274	839,774	828,728	11,046
Other Than Personal Services	320,675	334,221	302,431	31,790
TOTAL PUBLIC SERVICES	<u>1,149,949</u>	<u>1,173,995</u>	<u>1,131,159</u>	<u>42,836</u>
<u>CAPITAL OUTLAY</u>				
Department of Public Services	50,000	50,954	50,954	0
TOTAL EXPENDITURES	<u>\$ 1,199,949</u>	<u>1,224,949</u>	<u>1,182,113</u>	<u>42,836</u>

**LAW ENFORCEMENT FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

	Adopted Budget	Revised Budget	Actual	Variance
<u>PUBLIC SAFETY</u>				
Police Department				
Personal Services	\$ 8,000	8,000	0	8,000
Other Than Personal Services	17,000	25,000	7,292	17,708
	<hr/>			
TOTAL PUBLIC SAFETY	25,000	33,000	7,292	25,708
	<hr/>			
<u>CAPITAL OUTLAY</u>				
Police Department	27,575	29,575	29,540	35
	<hr/>			
TOTAL EXPENDITURES	\$ 52,575	62,575	36,832	25,743
	<hr/>			

**TREE PLANTING FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

	Adopted Budget	Revised Budget	Actual	Variance
<u>PARKS AND RECREATION</u>				
Parks and Recreation Department Other Than Personal Services	\$ 2,500	2,500	223	2,277
TOTAL PARKS AND RECREATION	<u>2,500</u>	<u>2,500</u>	<u>223</u>	<u>2,277</u>
TOTAL EXPENDITURES	<u>\$ 2,500</u>	<u>2,500</u>	<u>223</u>	<u>2,277</u>

**ENFORCEMENT EDUCATION FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

	Adopted Budget	Revised Budget	Actual	Variance
<u>GENERAL GOVERNMENT</u>				
Mayor's Court				
Other Than Personal Services	\$ 1,200	6,000	5,985	15
TOTAL GENERAL GOVERNMENT	<u>1,200</u>	<u>6,000</u>	<u>5,985</u>	<u>15</u>
TOTAL EXPENDITURES	<u>\$ 1,200</u>	<u>6,000</u>	<u>5,985</u>	<u>15</u>

**BOARD OF HEALTH FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>HEALTH SERVICES</u>				
Health Department				
Other Than Personal Services	\$ 108,553	108,553	108,552	1
TOTAL HEALTH SERVICES	<u>108,553</u>	<u>108,553</u>	<u>108,552</u>	<u>1</u>
TOTAL EXPENDITURES	<u>\$ 108,553</u>	<u>108,553</u>	<u>108,552</u>	<u>1</u>

**LAW ENFORCEMENT BLOCK GRANT FUND
 SCHEDULE OF EXPENDITURES
 BUDGET AND ACTUAL - BUDGET BASIS
 For the Fiscal Year Ended December 31, 1999**

	Adopted Budget	Revised Budget	Actual	Variance
<u>CAPITAL OUTLAY</u>				
Police Department	8,125	8,125	8,125	0
TOTAL EXPENDITURES	\$ 8,125	8,125	8,125	0

**MAYOR'S COURT COMPUTER FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

	Adopted Budget	Revised Budget	Actual	Variance
<u>GENERAL GOVERNMENT</u>				
Mayor's Court				
Other Than Personal Services	\$ 0	5,234	0	5,234
TOTAL GENERAL GOVERNMENT	0	5,234	0	5,234
<u>CAPITAL OUTLAY</u>				
Mayor's Court	0	5,448	5,448	0
TOTAL EXPENDITURES	\$ 0	10,682	5,448	5,234

**LIFELONG LEARNING AND LEISURE
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

	Adopted <u>Budget</u>	Revised <u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>PARKS AND RECREATION</u>				
Parks and Recreation Department				
Personal Services	\$ 145,025	145,025	128,283	16,742
Other Than Personal Services	151,300	151,300	140,843	10,457
TOTAL PARKS AND RECREATION	<u>296,325</u>	<u>296,325</u>	<u>269,126</u>	<u>27,199</u>
 TOTAL EXPENDITURES	 \$ <u>296,325</u>	 <u>296,325</u>	 <u>269,126</u>	 <u>27,199</u>

**CIVIL SERVICE FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

	Adopted Budget	Revised Budget	Actual	Variance
<u>GENERAL GOVERNMENT</u>				
General Administration				
Other Than Personal Services	\$ 25,000	25,000	20,946	4,054
TOTAL PARKS AND RECREATION	<u>25,000</u>	<u>25,000</u>	<u>20,946</u>	<u>4,054</u>
TOTAL EXPENDITURES	<u>\$ 25,000</u>	<u>25,000</u>	<u>20,946</u>	<u>4,054</u>

**CLERK OF COURTS FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>PUBLIC SERVICES</u>				
Mayor's Court				
Other Than Personal Services	\$ 5,000	5,000	1,790	3,210
TOTAL PUBLIC SERVICES	<u>5,000</u>	<u>5,000</u>	<u>1,790</u>	<u>3,210</u>
TOTAL EXPENDITURES	<u>\$ 5,000</u>	<u>5,000</u>	<u>1,790</u>	<u>3,210</u>

**ECONOMIC DEVELOPMENT VENTURE FUND
 SCHEDULE OF EXPENDITURES
 BUDGET AND ACTUAL - BUDGET BASIS
 For the Fiscal Year Ended December 31, 1999**

	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>GENERAL GOVERNMENT</u>				
Economic Development				
Other Than Personal Services	\$ 0	500,000	102,545	397,455
TOTAL GENERAL GOVERNMENT	\$ 0	500,000	102,545	397,455

**NEIGHBORHOOD LIGHTING FUND
 SCHEDULE OF EXPENDITURES
 BUDGET AND ACTUAL - BUDGET BASIS
 For the Fiscal Year Ended December 31, 1999**

	<u>Adopted</u> <u>Budget</u>	<u>Revised</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>PUBLIC SERVICES</u>				
Department of Public Services				
Other Than Personal Services	\$ 20,000	20,000	6,724	13,276
TOTAL PUBLIC SERVICES	<u>20,000</u>	<u>20,000</u>	<u>6,724</u>	<u>13,276</u>
TOTAL EXPENDITURES	<u>\$ 20,000</u>	<u>20,000</u>	<u>6,724</u>	<u>13,276</u>

DEBT SERVICE FUND

GENERAL OBLIGATION BOND RETIREMENT FUND

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

**DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
GENERAL OBLIGATION BOND RETIREMENT FUND
December 31, 1999 and 1998**

	<u>1999</u>	<u>1998</u>
ASSETS:		
Equity in pooled cash and investments	\$ 631,698	558,936
Receivables	558,332	428,406
	<hr/>	<hr/>
TOTAL ASSETS	\$ 1,190,030	987,342
	<hr/>	<hr/>
LIABILITIES:		
Deferred revenue	\$ 540,042	428,406
	<hr/>	<hr/>
TOTAL LIABILITIES	540,042	428,406
	<hr/>	<hr/>
FUND EQUITY:		
Fund balance:		
Unreserved	649,988	558,936
	<hr/>	<hr/>
TOTAL FUND EQUITY	649,988	558,936
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,190,030	987,342
	<hr/>	<hr/>

**DEBT SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GENERAL OBLIGATION BOND RETIREMENT FUND
For the Fiscal Years Ended December 31, 1999 and 1998**

	<u>1999</u>	<u>1998</u>
REVENUES:		
Property taxes	\$ 647,345	1,186,046
Total revenues	<u>647,345</u>	<u>1,186,046</u>
EXPENDITURES:		
Debt service:		
Principal retirement	1,188,410	8,325,997
Interest and fiscal charges	<u>580,298</u>	<u>672,271</u>
Total expenditures	<u>1,768,708</u>	<u>8,998,268</u>
Deficiency of revenues over expenditures	<u>(1,121,363)</u>	<u>(7,812,222)</u>
OTHER FINANCING SOURCES (USES):		
Proceeds of bonds		6,636,516
Operating transfers-in	<u>1,212,415</u>	<u>1,702,040</u>
Total other financing sources	<u>1,212,415</u>	<u>8,338,556</u>
Excess of revenues and other financing sources over expenditures and other uses	91,052	526,334
Fund balances at beginning of year	<u>558,936</u>	<u>32,602</u>
Fund balances at end of year	<u>\$ 649,988</u>	<u>558,936</u>



CITY OF | U P P E R  A R L I N G T O N

CAPITAL PROJECTS FUNDS

BONDED IMPROVEMENT FUND

Sources of revenue are the proceeds of bonds and notes issued for the purpose of undertaking the construction and repair of capital facilities including infrastructure. Funds are used to pay the cost of the improvements.

INFRASTRUCTURE IMPROVEMENT FUND

Created by C.O. 137.10, the Infrastructure Improvement Fund was created to account for a five year capital project program. Resources are obtained from an annual \$750,000 fund transfer from the General Fund.

ESTATE TAX CAPITAL PROJECTS FUND

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

**CAPITAL PROJECTS FUND
COMBINING BALANCE SHEET
December 31, 1999**

	Bonded Improvement	Infrastructure Improvement	Estate Tax Capital	Totals 1999	Totals 1998
ASSETS:					
Equity in pooled cash and investments	\$ 3,340,814	536,718	3,977,515	7,855,047	5,611,121
Receivables	5,071		9,514	14,585	19,097
TOTAL ASSETS	\$ 3,345,885	536,718	3,987,029	7,869,632	5,630,218
LIABILITIES:					
Accounts payable	496,551	14,265	86,652	597,468	112,325
TOTAL LIABILITIES	496,551	14,265	86,652	597,468	112,325
FUND EQUITY:					
Fund balances:					
Reserved for encumbrances	1,735,414	102,128	20,824	1,858,366	247,128
Unreserved	1,113,920	420,325	3,879,553	5,413,798	5,270,765
TOTAL FUND EQUITY (Deficit)	2,849,334	522,453	3,900,377	7,272,164	5,517,893
TOTAL LIABILITIES AND FUND EQUITY	\$ 3,345,885	536,718	3,987,029	7,869,632	5,630,218

CAPITAL PROJECTS FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended December 31, 1999

	Bonded Improvement	Infrastructure Improvement	Estate Tax Capital	Totals	
				1999	1998
REVENUES:					
Investment earnings	\$ 52,147		127,294	179,441	275,538
Net Increase (Decrease) in fair value of investments			(40,643)	(40,643)	
Total revenues	52,147	0	86,651	138,798	275,538
EXPENDITURES:					
Capital outlay	2,193,156	755,097	122,027	3,070,280	2,099,808
Total expenditures	2,193,156	755,097	122,027	3,070,280	2,099,808
Excess (deficiency) of revenues over expenditures	(2,141,009)	(755,097)	(35,376)	(2,931,482)	(1,824,270)
OTHER FINANCING SOURCES (USES):					
Proceeds from notes and bonds				0	2,717,897
Operating Transfers-in		750,000	3,935,753	4,685,753	750,000
Operating Transfers-out				0	(473,692)
Total other financing sources (uses)	0	750,000	3,935,753	4,685,753	2,994,205
Excess(deficiency) of revenues and other financing sources over expenditures and other uses	(2,141,009)	(5,097)	3,900,377	1,754,271	1,169,935
Fund balances at beginning of year	4,990,343	527,550		5,517,893	4,396,438
Residual equity transfer				0	(48,480)
Fund balance (deficit) at end of year	\$ 2,849,334	522,453	3,900,377	7,272,164	5,517,893

CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999

	<u>Bonded Improvement Fund</u>			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Investment earnings	\$ 150,000	150,000	93,561	(56,439)
Total revenues	150,000	150,000	93,561	(56,439)
EXPENDITURES:				
Current:				
Public Services				
Capital Outlay	2,433,000	3,750,000	3,748,870	1,130
Total expenditures	2,433,000	3,750,000	3,748,870	1,130
Excess (deficiency) of revenues over expenditures	(2,283,000)	(3,600,000)	(3,655,309)	(55,309)
OTHER FINANCING SOURCES (USES):				
Proceeds of bonds				
Transfer-in				
Transfer-out				
Total other financing sources (uses)				
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(2,283,000)	(3,600,000)	(3,655,309)	(55,309)
Fund balances at beginning of year	4,867,723	4,867,723	4,867,723	
Lapsed encumbrances	804	804	804	
Fund balances at end of year	\$ 2,585,527	1,268,527	1,213,218	(55,309)

Infrastructure Improvement Fund				Estate Tax Capital Projects			
Adopted Budget	Revised Budget	Actual	Variance	Adopted Budget	Revised Budget	Actual	Variance
						117,780	117,780
						117,780	117,780
795,000	900,946	857,525	43,421	3,935,753	107,926	3,827,827	
795,000	900,946	857,525	43,421	3,935,753	107,926	3,827,827	
(795,000)	(900,946)	(857,525)	43,421	(3,935,753)	9,854	3,945,607	
	750,000	750,000		3,935,753	3,935,753		
	750,000	750,000		3,935,753	3,935,753		
(795,000)	(150,946)	(107,525)	43,421			3,945,607	3,945,607
436,608	436,608	436,608					
85,988	85,988	85,988					
(272,404)	371,650	415,071	43,421			3,945,607	3,945,607

(Continued)

CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999

	Totals			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Investment earnings	150,000	150,000	211,341	61,341
Total revenues	150,000	150,000	211,341	61,341
EXPENDITURES:				
Current:				
Public Services				
Capital outlay	3,228,000	8,586,699	4,714,321	3,872,378
Total expenditures	3,228,000	8,586,699	4,714,321	3,872,378
Excess (deficiency) of revenues over expenditures	(3,078,000)	(8,436,699)	(4,502,980)	3,933,719
OTHER FINANCING SOURCES (USE)				
Proceeds of bonds				
Transfer-in		4,685,753	4,685,753	
Transfer-out				
Total other financing sources (uses)		4,685,753	4,685,753	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(3,078,000)	(3,750,946)	182,773	3,933,719
Fund balances at beginning of year	5,304,331	5,304,331	5,304,331	
Lapsed encumbrances	86,792	86,792	86,792	
Fund balances at end of year	2,313,123	1,640,177	5,573,896	3,933,719

**BONDED IMPROVEMENT FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

	Adopted Budget	Revised Budget	Actual	Variance
<u>CAPITAL OUTLAY</u>				
Department of Public Services	\$ 2,433,000	3,750,000	3,748,870	1,130
TOTAL CAPITAL OUTLAY	<u>2,433,000</u>	<u>3,750,000</u>	<u>3,748,870</u>	<u>1,130</u>
TOTAL EXPENDITURES	<u>\$ 2,433,000</u>	<u>3,750,000</u>	<u>3,748,870</u>	<u>1,130</u>

**INFRASTRUCTURE IMPROVEMENT FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

	Adopted Budget	Revised Budget	Actual	Variance
<u>CAPITAL OUTLAY</u>				
Department of Public Services	\$ 795,000	900,946	857,525	43,421
TOTAL EXPENDITURES	\$ 795,000	900,946	857,525	43,421

**ESTATE TAX CAPITAL PROJECTS FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

		Adopted Budget	Revised Budget	Actual	Variance
<u>CAPITAL OUTLAY</u>					
Department of Public Services	\$	0	3,935,753	107,926	3,827,827
TOTAL CAPITAL OUTLAY		0	3,935,753	107,926	3,827,827
TOTAL EXPENDITURES	\$	0	3,935,753	107,926	3,827,827



CITY OF | UPPER  ARLINGTON

ENTERPRISE FUNDS

SOLID WASTE FUND

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

WATER SURCHARGE FUND

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

SANITARY SEWER SURCHARGE FUND

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

STORMWATER MANAGEMENT FUND

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

**ENTERPRISE FUNDS
COMBINING BALANCE SHEET
December 31, 1999**

	Solid Waste	Water Surcharge
ASSETS:		
Equity in pooled cash and investments	\$ 229,659	168,190
Receivables	109,277	110,192
Other assets		39,044
Property, plant and equipment (net of depreciation, where applicable)	<u>175,593</u>	<u>4,536,965</u>
TOTAL ASSETS	<u>514,529</u>	<u>4,854,391</u>
LIABILITIES:		
Accounts payable	38,585	712
Deferred revenue	302,821	
Accrued liabilities	79,538	29,628
Accrued vacation and sick leave	122,432	11,717
Accrued retirement payments		
Bonds and notes payable		<u>2,244,398</u>
TOTAL LIABILITIES	<u>543,376</u>	<u>2,286,455</u>
FUND EQUITY:		
Contributed capital	1,317,819	1,977,451
(Accumulated deficit) retained earnings	<u>(1,346,666)</u>	<u>590,485</u>
TOTAL FUND EQUITY (ACCUMULATED DEFICIENCY)	<u>(28,847)</u>	<u>2,567,936</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 514,529</u>	<u>4,854,391</u>

Exhibit E-1

Sanitary Sewer Surcharge	Stormwater Management Fund	Totals	
		1999	1998
2,336	1,981,997	2,382,182	2,405,086
184,908	38,299	442,676	148,235
20,781	9,751	69,576	105,875
<u>5,237,236</u>	<u>4,104,662</u>	<u>14,054,456</u>	<u>14,217,643</u>
<u>5,445,261</u>	<u>6,134,709</u>	<u>16,948,890</u>	<u>16,876,839</u>
1,096	4,670	45,063	31,446
		302,821	202,954
56,657	9,471	175,294	169,915
29,014	7,253	170,416	164,051
			139,110
<u>2,886,185</u>	<u>2,560,651</u>	<u>7,691,234</u>	<u>8,183,166</u>
<u>2,972,952</u>	<u>2,582,045</u>	<u>8,384,828</u>	<u>8,890,642</u>
2,563,616	1,118,525	6,977,411	7,244,823
(91,307)	2,434,139	1,586,651	741,374
<u>2,472,309</u>	<u>3,552,664</u>	<u>8,564,062</u>	<u>7,986,197</u>
<u>5,445,261</u>	<u>6,134,709</u>	<u>16,948,890</u>	<u>16,876,839</u>

ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
For the Fiscal Year Ended December 31, 1999
(with totals for the year ended December 31, 1998)

	Solid Waste	Water Surcharge
<u>OPERATING REVENUES:</u>		
Charges for services	\$ 1,378,022	374,580
Other	15,514	594
	<hr/>	<hr/>
Total revenues	1,393,536	375,174
<u>OPERATING EXPENSES:</u>		
Personal services	969,959	56,152
Disposal fees	294,871	
Materials and supplies	113,065	50,264
Depreciation	28,055	143,762
	<hr/>	<hr/>
Total expenses	1,405,950	250,178
	<hr/>	<hr/>
Operating income (loss)	(12,414)	124,996
<u>NON-OPERATING REVENUES (EXPENSES):</u>		
Interest on investments	9,246	
Intergovernmental		
Net Decrease in the Fair Value of Investments	(2,350)	
Interest expense		(102,678)
Total non-operating revenues (expenses)	6,896	(102,678)
	<hr/>	<hr/>
Net income (loss) before transfers-in	(5,518)	22,318
	<hr/>	<hr/>
Transfers-in	139,110	
	<hr/>	<hr/>
Net income (loss)	133,592	22,318
	<hr/>	<hr/>
Add depreciation on fixed assets acquired by contributed capital	7,547	71,881
	<hr/>	<hr/>
Increase (decrease) in retained earnings	141,139	94,199
	<hr/>	<hr/>
Beginning (accumulated deficit) retained earnings	(1,487,805)	496,286
	<hr/>	<hr/>
Ending (accumulated deficit) retained earnings	\$ (1,346,666)	590,485

Exhibit E-2

Sanitary Sewer Surcharge	Stormwater Management Fund	Totals	
		1999	1998
669,231	523,405	2,945,238	3,008,150
20,497	1,148	37,753	19,110
<hr/>	<hr/>	<hr/>	<hr/>
689,728	524,553	2,982,991	3,027,260
<hr/>	<hr/>	<hr/>	<hr/>
231,310	168,107	1,425,528	1,444,452
		294,871	267,819
87,596	126,754	377,679	462,077
197,971	189,741	559,529	552,921
<hr/>	<hr/>	<hr/>	<hr/>
516,877	484,602	2,657,607	2,727,269
<hr/>	<hr/>	<hr/>	<hr/>
172,851	39,951	325,384	299,991
<hr/>	<hr/>	<hr/>	<hr/>
370	87,525	97,141	110,720
	300,000	300,000	0
	(20,243)	(22,593)	0
(129,501)	(121,743)	(353,922)	(443,013)
<hr/>	<hr/>	<hr/>	<hr/>
(129,131)	245,539	20,626	(332,293)
<hr/>	<hr/>	<hr/>	<hr/>
43,720	285,490	346,010	(32,302)
<hr/>	<hr/>	<hr/>	<hr/>
		139,110	163,297
<hr/>	<hr/>	<hr/>	<hr/>
43,720	285,490	485,120	130,995
<hr/>	<hr/>	<hr/>	<hr/>
97,250	183,479	360,157	296,632
<hr/>	<hr/>	<hr/>	<hr/>
140,970	468,969	845,277	427,627
<hr/>	<hr/>	<hr/>	<hr/>
(232,277)	1,965,170	741,374	313,747
<hr/>	<hr/>	<hr/>	<hr/>
(91,307)	2,434,139	1,586,651	741,374
<hr/>	<hr/>	<hr/>	<hr/>

**ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended December 31, 1999**

		<u>Solid Waste</u>
Cash Flows from Operating Activities:		
Cash received from customers	\$	1,587,220
Cash payments to suppliers for goods and services		(563,828)
Cash payments to employees for services		<u>(1,100,313)</u>
Net cash (used) provided by operating activities		<u>(76,921)</u>
Cash Flows from Noncapital Financing Activities:		
Subsidy from General Fund		<u>139,110</u>
Net cash provided by noncapital financing activities		<u>139,110</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from bonds and notes		
Escrow transfer for advance refunding of bonds		
Proceeds from county vehicle fund		
Acquisition of capital assets		(45)
Principal paid on bonds and notes		
Interest paid on bonds and notes		
Net cash (used) provided by capital and related financing activities		<u>(45)</u>
Cash Flows from Investing Activities:		
Interest on investments		<u>8,341</u>
Net cash provided by investing activities		<u>8,341</u>
Net increase (decrease) in cash and cash equivalents		70,485
Cash and cash equivalents at beginning of year		<u>159,174</u>
Cash and cash equivalents at end of year	\$	<u><u>229,659</u></u>

Exhibit E-3

Water Surcharge	Sanitary Sewer Surcharge	Stormwater Management Fund	Totals 1999	Totals 1998
297,562	560,940	501,504	2,947,226	3,103,601
(49,733)	(88,933)	(132,560)	(835,054)	(776,439)
(57,514)	(225,352)	(166,841)	(1,550,020)	(1,591,974)
190,315	246,655	202,103	562,152	735,188
			139,110	139,111
			139,110	139,111
				4,267,512
				(1,763,714)
		300,000	300,000	0
	(22,959)	(282,217)	(305,221)	(375,504)
(179,548)	(196,144)	(116,240)	(491,932)	(2,984,846)
(83,445)	(120,396)	(116,656)	(320,497)	(338,049)
(262,993)	(339,499)	(215,113)	(817,650)	(1,194,601)
	370	84,773	93,484	107,332
	370	84,773	93,484	107,332
(72,678)	(92,474)	71,763	(22,904)	(212,970)
240,868	94,810	1,910,234	2,405,086	2,618,056
168,190	2,336	1,981,997	2,382,182	2,405,086

(Continued)

**ENTERPRISE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 For the Fiscal Year Ended December 31, 1999**

		<u>Solid Waste</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$	(12,414)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation		28,055
(Increase) decrease in accounts receivable		(83,928)
Increase (decrease) in accounts payable		21,853
Increase (decrease) in accrued liabilities		(130,354)
Increase (decrease) in deferred revenue		<u>99,867</u>
Net cash provided (used) by operating activities	\$	<u><u>(76,921)</u></u>

Exhibit E-3 (Concluded)

Water Surcharge	Sewer Surcharge	Stormwater Fund	Totals	
			1999	1998
124,996	172,851	39,951	325,384	299,991
143,762	197,971	189,741	559,529	552,921
(77,612)	(128,788)	(23,049)	(313,377)	68,451
531	(1,337)	(5,806)	15,241	(46,543)
(1,362)	5,958	1,266	(124,492)	(147,522)
			99,867	7,890
<u>190,315</u>	<u>246,655</u>	<u>202,103</u>	<u>562,152</u>	<u>735,188</u>

Noncash Investing, Financing and Capital Activities:

The enterprise funds had \$5,290 and \$24,226 of investment receivables at December 31, 1999 and 1998, respectively. The enterprise funds had \$59,013 and \$61,887 of accrued interest payable at December 31, 1999 and 1998, respectively. The enterprise funds acquired \$0 and \$2,223 in property, plant and equipment that were not paid for by December 31, 1999 and 1998.

The enterprise funds received contributions of equipment in the amounts of \$92,745 and \$82,654, in 1999 and 1998 respectively.

ENTERPRISE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999

Solid Waste Collection Fund

	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	1,449,000	1,449,000	1,407,878	(41,122)
Investment earnings	1,000	8,000	10,691	2,691
Other revenue	1,500	1,500	1,586	86
Total revenues	1,451,500	1,458,500	1,420,155	(38,345)
EXPENDITURES:				
Current:				
Public services	1,538,498	1,538,498	1,370,529	167,969
Capital outlay	100,000	100,000	87,790	12,210
Total expenditures	1,638,498	1,638,498	1,458,319	180,179
Excess (deficiency) of revenues over expenditures	(186,998)	(179,998)	(38,164)	141,834
OTHER FINANCING SOURCES (USES):				
Transfer-out				
Total other financing (uses)	0	0	0	0
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(186,998)	(179,998)	(38,164)	141,834
Fund balances at beginning of year	155,465	155,465	155,465	0
Lapsed encumbrances				
Fund balances at end of year	(31,533)	(24,533)	117,301	141,834

<u>Water Surcharge Fund</u>				<u>Sanitary Sewer Surcharge Fund</u>			
Adopted Budget	Revised Budget	Actual	Variance	Adopted Budget	Revised Budget	Actual	Variance
337,500	337,500	297,562	(39,938)	625,000	625,000	545,262	(79,738)
				3,000	750	370	(380)
				18,000	15,700	15,678	(22)
<u>337,500</u>	<u>337,500</u>	<u>297,562</u>	<u>(39,938)</u>	<u>646,000</u>	<u>641,450</u>	<u>561,310</u>	<u>(80,140)</u>
205,744	235,744	234,830	914	535,222	495,622	489,685	5,937
0	0	0	0	23,800	23,400	23,390	10
<u>205,744</u>	<u>235,744</u>	<u>234,830</u>	<u>914</u>	<u>559,022</u>	<u>519,022</u>	<u>513,075</u>	<u>5,947</u>
<u>131,756</u>	<u>101,756</u>	<u>62,732</u>	<u>(39,024)</u>	<u>86,978</u>	<u>122,428</u>	<u>48,235</u>	<u>(74,193)</u>
(143,491)	(143,491)	(143,491)	0	(139,351)	(139,351)	(139,351)	0
<u>(143,491)</u>	<u>(143,491)</u>	<u>(143,491)</u>	<u>0</u>	<u>(139,351)</u>	<u>(139,351)</u>	<u>(139,351)</u>	<u>0</u>
(11,735)	(41,735)	(80,759)	(39,024)	(52,373)	(16,923)	(91,116)	(74,193)
238,685	238,685	238,685	0	89,056	89,056	89,056	0
				4,396	4,396	4,396	
<u>226,950</u>	<u>196,950</u>	<u>157,926</u>	<u>(39,024)</u>	<u>41,079</u>	<u>76,529</u>	<u>2,336</u>	<u>(74,193)</u>

(Continued)

**ENTERPRISE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

Stormwater Management Fund

	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 525,000	540,000	501,588	(38,412)
Investment earnings	60,000	100,000	105,016	5,016
Other revenue		300,000	299,916	(84)
Total revenues	585,000	940,000	906,520	(33,480)
EXPENDITURES:				
Current:				
Public services	244,284	294,930	284,279	10,651
Capital outlay	497,500	480,670	291,145	189,525
Total expenditures	741,784	775,600	575,424	200,176
Excess (deficiency) of revenues over expenditures	(156,784)	164,400	331,096	166,696
OTHER FINANCING SOURCES (USES):				
Transfer-out	(232,896)	(232,896)	(232,896)	0
Total other financing (uses)	(232,896)	(232,896)	(232,896)	0
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(389,680)	(68,496)	98,200	166,696
Fund balances at beginning of year	1,870,616	1,870,616	1,870,616	0
Lapsed encumbrances	16,788	16,788	16,788	0
Fund balances at end of year	\$ 1,497,724	1,818,908	1,985,604	166,696

Exhibit E-4 (Concluded)

Totals

Adopted Budget	Revised Budget	Actual	Variance
2,936,500	2,951,500	2,752,290	(199,210)
64,000	108,750	116,077	7,327
19,500	317,200	317,180	(20)
<u>3,020,000</u>	<u>3,377,450</u>	<u>3,185,547</u>	<u>(191,903)</u>
2,523,748	2,564,794	2,379,323	185,471
621,300	604,070	402,325	201,745
<u>3,145,048</u>	<u>3,168,864</u>	<u>2,781,648</u>	<u>387,216</u>
(125,048)	208,586	403,899	195,313
(515,738)	(515,738)	(515,738)	0
<u>(515,738)</u>	<u>(515,738)</u>	<u>(515,738)</u>	<u>0</u>
(640,786)	(307,152)	(111,839)	195,313
2,353,822	2,353,822	2,353,822	0
21,184	21,184	21,184	0
<u>1,734,220</u>	<u>2,067,854</u>	<u>2,263,167</u>	<u>195,313</u>

**SOLID WASTE FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

	Adopted Budget	Revised Budget	Actual	Variance
<u>PUBLIC SERVICES</u>				
Department of Public Services				
Personal Services	\$ 1,047,753	1,047,753	961,203	86,550
Other Than Personal Services	490,745	490,745	409,326	81,419
TOTAL PUBLIC SERVICES	1,538,498	1,538,498	1,370,529	167,969
<u>CAPITAL OUTLAY</u>				
Department of Public Services	100,000	100,000	87,790	12,210
TOTAL EXPENDITURES	\$ 1,638,498	1,638,498	1,458,319	180,179

**WATER SURCHARGE FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>PUBLIC SERVICES</u>				
Department of Public Services				
Personal Services	\$ 47,791	58,291	57,514	777
Other Than Personal Services	157,953	177,453	177,316	137
TOTAL PUBLIC SERVICES	<u>205,744</u>	<u>235,744</u>	<u>234,830</u>	<u>914</u>
TOTAL EXPENDITURES	<u>\$ 205,744</u>	<u>235,744</u>	<u>234,830</u>	<u>914</u>

**SANITARY SEWER SURCHARGE FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

	Adopted Budget	Revised Budget	Actual	Variance
<u>PUBLIC SERVICES</u>				
Department of Public Services				
Personal Services	\$ 262,283	225,783	225,352	431
Other Than Personal Services	272,939	269,839	264,333	5,506
TOTAL PUBLIC SERVICES	535,222	495,622	489,685	5,937
<u>CAPITAL OUTLAY</u>				
Department of Public Services	23,800	23,400	23,390	10
TOTAL EXPENDITURES	\$ 559,022	519,022	513,075	5,947

**STORMWATER FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

	Adopted Budget	Revised Budget	Actual	Variance
<u>PUBLIC SERVICES</u>				
Department of Public Services				
Personal Services	\$ 156,834	176,934	166,841	10,093
Other Than Personal Services	87,450	117,996	117,438	558
TOTAL PUBLIC SERVICES	244,284	294,930	284,279	10,651
<u>CAPITAL OUTLAY</u>				
Department of Public Services	497,500	480,670	291,145	189,525
TOTAL EXPENDITURES	\$ 741,784	775,600	575,424	200,176

INTERNAL SERVICE FUND

EMPLOYEE BENEFIT FUND

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

**INTERNAL SERVICE FUND
COMPARATIVE BALANCE SHEET
EMPLOYEE BENEFIT FUND
December 31, 1999 and 1998**

	<u>1999</u>	<u>1998</u>
<u>ASSETS:</u>		
Equity in pooled cash and investments	\$ 63,511	29,148
Due From Other Funds	168,017	31,795
	<hr/>	<hr/>
TOTAL ASSETS	\$ 231,528	29,148
	<hr/>	<hr/>
<u>LIABILITIES:</u>		
Accounts payable	\$ 231,528	60,943
	<hr/>	<hr/>
TOTAL LIABILITIES	231,528	60,943
	<hr/>	<hr/>
<u>FUND EQUITY:</u>		
Retained earnings	0	0
	<hr/>	<hr/>
TOTAL FUND EQUITY	0	0
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND EQUITY	\$ 231,528	60,943
	<hr/>	<hr/>

**INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
EMPLOYEE BENEFIT FUND
BUDGET AND ACTUAL - BUDGET BASIS
For the Fiscal Year Ended December 31, 1999**

	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 1,716,449	1,510,446	1,580,234	69,788
Total revenues	1,716,449	1,510,446	1,580,234	69,788
EXPENDITURES:				
Current:				
General government	1,716,449	1,545,869	1,545,864	5
Total expenditures	1,716,449	1,545,869	1,545,864	5
Excess (deficiency) of revenues over expenditures	0	(35,423)	34,370	69,793
Fund balances at beginning of year	29,148	29,148	29,148	0
Fund balances at end of year	\$ 29,148	(6,275)	63,518	69,793

AGENCY FUNDS

RETURNABLE BONDS FUND

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

UNCLAIMED FUNDS

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

CONSTRUCTION WITHHOLDING FUND

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

MAYOR'S COURT FUND

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

UPPER ARLINGTON SWIMMING POOLS FUND

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

FLEX BENEFITS FUND

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

PAYROLL CLEARING FUND

To account for payroll and deduction checks of employees.

REVOLVING FUND

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

**AGENCY FUNDS
COMPARATIVE BALANCE SHEET
December 31, 1999 and 1998**

		<u>1999</u>	<u>1998</u>
ASSETS:			
Equity in pooled cash and investments	\$	<u>3,584,632</u>	<u>3,504,514</u>
TOTAL ASSETS	\$	<u>3,584,632</u>	<u>3,504,514</u>
LIABILITIES:			
Due to others	\$	<u>1,124,995</u>	<u>3,504,514</u>
Due to other funds		<u>2,459,637</u>	<u>0</u>
TOTAL LIABILITIES	\$	<u>3,584,632</u>	<u>3,504,514</u>

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
For the Fiscal Year Ended December 31, 1999

	Balances Jan. 1, 1999	Additions	Deductions	Balances Dec. 31, 1999
RETURNABLE BONDS				
Assets				
Cash and investments	\$ 17,421	12,078	9,030	20,469
Liabilities				
Due to others	\$ 17,421	12,078	9,030	20,469
UNCLAIMED FUNDS				
Assets				
Cash and investments	\$ 13,056	17,526	1,062	29,520
Liabilities				
Due to others	\$ 13,056	17,526	1,062	29,520
CONSTRUCTION WITHHOLDINGS				
Assets				
Cash and investments	\$ 280,544	303,050	286,668	296,926
Liabilities				
Due to others	\$ 280,544	303,050	286,668	296,926
MAYOR'S COURT				
Assets				
Cash and investments	\$ 36,791	438,484	422,461	52,814
Liabilities				
Due to others	\$ 36,791	438,484	422,461	52,814
UPPER ARLINGTON SWIMMING POOLS				
Assets				
Cash and investments	\$ 336,589	411,613	387,547	360,655
Liabilities				
Due to others	\$ 336,589	411,613	387,547	360,655

(Continued)

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
For the Fiscal Year Ended December 31, 1999

	Balances Jan. 1, 1999	Addition	Deductions	Balances Dec. 31, 1999
FLEX BENEFITS FUND				
Assets				
Cash and investments	\$ 20,759	94,127	92,870	22,016
Liabilities				
Due to others	\$ 20,759	94,127	92,870	22,016
PAYROLL CLEARING FUND				
Assets				
Cash and investments	\$ 441,683	14,410,211	14,530,984	320,910
Liabilities				
Due to others	\$ 441,683	14,410,211	14,530,984	320,910
REVOLVING FUND				
Assets				
Cash and investments	\$ 2,357,671	282,050	158,399	2,481,322
Liabilities				
Due to others	\$ 2,357,671	282,050	2,618,036	21,685
Due to other funds	0	2,459,637	0	2,459,637
Total Liabilities	<u>2,357,671</u>	<u>2,741,687</u>	<u>2,618,036</u>	<u>2,481,322</u>
TOTAL AGENCY FUNDS				
Assets				
Cash and investments	\$ 3,504,514	15,969,139	15,889,021	3,584,632
Total Assets	<u>\$ 3,504,514</u>	<u>15,969,139</u>	<u>15,889,021</u>	<u>3,584,632</u>
Liabilities				
Due to others	\$ 3,504,514	13,509,502	15,889,021	1,124,995
Due to other funds	0	2,459,637	0	2,459,637
Total Liabilities	<u>\$ 3,504,514</u>	<u>15,969,139</u>	<u>15,889,021</u>	<u>3,584,632</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

**GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
December 31, 1999 and 1998**

	<u>1999</u>	<u>1998</u>
ASSETS:		
Property, plant and equipment	\$ 20,093,790	19,705,947
TOTAL ASSETS	<u>20,093,790</u>	<u>19,705,947</u>
FUND EQUITY:		
Investment in general fixed assets	20,093,790	19,705,947
TOTAL FUND EQUITY	\$ <u>20,093,790</u>	<u>19,705,947</u>

**SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION
As of December 31, 1999**

<u>FUNCTION</u>		<u>Land</u>	<u>Buildings and Improvements</u>	<u>Machinery, Equipment, Furniture and Fixtures</u>	<u>Total</u>
Public safety	\$	219,896	1,611,801	3,300,086	5,131,783
General government		133,600	2,282,895	1,337,046	3,753,541
Public services		128,751	4,851,758	1,947,270	6,927,779
Parks and recreation		1,664,291	1,630,324	901,890	4,196,505
Community development		0	0	84,182	84,182
TOTAL GENERAL FIXED ASSETS	\$	<u>2,146,538</u>	<u>10,376,778</u>	<u>7,570,474</u>	<u>20,093,790</u>

**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION**

For the Fiscal Year Ended December 31, 1999

<u>FUNCTION</u>	General Fixed Assets <u>1-1-99</u>	Net Additions	Net Deletions	Net Transfers	General Fixed Assets <u>12-31-99</u>
Public safety	\$ 5,227,177	409,911	453,076	(52,229)	5,131,783
General government	3,478,359	434,012	195,322	36,492	3,753,541
Public services	6,770,128	238,875	93,905	12,681	6,927,779
Parks and recreation	4,113,966	154,716	87,955	15,778	4,196,505
Community development	116,317	2,820	22,233	(12,722)	84,182
TOTAL GENERAL FIXED ASSETS	\$ 19,705,947	1,240,334	852,491	0	20,093,790

**SCHEDULE OF GENERAL FIXED ASSETS
BY FUNDING SOURCE
As of December 31, 1999**

<u>SOURCE</u>	<u>1999</u>
General fixed assets purchased prior to January 1, 1987	\$ 7,339,200
General Fund revenues	5,836,838
Special Revenue Funds revenues	978,557
Capital lease	813,853
Bond proceeds	5,025,976
Donations	<u>99,366</u>
TOTAL GENERAL FIXED ASSETS	\$ <u>20,093,790</u>

GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP

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

**GENERAL LONG-TERM OBLIGATIONS
ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
December 31, 1999 and 1998**

	<u>1999</u>	<u>1998</u>
ASSETS:		
Amount available in debt service funds	\$ 649,988	558,936
Amount to be provided for retirement of general long-term obligations	<u>12,976,766</u>	<u>14,318,684</u>
TOTAL ASSETS	\$ <u>13,626,754</u>	<u>14,877,620</u>
LIABILITIES:		
Accrued vacation and sick leave	\$ 1,473,150	1,359,717
Accrued retirement payments	0	175,889
Bonds payable	<u>12,153,604</u>	<u>13,342,014</u>
TOTAL LIABILITIES	\$ <u>13,626,754</u>	<u>14,877,620</u>



CITY OF | UPPER  ARLINGTON



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Columbus, OH 43215

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

Members of City Council
City of Upper Arlington, Ohio

and

The Honorable Jim Petro
Auditor of State

We have audited the general purpose financial statements of the City of Upper Arlington, Ohio (the City) as of and for the year ended December 31, 1999, and have issued our report thereon dated June 2, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated June 2, 2000.



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

KPMG LLP

June 2, 2000

STATISTICAL SECTION

**General Governmental Expenditures by Function
Last Ten Years
All governmental fund types**

Fiscal Year	Public Safety	General Government	Public Services	Parks and Recreation	Community Development	Health	Capital Outlay	Debt Service	Total
1990	\$6,836,192	3,974,715	2,063,369	1,826,777	498,489	117,807	2,797,833	2,949,752	21,064,934
1991	7,543,812	4,370,807	2,091,204	1,782,150	522,340	130,550	2,297,133	4,120,245	22,858,241
1992	7,916,155	4,177,842	2,412,849	1,798,279	561,703	137,723	3,760,481	2,132,050	22,897,082
1993	8,344,094	5,926,274	2,249,946	1,912,418	577,750	151,392	3,074,259	1,980,606	24,216,739
1994	8,963,329	5,143,635	2,363,810	2,140,063	598,093	192,027	2,725,113	1,828,866	23,954,936
1995	8,823,084	4,545,731	2,228,412	2,340,395	584,402	162,474	445,707	1,810,040	20,940,245
1996	9,557,755	5,075,901	1,834,849	1,868,871	559,622	152,860	554,714	1,801,842	21,406,414
1997	8,878,570	4,917,977	1,813,259	1,927,825	557,421	118,922	2,271,254	1,502,953	21,988,181
1998	9,533,696	5,149,758	1,841,950	2,008,057	550,421	120,688	4,931,346	8,998,268	33,134,184
1999	10,349,664	6,054,366	1,950,505	2,078,865	566,864	108,552	4,168,235	1,768,708	27,045,779

Source: Finance Department, City of Upper Arlington

Table 2

**General Revenues by Source
Last Ten Years
All governmental fund types**

Fiscal Year	Income Taxes	Property Taxes	Inter Governmental	Estate Taxes	Charges For Services	Investment Earnings	Fines And Forfeitures	Licenses And Permits	Miscellaneous(1)	Increase (Decrease) in Fair Value of Investments (2)	Total
1990	\$6,835,578	3,734,678	2,593,148	1,448,481	473,195	844,808	187,823	149,014	398,372	.	16,665,097
1991	6,694,161	4,316,898	3,039,149	2,700,573	354,533	1,239,698	242,051	152,703	716,905		19,456,671
1992	7,670,196	4,369,426	3,067,770	2,384,006	319,867	1,220,905	260,781	151,705	529,946		19,974,602
1993	8,255,474	4,778,177	2,951,850	2,806,590	325,449	763,689	254,130	285,442	764,865		21,185,666
1994	7,953,375	5,388,055	3,090,712	2,668,587	471,932	594,245	232,771	291,057	708,154		21,398,888
1995	8,355,598	5,373,884	3,285,785	2,184,447	650,470	592,224	266,337	227,973	686,069		21,622,787
1996	8,205,419	5,441,146	3,540,056	2,406,737	742,135	597,948	233,653	399,084	1,072,212		22,638,390
1997	8,079,010	5,875,318	3,609,192	4,888,658	753,938	836,797	262,009	342,816	1,028,810		25,676,548
1998	9,406,931	7,519,363	3,364,427	4,687,336	777,985	1,500,726	279,149	268,601	1,369,356	315,157	29,489,031
1999	12,313,204	6,685,315	3,379,685	5,641,678	840,531	1,319,607	317,521	298,740	1,178,745	(636,407)	31,338,619

Notes:

(1) Includes special assessments

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

Source: Finance Department, City of Upper Arlington

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

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent Of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
1990	\$3,690,110	\$3,577,306	96.94%	\$106,892	\$3,684,198	99.80%	\$115,230	3.10%
1991	4,311,622	4,248,559	98.54%	77,896	4,326,455	100.34%	124,208	2.90%
1992	4,319,484	4,251,731	98.43%	70,749	4,322,480	100.00%	143,374	3.32%
1993	4,747,095	4,670,370	98.38%	87,111	4,757,481	100.22%	155,080	3.27%
1994	5,317,615	5,239,310	98.53%	107,526	5,346,836	100.55%	139,030	2.61%
1995	5,344,932	5,285,826	98.89%	83,737	5,369,563	100.46%	145,923	2.73%
1996	5,412,824	5,347,189	98.79%	76,001	5,423,190	100.19%	164,727	3.04%
1997	6,013,241	5,773,906	96.02%	96,416	5,870,322	97.62%	345,199	5.74%
1998	6,946,627	6,827,432	98.28%	296,137	7,123,569	102.55%	238,925	3.44%
1999	6,412,472	6,313,867	98.46%	157,309	6,471,176	100.92%	214,770	3.35%

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

Table 4

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

Tax Year	<u>Real Property & Public Utility</u>		<u>Tangible Personal Property</u>		Total Assessed Value
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (2)	
1990	\$718,296,340	2,052,275,257	23,942,916	85,510,414	742,239,256
1991	720,651,930	2,059,005,514	21,339,564	79,035,422	741,991,494
1992	724,312,280	2,069,463,657	22,918,091	88,146,504	747,230,371
1993	836,321,350	2,389,489,571	23,262,806	93,051,224	859,584,156
1994	839,485,790	2,398,530,829	26,530,456	106,121,824	866,016,246
1995	842,038,480	2,405,824,229	29,186,722	116,746,888	871,225,202
1996	955,600,450	2,730,287,000	38,912,009	155,648,036	994,512,459
1997	959,512,370	2,741,463,914	45,182,344	180,729,376	1,004,694,714
1998	964,348,230	2,755,280,657	56,148,837	224,595,348	1,020,497,067
1999	1,067,428,160	3,049,794,743	34,396,677	137,586,708	1,101,824,837

Notes:

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

(2) Tangible personal property is assessed at different rates for equipment and inventories.

The percentages are as follows:

<u>Year</u>	<u>Equipment</u>	<u>Inventories</u>
1990	28	28
1991	27	27
1992	26	26
1993	25	25
1994	25	25
1995	25	25
1996	25	25
1997	25	25
1998	25	25
1999	25	25

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

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

Tax Year	City of Upper Arlington					Other Governments			
	General Fund	Debt Retirement	Police and Fire Pensions	Capital Improvement	Total	School District	County	Library	Total
1990	4.90	0.38	0.60	0.50	6.38	68.15	10.54	-	85.07
1991	4.90	0.36	0.60	0.50	6.36	68.15	12.42	-	86.93
1992	4.90	0.36	0.60	0.50	6.36	68.15	12.42	-	86.93
1993	3.90	0.36	1.60	0.50	6.36	68.15	14.87	-	89.38
1994	3.90	0.28	1.60	0.50	6.28	74.65	14.57	1.00	96.50
1995	3.90	0.29	1.60	0.50	6.29	78.12	14.82	1.00	100.23
1996	3.90	0.27	1.60	0.50	6.27	78.12	14.82	1.00	100.21
1997	3.90	0.84	1.60	0.50	6.84	77.86	15.22	1.00	100.92
1998	3.90	0.42	1.60	0.50	6.42	84.03	17.54	1.00	108.99
1999	3.90	0.39	1.60	0.50	6.39	83.95	17.64	1.00	108.98

Source: Office of the County Auditor, Franklin County

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

Tax Year	Assessed Value (1)	Gross General Bonded Debt (2)	Less Debt Service Fund	Net General Bonded Debt	Ratio of Net General Bonded Debt to Assessed Value	Estimated Population (3)	Net General Bonded Debt Per Capita
1990	\$742,239,256	\$3,490,000	\$119,866	\$3,370,134	0.45	34,128	98.75
1991	741,991,494	16,925,000	2,888,696	14,036,304	1.90	34,128	411.29
1992	747,230,371	15,470,000	1,449,677	14,020,323	1.88	34,128	410.82
1993	859,584,156	14,605,000	268,950	14,336,050	1.67	34,279	418.22
1994	866,016,246	13,205,000	3,826	13,201,174	1.53	34,279	385.11
1995	871,225,202	11,740,000	10,880	11,729,120	1.35	35,700	328.55
1996	994,512,459	10,205,000	22,658	10,182,342	1.02	35,686	285.33
1997	1,004,694,714	9,045,000	32,602	9,012,398	0.90	35,686	252.55
1998	1,020,497,067	17,849,988	558,936	17,291,052	1.69	35,686	484.53
1999	1,101,824,837	16,339,988	649,988	15,690,000	1.42	35,686	439.67

Notes:

(1) Assessed value from Table 4

(2) Amounts exclude bond anticipation notes

(3) Population estimates for 1990 are from the U.S. Census Bureau. Other estimates prepared by the City of Upper Arlington.

**Computation of Legal Debt Margin
(Unaudited)
December 31, 1999**

Total Assessed Valuation	\$1,101,824,837
Overall Debt Limitation:	
10 1/2% of assessed valuation	115,691,608
Gross bonded indebtedness	16,339,988
Less: Amount available in debt service fund	649,988
Net debt within limitation	15,690,000
Legal debt margin within 10 1/2% limitation	\$100,001,608
Unvoted Debt Limitation:	
5 1/2% of assessed valuation	\$60,600,366
Gross bonded indebtedness	16,339,988
Less: Debt outside limitations	4,919,988
Debt within limitation	11,420,000
Less: Amount available in debt service fund	649,988
Net debt within limitation	10,770,012
Legal debt margin within 5 1/2% limitation	\$49,830,354

Table 8

**Computation of Direct and Overlapping Debt
(Unaudited)
December 31, 1999**

	<u>Assessed Valuation</u>	<u>Net Outstanding</u>	<u>Percent Overlapping</u>	<u>Amount Applicable To City of Upper Arlington</u>
City of Upper Arlington	\$1,101,824,837	\$16,339,988	100.00%	\$16,339,988
Upper Arlington School	1,112,373,098	43,669,366	98.85%	43,167,168
Dublin Schools	1,997,901,475	128,354,989	0.11%	141,190
Franklin County	21,032,111,305	175,903,975	5.24%	<u>9,217,368</u>
Total				<u><u>\$68,865,714</u></u>

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

Table 9

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Expenditures</u>	<u>Percentage of Debt Service to General Expenditures</u>
1990	\$495,000	\$256,688	\$751,688	\$21,064,934	3.57%
1991	500,000	700,253	1,200,253	22,858,241	5.25%
1992	1,255,000	942,629	2,197,629	22,897,082	9.60%
1993	1,330,000	924,574	2,254,574	24,216,739	9.31%
1994	1,400,000	877,402	2,277,402	23,954,936	9.51%
1995	1,465,000	799,257	2,264,257	20,940,245	10.81%
1996	1,535,000	717,194	2,252,194	21,406,414	10.52%
1997	1,160,000	630,418	1,790,418	21,988,181	8.14%
1998	1,445,000	643,906	2,088,906	33,134,183	6.30%
1999	1,510,000	774,447	2,284,446	27,045,779	8.45%

Source: Finance Department, City of Upper Arlington

Table 10

**Demographic Statistics
Last Five Census**

<u>Year</u>	<u>Population</u>	<u>Occupied Households</u>	<u>Total Dwelling Units</u>	<u>Persons Per Household</u>	<u>Median Income</u>
1950	9,024	2,770	2,818	3.25	\$7,196
1960	28,486	8,503	8,868	3.35	11,915
1970	38,630	12,311	12,642	3.13	17,971
1980	35,648	13,542	13,902	3.06	32,184
1990	34,128	13,956	14,376	2.40	53,140

Source: State Library, State of Ohio

**Property Value, Construction, and Bank Deposits
Last Ten Years**

Fiscal Year	Residential (1)		Commercial (1)		Total	Bank Deposits (2)	Property Value (3)	
	No. of Permits	Value	No. of Permits	Value				
1990	374	\$13,686,112	63	\$5,243,449	437	\$18,929,561	\$17,619,000,000	\$1,682,045,200
1991	366	13,642,781	158	8,364,997	524	22,007,778	18,567,000,000	2,059,005,514
1992	379	15,125,405	74	2,574,175	453	17,699,580	16,698,307,000	2,069,463,657
1993	437	18,491,005	71	4,741,002	508	23,232,007	18,074,036,000	2,389,489,571
1994	406	18,259,982	45	3,595,709	451	21,855,691	19,048,525,000	2,474,332,131
1995	271	10,659,878	64	3,684,361	335	14,344,239	20,065,000,000	2,405,824,229
1996	275	15,539,650	69	27,766,303	344	43,305,953	20,601,499,000	2,730,287,000
1997	292	15,318,859	82	12,655,046	374	27,973,905	19,077,211,000	2,741,463,914
1998	296	13,263,492	76	7,688,901	372	20,952,393	41,599,732,000	2,755,280,657
1999	331	26,774,877	88	4,576,772	419	31,351,649	39,568,044,000	3,049,794,743

Sources:

- (1) City of Upper Arlington, Development Department
- (2) Total deposits of all banks headquartered in Franklin County (includes national and state chartered banks.) State of Ohio Department of Commerce, Banks Division
- (3) Office of the County Auditor, Franklin County, Ohio

Table 12

**Principal Property Taxpayers
December 31, 1999**

	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
<u>Real Property & Public Utility</u>		
1. Columbus & Southern Power Company	\$10,948,320	0.99
2. Ohio Bell Telephone Company	7,529,720	0.68
3. First Community Village	6,597,510	0.60
4. RRC Acquisitions, Inc.	5,788,240	0.53
5. UAP-Columbus JV	5,237,050	0.48
6. Compuserve, Inc.	5,085,320	0.46
7. Columbia Gas of Ohio	3,607,880	0.33
8. New Plan Realty Trust	3,246,600	0.29
9. Scioto Country Club, Inc.	3,220,530	0.29
10. Kimco Development Corp.	<u>2,646,140</u>	0.24
Total	<u>\$53,907,310</u>	4.89
<u>Tangible Personal Property</u>		
1. Worldcom Advanced Networks, Inc.	\$9,380,640	0.85
2. Compuserve Interactive Services, Inc.	2,520,870	0.23
3. Time Warner Entertainment Co., LP	2,179,050	0.20
4. Lazarus, Inc.	1,582,840	0.14
5. Ameritech New Media, Inc.	1,454,110	0.13
6. Fifth Third Bank of Columbus	1,080,850	0.10
7. Comdisco, Inc.	761,670	0.07
8. Stein Mart, Inc.	725,400	0.06
9. Circuit City Stores, Inc.	661,410	0.06
10. Barnes & Noble Booksellers, Inc.	<u>592,540</u>	0.05
Total	<u>\$20,939,380</u>	1.89

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

Table 13

Miscellaneous Statistics

Date of Incorporation	February 8, 1941
Form of Government	Council-City Manager
Area	9.159 square miles
Population	34,128
Dwellings	13,211
Median Family Income	\$64,232
Median Age	42.5
Retail Business	
Shopping Centers	12 with 315 stores
Grocery Stores	4
Restaurants	48
Gas Stations	9
Financial Institutions	34
Churches	17
Fire Protection	
Number of Stations	3
Pieces of equipment	22
Number of personnel	65
Police Protection	
Number of stations	1
Pieces of equipment	34
Number of personnel	53
Parks and Recreation	
Number of parks	33 (180 acres)
Swimming pools	3
Baseball and softball field	21
Tennis courts	36
Shuffleboard courts	8
Senior center	1
Education	
Public Schools	
Elementary	5
Middle	2
High	1
Parochial	2
Private	1
Total enrollment	5,506
Full-Time Employees	251

Table 14

**Special Assessment Billings and Collections
Last Ten Years**

<u>Fiscal Year</u>	<u>Assessment Billings</u>	<u>Assessment Collections</u>
1990	\$55,775	59,590
1991	68,891	67,572
1992	62,011	67,915
1993	32,300	27,540
1994	24,768	19,949
1995	33,831	27,366
1996	34,739	28,793
1997	38,222	46,495
1998	41,176	42,846
1999	278,861	275,593

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



CITY OF | UPPER  ARLINGTON



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

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

CITY OF UPPER ARLINGTON
FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

By Susan Babbitt

Date: JULY 20, 2000