

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

Supplemental Reports

DECEMBER 31, 2012

CATHERINE M. ARMSTRONG, FINANCE DIRECTOR



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Upper Arlington, Franklin County, prepared by Julian & Grube, Inc., for the audit period January 1, 2012 through December 31, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

July 26, 2013

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

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**CITY OF UPPER ARLINGTON, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(A) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF HOMELAND SECURITY			
PASSED THROUGH THE			
N/A			
(B) Homeland Security Grant Program	97.067	2010-UASI-29	\$ 387,164
(C) Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4077-DR-49-79002	131,004
Total U.S. Department of Homeland Security			<u>518,168</u>
Total Federal Financial Assistance			<u>\$ 518,168</u>

Notes to the Schedule of Expenditures of Federal Awards

- (A) The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes activity of the City's federal award programs. This schedule has been prepared on the cash basis of accounting.
- (B) Passed through Franklin County Office of Homeland Security and Justice Programs.
- (C) Passed through Ohio Emergency Management Agency.



Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

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

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

To the Members of Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Upper Arlington, Franklin County, Ohio, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Government's basic financial statements and have issued our report thereon dated June 14, 2013, wherein we noted in Note 16 to the financial statements, during 2012, the City of Upper Arlington adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities* and has elected to recharacterize certain previous transfers to advances.

Internal Control Over Financial Reporting

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

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

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

Members of Council and Mayor
City of Upper Arlington

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
June 14, 2013



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333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Compliance With Requirements Applicable
to Each Major Federal Program and on Internal Control Over Compliance
Required by OMB Circular A-133 and the Schedule of
Expenditures of Federal Awards**

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

To the Members of Council and Mayor:

Report on Compliance for Each Major Federal Program

We have audited the City of Upper Arlington's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the City of Upper Arlington's major federal program for the year ended December 31, 2012. The *Summary of Audit Results* in the accompanying schedule of findings identifies the City of Upper Arlington's major federal program.

Management's Responsibility

The City of Upper Arlington's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the City of Upper Arlington's compliance for each of the City of Upper Arlington's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Upper Arlington's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the City of Upper Arlington's major program. However, our audit does not provide a legal determination of the City of Upper Arlington's compliance.

Members of Council and Mayor
City of Upper Arlington

Opinion on Each Major Federal Program

In our opinion, the City of Upper Arlington complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2012.

Report on Internal Control over Compliance

The City of Upper Arlington's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City of Upper Arlington's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City of Upper Arlington's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Members of Council and Mayor
City of Upper Arlington

Report on the Schedule of Federal Award Expenditures

We have also audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Upper Arlington, Franklin County, Ohio, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City of Upper Arlington's basic financial statements. We issued our unmodified report thereon dated June 14, 2013. Our opinion also explained that the City of Upper Arlington adopted Governmental Accounting Standard No. 63 and 65 during the year, and has elected to recharacterize certain previous transfers to advances. We conducted our audit to opine on the City of Upper Arlington's basic financial statements. The accompanying schedule of expenditures of federal awards presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.
June 14, 2013

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2012**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under §.510(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (listed):</i>	Homeland Security Grant Program, CFDA #97.067
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	No

**2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



CITY OF | **UPPER
ARLINGTON**
OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2012

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2012**

ISSUED BY:

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

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

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

**Christopher D. Brady
*Human Resources Manager***

**Karen Elifritz
*Payroll Administrator***

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

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

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

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



CITY OF | **UPPER ARLINGTON**

**CITY OF UPPER ARLINGTON, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For The Year Ended December 31, 2012**

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**CITY OF UPPER ARLINGTON, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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June 14, 2013

To the Honorable Frank Ciotola and Members of City Council,
And Citizens of the City of Upper Arlington:

The Comprehensive Annual Financial Report (CAFR) of the City of Upper Arlington, Ohio (City), for the fiscal year ended December 31, 2012, is submitted herewith. The report has a complete set of financial statements presented in accordance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by Julian and Grube, Incorporated. The independent auditor's report is located at the front of the financial section of this report.

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

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

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

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

Profile of the Government

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

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



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

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

The appropriated budget is prepared by fund, (e.g., General Fund), department (e.g., Police) and line item (e.g., Personal Services). The City Council may pass supplemental appropriations at any time by ordinance. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. The General Fund and the Street Construction Maintenance and Repair Fund, a major special revenue fund, are presented in the required supplementary section, beginning on page 71. For governmental funds, other than the General Fund and the major special revenue fund with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 91.

Factors Affecting Financial Condition

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

Local economy. Data from the Department of Labor and Division of Economic Analysis indicate that since 1997, Ohio's economy grew faster than the national average in 2002 and 2011, with most recent data ranking Ohio 20th in the nation for growth in 2012, with a Gross Domestic Product of \$435 billion, up from \$426 billion in 2011. The largest contributors to Ohio's growing economy were manufacturing and company management. The largest decreases were in real estate, rental and leasing, and professional, scientific and technical services. Ohio's unemployment rate in 2012 fell to 7.2 percent, the lowest level since 2008. One hundred ninety companies have chosen the Columbus Region to locate and expand in the past 18 months, with over 22,000 jobs announced.

Reinvestment in Upper Arlington remained healthy in 2012, attaining a five-year peak. The City's Community & Economic Development Department reported a combined residential and commercial construction value of approximately \$80.1 million, \$20 million greater than the previous year. Of this, residential construction value was approximately \$26.5 million, demonstrating a continued reinvestment in existing homes as well as a continuing trend of new builds. Commercial reinvestment represented approximately \$53.5 million of the total, attributable in major part to the Lane Avenue Mixed-Use Project.

Economic development activity remained steady overall, with increased awareness of Upper Arlington as a business-and-development-friendly community. Additionally, in 2012, the Economic Development Office embarked on a proactive business retention and expansion outreach program, to gain a better understanding of Upper Arlington's existing businesses in order to best meet their needs so that they can stay and grow in our community. Continuing efforts to attract and retain a diverse mix of smaller medical and professional office users remain a key strategy to maintaining a healthy business base. In 2012 specifically, a number of businesses moved to Upper Arlington, or committed to expansions, including:

- Completion of the Whole Foods Grocery Store redevelopment/expansion at the Shops on Lane Avenue
- The commencement of construction of Upper Arlington's first mixed-use project on Lane Avenue. Upon completion in 2013, the redevelopment will feature the community's first hotel

and a mixed-use building that will house apartments, office, retail and restaurant space, with a combination of surface and structured parking to support the site.

- National Church Residences purchased an additional 40,000 square feet of office for future expansion and agreed to maintain their headquarters in Upper Arlington until 2023.
- Thomas & Marker purchased an office building on Riverside Drive, with plans to expand and renovate the property, to house its own staff as well as leased space for other office users.
- A new Houlihan's Restaurant at the Kingsdale Shopping Center.
- Fifth Third Bank finalized plans for an expansion at its Henderson Road location.
- Completion of a new Key Bank.

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

A significant portion of the City's role in reinvesting in Upper Arlington is to protect and enhance those investments already made as the community grew and took shape over the course of many decades – our underground and surface infrastructure, public facilities and parks. The City remains committed to improving its aging infrastructure through its Capital Improvement Program (CIP). The CIP maintains a seven-year plan of approximately \$5.9 million annually through 2019.

Using the adopted financial and debt policies for capital investments, the CIP plan consists of a combination of cash and financing. The City issues general obligation bonds for financing capital improvement projects. The bonds are primarily paid with income tax receipts. The City dedicates 13.3% of income taxes collected for capital improvements to pay principal and interest on the related debt. The City has committed through the budgeting process to a seven-year infrastructure improvement plan of \$36.8 million. Identified sources for the plan are cash balances of approximately \$12 million, \$6.5 of remaining bond proceeds, and \$1 million of intergovernmental revenues. Funding for projects in years 2017 and beyond is yet to be determined. The State of Ohio legislature has abolished the estate tax effective January 1. Historically, the City has used the first \$2.1 million of estate tax collections for operations and any excess for infrastructure improvements.

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

In addition, City financial policies dictate that a reserve will be maintained in the Unrestricted Fund Balance at a level for meeting the day-to-day obligations of the City equal to 20% of the General Fund operating budget.

Major initiatives

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

Plans for the community's first true mixed-use project became a reality in 2012, as developers began construction of a redevelopment project on Lane Avenue at the former site of the Lane Avenue Baptist Church. Scheduled for completion mid-late 2013, the project will consist of an upscale, five-story Homewood Suites Hotel with 109 rooms, 108 luxury apartments, 26,000 square feet of retail, office and restaurant space, and a 300+ parking structure along with 130+ additional surface parking spaces. To facilitate this project, the City entered into a Development Agreement with the developers, which uses Tax Increment Financing to help fund onsite and area infrastructure improvements.

In the fall of 2012, the community was asked to vote on an important ballot issue relative to the Lane Avenue Community Entertainment District. The District had been formed in 2011 as a means to facilitate the corridor's evolution as a vibrant mixed-use district that could include additional dining and entertainment establishments. As reinvestment continued within the district, it became known that several parcels of land were dry, including the site of the mixed-use project. A vote of the entire City was necessary to determine if there was community support for making the entire district wet. Voters overwhelmingly supported the ballot issue, with 84% in favor of solidifying the Community Entertainment District's place as a primary quality shopping, dining and entertainment destinations today and into the future.

Following a 2011 traffic and parking study of the commercial section of Lane Avenue, the City began implementing some of the recommended components emerging from the study. Traffic calming elements were installed on several streets surrounding the corridor, and plans are in place to transform the Lane Avenue Commercial District roadway into a three-lane configuration, with one lane of traffic in each direction, a middle turn lane and on-street parking on the north side of the street. The City will continue to monitor impacts of new development projects along the corridor on surrounding neighborhood streets, with plans to address issues as appropriate and necessary.

Since renovation and new construction work was completed for the first phase of the Kingsdale Shopping Center redevelopment, occupancy at the site continues to be impressive. A new outparcel building destined to house a Houlihan's Restaurant was under construction for much of 2012. As the owner of acreage at the south end of the site, fronting Zollinger Road, the City is in the midst of a three-year Development Agreement with Echo/Continental focused on marketing the site to prospective medical/professional office users with the goal of achieving more than 100,000 square feet of Class A office space. If the goal is not accomplished within this timeframe, City Council may choose to continue marketing the site for office use, or could choose to sell the site back to Echo/Continental for additional retail development.

Work began on the annexation of approximately nine acres in the northwest portion of the community at Riverside Drive and Bethel Road. The site will primarily be redeveloped into a high-end apartment complex with more than 260 units, targeting young professionals. Additionally, a portion of the site will be set aside for future office development.

Voters were asked to weigh in on another ballot issue in 2012, the Police And Fire Pension Levy. The City is required by the State to contribute to the retirement and disability fund for its police and fire personnel, at a cost of approximately \$1.7 million annually. This has been funded through property tax for approximately 35 years, with residents previously voting to approve seven, five-year ballot issues. Had the replacement levy failed, this would have negatively impacted the City's overall revenue stream, likely resulting in service cuts. Fortunately, Upper Arlington voters once again supported the levy for another five-year period.

With the countdown to losing a critically important source of revenue – the Estate Tax – at the close of 2012, the City continued efforts to tighten its belt. An additional 10 positions were eliminated from the budget, primarily through attrition, shrinking staffing levels by approximately 25 percent from the organizational high. Despite these staffing declines, the City has continued to provide the full range of quality services expected by its residents. A combination of internal efforts to adjust health insurance benefits and a competitive bid process resulted in a reduction in costs for the 2013 contract.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the 25th consecutive Certificate of Achievement for Excellence in Financial Reporting to the City of Upper Arlington for its comprehensive annual report for the fiscal year ended December 31, 2011.

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

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

Additionally, the City received its seventh consecutive Award for Outstanding Achievement in Popular Annual Financial Reporting from GFOA for the 2011 Popular Annual Financial Report, which provides a reader-friendly summary of the City's financial standing from year to year.

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

Respectfully submitted,



Catherine M. Armstrong, CPA
Finance Director



Theodore J. Staton
City Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Upper Arlington
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

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.



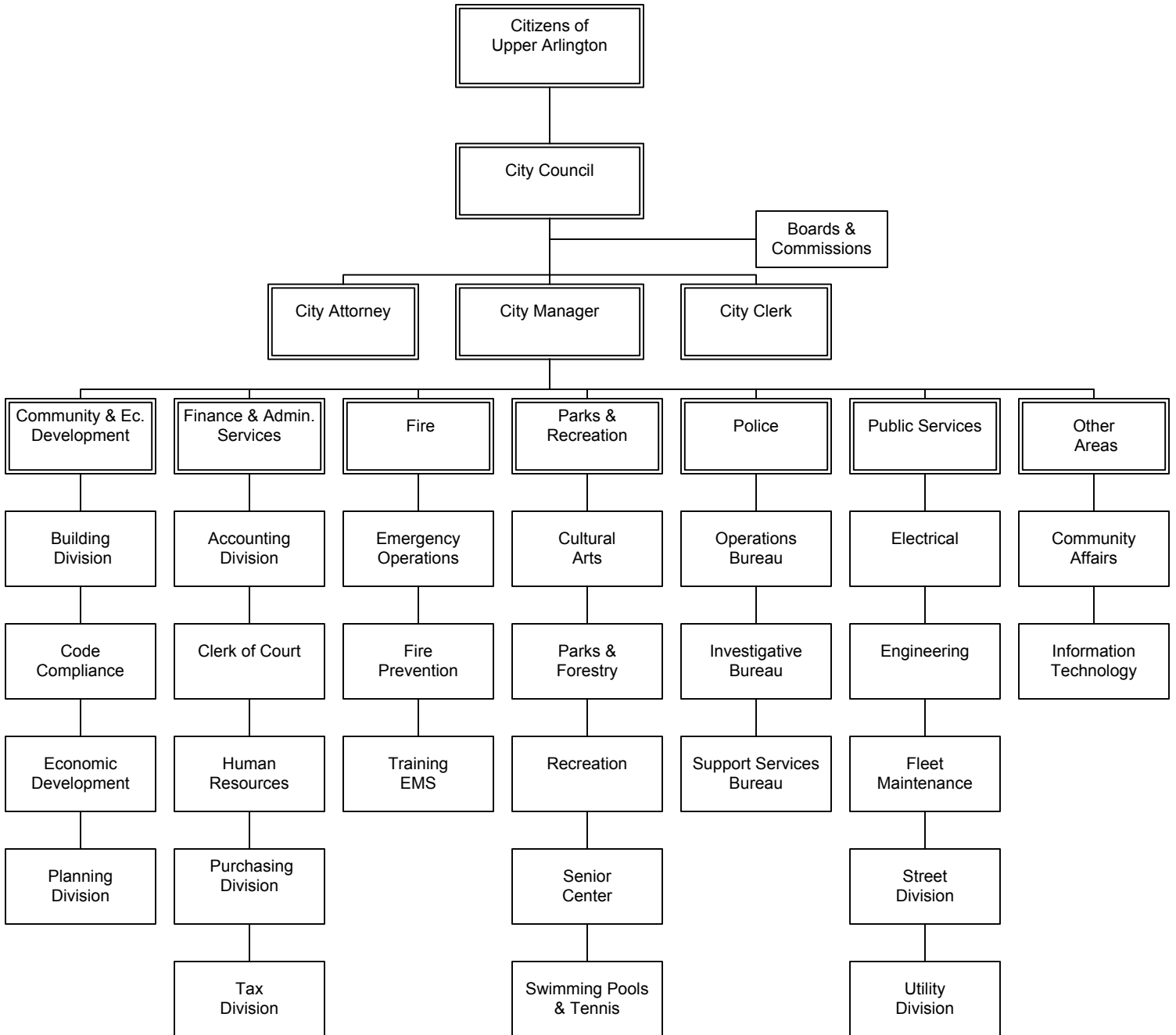
Christopher P. Morill

President

Jeffrey R. Emer

Executive Director

Organizational Chart City of Upper Arlington



CITY OF UPPER ARLINGTON, OHIO
LIST OF CITY OFFICIALS
December 31, 2012

City Council

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

Appointed Officials

City Manager	Theodore J. Staton
City Attorney	Jeanine Hummer
City Clerk	Molly Hildebrand
Clerk of Court	Melissa Kohler

Executive Staff

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



Julian & Grube, Inc.
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Independent Auditor's Report

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

To the Members of Council and Mayor:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Upper Arlington, Franklin County, Ohio, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City of Upper Arlington's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Upper Arlington, Franklin County, Ohio, as of December 31, 2012, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 16 to the financial statements, during 2012, the City of Upper Arlington adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*. Also as discussed in Note 16 to the financial statements, the City of Upper Arlington has elected to recharacterize certain previous transfers to advances. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the City of Upper Arlington's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2013, on our consideration of the City of Upper Arlington's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Upper Arlington's internal control over financial reporting and compliance.



Julian & Grube, Inc.
June 14, 2013

A. REQUIRED SUPPLEMENTARY INFORMATION – MD&A

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

As management of the City of Upper Arlington (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Upper Arlington for the year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found at the front of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$121,053,799 (net position). Of this amount, \$43,802,927 (unrestricted net position) may be used to meet the government's ongoing governmental activities obligations and \$3,573,696 (unrestricted net position) may be used to meet the business-type activities obligations to citizens and creditors.
- The City's total net position increased by \$10,959,958, or 9.95%.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$24,113,652, or 81.9% of the total General Fund expenditures.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$52,369,167, an increase of \$10,045,680 in comparison with the prior year as restated. Of this total amount, \$187,067 represents non-spendable inventories. An additional \$12,225,837 or 23.4% of the fund balance is categorized as restricted. Restricted fund balances have constraints externally imposed by creditors, grantors, contributors, or laws or regulations of other governments. An additional \$21,493,915 or 41.0% of the fund balance is categorized as committed. Committed fund balances have constraints as to use imposed by formal action of the government's highest level of decision-making authority. These constraints can only be removed or changed by taking the same type of action it employed to commit those amounts. Assigned fund balances are constrained by the government's intent to use the funds for a specific purpose but are neither restricted nor committed. Unassigned fund balance is \$18,462,348 at the close of the year. The unassigned fund balance represents fund balance that has not been restricted, committed, or assigned.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in funds balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Upper Arlington maintains 25 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Street Construction Maintenance and Repair Fund, General Obligation Bond Retirement Fund, Bonded Improvement Fund, Estate Tax Capital Projects Fund, Kingsdale Core TIF Fund, and the Lane Avenue Mixed Use TIF Fund, all of which are considered major funds. Data from the other 17 governmental funds are combined into a single, aggregated presentation. The Arlington Crossing TIF non-major capital projects fund did not have any activity for the year.

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

The basic governmental fund financial statements can be found on pages 22 – 27 of this report.

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

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

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

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

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

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 39 – 70 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City. Required supplementary information can be found on pages 71 – 75 of this report.

Other Supplementary Information, including additional budgetary schedules, the combining statements referred to earlier in connection with non-major governmental funds and non-major business-type funds, are presented immediately following the other required supplemental information. The additional budgetary schedules, and combining and individual fund statements and schedules can be found on pages 77 – 138 of this report.

Additionally, the Statistical Section of this report, which can be used to enhance the understanding of the economic condition of the City as a whole, can be found on pages 139-173.

City of Upper Arlington						
Net Position						
(in thousands)						
	<u>Governmental activities</u>		<u>Business-type activities</u>		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current and other assets	\$ 79,409	\$ 69,179	\$ 4,156	\$ 3,863	\$ 83,565	\$ 73,042
Capital assets	<u>86,969</u>	<u>79,406</u>	<u>23,942</u>	<u>22,850</u>	<u>110,911</u>	<u>102,256</u>
Total assets	<u>\$ 166,378</u>	<u>\$ 148,585</u>	<u>\$ 28,098</u>	<u>\$ 26,713</u>	<u>\$194,476</u>	<u>\$ 175,298</u>
Deferred outflows of resources	\$ 681	\$ 599	\$ 17	\$ 16	\$ 698	\$ 615
Long-term liabilities outstanding	52,816	44,481	1,779	1,995	54,595	46,476
Other liabilities	<u>7,130</u>	<u>7,606</u>	<u>547</u>	<u>300</u>	<u>7,677</u>	<u>7,906</u>
Total liabilities	<u>\$ 59,946</u>	<u>\$ 52,087</u>	<u>\$ 2,326</u>	<u>\$ 2,295</u>	<u>\$ 62,272</u>	<u>\$ 54,382</u>
Net position:						
Deferred inflows of resources	\$ 11,848	\$ 10,823			\$11,848	\$ 10,823
Net investment in capital assets	\$ 46,342	\$ 38,478	\$ 22,215	\$ 20,905	\$68,557	\$ 59,383
Restricted	5,120	8,876			5,120	8,876
Unrestricted	<u>43,803</u>	<u>38,920</u>	<u>3,574</u>	<u>3,529</u>	<u>47,377</u>	<u>42,449</u>
Total net position	<u>\$ 95,265</u>	<u>\$ 86,274</u>	<u>\$ 25,789</u>	<u>\$ 24,434</u>	<u>\$ 121,054</u>	<u>\$ 110,708</u>

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets exceed liabilities by \$121,053,799 at the close of 2012.

A large portion of the City's net position (56.6 percent) reflects its investment in capital assets (e.g. land, buildings, improvements other than buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding plus any significant unspent bond proceeds. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, (4.2 percent) represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position, \$47,376,623, may be used to meet the government's on-going obligations to citizens and creditors. It is important to note that although the total unrestricted net position is \$47,376,623, the unrestricted net position of the City's business-type activities, \$3,573,696, may not be used to fund governmental activities.

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

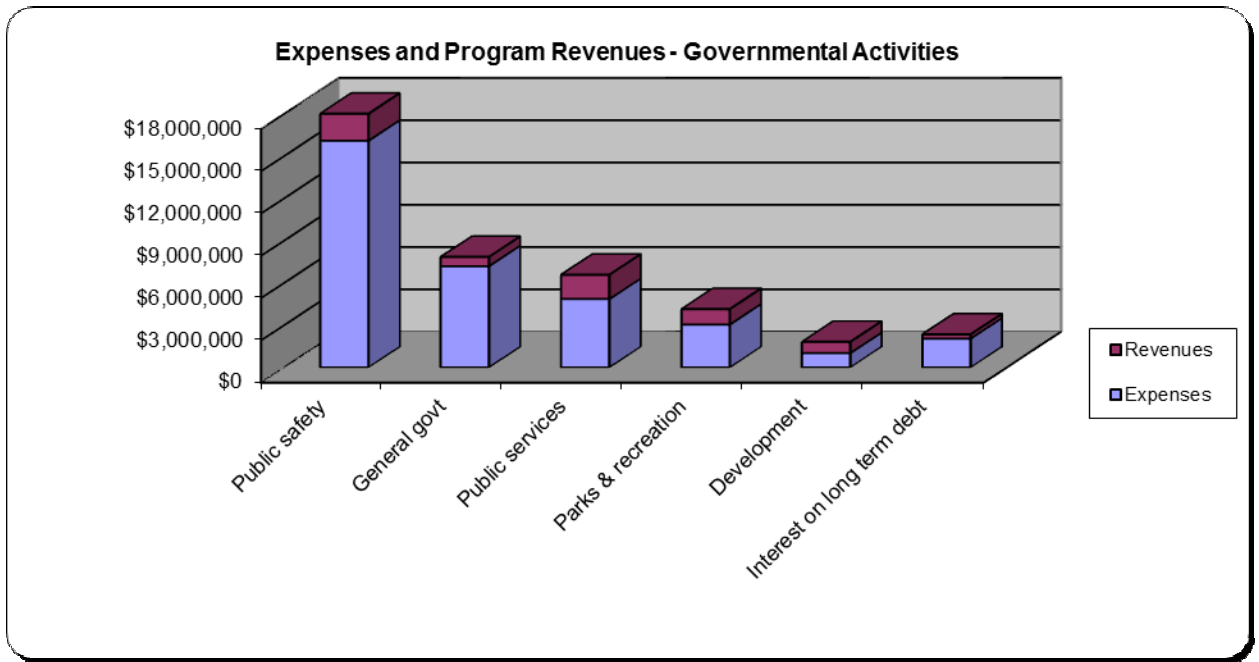
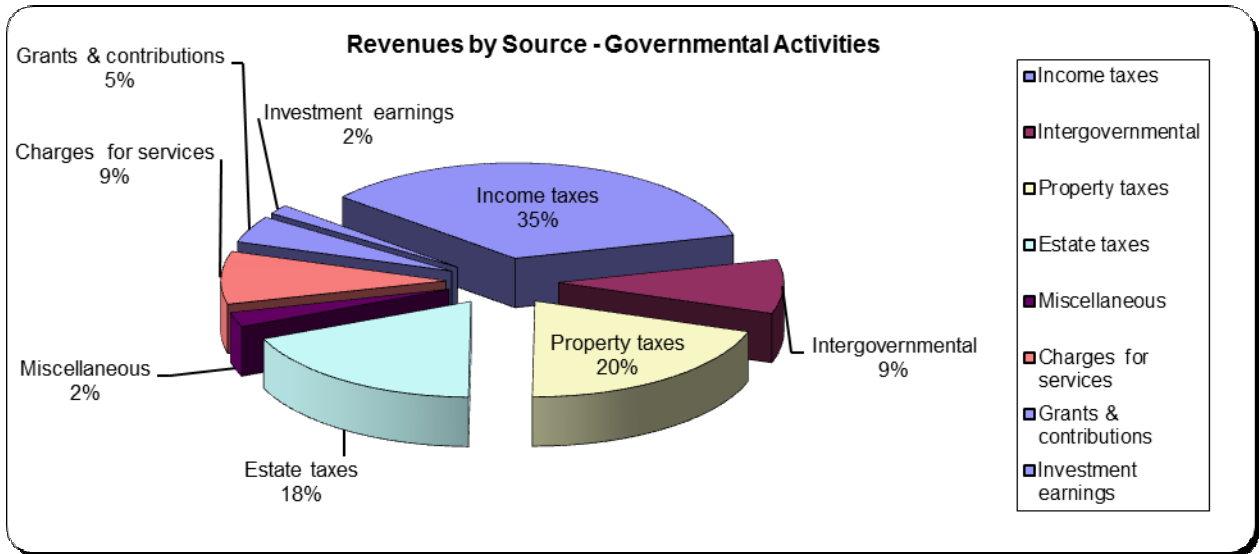
Overall net position of the City increased \$10,959,958 in 2012. Net position for governmental activities increased \$9,589,496, while the net position for business-type activities increased \$1,370,462.

Governmental activities assets increased as a result of capital improvements of \$7.6 million and increases in cash equivalents primarily as a result of a \$10 million bond issue during the year.

The overall increase in net business type assets was primarily due to contributed capital infrastructure of approximately \$1.1 million.

Governmental activities. Governmental activities increased net position by \$9.6 million. Governmental revenues increased \$3.0 million primarily as a result of a \$4.6 million increase in estate tax revenue over the prior year, offset by other declining revenues.

The following charts illustrate both the 2012 revenues and expenses for governmental activities.

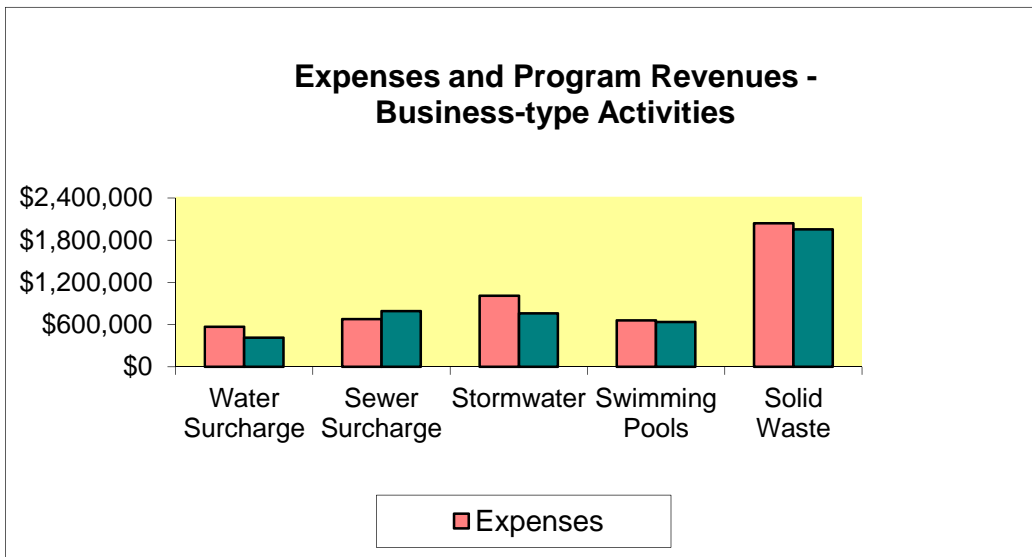
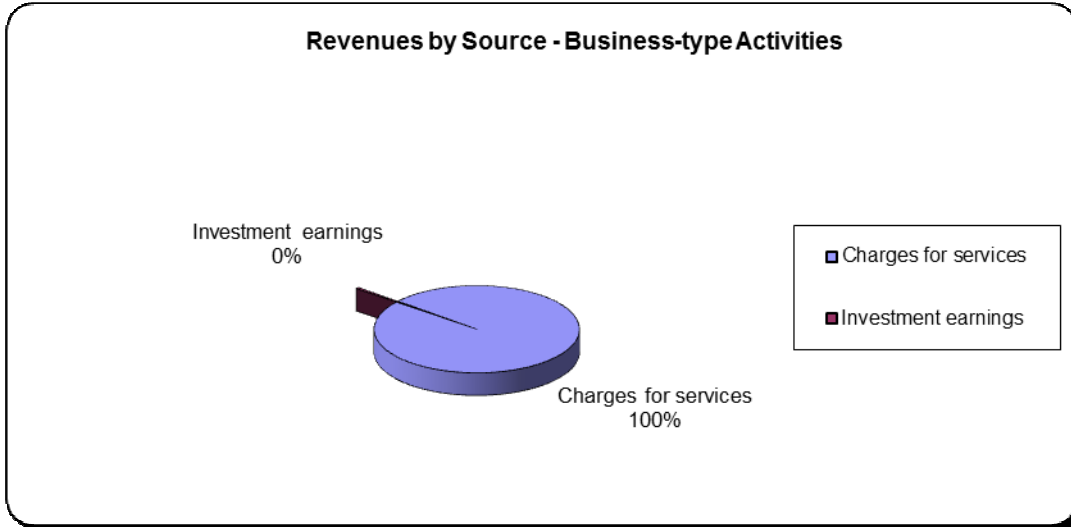


**City of Upper Arlington
Changes in Net Position**

	Governmental Activities		Business – Type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues:						
<i>Program revenues:</i>						
Charges for services	\$3,987,852	\$ 4,074,076	\$4,717,580	\$ 4,559,354	\$8,705,432	\$ 8,633,430
Operating grants & contributions	2,177,304	2,181,629			2,177,304	2,181,629
Capital grants & contributions	388,296	1,538,728			388,296	1,538,728
<i>General revenues:</i>						
Income taxes	15,662,936	16,045,185			15,662,936	16,045,185
Estate taxes	8,234,614	3,652,119			8,234,614	3,652,119
Property taxes	8,935,574	9,043,696			8,935,574	9,043,696
Intergovernmental unrestricted	3,960,381	4,593,081			3,960,381	4,593,081
Unrestricted investment earnings	703,045	609,097	22,994	22,147	726,039	631,244
Other miscellaneous revenues	1,117,235	354,982			1,117,235	354,982
Total revenues	45,167,237	42,092,593	4,740,574	4,581,501	49,907,811	46,674,094
Expenses:						
Public safety	16,084,945	15,972,628			16,084,945	15,972,628
General government	7,185,842	7,971,087			7,185,842	7,971,087
Public services	4,850,049	4,649,528			4,850,049	4,649,528
Parks and recreation	3,045,302	3,147,422			3,045,302	3,147,422
Community development	1,013,704	934,862			1,013,704	934,862
Interest on long-term debt	2,046,200	1,821,627			2,046,200	1,821,627
Water Surcharge			480,963	566,820	480,963	566,820
Sanitary Sewer Surcharge			700,566	675,861	700,566	675,861
Stormwater			777,596	1,027,551	777,596	1,027,551
Swimming pools			711,245	657,934	711,245	657,934
Solid Waste			2,051,441	2,041,069	2,051,441	2,041,069
Total expenses	34,226,042	34,497,154	4,721,811	4,969,235	38,947,853	39,466,389
Increase (decrease) in net position before transfers	10,941,195	7,595,439	18,763	(387,734)	10,959,958	7,207,705
Transfers	(1,351,699)	(2,035,462)	1,351,699	2,035,462	–	–
Increase (decrease) in net position	9,589,496	5,559,977	1,370,462	1,647,728	10,959,958	7,207,705
Net position as restated ---- January 1 st	85,675,692	80,714,555	24,418,149	22,786,654	110,093,841	103,501,209
Net position---- December 31 st	\$95,265,188	\$ 86,274,532	\$25,788,611	\$ 24,44,382	\$121,053,799	\$ 110,708,914

Business-type activities. Business-type activities increased the City's net position by \$1.4 million. The key element of the increase was the current year transfers of capital assets from governmental sources of \$1,351,699.

The following chart illustrates both 2012 revenues and expenses for the business type activities.



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve

as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$52,369,167, an increase of \$10,045,680 in comparison with the prior year as restated. Of this total amount, \$187,067 represents non-spendable inventories. An additional \$12,225,837 or 23.4% of the fund balance is categorized as restricted. Restricted fund balances have constraints externally imposed by creditors, grantors, contributors, or laws or regulations of other governments. An additional \$21,493,915 or 41.0% of the fund balance is categorized as committed. Committed fund balances have constraints as to use imposed by formal action of the government's highest level of decision-making authority. These constraints can only be removed or changed by taking the same type of action it employed to commit those amounts. Assigned fund balances are constrained by the government's intent to use the funds for a specific purpose but are neither restricted nor committed. Unassigned fund balance is \$18,462,348 at the close of the year. The unassigned fund balance represents fund balance that has not been restricted, committed, or assigned.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$24,113,652, while the total fund balance was \$34,079,204. The City has restricted \$1,026,210 for pension obligations and capital improvements. The City has committed \$8,877,215 for capital improvements and/or payment of debt issued for capital improvements and general liability insurance. Non-spendable inventories represent \$62,127 of the general fund balance.

The fund balance of the City's General Fund as restated increased by \$2,956,307 in 2012, primarily due to an approximately \$5 million increase in estate taxes offset by a \$2.3 million increase in transfers out to other funds over the previous year.

The fund balance of the City's Street Construction Maintenance and Repair Fund decreased by \$93,654 in 2012 as expected as current expenditures outpaced revenues.

The Estate Tax Capital Projects Fund increased by \$3,394,004 as a result of an increase of estate taxes as discussed above, which were partially transferred into this fund.

The fund balance of the City's Bonded Improvement Fund increased by \$1,541,218.

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

Unrestricted net position at the end of the year amounted to \$672,077 for the Water Surcharge Fund; \$393,212 for the Sanitary Sewer Surcharge Fund; \$1,919,995 for the Stormwater Fund; \$492,828 for the Swimming Pools Fund; and (\$47,030) for the Solid Waste Fund. The change in net position for the proprietary funds was \$440,257, \$388,957, \$652,121, (\$64,003), and (\$51,230), respectively.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2012, amounts to \$110,910,750 net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress. The City's overall investment in capital assets increased \$8,655,259, or 8.5%.

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

- **Key Construction/Reconstruction** – The City continued its strategy of capital improvements for its aging infrastructure. Engineering and studies for street, waterline, and stormwater projects that have begun or will begin in future years included: Henderson Road corridor, Riverside Drive waterline, and the McCoy Road bridge replacement.

Key Construction-in-progress infrastructure projects included: Lane Avenue Mixed Use TIF District improvements, the 2013 Street Maintenance and Street Reconstruction programs, Sunny 95 Park improvements, Berkshire Road reconstruction, and the Lane Avenue Corridor resurfacing.

Key Completed construction and infrastructure projects included: Crafton Park waterline, Waltham Road reconstruction, and Kingsdale CORE TIF district improvements.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$9,264,600	\$ 9,264,600	\$1,236,573	\$ 1,236,573	\$10,501,173	\$ 10,501,173
Building	8,945,273	9,181,903	-	-	8,945,273	9,181,903
Improvement	5,122,825	4,738,068	3,835,957	3,958,042	8,988,782	8,696,110
Machinery and equipment	3,986,004	3,224,083	303,312	374,965	4,289,316	3,599,048
Infrastructure	49,528,384	45,456,928	18,325,936	17,238,260	67,854,320	62,695,188
Construction in progress	<u>10,121,718</u>	<u>7,540,117</u>	<u>210,168</u>	<u>41,952</u>	<u>10,331,886</u>	<u>7,582,069</u>
Total	<u>\$86,968,804</u>	<u>\$79,405,699</u>	<u>\$23,941,946</u>	<u>\$22,849,792</u>	<u>110,910,750</u>	<u>\$102,255,491</u>

Additional information on the City's capital assets can be found in note 4 on pages 54 - 55 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$49,964,994. This debt is backed by the full faith and credit of the City. The City does not have any revenue bonds.

City of Upper Arlington's Outstanding Bonded General Obligation Debt

	Governmental Activities		Business-type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
General						
Obligation Bonds	<u>\$49,124,994</u>	<u>\$41,719,994</u>	<u>\$840,000</u>	<u>\$ 1,000,000</u>	<u>\$ 49,964,994</u>	<u>\$ 42,719,994</u>
Total	<u>\$49,124,994</u>	<u>\$41,719,994</u>	<u>\$840,000</u>	<u>\$ 1,000,000</u>	<u>\$ 49,964,994</u>	<u>\$ 42,719,994</u>

During the current fiscal year, the City's total bonded debt increased by \$7,245,000. In 2012 the City issued \$10,000,000 in new bonds: \$6,685,000 is for infrastructure improvement in the Lane Avenue Mixed Use Development district and \$3,315,000 for various infrastructure improvements. The Lane Avenue Mixed Use bonds were issued at various rates of interest ranging from 2.0% to 3.125% with a final maturity of 2042. The issuance resulted in bond issuance cost of \$93,226, a net premium on issuance of bonds of \$119,704. The \$3,315,000 portion of the bonds was issued at various rates of interest ranging from 2.0% to 3.0% with a final maturity of 2032. The issuance resulted in bond issuance cost of \$39,782, a net premium on issuance of bonds of \$105,180.

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

The City is within all of its legal debt limitations. The Ohio Revised Code provides that the net debt (as defined in the Ohio Revised Code) of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of the property. The statutory limitations on debt are measured by the ratio of net debt to tax valuation and expressed in terms of a percentage. The current debt limitation for the City is \$164,243,296, which is significantly greater than the City's outstanding general obligation debt.

Additional information on the City's long-term debt can be found in note 6 on pages 57 - 61 of this report.

General Fund Budgetary Highlights

In 2012, the City amended the 2012 General Fund budget by an increase of \$10,590,769. Major factors included \$3,548,269 for a fund transfer to a capital projects fund, \$7,000,000 for a fund transfer to a TIF fund, \$22,500 to appropriate a parks and forestry grants received, and \$20,000 for additional capital outlay for police cruisers.

Economic Factors and Next Year's Budgets and Rates

- ❑ The unemployment rate for 2012 for the Columbus area (Upper Arlington is a first-tier suburb) was 6.1 percent, which represents a favorable decrease from a rate of 7.5 percent a year ago. This compares favorably to the state's 2012 average unemployment rate of 7.2 percent and favorably to the national average rate of 8.1 percent.
- ❑ Income tax collections were 0.9% below budget projections for 2012 at \$15.3 million. Even so, actual collections were \$591,000 more than the previous year and this increase can be primarily attributed to the withholding component of the income tax collections.
- ❑ The assessed value of the property and related property tax collections remained stable at \$10.3 million in 2012.
- ❑ The Development Department issued 426 residential and commercial permits in 2012, with a total construction value of approximately \$80 million. The continued high level of home renovations speaks to residents' continued confidence in the City as a stable and desirable residential community.
- ❑ The City does not have a permanent source of revenue to fund capital infrastructure maintenance or improvements. The City has committed through the budgeting process to a seven-year infrastructure improvement plan of \$36.8 million. Identified sources for the plan are cash balances of approximately \$12.1 million, \$8.0 of remaining bond proceeds, and \$1 million of intergovernmental revenues. Funding for projects in years 2016 and beyond is yet to be determined. All of these factors were considered in preparing the City's Budget for the 2013 fiscal year.

During the current fiscal year, the unrestricted budgetary fund balance in the General Fund operating account increased \$5,291,063 to a fund balance of \$19,308,243. The City has appropriated \$28,768,868 for General Fund account operating expenditures in the 2013 fiscal year budget, which includes the 2013 budgeted revenues of \$29,149,400.

Other Budgetary Highlights

Rate changes: Self-insured workers compensation charges remained stable at 1.3% of payroll. Health insurance costs increased 10.0% during the current fiscal year. The City continues its efforts to contain these costs through a change in health care plan provider and locking in rates for a two-year term; revisions to its prescription drug program, increases in employee contributions for health care, increases in office visit co-pays, and a wellness program.

Requests for Information

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



CITY OF | **UPPER ARLINGTON**

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B. BASIC FINANCIAL STATEMENTS



CITY OF | **UPPER ARLINGTON**

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City of Upper Arlington, Ohio
Statement of Net Position
December 31, 2012

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>The Upper Arlington Community Improvement Corporation</u>
ASSETS				
Cash, cash equivalents and investments	\$ 56,570,704	\$ 3,809,488	\$ 60,380,192	
Cash, cash equivalents in segregated accounts				\$ 27,873
Accounts receivable (net of allowance for uncollectibles)	22,777,817	219,762	22,997,579	
Inventories	187,067		187,067	
Internal balances	(126,518)	126,518		
Capital assets:				
Land	9,264,600	1,236,573	10,501,173	
Construction in progress	10,121,718	210,168	10,331,886	
Other capital assets, net of accumulated depreciation	67,582,486	22,495,205	90,077,691	
Total assets	<u>166,377,874</u>	<u>28,097,714</u>	<u>194,475,588</u>	<u>27,873</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>680,606</u>	<u>16,645</u>	<u>697,251</u>	<u>-</u>
LIABILITIES				
Accounts payable	\$ 959,089	\$ 497,760	\$ 1,456,849	
Accrued liabilities	1,370,115	49,639	1,419,754	
Note payable	4,800,000		4,800,000	
Noncurrent liabilities:				
Due within one year				
Accrued vacation and sick leave	1,404,443	42,993	1,447,436	
Ohio Public Works Commission Loans - current		281,666	281,666	
Bonds & notes payable, net - current	2,660,000	160,000	2,820,000	
Due in more than one year:				
Accrued vacation and sick leave	1,273,747	8,325	1,282,072	
Ohio Public Works Commission Loans		590,605	590,605	
Bonds & notes payable, net	47,478,111	694,760	48,172,871	
Total liabilities	<u>59,945,505</u>	<u>2,325,748</u>	<u>62,271,253</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>11,847,787</u>	<u>-</u>	<u>11,847,787</u>	<u>-</u>
NET POSITION				
Net Investment in capital assets	46,341,471	22,214,915	68,556,386	
Restricted for:				
Capital projects	889,242		889,242	
Debt service	365,016		365,016	
Street construction, maintenance and repair	1,364,811		1,364,811	
Public safety	1,426,066		1,426,066	
Economic development	639,185		639,185	
Pension obligations	252,770		252,770	
Other purposes	183,700		183,700	
Unrestricted	43,802,927	3,573,696	47,376,623	27,873
Total net position	<u>\$ 95,265,188</u>	<u>\$ 25,788,611</u>	<u>\$ 121,053,799</u>	<u>\$ 27,873</u>

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

City of Upper Arlington, Ohio
Statement of Activities
For the Year Ended December 31, 2012

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Governmental activities:				
Public Safety	\$ 16,084,945	\$ 1,346,808	\$ 249,393	\$ 388,296
General Government	7,185,842	652,441		
Public Services	4,850,049	124,229	1,599,182	
Parks and Recreation	3,045,302	1,067,657	26,525	
Community Development	1,013,704	796,717		
Interest on long-term debt	2,046,200		302,204	
Total governmental activities	34,226,042	3,987,852	2,177,304	388,296
Business-type activities:				
Water Surcharge	480,963	483,841		
Sanitary Sewer Surcharge	700,566	849,869		
Stormwater	777,596	752,485		
Swimming Pools	711,245	645,686		
Solid Waste	2,051,441	1,985,699		
Total business-type activities	4,721,811	4,717,580	-	-
Total primary government	\$ 38,947,853	\$ 8,705,432	\$ 2,177,304	\$ 388,296
Component Unit -				
Community Improvement Corporation of Upper Arlington	\$ 4,951	\$ -	\$ -	\$ -
General revenues:				
Income taxes				
Property taxes				
Estate taxes				
Intergovernmental unrestricted				
Unrestricted investment earnings				
Miscellaneous				
Transfers				
Total general revenues				
Changes in net position				
Net position - beginning, as restated				
Net position - ending				

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

<u>Primary Government</u>			<u>Component Unit</u>
Net (Expense) Revenue and Changes in Net Position			The Upper Arlington Community Improvement Corporation
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
\$ (14,100,448)		\$ (14,100,448)	
(6,533,401)		(6,533,401)	
(3,126,638)		(3,126,638)	
(1,951,120)		(1,951,120)	
(216,987)		(216,987)	
<u>(1,743,996)</u>		<u>(1,743,996)</u>	
<u>(27,672,590)</u>		<u>(27,672,590)</u>	
	\$ 2,878	2,878	
	149,303	149,303	
	(25,111)	(25,111)	
	(65,559)	(65,559)	
	<u>(65,742)</u>	<u>(65,742)</u>	
	<u>(4,231)</u>	<u>(4,231)</u>	
<u>(27,672,590)</u>	<u>(4,231)</u>	<u>(27,676,821)</u>	
			<u>\$ (4,951)</u>
15,662,936		15,662,936	
8,935,574		8,935,574	
8,234,614		8,234,614	
3,960,381		3,960,381	
703,045	22,994	726,039	52
1,117,235		1,117,235	
<u>(1,351,699)</u>	<u>1,351,699</u>	<u>-</u>	
<u>37,262,086</u>	<u>1,374,693</u>	<u>38,636,779</u>	<u>52</u>
9,589,496	1,370,462	10,959,958	(4,899)
85,675,692	24,418,149	110,093,841	32,772
<u>\$ 95,265,188</u>	<u>\$ 25,788,611</u>	<u>\$ 121,053,799</u>	<u>\$ 27,873</u>

City of Upper Arlington, Ohio
Balance Sheet
Governmental Funds
December 31, 2012

	<u>General</u>	<u>Street Construction Maintenance and Repair</u>	<u>General Obligation Bond Retirement</u>
ASSETS			
Cash, cash equivalents and investments	\$ 29,208,614	\$ 204,967	\$ 485,419
Receivables (net of allowance for uncollectibles)	18,591,999	799,966	926,906
Interfund receivable	2,247,000		
Inventories	62,127	124,940	
Total assets	\$ 50,109,740	\$ 1,129,873	\$ 1,412,325
LIABILITIES			
Liabilities:			
Accounts payable	\$ 225,373	\$ 17,027	29
Due to other funds	417,064	29,619	
Accrued liabilities	1,101,724	69,890	
Accrued vacation & sick leave liability	78,707		
Interfund payable			
Note payable			
Total liabilities	1,822,868	116,536	29
DEFERRED INFLOWS OF RESOURCES	14,207,668	537,971	\$ 914,024
Fund balances:			
Nonspendable	62,127	124,940	
Restricted	1,026,210	350,426	498,272
Committed	8,877,215		
Unassigned	24,113,652		
Total fund balances	34,079,204	475,366	498,272
Total liabilities, deferred inflows and fund balances	\$ 50,109,740	\$ 1,129,873	\$ 1,412,325

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

<u>Bonded Improvement</u>	<u>Estate Tax Capital Projects</u>	<u>Kingsdale Core TIF</u>	<u>Lane Ave Mixed Use TIF</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 6,499,273	\$ 11,247,804 33,491	\$ 254,034 350,000	\$ 2,173,317	\$ 4,319,740 1,941,229	\$ 54,393,168 22,643,591 2,247,000 187,067
<u>\$ 6,499,273</u>	<u>\$ 11,281,295</u>	<u>\$ 604,034</u>	<u>\$ 2,173,317</u>	<u>\$ 6,260,969</u>	<u>\$ 79,470,826</u>
\$ 27,202 588	\$ 42,477 1,034	\$ 87,317 21	\$ 117,529	\$ 20,681 2,045 2,264	\$ 537,635 450,371 1,173,878 78,707
		1,018,000 4,800,000	479,000	750,000	2,247,000 4,800,000
<u>27,790</u>	<u>43,511</u>	<u>5,905,338</u>	<u>596,529</u>	<u>774,990</u>	<u>9,287,591</u>
	<u>18,596</u>	<u>350,000</u>		<u>1,785,809</u>	<u>17,814,068</u>
6,471,483	11,219,188	(5,651,304)	1,576,788	2,302,658 1,397,512	187,067 12,225,837 21,493,915 18,462,348
<u>6,471,483</u>	<u>11,219,188</u>	<u>(5,651,304)</u>	<u>1,576,788</u>	<u>3,700,170</u>	<u>52,369,167</u>
<u>\$ 6,499,273</u>	<u>\$ 11,281,295</u>	<u>\$ 604,034</u>	<u>\$ 2,173,317</u>	<u>\$ 6,260,969</u>	<u>\$ 79,470,826</u>



CITY OF | **UPPER ARLINGTON**

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City of Upper Arlington, Ohio
 Reconciliation of the Balance Sheet to the Statement
 of Net Position - Governmental Funds
 December 31, 2012

Total Governmental Fund Balances	\$	52,369,167
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets used in governmental activities are not functional resources and therefore are not reported in the funds.		86,968,804
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes		129,900
Income taxes		3,307,519
Estate taxes		325,131
Intergovernmental revenues		2,203,731
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.		
Interest payable		(196,237)
Accrued vacation and sick leave		(2,599,483)
Bonds and Notes payable		(49,124,994)
Deferred amounts on refundings, net		680,606
Premium on bonds, net		(855,535)
Accretion bonds, net		(157,582)
Internal service fund activity is used to account for insurance cost on a reimbursement basis activity by fund and department. The assets and liabilities are recorded in the governmental activities in the statement of net position.		2,214,161
Net Position of Governmental Activities	<u>\$</u>	<u>95,265,188</u>

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

City of Upper Arlington, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2012

REVENUES	<u>General</u>	<u>Street Construction Maintenance and Repair</u>	<u>General Obligation Bond Retirement</u>
Taxes:			
Property	\$ 8,061,863		\$ 857,340
Income	15,317,626		
Estate	8,511,996		
Motor fuel		\$ 1,141,413	
Intergovernmental	2,623,741	457,769	408,118
Licenses and permits	876,732		
Charges for services	1,719,597		
Fines and forfeits	338,863		
Investment earnings	589,318	1,894	
Miscellaneous	1,588,407	5,673	
Total revenues	<u>39,628,143</u>	<u>1,606,749</u>	<u>1,265,458</u>
EXPENDITURES			
Current:			
Public safety	15,433,774		
General government	7,403,287		11,018
Public services	1,202,462	1,700,403	
Parks and recreation	2,835,958		
Community development	993,938		
Debt service:			
Principal			2,595,000
Interest			1,577,988
Bond issuance costs			
Capital outlay:			
Capital outlay	1,570,668		
Total expenditures	<u>29,440,087</u>	<u>1,700,403</u>	<u>4,184,006</u>
Excess (deficiency) of revenues over (under) expenditures	10,188,056	(93,654)	(2,918,548)
OTHER FINANCING SOURCES (USES)			
Transfers in			3,011,505
Transfers out	(7,297,160)		
Issuance of bonds			
Premium on issuance of bonds and notes			
Proceeds from sale of capital assets	65,411		
Total other financing sources and uses	<u>(7,231,749)</u>	<u>-</u>	<u>3,011,505</u>
Net change in fund balances	2,956,307	(93,654)	92,957
Fund balances -- January 1, as restated	31,122,897	569,020	405,315
Fund balances -- December 31	<u>\$ 34,079,204</u>	<u>\$ 475,366</u>	<u>\$ 498,272</u>

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

<u>Bonded Improvement</u>	<u>Estate Tax Capital Projects</u>	<u>Kingsdale Core TIF</u>	<u>Lane Ave. Mixed Use TIF</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
					\$ 8,919,203
					15,317,626
					8,511,996
					1,141,413
	\$ 711,717	\$ 454,180	\$ -	\$ 794,848	5,450,373
					876,732
				294,280	2,013,877
				23,175	362,038
\$ 3,649	92,284			15,900	703,045
	45,000			21,017	1,660,097
<u>3,649</u>	<u>849,001</u>	<u>454,180</u>	<u></u>	<u>1,149,220</u>	<u>44,956,400</u>
				93,458	15,527,232
				5,000	7,419,305
		189,610		42,185	3,134,660
				172,426	3,008,384
					993,938
					2,595,000
		48,000		192,814	1,818,802
39,782		17,980	93,226		150,988
<u>1,842,829</u>	<u>978,652</u>	<u>112,317</u>	<u>5,134,690</u>	<u>1,191,209</u>	<u>10,830,365</u>
<u>1,882,611</u>	<u>978,652</u>	<u>367,907</u>	<u>5,227,916</u>	<u>1,697,092</u>	<u>45,478,674</u>
(1,878,962)	(129,651)	86,273	(5,227,916)	(547,872)	(522,274)
	3,523,655			750,000	7,285,160
					(7,297,160)
3,315,000			6,685,000		10,000,000
105,180		22,416	119,704		247,300
				267,243	332,654
<u>3,420,180</u>	<u>3,523,655</u>	<u>22,416</u>	<u>6,804,704</u>	<u>1,017,243</u>	<u>10,567,954</u>
<u>1,541,218</u>	<u>3,394,004</u>	<u>108,689</u>	<u>1,576,788</u>	<u>469,371</u>	<u>10,045,680</u>
4,930,265	7,825,184	(5,759,993)	-	3,230,799	42,323,487
<u>\$ 6,471,483</u>	<u>\$ 11,219,188</u>	<u>\$ (5,651,304)</u>	<u>\$ 1,576,788</u>	<u>\$ 3,700,170</u>	<u>\$ 52,369,167</u>



CITY OF | **UPPER ARLINGTON**

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City of Upper Arlington, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and
 Changes in Fund Balances of Governmental Funds
 To the Statement of Activities
 For the Year Ended December 31, 2012

Amounts reported for governmental activities in the statement of activities (page 20 - 21) are different because:

Net change in fund balances --- total government funds (page 27)		\$ 10,045,680
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those activities is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Capital asset additions	12,281,885	
Depreciation	<u>(3,238,797)</u>	9,043,088
Net carrying value of governmental assets disposed of in 2012.		(140,311)
Contributions of capital assets, net.		(1,339,672)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The amount is the net effect of the reversal of prior year items against current year accruals.		(369,802)
The issuance of long-term debt (e.g. bonds, notes, and loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(7,728,710)
Some expenses such as accrued vacation and sick leave, reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(28,221)
The net revenue of certain activities of internal service funds is reported with governmental activities.		107,444
Change in net position of governmental activities (page 21)		<u>\$ 9,589,496</u>

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

City of Upper Arlington, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2012

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Water Surcharge	Sanitary Sewer Surcharge	Stormwater
ASSETS			
Current assets:			
Cash, cash equivalents and investments	\$ 638,236	\$ 624,984	\$ 1,975,585
Accounts receivable (net of allowance for uncollectibles)	47,947	81,149	43,348
Due from other funds			
Total current assets	<u>686,183</u>	<u>706,133</u>	<u>2,018,933</u>
Noncurrent assets:			
Capital assets:			
Land	514		
Improvements	238,244		
Infrastructure	13,048,509	10,987,608	13,478,583
Machinery and equipment	76,502	430,537	719,695
Construction in progress			210,168
Less accumulated depreciation	<u>(5,582,669)</u>	<u>(6,241,755)</u>	<u>(8,537,451)</u>
Total capital assets (net of accumulated depreciation)	<u>7,781,100</u>	<u>5,176,390</u>	<u>5,870,995</u>
Total noncurrent assets	<u>7,781,100</u>	<u>5,176,390</u>	<u>5,870,995</u>
Total assets	<u>\$ 8,467,283</u>	<u>\$ 5,882,523</u>	<u>\$ 7,889,928</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,645</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 2,119	\$ 245,277	\$ 79,170
Due to other funds	3,475	7,029	5,592
Unearned revenue			
Accrued liabilities	7,511	20,463	20,656
Accrued vacation and sick leave	393	32,435	10,165
Ohio Public Works Commission Loans - current	120,295	161,371	
General obligation bonds - current			160,000
Total current liabilities	<u>133,793</u>	<u>466,575</u>	<u>275,583</u>
Noncurrent liabilities:			
Accrued vacation and sick leave	608	7,717	
General obligation bonds payable (net of unamortized discounts)			694,760
Ohio Public Works Commission Loans	<u>374,337</u>	<u>216,268</u>	
Total noncurrent liabilities	<u>374,945</u>	<u>223,985</u>	<u>694,760</u>
Total liabilities	<u>508,738</u>	<u>690,560</u>	<u>970,343</u>
NET POSITION			
Net invested in capital assets	7,286,468	4,798,751	5,016,235
Unrestricted	<u>672,077</u>	<u>393,212</u>	<u>1,919,995</u>
Total net position	<u>\$ 7,958,545</u>	<u>\$ 5,191,963</u>	<u>\$ 6,936,230</u>

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

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

Business-type Activities - Enterprise Funds

Major Funds			Governmental Activities Internal Service Funds
Swimming Pools	Solid Waste	Total	
\$ 495,035	\$ 75,648	\$ 3,809,488	\$ 2,177,536
	47,318	219,762	134,226
<u>495,035</u>	<u>122,966</u>	<u>4,029,250</u>	<u>466,467</u>
			<u>2,778,229</u>
1,236,059		1,236,573	
4,570,938		4,809,182	
		37,514,700	
60,032		1,286,766	
		210,168	
<u>(753,568)</u>		<u>(21,115,443)</u>	
5,113,461	-	23,941,946	
5,113,461	-	23,941,946	-
<u>\$ 5,608,496</u>	<u>\$ 122,966</u>	<u>\$ 27,971,196</u>	<u>\$ 2,778,229</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,645</u>	<u>\$ -</u>
\$ 1,198	\$ 169,996	\$ 497,760	\$ 421,454
		16,096	
1,009		49,639	
		42,993	
		281,666	
		160,000	
<u>2,207</u>	<u>169,996</u>	<u>1,048,154</u>	<u>421,454</u>
		8,325	
		694,760	
		590,605	
-	-	1,293,690	-
<u>2,207</u>	<u>169,996</u>	<u>2,341,844</u>	<u>421,454</u>
5,113,461		22,214,915	
492,828	(47,030)	3,431,082	2,356,775
<u>\$ 5,606,289</u>	<u>\$ (47,030)</u>	<u>25,645,997</u>	<u>\$ 2,356,775</u>
		142,614	
		<u>\$ 25,788,611</u>	

City of Upper Arlington, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Water Surcharge	Sanitary Sewer Surcharge	Stormwater
Operating revenues:			
Charges for sales and services:			
Charges for services	\$ 483,841	\$ 849,869	\$ 752,485
Total operating revenues	<u>483,841</u>	<u>849,869</u>	<u>752,485</u>
Operating expenses:			
Personal services	137,425	362,671	280,714
Materials and supplies	65,777	94,057	216,825
Contractual services			
Self-insurance			
Depreciation and amortization, net	266,502	229,692	255,902
Total operating expenses	<u>469,704</u>	<u>686,420</u>	<u>753,441</u>
Operating income (loss)	<u>14,137</u>	<u>163,449</u>	<u>(956)</u>
Nonoperating revenues (expenses):			
Investment earnings			20,482
Interest expense	(12,113)	(17,321)	(25,800)
Gain/(Loss) on disposal of assets		1,314	-
Total nonoperating revenue (expenses)	<u>(12,113)</u>	<u>(16,007)</u>	<u>(5,318)</u>
Income (loss) before contributions	2,024	147,442	(6,274)
Capital contributions	438,233	241,515	658,395
Transfers in			
Change in net position	<u>440,257</u>	<u>388,957</u>	<u>652,121</u>
Total net position -- January 1, as restated	<u>7,518,288</u>	<u>4,803,006</u>	<u>6,284,109</u>
Total net position -- December 31	<u>\$ 7,958,545</u>	<u>\$ 5,191,963</u>	<u>\$ 6,936,230</u>

Adjustment to consolidate the internal service fund activities related to the enterprise funds.

Change in net position of business-type activities.

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

Business-type Activities - Enterprise Funds			Governmental Activities	
Major Funds			Internal Service Funds	
Swimming Pools	Solid Waste	Total		
\$ 645,686	\$ 1,985,699	\$ 4,717,580	\$	3,798,483
645,686	1,985,699	4,717,580		3,798,483
438,574		1,219,384		
174,340		550,999		
	2,051,441	2,051,441		3,686,679
97,619		849,715		
710,533	2,051,441	4,671,539		3,686,679
(64,847)	(65,742)	46,041		111,804
	2,512	22,994		
		(55,234)		
(712)		602		
(712)	2,512	(31,638)		-
(65,559)	(63,230)	14,403		111,804
1,556		1,339,699		
	12,000	12,000		
(64,003)	(51,230)	1,366,102		111,804
5,670,292	4,200			2,244,971
\$ 5,606,289	\$ (47,030)		\$	2,356,775
		4,360		
		\$ 1,370,462		

City of Upper Arlington, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Water Surcharge	Sanitary Sewer Surcharge	Stormwater
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 469,277	\$ 831,889	\$ 755,429
Payments to suppliers and contractual services	(64,515)	150,124	(240,128)
Payments to employees	(138,584)	(318,565)	(294,737)
Net cash provided (used) by operating activities	<u>266,178</u>	<u>663,448</u>	<u>220,564</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfer in			
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES			
Proceeds from issuance of loans	188,691		-
Purchases of capital assets		(244,711)	(349,634)
Principal paid on capital debt	(107,390)	(155,868)	(160,000)
Interest paid on capital debt	(12,113)	(17,321)	(25,800)
Proceeds from sales of capital assets		1,314	
Net cash provided (used) by capital and related financial activities	<u>69,188</u>	<u>(416,586)</u>	<u>(535,434)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received			21,522
Net increase (decrease) in cash and cash equivalents	335,366	246,862	(293,348)
Cash and cash equivalents, January 1	<u>302,870</u>	<u>378,122</u>	<u>2,268,933</u>
Cash and cash equivalents, December 31	<u>\$ 638,236</u>	<u>\$ 624,984</u>	<u>\$ 1,975,585</u>

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

Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
Major Funds			
Swimming Pools	Solid Waste	Total	
\$ 645,164	\$ 1,991,131	\$ 4,692,890	\$ 3,590,230
(174,016)	(2,051,564)	(2,380,099)	(3,654,844)
(438,801)		(1,190,687)	
32,347	(60,433)	1,122,104	(64,614)
	12,000	12,000	
-	12,000	12,000	-
		188,691	
(8,117)		(602,462)	
		(423,258)	
		(55,234)	
-	-	1,314	
(8,117)	-	(890,949)	-
	2,608	24,130	
24,230	(45,825)	267,285	(64,614)
470,805	121,473	3,542,203	2,242,150
<u>\$ 495,035</u>	<u>\$ 75,648</u>	<u>\$ 3,809,488</u>	<u>\$ 2,177,536</u>

(continued)

City of Upper Arlington, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2012

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Major Funds</u>		
	<u>Water Surcharge</u>	<u>Sanitary Sewer Surcharge</u>	<u>Stormwater</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 14,137	\$ 163,449	\$ (956)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation & amortization expense, net	266,502	229,692	255,902
(Increase) decrease in accounts receivable	(14,564)	(17,980)	2,944
(Increase) decrease in due from other funds			
Increase (decrease) in accounts payable	1,262	244,181	(23,303)
Increase (decrease) in due to other funds	280	517	1,847
Increase (decrease) in unearned revenue			
Increase (decrease) in accrued liabilities	(647)	12,750	12,326
Increase (decrease) in accrued vacation and sick leave	(792)	30,839	(28,196)
Total adjustments	<u>252,041</u>	<u>499,999</u>	<u>221,520</u>
Net cash provided (used) by operating activities	<u>\$ 266,178</u>	<u>\$ 663,448</u>	<u>\$ 220,564</u>
Non cash investing, capital, and financing activities:			
Contributions of capital assets from governmental activities	\$ 438,233	\$ 241,515	\$ 658,395
Increase in fair value of investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,691</u>

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

Business-type Activities - Enterprise Funds				
Major Funds			Governmental Activities	
Swimming Pool	Solid Waste	Total	Internal Service Funds	
\$ (64,847)	\$ (65,742)	\$ 46,041	\$	111,804
97,619		849,715		
	5,432	(24,168)		(118,689)
				(89,564)
324	(123)	222,341		31,835
(14)		2,630		
(522)		(522)		
(213)		24,216		
		1,851		
<u>97,194</u>	<u>5,309</u>	<u>1,076,063</u>		<u>(176,418)</u>
<u>\$ 32,347</u>	<u>\$ (60,433)</u>	<u>\$ 1,122,104</u>	<u>\$</u>	<u>(64,614)</u>
<u>\$ 1,556</u>	<u>\$ -</u>	<u>\$ 1,339,699</u>		
<u>\$ -</u>	<u>\$ 218</u>	<u>\$ 5,909</u>		

City of Upper Arlington, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2012

	Agency Funds
ASSETS:	
Cash and investments	\$ 1,344,189
Cash with third party fiscal agent	11,745
Total assets	\$ 1,355,934
LIABILITIES:	
Due to others	\$ 1,355,934
Total liabilities	\$ 1,355,934

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

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements
December 31, 2012

Note (1) – Summary of Significant Accounting Policies

(a) Reporting entity

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

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

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

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

(b) Government-wide and fund financial statements

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

- Management's discussion and analysis, a part of the required supplementary information, introduces the basic financial statements and provides analytical overview of the City's financial statements.
- Basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component units.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

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

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

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

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

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

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

In June 2011, the GASB issued Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*" This Statement improves financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance that did not previously exist. The provisions of this statement are effective for financial statements for periods beginning after December 15, 2011. The City adopted this statement effective January 1, 2012. See note 16 for more information.

In March 2012, the GASB issued Statement No. 65, "*Items Previously Reported as Assets and Liabilities.*" This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The City adopted this statement effective January 1, 2012. See note 16 for more information.

In March 2012, the GASB issued Statement No. 66, "*Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62.*" The objective of this statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," and No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.*" The provisions of this statement are effective for financial statements for periods beginning after December 15, 2012. The City has not determined the effects, if any; GASB Statement No. 66 will have on its financial statements.

In June 2012, the GASB issued Statement No. 67, "Financial reporting for Pension Plans—an amendment of GASB Statement No. 25." The objective of this statement is to improve financial reporting by state and local governmental pension plans. This statement results from a comprehensive

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statements No. 25, "Financial Reporting for Defined Benefit Pension Disclosures," as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. This statement is effective for financial statements for fiscal years beginning after June 15, 2013. The City has not determined the effects, if any; GASB Statement No. 67 will have on its financial statements.

In June 2012, the GASB issued Statement No. 68, "*Accounting and Financial Reporting for Pensions— an amendment of GASB Statement No. 27.*" The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement is effective for fiscal years beginning after June 15, 2014. The City has not determined the effects, if any; GASB 68 will have on its financial statements.

(c) Measurement focus and basis of accounting

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

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

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

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

All enterprise funds are reported on a full accrual basis of accounting and the economic resources measurement. As allowed by GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, and amended by GASB Statement No. 34.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

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

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

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

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

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

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

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

The Bonded Improvement Fund, a capital projects fund, receives the proceeds from the issuance of bonds and records expenditures in connection with significant capital projects with useful lives of more than five years. The fund is reported as a major fund due to having over 10% of the governmental assets and 5% of total governmental and enterprise assets combined.

The Estate Tax Capital Projects Fund is reported as a major fund due to having over 10% of the governmental assets and 5% of total governmental and enterprise assets combined. When

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

collection of estate tax revenue exceeds \$2.1 million in any year, the excess amount is transferred to the Estate Tax Capital Projects Fund. The resources of the Estate Tax Capital Projects Fund are dedicated for capital improvements with an emphasis on infrastructure.

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

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

The City reports the following major proprietary funds:

The Water Surcharge, Sanitary Sewer Surcharge, Stormwater, Swimming Pools, and Solid Waste Funds are the major proprietary funds of the City. The Water Surcharge, Sanitary Sewer Surcharge, Stormwater, and Solid Waste Funds account for the utility activities of the government. The Swimming Pools Fund provides funds for operating and maintaining the City's three swimming pools. The City maintains these funds in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Additionally, the City reports the following fund types:

Other special revenue funds are used to account for revenues derived from specific taxes, grants, or other restricted or committed revenue sources. The use and limitation of the special revenue funds are specified by City ordinance or federal and state statutes. The City has the following nonmajor special revenue funds: Law Enforcement, Tree Planting, Enforcement Education, Tax Incentive Review, Mayor's Court Computer, Life Long Learning and Leisure, FEMA Fund, Clerk of Court, and Neighborhood Lighting.

Other capital project funds are used to account for financial resources that are restricted, committed, or assigned and used for acquisition or construction of major capital facilities (other than those financed by proprietary funds). The City has eight non-major capital project funds: the Infrastructure Improvement Fund, the Chelsea TIF Fund, the ARL Crossing TIF, the Horizon TIF Fund, the Lane Avenue TIF Fund, the Kingsdale West TIF Fund, the Riverside North TIF Fund, and the Riverside South TIF Fund

Internal service funds are used to account for financing services provided by one department to other departments of the City generally on a cost-reimbursement basis. The City operates two internal service funds: the Employee Benefits Fund, which recovers the costs of and pays claims for the health and dental plans of the employees of the City, and the BWC Administration Fund, which recovers the costs of and pays claims for workers' compensation benefits of the employees of the City.

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature and do not involve measurement of results of operations. The City's agency funds are as follows: Returnable Bonds Fund, Unclaimed Funds, Construction Withholding Fund, Mayor's Court Fund, Flexible Benefits Fund, Payroll Clearing Fund, and the Revolving Fund.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

(d) Assets, liabilities, and net position or equity

1. Deposits and investments

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

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

2. Receivables and payables

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

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the City. Real property tax revenues received in 2012 represent the collection of 2011 taxes. Real property taxes received in 2012 were levied after October 1, 2011, on the assessed values as of January 1, 2011, the lien date. Assessed values for real property taxes are taxes established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due January 20th; if paid semiannually, the first payment is due January 20th, with the remainder payable by June 20th.

Public utility property tax revenues received in 2012 represent the collection of 2011 taxes. Public utility real and tangible personal property taxes received in 2011 became a lien on December 31, 2011, were levied after October 1, 2011, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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

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

Accrued property taxes receivable represents real property and public utility property taxes which were measurable as of December 31, 2012, and for which there was an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2012 operations.

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

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
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The City levies an income tax of 2% on substantially all income earned within the City. In addition, residents of the City are required to pay City income tax on income they earn outside the City. However, a credit is allowed for income taxes paid to other municipalities. Employers within the City are required to withhold income tax on employee compensation and remit this tax at least quarterly. Corporation and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. The City utilizes the Regional Income Tax Agency (RITA) to administer and collect taxes for the City with the guidance of the City's finance department. The income tax receivable includes both balances already filed by taxpayers and tax estimates, net of non-collectible taxes and refunds.

3. Inventories

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

4. Capital assets

Capital assets, which include property, plant equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements and proprietary fund statements. The City defines capital assets as assets with an estimated useful life in excess of five years and an initial, individual cost of more than \$2,500. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement 34, the historical costs of governmental infrastructure assets (retroactive to January 1, 1980) are included as part of the governmental capital assets reported in the government-wide statements. Donated capital assets are recorded at estimated fair market value at the time of donation.

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

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

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

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

5. Compensated absences

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

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

retirement, an employee is reimbursed for accumulated vacation in full and sick leave at varying levels.

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

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

6. Long-term obligations

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

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

7. Fund Balance Reserves/Restrictions

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

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

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

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

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

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

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

In the government-wide financial statements, restrictions of net position are for amounts that are legally restricted by outside parties for use for a specific purpose or net investment in capital assets. At December 31, 2012, none of the City's \$5,120,790 restricted net position on the Statement of Net Position were restricted by enabling legislation, as defined by GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*. The City reports restricted net position for pension obligations as residents have passed police and fire pension property tax levies, the proceeds of which are to be exclusively used for payment of safety forces pension benefits.

Note (2) – Cash and Investments

Investment Policies

The City follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. At December 31, 2012 fair value was \$159,127 above the City's net cost for its investments. At December 31, 2011 fair value was \$138,037 above the City's net cost for its investments. Fair value is determined by quoted market prices and acceptable other pricing methodologies.

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

The City Code, Chapter 221, Depositories and Investments, provides the City with its authorized investment instruments, which do not include derivatives. The City does invest in STAR Ohio, an investment pool managed by the State Treasurer's office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner similar to Rule 2a-7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which represents the price the investment could be sold for on December 31, 2012.

Management of STAR Ohio states that its policy also prohibits investing in derivatives and/or engaging in the use of reverse repurchase agreements. Average days to maturity of the STAR Ohio portfolio at December 31, 2012 were 55 days. The City is prohibited from using reverse repurchase agreements and does not leverage its investment portfolio in any manner. The City purchases investments, except for certificate of deposits, only through its investment advisor, United American Capital Corporation (UACC). UACC is contracted by the City to make investment recommendations and must acknowledge in writing their comprehension and receipt of the City policies.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

The City's investment code and practices have consistently protected the portfolio from unnecessary credit risk (safety) and market risks (liquidity) while providing a competitive yield. The investments permitted by the City Code as well as limitations on investments are described in detail below. The average days to maturity of the City's investments at December 31, 2012 were 943 days.

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

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

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
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as defined in Division B(1) or B(2) under Ohio Revised Code § 135.14, and repurchase agreements secured by such obligations. Eligible money market funds shall comply with Ohio Revised Code § 135.01, regarding limitations and restrictions.

(H) Commercial paper issues of companies incorporated under the laws of the United States, rated A1+, A1 by Standard & Poor's and P1 by Moody's. The maximum maturity of commercial paper shall be two hundred and seventy (270) days from the date of purchase.

(I) Medium term notes issued by a corporation, domiciled within the United States and having assets in excess of \$500 million, provided that such medium term notes have a maximum maturity of five (5) years and are highly rated, at the time of purchase, by Standard & Poor's or Moody's.

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

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

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

(A) Limitations on investments of any single institution or issuer:

(1) The City's investment with any individual issuer shall not constitute more than five percent (5%) of such issuer's total outstanding issue in banker's acceptances, commercial paper or corporate medium term notes.

(2) The total value of certificates of deposit, purchased from any individual financial institution, shall not exceed three percent (3%) of that institutions total time deposits, provided that such total deposits do not exceed five percent (5%) of the City's average portfolio at the time of purchase.

(B) Limitations on the investment of interim funds:

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

(1) The aggregate total of all corporate medium term notes shall not exceed fifteen percent (15%) of the average portfolio, based upon purchase cost or book value, at the time of purchase. Commercial paper and bankers acceptances shall not be considered when calculating the maximum holdings in any single issuer.

(2) The use of derivative securities, as defined in Ohio Revised Code § 135.14 is expressly prohibited.

(3) Collateralized mortgage obligations (CMOs) of any kind are expressly prohibited.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

(C) All eligible investments will mature within five (5) years from the date of settlement, unless the investment is matched to a specific obligation or debt of the City, and the investment is specifically approved by the Finance Director.

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

Deposits

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

At December 31, 2012, the carrying value of the City's cash deposits, exclusive of money market funds in the amount of \$11,543,022 held by bond trustees, was \$4,092,895. \$300,000 of this amount was non-negotiable certificates of deposit. Cash balances per the banks were \$4,314,845. \$600,944 of the City's bank deposits were insured by Federal depository insurance. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of December 31, 2012, \$3,491,901 of the City's bank balance of \$4,314,845 was exposed to custodial risk as follows:

Uninsured and collateral held by the pledging financial institutions agents
not in the City's name \$ 3,713,901

The carrying amount of deposits for CIC, a discretely presented component unit, was \$27,873 with a cash balance per the bank of \$27,873. The CIC deposit was insured by Federal depository insurance.

Additionally, within its agency funds, the City had cash on hand with a third-party fiscal agent in the amount of \$11,745.

Investments

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

Investment Type	Fair Value	Investment Maturities				
		12 months or less	13 to 24 Months	25 to 36 Months	37 to 48 months	49 to 60 months
STAR Ohio	\$9,516,239	\$9,516,239				
Federal Agency--FFCB	2,755,530	503,100			\$1,002,330	\$1,250,100
Federal Agency--FHLB	3,292,710	1,254,440		2,038,270		
Federal Agency--FHLMC	498,255					498,255
Federal Agency--FNMA	18,362,595	3,010,810			2,000,480	13,351,305
Municipal Bonds	11,663,135		6,002,180	422,125		5,238,830
Total investments	\$46,088,464	\$14,284,589	\$6,002,180	\$2,460,395	\$3,002,810	\$20,338,490

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

Credit Risk. The City's investments in U.S. government securities can include: U.S. Treasury Bills, Notes, and Bonds. Federal agency securities can include: Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corp. (FHLMC), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Student Loan Marketing Association (SLMA), Government National Mortgage Association (GNMA), and Tennessee Valley Authority (TVA). The City's investments in the FFCB, FHLB, and FHLMC Coupon Notes were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The City's investment in FNMA Coupon Notes were rated AAA by both Standard and Poor's and Fitch. Standard and Poor's has assigned STAR Ohio an AAAM money market rating. Additionally, the Money Market funds held by Trustees have an AAAM money market rating. The City's investment policy limits investments held to those issued by the U.S. Government or any of its agencies; STAR Ohio, and only very highly-rated money market funds, commercial paper, banker's acceptances, repurchase agreements, bonds and other obligations of the State of Ohio, bonds and other obligations of any county, township, school district, municipal corporation, or other legally constituted taxing subdivision of Ohio, which is not at the time of such investment, in default in the payment of principal on any of its obligations. Additionally, the City may invest in medium term notes issued by a corporation, domiciled within the United States and having assets in excess of \$500 million provided that they are highly rated by Standard & Pools and/or Moodys.

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

Custodial Credit Risk. The City's investments are not exposed to custodial credit risk, as defined by GASB Statement No. 40 as they are either insured, registered, held by the City, or held by an agent in the name of the City.

Reconciliation of Cash and Investments to the Statement of Net Position: The following is a reconciliation of cash and investments to the Statement of Net Position as of December 31, 2012:

Investments (summarized previous page)	\$36,572,225
Non-negotiable certificates of deposit	300,000
Carrying amount of the City's deposits	3,792,895
Star Ohio	9,516,239
Money Market Funds held by Trustee	11,543,022
Amount held by third party agent	11,745
Total	\$61,736,126

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

Governmental Activities

Governmental Funds	
Cash, cash equivalents and investments	\$54,393,168
Internal Service Fund	
Cash, cash equivalents and investments	<u>2,177,536</u>
	<u>56,570,704</u>

Business-Type Activities

Enterprise Funds	
Cash, cash equivalents and investments	<u>3,809,488</u>
Total Cash and Investments - Business-Type Activities	<u>3,809,488</u>

Agency Funds	1,355,934
	<u>1,355,934</u>
Total	<u><u>\$61,736,126</u></u>

Interest revenue credited to the General Fund during 2012 was \$589,318, which includes \$201,757 assigned from other funds not entitled to earn interest per Ohio statute.

Note (3) – Receivables

Receivables as of year-end for the City's funds, including the applicable allowances for uncollectibles, are as follows:

GOVERNMENTAL MAJOR FUNDS

	<u>General</u>	<u>Street Construction Maintenance and Repair</u>	<u>General Obligation Bond Retirement</u>	<u>Estate Tax Capital Projects</u>	<u>Kingsdale CORE TIF</u>	<u>Other Governmental Funds</u>	<u>Governmental Total</u>	<u>Internal Service Funds</u>
Receivables:								
Interest	\$53,108	\$271		\$14,895		\$2,155	\$70,429	
Taxes	16,932,216	571,419	\$874,546				18,378,181	
Intergovernmental Service payments	1,135,087	228,276	52,360	18,596		880,750	2,315,069	
Charges for services	97,632				\$350,000	1,055,500	1,405,500	
Other	<u>373,956</u>					2,824	373,956	\$134,226
Total receivables	<u>\$18,591,999</u>	<u>\$799,966</u>	<u>\$926,906</u>	<u>\$33,491</u>	<u>\$350,000</u>	<u>\$1,941,229</u>	<u>\$22,643,591</u>	<u>\$134,226</u>

BUSINESS-TYPE MAJOR FUNDS

	<u>Water Surcharge</u>	<u>Sanitary Sewer Surcharge</u>	<u>Stormwater</u>	<u>Solid Waste</u>	<u>Business-type Total</u>
Receivables:					
Interest			\$2,616	\$100	\$2,716
Customer Accounts	<u>\$47,947</u>	<u>\$81,149</u>	<u>40,732</u>	<u>47,218</u>	<u>\$217,046</u>
Total receivables	<u>\$47,947</u>	<u>\$81,149</u>	<u>\$43,348</u>	<u>\$47,318</u>	<u>\$219,762</u>

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
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In addition to assets, the statement of position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has nonexchange revenue transactions where a receivable has been recorded because property taxes were levied, but the resources cannot be used until a future period. This item has been reported as a deferred inflow on the government-wide statement of net position. On the modified accrual basis of accounting, the City has recorded certain receivables where the related revenue is unavailable. Unavailable revenues have been reported as deferred inflows of resources on the governmental fund balance sheet for the following:

	General	Street Construction Maintenance and Repair	General Obligation Bond Retirement	Estate Tax Capital Projects	Kingsdale CORE TIF	Other Governmental Funds	Total
Deferred inflows:							
Taxes receivable	\$13,300,377	\$387,228	\$861,664				\$14,549,269
Intergovernmental	892,069	150,743	52,360		\$350,000	\$721,331	2,166,503
Service payments						1,055,500	1,055,500
Charges for services	15,222			\$18,596		8,978	42,796
Total deferred inflows	<u>\$14,207,668</u>	<u>\$537,971</u>	<u>\$914,024</u>	<u>\$18,596</u>	<u>\$350,000</u>	<u>\$1,785,809</u>	<u>\$17,814,068</u>

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
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Note (4) – Capital Assets

Capital asset activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$9,264,600				\$9,264,600
Construction in progress	7,540,117	\$10,200,195		\$(7,618,594)	10,121,718
Total capital assets, not being depreciated	<u>\$16,804,717</u>	<u>10,200,195</u>		<u>(7,618,594)</u>	<u>\$19,386,318</u>
Capital assets, being depreciated:					
Buildings	17,858,325	24,869		427,252	18,310,446
Improvements other than buildings	6,566,345	84,431			6,650,776
Machinery and equipment	15,386,601	1,972,390	\$(1,355,161)		16,003,830
Infrastructure	64,151,335			5,853,612	70,004,947
Total capital assets being depreciated	<u>103,962,606</u>	<u>2,081,690</u>	<u>\$(1,355,161)</u>	<u>6,280,864</u>	<u>110,969,999</u>
Less accumulated depreciation for:					
Buildings	8,676,422	261,499			8,937,921
Improvements other than buildings	1,828,277	126,926			1,955,203
Machinery and equipment	12,162,518	1,068,216	(1,214,850)	1,942	12,017,826
Infrastructure	18,694,407	1,782,156			20,476,563
Total accumulated depreciation	<u>41,361,624</u>	<u>3,238,797</u>	<u>(1,214,850)</u>	<u>1,942</u>	<u>43,387,513</u>
Total capital assets being depreciated, net	<u>62,600,982</u>	<u>(1,157,107)</u>	<u>(140,311)</u>	<u>6,278,922</u>	<u>67,582,486</u>
Governmental capital assets, net	<u>\$79,405,699</u>	<u>\$9,043,088</u>	<u>\$(140,311)</u>	<u>\$(1,339,672)</u>	<u>\$86,968,804</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$1,236,573				\$1,236,573
Construction in progress	41,952	\$349,634		\$(181,418)	210,168
Total capital assets, not being depreciated	<u>\$1,278,525</u>	<u>349,634</u>		<u>(181,418)</u>	<u>\$1,446,741</u>
Capital assets, being depreciated:					
Improvements other than buildings	4,809,595			(414)	4,809,181
Machinery and equipment	1,290,470	\$8,117	\$(11,821)		1,286,766
Infrastructure	35,750,428	244,710		1,519,562	37,514,700
Total capital assets being depreciated	<u>41,850,493</u>	<u>252,827</u>	<u>(11,821)</u>	<u>1,519,148</u>	<u>43,610,647</u>
Less accumulated depreciation for:					
Improvements other than buildings	851,553	91,672			943,225
Machinery and equipment	915,505	81,000	(11,109)	(1,942)	983,454
Infrastructure	18,512,168	676,596			19,188,764
Total accumulated depreciation	<u>20,279,226</u>	<u>849,268</u>	<u>(11,109)</u>	<u>(1,942)</u>	<u>21,115,443</u>
Total capital assets being depreciated, net	<u>21,571,267</u>	<u>(596,441)</u>	<u>(712)</u>	<u>1,521,090</u>	<u>22,495,204</u>
Business-type capital assets, net	<u>\$22,849,792</u>	<u>\$246,807</u>	<u>\$(712)</u>	<u>\$1,339,672</u>	<u>\$23,941,945</u>

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

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

Governmental activities:	
Public safety	\$610,420
General government	428,190
Public services	2,002,257
Parks and recreation	193,836
Community development	4,094
Total depreciation expense - governmental activities	<u>\$3,238,797</u>
Business-type activities:	
Water Surcharge	\$266,502
Sewer Surcharge	229,692
Stormwater	255,482
Swimming pools	<u>97,592</u>
Total depreciation expense - business-type activities	<u>\$849,268</u>

Construction commitments

The City has active construction projects as of December 31, 2012. The projects include rebuilding streets, waterlines, etc. At year-end, the City's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Lane Avenue Mixed Use project	\$5,119,238	\$373,046
Berkshire Road storm water project	1,160,072	479,955
2012 street reconstruction projects	2,194,922	403,488
Lane Avenue corridor	523,516	354,985
Sunny 95 Park	183,495	297,821
Henderson Road corridor study	370,749	20,907
Lane Avenue TIF project	238,382	33,182
Bridge and culvert projects	101,361	33,594
2013 street reconstruction projects	25,448	44,889
Sanitary sewer studies	171,409	589
Waterline replacements	129,230	58,365
Other projects	<u>114,064</u>	<u>1,020</u>
	\$10,331,886	\$2,101,841

Other projects spent to date include monies spent on projects, such as advertising, engineering, and capitalized wages, which did not have a contract in place as of December 31, 2012, and therefore the remaining commitment is unknown.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

Note (5) – Interfund Transactions

During the course of operations, transactions occur between individual funds for goods provided or services rendered. In the fund financial statements, these receivables and payables are reported as “due from other funds” or “due to other funds” on the balance sheet, and are normally expected to be liquidated in a year or less.

In the fund financial statements, transactions that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “interfund receivables/payables” on the balance sheet. In the government-wide statement of net position, these interfund receivable and payable balances have been eliminated to avoid the duplicating effect on assets and liabilities.

“Due from/to balances” at December 31, 2012 represent the premium charges payable to the Internal Service Fund – Employee Benefits Fund for the funding of medical insurance payments and the BWC Administration Fund for the funding of worker’s compensation claims.

“Interfund receivable/payable balances” at December 31, 2012 represents advances provided for the construction of public infrastructure improvements in the related TIF funds. Balances owed will be repaid from future receipts of service payments.

Interfund transfers:

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

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

	General Obligation Bond Retirement Fund	Estate Tax Capital Projects Fund	Infrastructure Improvement Capital Projects Fund	Enterprise Solid Waste Fund	Total
Transfers Out: General Fund	\$3,011,505	\$3,523,655	\$750,000	\$12,000	\$7,297,160
	<u>\$3,011,505</u>	<u>\$3,523,655</u>	<u>\$750,000</u>	<u>\$12,000</u>	<u>\$7,297,160</u>

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

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

Note (6) – Long-term Liabilities and Notes

Long-term liability activity for the year ended December 31, 2012 is as follows:

	<u>Beginning Balance</u>	<u>Additions/ Accretion</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Debt payable:					
General obligation and special assessment bonds	\$41,719,994	\$10,000,000	\$2,595,000	\$49,124,994	\$2,660,000
Accretion	136,818	20,764		157,582	
Premium	717,350	224,884	86,699	855,535	
Deferred funding cost	(780,629)		(100,023)	(680,606)	
Total debt payable	41,793,533	10,245,648	2,581,676	49,457,505	2,660,000
Accrued vacation & sick leave	2,687,205	2,803,788	2,812,803	2,678,190	1,404,443
Governmental activity					
Long-term liabilities	\$44,480,738	13,049,436	5,394,479	52,135,675	\$4,064,443
Business-type activities:					
Water activities:					
Ohio Public Works Comm.	\$413,331	\$188,691	\$107,390	\$494,632	\$120,295
Sewer activities:					
Ohio Public Works Comm.	533,507		\$155,868	\$377,639	161,371
Stormwater activities:					
General obligation bonds	1,000,000		160,000	\$840,000	160,000
Premium	18,040		3,280	14,760	
Deferred funding cost	(20,345)		(3,700)	(16,645)	
Total debt payable	1,944,533	188,691	422,838	1,710,386	441,666
Accrued vacation & sick leave	49,467	99,884	98,033	51,318	42,993
Business-type activity					
Long-term liabilities	\$1,994,000	288,575	520,871	1,761,704	\$484,659

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

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

A reconciliation of long-term liabilities as shown in the statement of net position as of December 31, 2012 is as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Bonds, notes, and loans payable outstanding at December 31, 2012	\$49,124,994	\$1,712,271
Accretion	157,582	
Unamortized premium on bonds	855,535	14,760
	<u>\$50,138,111</u>	<u>\$1,727,031</u>
 Statement of Net Position:		
Long-term liabilities, due within one year	\$2,660,000	441,666
Long-term liabilities, due in more than one year	47,478,111	1,285,365
	<u>\$50,138,111</u>	<u>\$1,727,031</u>

General Obligation Bonds and Notes:

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

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

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

Governmental Activities Long-Term Liabilities

A summary of bonds payable outstanding at December 31, 2012 is as follows:

General obligation debt:	Year of Maturity	Annual Principal Payments	Balance at 12/31/2011	Principal issued	Principal Retired	Balance at 12/31/2012
2009C Issue 4 Refunding	2017	\$239,997- \$380,000	\$2,044,997		\$345,000	\$1,699,997
2009C Various Purpose Refunding	2020	\$24,997- \$370,000	\$2,679,997		\$305,000	\$2,374,997
2009A Building Renovation Refunding	2020	\$15,000- \$150,000	\$1,195,000		\$120,000	\$1,075,000
2003 Various Purpose	2023	\$239,988- \$705,000	\$1,140,000		\$460,000	\$680,000
2008 Fire Station	2028	\$169,200- \$432,000	\$5,385,553		\$228,000	\$5,157,553
2008 Infrastructure	2028	\$112,800- \$288,000	\$3,564,447		\$152,000	\$3,412,447
2009 Various Purpose	2016	\$370,000- \$425,000	\$2,020,000		\$385,000	\$1,635,000
2009 Build America Bonds	2029	\$465,000- \$685,000	\$7,320,000		\$0	\$7,320,000
2010-A Various Purpose	2030	\$440,000- \$460,000	\$1,360,000		\$445,000	\$915,000
2010-B Various Purpose Build America Bonds	2030	\$460,000- \$640,000	\$8,200,000		\$0	\$8,200,000
2011 Refunding	2023	\$55,000- \$675,000	\$6,000,000		\$55,000	\$5,945,000
2012 Lane Avenue Mixed Use Development	2042		\$0	\$6,685,000	\$0	<u>\$6,685,000</u>
2012 Various Purpose	2032		\$0	\$3,315,000	\$0	<u>\$3,315,000</u>
Total general obligation debt			\$40,909,994	\$10,000,000	\$2,495,000	\$48,414,994
Special assessment debt:						
1998 Neighborhood Lighting	2018	\$85,000- \$135,000	\$810,000		\$100,000	\$710,000
Total special assessment debt			<u>\$810,000</u>		<u>\$100,000</u>	<u>\$710,000</u>
Total bonds payable			<u>\$41,719,994</u>	<u>\$10,000,000</u>	<u>\$2,595,000</u>	<u>\$49,124,994</u>

In 2012 the City issued \$10,000,000 in new bonds: \$6,685,000 is for infrastructure improvements in the Lane Avenue Mixed Use Development district and \$3,315,000 for various infrastructure improvements. The Lane Avenue Mixed Use bonds were issued at various rates of interest ranging from 2.0% to 3.125% with a final maturity of 2042. The issuance resulted in bond issuance cost of \$93,226, a net premium on issuance of bonds of \$119,704. The \$3,315,000 portion of the bonds were issued at various rates of interest ranging from 2.0% to 3.0% with a final maturity of 2032. The issuance resulted in bond issuance cost of \$39,782, a net premium on issuance of bonds of \$105,180.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

Year	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2013	2,555,000	1,744,512	\$105,000	\$34,330
2014	2,760,000	1,676,554	110,000	29,343
2015	2,825,000	1,603,956	115,000	24,008
2016	2,915,000	1,525,233	120,000	18,430
2017	2,714,994	1,896,093	125,000	12,610
2018-2022	13,835,000	5,800,811	135,000	6,548
2023-2027	11,510,000	3,338,020		
2028-2032	6,225,000	1,019,841		
2033-2037	1,425,000	391,813		
2038-2042	1,650,000	157,813		
Total	\$48,414,994	\$19,154,646	\$710,000	\$125,269

Not included in the above amounts as of December 31, 2012 are \$5,700,000 of bonds outstanding with escrow agent that the City defeased in 2011. For accounting purposes, the assets and liabilities for the defeased bonds are not reflected in the District's financial statements.

Short Term Note Payable

On June 26, 2012 the City issued \$4,800,000 in short term Land Acquisition taxable bond anticipation note. The note matures within one year and therefore recorded as a fund liability in the Kingsdale Core TIF Capital Projects Fund. The note was issued at an interest rate of 2.0%. The issuance resulted issuance cost of \$17,980 and premium on issuance of notes of \$22,416.

Business-Type Activities Long-Term Liabilities

General obligation debt:	Year of Maturity	Annual Principal Payments	Balance at 12/31/2011	Principal Retired	Balance at 12/31/2012
2009A Turkey Run Stormwater Refunding Bonds	2017	\$150,000-\$175,000	\$1,000,000	\$160,000	\$840,000
Total bonds payable			\$1,000,000	\$160,000	\$840,000

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

Loans Payable:

Ohio Public Works Commission (OPWC) loans

Ohio Public Works Commission (OPWC) loans are backed by the full faith and credit of the City. The interest rate of the Arlington Avenue Waterline loan is 0%. The remaining loans from the OPWC were made through the State Issue Two Program for infrastructure renovations and the interest rate is 3.5%. The Ohio Public Works Commission loans currently outstanding are as follows:

	Year of Maturity	Semi-annual Principal Payments	Balance at 12/31/2011	Principal Borrowed	Principal Retired	Balance at 12/31/2012
Water activities:						
Leeds Road Waterline	2014	\$12,561- \$23,456	\$113,315	\$0	\$44,150	\$69,165
Western Fire Loop Transmission Line	2016	\$20,102- \$35,355	\$300,016	\$0	\$63,240	\$236,776
Arlington Avenue Waterline	2023	\$9,435	\$0	\$188,691	\$0	\$188,691
Total water activities			\$413,331	\$188,691	\$107,390	\$494,632
Sewer activities:						
Mountview Canterbury	2014	\$9,530- \$17,797	\$85,976	\$0	\$33,498	\$52,478
Sanitary sewer projects	2016	\$34,815- \$67,308	\$447,531	\$0	\$122,370	\$325,161
Total sewer activities			\$533,507	\$0	\$155,868	\$377,639
Total OPWC loans payable			\$946,838	\$188,691	\$263,258	\$872,271

Annual debt service requirements for long-term liabilities recorded in Business-type activities, excluding other contractual liabilities and compensated absences, at December 31, 2012 are as follows:

Year	General Obligation Bonds		Loans Payable	
	Principal	Interest	Principal	Interest
2013	160,000	22,600	281,666	20,460
2014	160,000	19,400	258,406	11,180
2015	170,000	15,400	155,327	3,798
2016	175,000	10,938	54,224	530
2017	175,000	5,687	18,869	
2018-2022			94,344	
2023			9,435	
Totals	\$840,000	\$74,025	\$872,271	\$35,968

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

Operating Leases:

The City has no non-cancelable operating leases as of December 31, 2012.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

Note (7) – Risk Management

Prior to October 1, 1997, the City is exposed to various risks of loss related to torts, including theft of, damage to, and destruction of assets, errors and omissions, personal injuries, and natural disasters. The City provides coverage for up to \$1,000,000 for each liability claim and \$1,000 for each property damage claim. To provide funding for potential claims, the City established by ordinance a commitment of the General Fund balance of \$714,586 for these losses. In addition, the City also passed legislation that reserves \$5,000,000 of the City's unvoted debt capacity to cover potential catastrophic claims, judgments, and actions.

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

As part of participating in CORMA, coverage is provided for up to \$15,000,000 per occurrence and \$20,000,000 annual aggregate umbrella/excess liability for all liability claims and \$375,692,776 limit for property claims for the pool. Coverage is provided on an annual aggregate basis for crime (\$1,000,000 blanket public employee dishonesty with \$25,000 deductible, \$500,000 forgery/computer fraud with \$25,000 deductible, and \$100,000 money and securities with a \$25,000 deductible. Coverage is provided for general liability (\$1,000,000/\$2,000,000), law enforcement liability (\$1,000,000/\$1,000,000), public official liability (\$1,000,000/\$1,000,000), employment practices liability (\$1,000,000/\$1,000,000) and automobile liability (\$1,000,000). Pool retentions are \$25,000 per loss for property and \$600,000 aggregate for liability, with a \$100,000 per loss self-insurance retention. A third-party broker, with expertise in public entity pools, markets the program, identifies coverage lines and limits, and recommends the best insurer and insurance for procurement.

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

The City is self-insured for the employees' health care and worker's compensation claims. To account for and finance its uninsured health and worker's compensation claims, the City established the Employee Benefit Fund and the BWC Administration Fund (internal service funds). All operating funds of the City participate in the program and make payments to the Employee Benefit Fund and BWC Administration Fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The City purchases specific stop loss insurance for health care claims, which exceed \$50,000 per covered individual in one year and aggregate stop loss coverage at 125% of annual estimated claims. The City purchases stop loss insurance for worker's compensation claims, which exceed \$400,000 per covered individual in one year and \$1,000,000 in aggregate in one year.

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

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

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

	<u>General Liability</u>	<u>Health Claims/Workers Compensation</u>
		<u>2011</u>
Unpaid claims - January 1, 2011	\$ 854	\$ 163,390
Incurring claims	14,173	3,402,987
Payment of claims	<u>(14,838)</u>	<u>(3,176,758)</u>
Unpaid claims - December 31, 2011	<u>\$ 189</u>	<u>\$ 389,619</u>
		<u>2012</u>
Unpaid claims - January 1, 2012	\$189	\$389,619
Incurring claims	49,080	2,635,558
Payment of claims	<u>(46,316)</u>	<u>(2,677,938)</u>
Unpaid claims - December 31, 2012	<u>\$ 2,953</u>	<u>\$ 347,239</u>

A claims liability of \$347,239 in the internal service fund accounts payable balance represents an estimate for incurred but unpaid claims liabilities and incurred but not reported claims liabilities.

Note (8) – Joint Operating Agreement

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

The Agreement shall exist until:

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

Note (9) – Subsequent Event

There were no significant subsequent events.

Note (10) – Contingent Liabilities

A. Litigation

The City is a defendant in a lawsuit pertaining to matters, which are incidental to performing routine government 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, 2012.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

B. Federal and State Grants

For the period January 1, 2012 to December 31, 2012, the City received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowances, if any, would be immaterial.

Note (11) – Pension Plans

A. Ohio Public Employees Retirement System

Plan Description – The city participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year.). Under the member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employers contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, or writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for members and employer contributions. For 2012, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2012 member contribution rates were 10.00% of covered payroll for members in state and local classifications. Public safety and law enforcement members contributed 11.5% and 12.1%, respectively. Effective January 1, 2013, the member contribution rates for public safety and law enforcement members increased to 12.00% and 12.60% respectively. The City's contribution rate for 2012 was 14.00% of covered payroll, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.1% of covered payroll.

The City's contribution rate for pension benefits for members in the Traditional Plan and the Member-Directed Plan for 2012 was 10.0%. The City's contribution rate for pension benefits for members in the Combined plan for 2012 was 7.95%. For those plan members in law enforcement or public safety, the City's contribution was 14.1%.

The City's required contributions for pension obligations to the Traditional Pension for the years ended December 31, 2012, 2011, and 2010 were \$1,157,120, \$1,153,927, and \$1,154,849 respectively; equal to the required employer contribution which is 100% of the dollar amount billed by OPERS. Contributions to the member-directed and combined plans for 2012 were \$29,106 made by the City and \$20,790 made by the plan members.

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions. This accounting standard replaces GASB Statement 27, and it is effective for employer fiscal years beginning after June 15, 2014. OPERS recommends employers

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

begin a dialog with their external auditors to determine the impact this standard will have on employer financial statements.

B. Ohio Police and Fire Pension Fund

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

Funding Policy – Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. The City's required contributions for pension obligations to OP&F for police officers and firefighters for the years end December 31, 2012, 2011 and 2010 were \$1,989,834, \$1,991,719, and \$1,996,404, respectively. The amounts contributed equal the required employer contribution for the respective year which is 100% of the dollar amount billed by OP&F.

Note (12) – Post Retirement Benefit Plans

A. Ohio Public Employees Retirement System

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide the OPEB Plan to its eligible members and beneficiaries. Authority to establish and amend the OPEB Plan is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, state and local employers contributed at a rate of 14.0% of covered payroll and public safety and law enforcement employers contributed at 18.1%. These are the maximum employer contributions rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

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

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

4.0% during calendar year 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2012. Effective January 1, 2013, the portion of employer contributions allocated to healthcare was lowered to one percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012, 2011, and 2010 were \$330,589, \$329,677, and \$430,422, respectively; and equal to the required employer contribution which is 100% of the dollar amount billed by OPERS.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate four percent of the employer contributions towards the health care fund after the end of the transition period.

B. Ohio Police and Fire Pension Fund

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

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

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2012, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

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

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters for the years ended December 31, 2012, 2011, and 2010 were \$614,100, \$614,410 and \$614,228, respectively. The amounts contributed equal the required employer contribution for the respective year which is 100% of the dollar amount billed by OP&F.

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

Description of Reporting Entity

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

Summary of Significant Accounting Policies

Basis of Accounting.

The Financial Statements of the CIC are prepared using the accrual basis of accounting.

Federal Income Tax.

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

Use of Estimates.

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

Note (14) – Fund Deficit

The Kingsdale CORE TIF Fund, a major capital projects fund and the Solid Waste Fund, a major enterprise fund, had GAAP basis deficit fund balances at December 31, 2012 of \$5,561,304 and \$47,030, respectively. These deficits will be funded by future service payments and charges for services.

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

Note (15) – Fund Balance

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

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

Fund Balance	General	Street Construction Maintenance and Repair	General Obligation Bond Retirement	Bonded Improvement	Estate Tax Capital Projects	Kingsdale Core & Lane Ave Mixed Use TIFs	Other Governmental Funds	Total Governmental Funds
Nonspendable for:								
Inventories	\$ 62,127	\$ 124,940						\$ 187,067
Restricted for:								
Debt Service			\$ 498,272					498,272
Pensions	252,770							252,770
Capital Outlays	773,440			\$ 6,471,483		\$ 1,576,788	\$ 804,228	9,625,939
Street Maintenance		350,426						350,426
Public Safety							1,472,703	1,472,703
Other							25,727	25,727
Total Restricted	1,026,210	350,426	498,272	6,471,483	-	1,576,788	2,302,658	12,225,837
Committed for:								
Self insurance	726,995							726,995
Parks and recreation							100,042	100,042
Economic Dev.	639,185							639,185
Civil Service	30,185							30,185
Technology	108,851							108,851
Public Safety	732,123						11,294	743,417
Capital Outlays	6,639,876				11,219,188		1,286,176	19,145,240
Total Committed	8,877,215	-	-	-	11,219,188	-	1,397,512	21,493,915
Unassigned	24,113,652					(5,651,304)		18,462,348
Total Fund Balance	\$ 34,079,204	\$ 475,366	\$ 498,272	\$ 6,471,483	\$ 11,219,188	\$ (4,074,516)	\$ 3,700,170	\$ 52,369,167

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by all funds on a budgetary basis of accounting. On the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

Note (16) – Restatements

Change in Accounting Principle for new GASB Statement

During the year, the City adopted GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position;” and Statement No.65, “Items Previously Recognized as Assets and Liabilities.” The objectives of these statements were to establish standards that reclassify certain items that were previously reported as assets and liabilities and instead to classify them as Deferred Inflows of Resources, Deferred Outflows of Resources, or as outflows or resources. As a result of implementing these statements, the following assets and liabilities have been reclassified, as indicated.

Item	New classification	Governmental Activities	Business-type Activities
Deferred amount on refunding (previously included in bonds payable, net)	Deferred outflow of resources	\$680,606	\$16,645
Bond issuance costs (the unamortized portion was previously reported as an asset)	Outflow of resources	150,988	
Revenue in governmental funds not collected within 60 days of year end (previously reported as a liability)	Deferred inflow of resources	10,399,492	
Property tax billed, but levied for the next year’s budget (previously reported as a liability)	Deferred inflow of resources	1,444,295	

Additionally, the net position at the beginning of the year has been restated to reflect the change in treatment for bond issuance cost, which was previously reported as an asset, to an outflow of resources as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net position, as previously reported	\$86,274,532	\$24,434,382
Effect of change related to bond issuance cost	(598,840)	(16,233)
Net position, as restated	<u>\$85,675,692</u>	<u>\$24,418,149</u>

City of Upper Arlington, Ohio
Notes to the Basic Financial Statements, continued
December 31, 2012

Change in Accounting Policy

During the year the City re-characterized the prior year's movement of moneys from the General Fund to three TIF Funds from transfers to advances due to a change in funding policy. As such, the City's fund financial statements were restated as follows:

	Governmental Fund Balances <u>at January 1, 2012</u>	Prior year transfer of monies re- characterized as <u>advances</u>	Governmental Fund Balances at January 1, <u>2012, as restated</u>
General Fund	\$28,354,897	\$2,768,000	\$31,122,897
Kingsdale Core TIF	(\$4,741,993)	(\$1,018,000)	(\$5,759,993)
Chelsea TIF	\$858,127	(\$900,000)	(\$41,873)
Horizon TIF	\$833,110	(\$600,000)	\$233,110
Lane Avenue TIF	\$700,080	(\$250,000)	\$450,080

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

City of Upper Arlington, Ohio
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2012

	General Fund			
	Original Budget	Final Budget	Actual	Variance positive (negative)
REVENUES:				
Income tax	\$ 14,307,850	\$ 15,396,000	\$ 15,252,862	\$ (143,138)
Property taxes	8,470,259	8,470,259	8,085,338	(384,921)
Intergovernmental	2,200,550	2,200,550	2,717,112	516,562
Estate Tax	2,100,000	9,344,141	9,344,141	-
Charges for services	845,000	845,000	892,272	47,272
Investment earnings	518,310	392,060	388,164	(3,896)
Fines and forfeits	425,000	375,000	338,863	(36,137)
Licenses and permits	975,000	975,000	876,822	(98,178)
Miscellaneous	894,600	1,024,600	876,756	(147,844)
Reimbursements	160,000	160,000	377,324	217,324
Total revenues	<u>30,896,569</u>	<u>39,182,610</u>	<u>39,149,654</u>	<u>(32,956)</u>
EXPENDITURES:				
Current:				
Police				
Personal services	7,133,799	7,133,799	6,868,679	265,120
Other than personal services	313,200	313,200	242,768	70,432
Capital outlay	111,800	120,534	120,533	1
Fire				
Personal services	7,988,939	7,988,939	7,705,174	283,765
Other than personal services	278,250	278,250	212,053	66,197
Board of Health				
Other than personal services	205,000	205,000	204,474	526
Parks and recreation				
Personal services	2,167,458	2,167,458	2,053,294	114,164
Other than personal services	760,500	783,000	762,538	20,462
Capital outlay	45,000	41,708	41,707	1
Development				
Personal services	930,325	1,024,098	897,600	126,498
Other than personal services	117,000	117,000	88,071	28,929
Public Service Administration				
Personal services	1,012,427	942,427	658,068	284,359
Other than personal services	51,200	51,200	44,514	6,686
Capital outlay	4,200	4,744	4,744	-
Streets Administration				
Personal services	411,258	492,451	492,447	4
Other than personal services	8,750	8,750	5,536	3,214
Capital outlay	198,980	275,624	275,624	-
Fleet Maintenance				
Personal services	507,309	496,116	469,920	26,196
Other than personal services	189,650	184,650	180,796	3,854
Capital outlay	3,000	7,869	7,869	-
City Manager				
Personal services	980,015	708,587	630,862	77,725
Other than personal services	163,125	163,125	75,052	88,073
City Attorney				
Personal services	625,525	625,525	574,263	51,262
Other than personal services	125,400	125,400	118,690	6,710
City Clerk				
Personal services	254,449	254,449	251,053	3,396
Other than personal services	12,500	12,500	9,434	3,066

(continued)

City of Upper Arlington, Ohio
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2012
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
City Council				
Personal services	124,090	124,090	104,563	19,527
Other than personal services	12,000	12,000	4,929	7,071
Clerk of Court				
Personal services	157,749	157,749	153,872	3,877
Other than personal services	153,150	153,150	100,620	52,530
Finance				
Personal services	868,500	1,046,155	1,038,228	7,927
Other than personal services	111,650	111,650	93,067	18,583
Capital outlay	8,300	-	-	-
Facilities Maintenance				
Personal services	91,833	91,833	69,086	22,747
Other than personal services	885,750	885,750	820,380	65,370
Capital outlay	-	39,540	39,535	5
Information Technology				
Personal services	401,134	401,134	345,421	55,713
Other than personal services	468,789	468,789	447,320	21,469
Capital outlay	384,115	290,376	279,224	11,152
General Administration				
Personal services	206,958	247,138	247,137	1
Other than personal services	1,468,000	1,427,820	1,408,360	19,460
 Total expenditures	<u>29,941,077</u>	<u>29,983,577</u>	<u>28,147,505</u>	<u>1,836,072</u>
 Excess (deficiency) of revenues over expenditures	955,492	9,199,033	11,002,149	1,803,116
 <u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from sale of Capital outlay assets	-	-	65,411	65,411
Operating transfers-out	(4,021,981)	(7,570,250)	(7,195,775)	374,475
Advances in	1,092,814	5,881,542	5,402,542	(479,000)
Advances out	(188,800)	(7,188,800)	(4,400,000)	2,788,800
Interaccount transfers-in	2,601,686	2,601,686	2,454,846	(146,840)
Interaccount transfers-out	(2,601,686)	(2,601,686)	(2,454,846)	146,840
 Total other financing sources (uses)	<u>(3,117,967)</u>	<u>(8,877,508)</u>	<u>(6,127,822)</u>	<u>2,749,686</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(2,162,475)	321,525	4,874,327	4,552,802
 Fund balances at beginning of year	22,144,224	22,144,224	22,144,224	-
Lapsed encumbrances	45,151	45,151	45,151	-
Fund balances at end of year	<u>\$ 20,026,900</u>	<u>\$ 22,510,900</u>	<u>\$ 27,063,702</u>	<u>\$ 4,552,802</u>

Adjustments necessary to convert the results of operations at end of year on the budget basis to the modified accrual basis (GAAP) are as follows:

Excess of revenues and other financing sources over expenditures and other uses per the Budgetary Comparison Schedule	\$ 4,874,327
Increases (decreases) from revenues:	478,489
(Increases) decreases from expenditures:	(1,292,582)
(Increases) decreases from other financing sources (uses)	(1,103,927)
 Net change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balances	 <u><u>\$ 2,956,307</u></u>

City of Upper Arlington, Ohio
Budgetary Comparison Schedule
Street Construction Maintenance and Repair Fund
For the Year Ended December 31, 2012

	Street Construction Maintenance and Repair Fund			
	Original Budget	Final Budget	Actual	Variance positive (negative)
REVENUES:				
Motor fuel taxes	\$ 1,137,000	\$ 1,137,000	\$ 1,142,837	\$ 5,837
Intergovernmental	432,000	432,000	456,551	24,551
Charges for services	12,000	12,000	4,348	(7,652)
Investment earnings	2,595	2,595	2,197	(398)
Miscellaneous	-	-	1,325	1,325
Total revenues	<u>1,583,595</u>	<u>1,583,595</u>	<u>1,607,258</u>	<u>23,663</u>
EXPENDITURES:				
Current:				
Streets Division				
Personal services	985,631	809,721	775,459	34,262
Other than personal services	430,250	293,685	265,833	27,852
Electrical Division				
Personal services	443,790	464,700	464,699	1
Other than personal services	180,900	187,465	187,454	11
Total expenditures	<u>2,040,571</u>	<u>1,755,571</u>	<u>1,693,445</u>	<u>62,126</u>
Excess (deficiency) of revenues over expenditures	(456,976)	(171,976)	(86,187)	85,789
OTHER FINANCING SOURCES (USES):				
Operating transfer-in	361,861	361,861	-	(361,861)
Total other financing sources (uses)	<u>361,861</u>	<u>361,861</u>	<u>-</u>	<u>(361,861)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(95,115)	189,885	(86,187)	(276,072)
Fund balances at beginning of year	268,268	268,268	268,268	-
Lapsed encumbrances	1,826	1,826	1,826	-
Fund balances at end of year	<u>\$ 174,979</u>	<u>\$ 459,979</u>	<u>\$ 183,907</u>	<u>\$ (276,072)</u>

Adjustments necessary to convert the results of operations at end of year on the budget basis to the modified accrual basis (GAAP) are as follows:

Excess of revenues and other financing sources over expenditures and other uses per the Budgetary Comparison Schedule	\$ (86,187)
Increases (decreases) from revenues:	(509)
(Increases) decreases from expenditures:	(6,958)
Net change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ (93,654)</u>

City of Upper Arlington, Ohio
Notes to the Required Supplementary Information
December 31, 2012

Budgetary Information

The City adopts annual expenditure budgets for all governmental, proprietary, and agency fund types, with the exception of the Flexible Benefits Fund. The CIC, a component unit of the City, does not adopt an annual expenditure budget. The City Council follows procedures outlined below in establishing the expenditure budget data reported in the Municipal Program of Services Adopted Budget for 2013 – 2014.

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

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

No transfer of appropriations can be made without City Council action, with the exception of certain transfers within a department's appropriation, within a fund, if the amounts are less than \$5,000. Expenditures cannot legally exceed appropriations at the character level. During 2012 various transfers of appropriations, supplemental appropriations, and reductions in appropriation were made in the following amounts:

General Fund	\$10,590,769
Special Revenue Funds	(\$150,200)
Debt Service Fund	\$ -
Capital Project Funds	\$16,113,405
Enterprise Funds	\$137,000
Internal Service Funds	\$47,000

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

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

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

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$10,590,769 and is summarized as follows:

- ❑ \$3,548,269 for fund transfers to the Estate Tax Capital Projects Fund and Solid Waste Fund.
- ❑ \$7,000,000 for a fund transfer to the newly created Lane Avenue Mixed Use TIF Fund.
- ❑ \$22,500 to appropriate parks and forestry grants received.
- ❑ \$20,000 for additional capital outlay for police cruisers.



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D. OTHER SUPPLEMENTARY INFORMATION

CITY OF UPPER ARLINGTON

MAJOR GOVERNMENTAL FUNDS

General Fund

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

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

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

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

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

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

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

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

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

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

CITY OF UPPER ARLINGTON

MAJOR GOVERNMENTAL FUNDS, continued

Special Revenue Funds

Street Construction Maintenance and Repair Fund

The Ohio Revised Code Sections 4501.04 and 5735.27 requires this separate fund to account for receipts from the licensing of motor vehicles and receipts from fuel taxes. The funds are used for the construction, maintenance and repair of the City's streets. The budgetary Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual, is included in the Required Supplementary Information – Other Than MD&A, section of this report.

General Obligation Bond Retirement Fund

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

Capital Project Funds:

Bonded Improvement Fund

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

Estate Tax Capital Projects Fund

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

Kingsdale Core Tax Incentive Financing (TIF) Capital Projects Fund

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

Lane Avenue Mixed Use Tax Incentive Financing (TIF) Capital Projects Fund

Established by Ordinance 103-2011, this fund was created to receive the payments in lieu of taxes (PILOT) for the development of a public/private partnership to construct a hotel, condominiums, and retail office space along the Lane Avenue Corridor. The redevelopment began in 2012. Reimbursement to the City for these improvements is projected to begin in 2014.

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
General Operating Account
For the Fiscal Year Ended December 31, 2012

	General Operating Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Income tax	\$ 12,400,184	\$ 13,343,715	\$ 13,219,655	\$ (124,060)
Property taxes	5,346,250	5,346,250	5,330,915	(15,335)
Intergovernmental	2,101,550	2,101,550	2,300,540	198,990
Estate Tax	2,100,000	9,344,141	9,344,141	-
Charges for services	845,000	845,000	892,272	47,272
Investment earnings	508,270	382,020	381,242	(778)
Fines and forfeits	425,000	375,000	338,863	(36,137)
Licenses and permits	975,000	975,000	876,822	(98,178)
Miscellaneous	765,000	895,000	737,134	(157,866)
Reimbursements	130,000	130,000	314,159	184,159
 Total revenues	 <u>25,596,254</u>	 <u>33,737,676</u>	 <u>33,735,743</u>	 <u>(1,933)</u>
EXPENDITURES:				
Current:				
Police				
Personal services	7,133,799	7,133,799	6,868,679	265,120
Other than personal services	313,200	313,200	242,768	70,432
Fire				
Personal services	7,988,939	7,988,939	7,705,174	283,765
Other than personal services	278,250	278,250	212,053	66,197
Board of Health				
Other than personal services	205,000	205,000	204,474	526
Parks and recreation				
Personal services	2,167,458	2,167,458	2,053,294	114,164
Other than personal services	760,500	783,000	762,538	20,462
Development				
Personal services	930,325	1,024,098	897,600	126,498
Other than personal services	117,000	117,000	88,071	28,929
Public Service Administration				
Personal services	1,012,427	942,427	658,068	284,359
Other than personal services	51,200	51,200	44,514	6,686
Streets Administration				
Personal services	411,258	492,451	492,447	4
Other than personal services	8,750	8,750	5,536	3,214
Fleet Maintenance				
Personal services	507,309	496,116	469,920	26,196
Other than personal services	189,650	184,650	180,796	3,854
City Manager				
Personal services	980,015	708,587	630,862	77,725
Other than personal services	163,125	163,125	75,052	88,073
City Attorney				
Personal services	625,525	625,525	574,263	51,262
Other than personal services	125,400	125,400	118,690	6,710
City Clerk				
Personal services	254,449	254,449	251,053	3,396
Other than personal services	12,500	12,500	9,434	3,066
City Council				
Personal services	124,090	124,090	104,563	19,527
Other than personal services	12,000	12,000	4,929	7,071
Clerk of Court				
Personal services	157,749	157,749	153,872	3,877
Other than personal services	153,150	153,150	100,620	52,530

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
General Operating Account, cont.

	Adopted Budget	Revised Budget	Actual	Variance
Finance				
Personal services	868,500	1,046,155	1,038,228	7,927
Other than personal services	111,650	111,650	93,067	18,583
Facilities Maintenance				
Personal services	91,833	91,833	69,086	22,747
Other than personal services	885,750	885,750	820,380	65,370
Information Technology				
Personal services	401,134	401,134	345,421	55,713
Other than personal services	468,789	468,789	447,320	21,469
General Administration				
Personal services	206,958	247,138	247,137	1
Other than personal services	1,418,000	1,377,820	1,366,914	10,906
 Total expenditures	<u>29,135,682</u>	<u>29,153,182</u>	<u>27,336,823</u>	<u>1,816,359</u>
 Excess (deficiency) of revenues over expenditures	<u>(3,539,428)</u>	<u>4,584,494</u>	<u>6,398,920</u>	<u>1,814,426</u>
 <u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from sale of capital assets	-	-	65,411	65,411
Operating transfers-out	(1,456,861)	(5,005,130)	(4,630,655)	374,475
Advances in	1,092,814	5,881,542	5,402,542	(479,000)
Advances out	(188,800)	(7,188,800)	(4,400,000)	2,788,800
Interaccount transfers-in	2,601,686	2,601,686	2,454,846	(146,840)
 Total other financing sources (uses)	<u>2,048,839</u>	<u>(3,710,702)</u>	<u>(1,107,856)</u>	<u>2,602,846</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(1,490,589)</u>	<u>873,792</u>	<u>5,291,063</u>	<u>4,417,271</u>
 Fund balances at beginning of year	13,992,768	13,992,768	13,992,768	-
Lapsed encumbrances	24,412	24,412	24,412	-
 Fund balances at end of year	<u>\$ 12,526,591</u>	<u>\$ 14,890,972</u>	<u>\$ 19,308,243</u>	<u>\$ 4,417,271</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Capital Asset Management Account
For the Fiscal Year Ended December 31, 2012

	Capital Asset Management Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Income tax	\$ 1,907,666	\$ 2,052,285	\$ 2,033,207	\$ (19,078)
Total revenues	<u>1,907,666</u>	<u>2,052,285</u>	<u>2,033,207</u>	<u>(19,078)</u>
EXPENDITURES:				
Current:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,907,666</u>	<u>2,052,285</u>	<u>2,033,207</u>	<u>(19,078)</u>
OTHER FINANCING SOURCES (USES):				
Interaccount operating transfers-in	-	-	-	-
Operating transfers-out	<u>(2,565,120)</u>	<u>(2,565,120)</u>	<u>(2,565,120)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,565,120)</u>	<u>(2,565,120)</u>	<u>(2,565,120)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(657,454)	(512,835)	(531,913)	(19,078)
Fund balances at beginning of year	6,836,969	6,836,969	6,836,969	-
Fund balances at end of year	<u>\$ 6,179,515</u>	<u>\$ 6,324,134</u>	<u>\$ 6,305,056</u>	<u>\$ (19,078)</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Police and Fire Pension Account
For the Fiscal Year Ended December 31, 2012

	Police and Fire Pension Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Property taxes	\$ 2,430,940	\$ 2,430,940	\$ 2,076,342	\$ (354,598)
Intergovernmental	-	-	318,503	318,503
Total revenues	<u>2,430,940</u>	<u>2,430,940</u>	<u>2,394,845</u>	<u>(36,095)</u>
EXPENDITURES:				
Current:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>2,430,940</u>	<u>2,430,940</u>	<u>2,394,845</u>	<u>(36,095)</u>
OTHER FINANCING SOURCES (USES):				
Interaccount transfers-out	(2,601,686)	(2,601,686)	(2,454,846)	146,840
Total other financing sources (uses)	<u>(2,601,686)</u>	<u>(2,601,686)</u>	<u>(2,454,846)</u>	<u>146,840</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(170,746)	(170,746)	(60,001)	110,745
Fund balances at beginning of year	273,068	273,068	273,068	-
Fund balances at end of year	<u>\$ 102,322</u>	<u>\$ 102,322</u>	<u>\$ 213,067</u>	<u>\$ 110,745</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Capital Equipment Account
For the Fiscal Year Ended December 31, 2012

	Capital Equipment Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Property taxes	\$ 693,069	\$ 693,069	\$ 678,081	\$ (14,988)
Intergovernmental	99,000	99,000	98,069	(931)
Reimbursements	-	-	512	512
Total revenues	<u>792,069</u>	<u>792,069</u>	<u>776,662</u>	<u>(15,407)</u>
EXPENDITURES:				
Current:				
Police				
Capital outlay	111,800	120,534	120,533	1
Parks and recreation				
Capital Outlay	45,000	41,708	41,707	1
Public Service Administration				
Capital Outlay	4,200	4,744	4,744	-
Streets				
Capital Outlay	198,980	275,624	275,624	-
Fleet Maintenance				
Capital Outlay	3,000	7,869	7,869	-
Finance				
Capital Outlay	8,300	-	-	-
Facilities Maintenance				
Capital Outlay	-	39,540	39,535	5
Information Technology				
Capital outlay	261,615	167,876	158,130	9,746
Total expenditures	<u>632,895</u>	<u>657,895</u>	<u>648,142</u>	<u>9,753</u>
Excess (deficiency) of revenues over expenditures	<u>159,174</u>	<u>134,174</u>	<u>128,520</u>	<u>(5,654)</u>
OTHER FINANCING SOURCES (USES):				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	159,174	134,174	128,520	(5,654)
Fund balances at beginning of year	292,903	292,903	292,903	-
Lapsed encumbrances	11,799	11,799	11,799	-
Fund balances at end of year	<u>\$ 463,876</u>	<u>\$ 438,876</u>	<u>\$ 433,222</u>	<u>\$ (5,654)</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Self-Insured Loss Account
For the Fiscal Year Ended December 31, 2012

	Self-Insured Loss Account			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Investment earnings	\$ 10,040	\$ 10,040	\$ 6,922	\$ (3,118)
Reimbursements	30,000	30,000	62,653	32,653
 Total revenues	<u>40,040</u>	<u>40,040</u>	<u>69,575</u>	<u>29,535</u>
EXPENDITURES:				
Current:				
General Administration				
Other than personal services	50,000	50,000	41,446	8,554
 Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>41,446</u>	<u>8,554</u>
 Excess (deficiency) of revenues over expenditures	<u>(9,960)</u>	<u>(9,960)</u>	<u>28,129</u>	<u>38,089</u>
OTHER FINANCING SOURCES (USES):				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(9,960)</u>	<u>(9,960)</u>	<u>28,129</u>	<u>38,089</u>
 Fund balances at beginning of year	696,672	696,672	696,672	-
 Fund balances at end of year	<u>\$ 686,712</u>	<u>\$ 686,712</u>	<u>\$ 724,801</u>	<u>\$ 38,089</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Communications and Technology Account
For the Fiscal Year Ended December 31, 2012

	Communications and Technology Account			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Miscellaneous	\$ 129,600	\$ 129,600	\$ 139,622	\$ 10,022
Total revenues	<u>129,600</u>	<u>129,600</u>	<u>139,622</u>	<u>10,022</u>
<u>EXPENDITURES:</u>				
Current:				
Information Technology				
Capital outlay	122,500	122,500	121,094	1,406
Total expenditures	<u>122,500</u>	<u>122,500</u>	<u>121,094</u>	<u>1,406</u>
Excess (deficiency) of revenues over expenditures	<u>7,100</u>	<u>7,100</u>	<u>18,528</u>	<u>11,428</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	7,100	7,100	18,528	11,428
Fund balances at beginning of year	51,844	51,844	51,844	-
Lapsed encumbrances	8,940	8,940	8,940	-
Fund balances at end of year	<u>\$ 67,884</u>	<u>\$ 67,884</u>	<u>\$ 79,312</u>	<u>\$ 11,428</u>



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City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Total General Fund Accounts
For the Fiscal Year Ended December 31, 2012

	Total General Fund Accounts			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Income tax	\$ 14,307,850	\$ 15,396,000	\$ 15,252,862	\$ (143,138)
Property taxes	8,470,259	8,470,259	8,085,338	(384,921)
Intergovernmental	2,200,550	2,200,550	2,717,112	516,562
Estate Tax	2,100,000	9,344,141	9,344,141	-
Charges for services	845,000	845,000	892,272	47,272
Investment earnings	518,310	392,060	388,164	(3,896)
Fines and forfeits	425,000	375,000	338,863	(36,137)
Licenses and permits	975,000	975,000	876,822	(98,178)
Miscellaneous	894,600	1,024,600	876,756	(147,844)
Reimbursements	160,000	160,000	377,324	217,324
Total revenues	30,896,569	39,182,610	39,149,654	(32,956)
EXPENDITURES:				
Current:				
Police				
Personal services	7,133,799	7,133,799	6,868,679	265,120
Other than personal services	313,200	313,200	242,768	70,432
Capital outlay	111,800	120,534	120,533	1
Fire				
Personal services	7,988,939	7,988,939	7,705,174	283,765
Other than personal services	278,250	278,250	212,053	66,197
Board of Health				
Other than personal services	205,000	205,000	204,474	526
Parks and recreation				
Personal services	2,167,458	2,167,458	2,053,294	114,164
Other than personal services	760,500	783,000	762,538	20,462
Capital outlay	45,000	41,708	41,707	1
Development				
Personal services	930,325	1,024,098	897,600	126,498
Other than personal services	117,000	117,000	88,071	28,929
Public Service Administration				
Personal services	1,012,427	942,427	658,068	284,359
Other than personal services	51,200	51,200	44,514	6,686
Capital outlay	4,200	4,744	4,744	-
Streets Administration				
Personal services	411,258	492,451	492,447	4
Other than personal services	8,750	8,750	5,536	3,214
Capital outlay	198,980	275,624	275,624	-
Fleet Maintenance				
Personal services	507,309	496,116	469,920	26,196
Other than personal services	189,650	184,650	180,796	3,854
Capital outlay	3,000	7,869	7,869	-
City Manager				
Personal services	980,015	708,587	630,862	77,725
Other than personal services	163,125	163,125	75,052	88,073
City Attorney				
Personal services	625,525	625,525	574,263	51,262
Other than personal services	125,400	125,400	118,690	6,710
City Clerk				
Personal services	254,449	254,449	251,053	3,396
Other than personal services	12,500	12,500	9,434	3,066
City Council				
Personal services	124,090	124,090	104,563	19,527
Other than personal services	12,000	12,000	4,929	7,071

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Total General Fund Accounts, cont.
For the Fiscal Year Ended December 31, 2012

	Total General Fund Accounts			
	Adopted Budget	Revised Budget	Actual	Variance
Clerk of Court				
Personal services	157,749	157,749	153,872	3,877
Other than personal services	153,150	153,150	100,620	52,530
Finance				
Personal services	868,500	1,046,155	1,038,228	7,927
Other than personal services	111,650	111,650	93,067	18,583
Capital outlay	8,300	-	-	-
Facilities Maintenance				
Personal services	91,833	91,833	69,086	22,747
Other than personal services	885,750	885,750	820,380	65,370
Capital outlay	-	39,540	39,535	5
Information Technology				
Personal services	401,134	401,134	345,421	55,713
Other than personal services	468,789	468,789	447,320	21,469
Capital outlay	384,115	290,376	279,224	11,152
General Administration				
Personal services	206,958	247,138	247,137	1
Other than personal services	1,468,000	1,427,820	1,408,360	19,460
 Total expenditures	<u>29,941,077</u>	<u>29,983,577</u>	<u>28,147,505</u>	<u>1,836,072</u>
 Excess (deficiency) of revenues over expenditures	<u>955,492</u>	<u>9,199,033</u>	<u>11,002,149</u>	<u>1,803,116</u>
 OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	65,411	65,411
Operating transfers-out	(4,021,981)	(7,570,250)	(7,195,775)	374,475
Interaccount transfers-in	2,601,686	2,601,686	2,454,846	(146,840)
Interaccount transfers-out	(2,601,686)	(2,601,686)	(2,454,846)	146,840
Advances in	1,092,814	5,881,542	5,402,542	(479,000)
Advances out	(188,800)	(7,188,800)	(4,400,000)	2,788,800
Total other financing sources (uses)	<u>(3,117,967)</u>	<u>(8,877,508)</u>	<u>(6,127,822)</u>	<u>2,749,686</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(2,162,475)</u>	<u>321,525</u>	<u>4,874,327</u>	<u>4,552,802</u>
 Fund balances at beginning of year	22,144,224	22,144,224	22,144,224	-
Lapsed encumbrances	45,151	45,151	45,151	-
 Fund balances at end of year	<u>\$ 20,026,900</u>	<u>\$ 22,510,900</u>	<u>\$ 27,063,702</u>	<u>\$ 4,552,802</u>



CITY OF | **UPPER ARLINGTON**

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City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
General Obligation Bond Retirement Fund
For the Fiscal Year Ended December 31, 2012

	General Obligation Bond Retirement Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Property taxes	\$ 886,928	\$ 886,928	\$ 859,791	\$ (27,137)
Intergovernmental	409,214	409,214	408,119	(1,095)
Total revenues	<u>1,296,142</u>	<u>1,296,142</u>	<u>1,267,910</u>	<u>(28,232)</u>
EXPENDITURES:				
Current:				
Finance				
Other than personal services	-	10,995	10,989	6
Total expenditures	<u>-</u>	<u>10,995</u>	<u>10,989</u>	<u>6</u>
Excess (deficiency) of revenues over expenditures	<u>1,296,142</u>	<u>1,285,147</u>	<u>1,256,921</u>	<u>(28,226)</u>
OTHER FINANCING SOURCES (USES):				
Bond principal costs	(2,755,000)	(2,755,000)	(2,755,000)	-
Bond interest costs	(1,657,162)	(1,646,167)	(1,603,788)	42,379
Operating transfers-in	3,197,305	3,197,305	3,197,305	-
Total other financing sources (uses)	<u>(1,214,857)</u>	<u>(1,203,862)</u>	<u>(1,161,483)</u>	<u>42,379</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	81,285	81,285	95,438	14,153
Fund balances at beginning of year	389,982	389,982	389,982	-
Fund balances at end of year	<u>\$ 471,267</u>	<u>\$ 471,267</u>	<u>\$ 485,420</u>	<u>\$ 14,153</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Bonded Improvement Fund
For the Fiscal Year Ended December 31, 2012

	Bonded Improvement Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Investment earnings	\$ 2,500	\$ 2,500	\$ 3,854	\$ 1,354
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>3,854</u>	<u>1,354</u>
EXPENDITURES:				
Current:				
Streets				
Capital	3,551,485	3,508,389	2,107,685	1,400,704
Total expenditures	<u>3,551,485</u>	<u>3,508,389</u>	<u>2,107,685</u>	<u>1,400,704</u>
Excess (deficiency) of revenues over expenditures	<u>(3,548,985)</u>	<u>(3,505,889)</u>	<u>(2,103,831)</u>	<u>1,402,058</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of bonds	-	3,315,000	3,315,000	-
Premiums on bonds issued	-	105,181	105,180	(1)
Bond principal costs	-	(43,096)	(39,782)	3,314
Total other financing sources (uses)	<u>-</u>	<u>3,377,085</u>	<u>3,380,398</u>	<u>3,313</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(3,548,985)</u>	<u>(128,804)</u>	<u>1,276,567</u>	<u>1,405,371</u>
Fund balances at beginning of year	3,696,196	3,696,196	3,696,196	-
Lapsed encumbrances	725,876	725,876	725,876	-
Fund balances at end of year	<u>\$ 873,087</u>	<u>\$ 4,293,268</u>	<u>\$ 5,698,639</u>	<u>\$ 1,405,371</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Estate Tax Capital Projects Fund
For the Fiscal Year Ended December 31, 2012

	Estate Tax Capital Projects Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Investment earnings	\$ 92,900	\$ 92,900	\$ 78,956	\$ (13,944)
Intergovernmental	-	-	711,717	711,717
Reimbursements	-	-	45,000	45,000
Total revenues	<u>92,900</u>	<u>92,900</u>	<u>835,673</u>	<u>742,773</u>
<u>EXPENDITURES:</u>				
Current:				
Streets				
Capital	<u>1,850,275</u>	<u>1,891,675</u>	<u>966,227</u>	<u>925,448</u>
Total expenditures	<u>1,850,275</u>	<u>1,891,675</u>	<u>966,227</u>	<u>925,448</u>
Excess (deficiency) of revenues over expenditures	<u>(1,757,375)</u>	<u>(1,798,775)</u>	<u>(130,554)</u>	<u>1,668,221</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating transfers-in	<u>-</u>	<u>3,536,269</u>	<u>3,523,655</u>	<u>(12,614)</u>
Total other financing sources (uses)	<u>-</u>	<u>3,536,269</u>	<u>3,523,655</u>	<u>(12,614)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(1,757,375)</u>	<u>1,737,494</u>	<u>3,393,101</u>	<u>1,655,607</u>
Fund balances at beginning of year	7,293,318	7,293,318	7,293,318	-
Lapsed encumbrances	291,438	291,438	291,438	-
Fund balances at end of year	<u>\$ 5,827,381</u>	<u>\$ 9,322,250</u>	<u>\$ 10,977,857</u>	<u>\$ 1,655,607</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Kingsdale Core TIF Fund
For the Fiscal Year Ended December 31, 2012

	Kingsdale Core TIF Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Intergovernmental	-	454,180	454,180	-
Total revenues	<u>\$ -</u>	<u>\$ 454,180</u>	<u>\$ 454,180</u>	<u>\$ -</u>
EXPENDITURES:				
Current:				
City Manager:				
Capital	49,000	342,283	318,929	23,354
Total expenditures	<u>49,000</u>	<u>342,283</u>	<u>318,929</u>	<u>23,354</u>
Excess (deficiency) of revenues over expenditures	<u>(49,000)</u>	<u>111,897</u>	<u>135,251</u>	<u>23,354</u>
OTHER FINANCING SOURCES (USES):				
Notes issued	-	4,800,000	4,800,000	-
Premium on notes issued	-	4,436	4,436	-
Note principal	-	(4,800,000)	(4,800,000)	-
Note interest	-	(48,000)	(48,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(43,564)</u>	<u>(43,564)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(49,000)</u>	<u>68,333</u>	<u>91,687</u>	<u>23,354</u>
Fund balances at beginning of year	159,590	159,590	159,590	-
Lapsed encumbrances	2,756	2,756	2,756	-
Fund balances at end of year	<u>\$ 113,346</u>	<u>\$ 230,679</u>	<u>\$ 254,033</u>	<u>\$ 23,354</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Lane Avenue Mixed Use TIF Fund
For the Fiscal Year Ended December 31, 2012

	Lane Avenue Mixed Use TIF Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Total revenues	\$ -	\$ -	\$ -	-
<u>EXPENDITURES:</u>				
Current:				
Streets				
Capital	-	5,993,153	5,973,153	20,000
Finance				
Other than personal services	-	99,955	93,226	6,729
Total expenditures	-	6,093,108	6,066,379	26,729
Excess (deficiency) of revenues over expenditures	-	(6,093,108)	(6,066,379)	26,729
<u>OTHER FINANCING SOURCES (USES):</u>				
Advances in	-	4,250,000	4,250,000	-
Advances out	-	(4,250,000)	(3,771,000)	479,000
Proceeds from sale of bonds	-	6,685,000	6,685,000	-
Premiums on bonds issued	-	130,570	130,570	-
Original issue discount on bonds issued	-	(10,866)	(10,866)	-
Total other financing sources (uses)	-	6,804,704	7,283,704	479,000
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	711,596	1,217,325	505,729
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	\$ 711,596	\$ 1,217,325	\$ 505,729

CITY OF UPPER ARLINGTON
NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds:

Law Enforcement Fund

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

Enforcement Education Fund

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

Tax Incentive Review Fund

Created by C.O. 225.07, the fund receives required fees and pays administrative expenses associated with tax incentive agreements.

Tree Planting Fund

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

Life Long Learning and Leisure Fund

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

Mayor's Court Computer Fund

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

Clerk of Court Fund

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

Neighborhood Lighting Fund

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

The FEMA Fund

This fund is used to account for the grant revenues and associated expenses with the City's claim for public assistance from the Federal Emergency Management Agency in accordance with the federal disaster declaration made following a severe storm on June 29, 2012.

Capital Project Funds:

Infrastructure Improvement Fund

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

Tax Increment Financing (TIF) Districts

The City, pursuant to the Ohio Revised Code and City ordinances, has established six tax increment financing (TIF) districts. A TIF represents a geographic area wherein property values created after the commencement date of the TIF are exempt, in whole or in part, from property taxes. Owner of such property, however, must pay amounts equal to the property taxes, known as “service fees,” as though the TIF had not been established. These “service fees” will then repay the City for capital outlay expenditures relating to public improvements within or adjacent to the TIF area. Property values existing before the commencement date of a TIF continue to be subjected to property taxes. The City has created capital project funds to account for nine TIFs: the Kingsdale Core TIF Fund and the Lane Avenue Mixed Use TIF Fund, major capital projects funds, and the following nonmajor capital projects funds: the Chelsea TIF Fund, the Horizon TIF Fund, the Lane Avenue TIF Fund, the Kingsdale West TIF Fund, the Arlington Crossing TIF Fund, the Riverside Drive North TIF Fund, and the Riverside Drive South TIF Fund. There was no budgetary activity in the current year within the Arlington Crossing TIF Fund and the Riverside Drive South TIF Fund.

City of Upper Arlington, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012

	<u>Law Enforcement</u>	<u>Enforcement Education</u>	<u>Tax Incentive Review</u>
ASSETS			
Cash, cash equivalents and investments	\$ 1,183,281	\$ 11,294	\$ 25,727
Receivables (net of allowance for uncollectibles)	29,982		
Total assets	<u>\$ 1,213,263</u>	<u>\$ 11,294</u>	<u>\$ 25,727</u>
 LIABILITIES			
Liabilities:			
Accounts payable			
Due to other funds	1,456		
Accrued liabilities			
Interfund payable			
Total liabilities	<u>1,456</u>	<u>-</u>	<u>-</u>
 Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balances:			
Restricted	\$ 1,211,807		\$ 25,727
Committed		\$ 11,294	
Total fund balances	<u>1,211,807</u>	<u>11,294</u>	<u>25,727</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,213,263</u>	<u>\$ 11,294</u>	<u>\$ 25,727</u>

<u>Tree Planting</u>	<u>Life Long Learning & Leisure</u>	<u>FEMA Fund</u>	<u>Mayor's Court Computer</u>	<u>Clerk of Court</u>
\$ 50,638	\$ 68,367	\$ -	\$ 72,680	\$ 60,819
		131,004		
<u>\$ 50,638</u>	<u>\$ 68,367</u>	<u>\$ 131,004</u>	<u>\$ 72,680</u>	<u>\$ 60,819</u>
	\$ 7,696		719	\$ 2,888
	25			
	2,264			
<u>-</u>	<u>9,985</u>	<u>-</u>	<u>719</u>	<u>2,888</u>
<u>-</u>	<u>8,978</u>	<u>-</u>	<u>-</u>	<u>-</u>
		\$ 131,004	\$ 71,961	57,931
\$ 50,638	\$ 49,404			
50,638	49,404	131,004	71,961	57,931
<u>\$ 50,638</u>	<u>\$ 68,367</u>	<u>\$ 131,004</u>	<u>\$ 72,680</u>	<u>\$ 60,819</u>

(continued)

City of Upper Arlington, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012

	<u>Neighborhood Lighting</u>	<u>Total Nonmajor Special Revenue</u>	<u>Infrastructure Improvement</u>	<u>Chelsea TIF</u>
ASSETS				
Cash, cash equivalents and investments	\$ 444,022	\$ 1,916,828	\$ 848,684	\$ 10,510
Receivables (net of allowance for uncollectibles)	3,412	164,398	693,151	279,635
Total assets	<u>\$ 447,434</u>	<u>\$ 2,081,226</u>	<u>\$ 1,541,835</u>	<u>\$ 290,145</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ -	\$ 11,303	\$ 9,378	
Due to other funds	564	2,045		
Accrued liabilities		2,264		
Interfund payable				
Total liabilities	<u>564</u>	<u>15,612</u>	<u>9,378</u>	<u>-</u>
Deferred Inflows of Resources	<u>-</u>	<u>8,978</u>	<u>693,151</u>	<u>279,635</u>
Fund balances:				
Restricted		1,498,430		10,510
Committed	446,870	558,206	839,306	
Total fund balances	<u>446,870</u>	<u>2,056,636</u>	<u>839,306</u>	<u>10,510</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 447,434</u>	<u>\$ 2,081,226</u>	<u>\$ 1,541,835</u>	<u>\$ 290,145</u>

Capital Projects						Total Nonmajor Capital Projects	Total Nonmajor Governmental Funds
ARL Crossing TIF	Horizon TIF	Lane Avenue TIF	Kingsdale West TIF	Riverside North TIF	Riverside South TIF		
\$ -	\$ 1,151,777	\$ 241,158	\$ 149,329	\$ 1,454	\$ -	\$ 2,402,912	\$ 4,319,740
345,914	362,000	46,000	44,631	1,500	4,000	1,776,831	1,941,229
<u>\$ 345,914</u>	<u>\$ 1,513,777</u>	<u>\$ 287,158</u>	<u>\$ 193,960</u>	<u>\$ 2,954</u>	<u>\$ 4,000</u>	<u>\$ 4,179,743</u>	<u>\$ 6,260,969</u>
		\$ -				\$ 9,378	\$ 20,681
	600,000	150,000				750,000	2,045
-	600,000	150,000	-	-	-	759,378	2,264
345,914	362,000	46,000	44,631	1,500	4,000	1,776,831	750,000
	551,777	91,158	149,329	1,454		804,228	774,990
						839,306	1,397,512
-	551,777	91,158	149,329	1,454	-	1,643,534	3,700,170
<u>\$ 345,914</u>	<u>\$ 1,513,777</u>	<u>\$ 287,158</u>	<u>\$ 193,960</u>	<u>\$ 2,954</u>	<u>\$ 4,000</u>	<u>\$ 4,179,743</u>	<u>\$ 6,260,969</u>

City of Upper Arlington, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2012

	<u>Law Enforcement</u>	<u>Enforcement Education</u>	<u>Tax Incentive Review</u>
REVENUES			
Intergovernmental	\$ 34,008		
Charges for services			
Fines and forfeits		\$ 3,968	
Investment earnings	11,509		
Miscellaneous	5,377		\$ 6,221
Total revenues	<u>50,894</u>	<u>3,968</u>	<u>6,221</u>
EXPENDITURES			
Current:			
Public Safety	77,358	439	
General Government			5,000
Public Services			
Parks and Recreation			
Debt service:			
Interest			
Capital outlay:			
Capital outlay	7,315		
Total expenditures	<u>84,673</u>	<u>439</u>	<u>5,000</u>
Excess (deficiency) of revenues over (under) expenditures	(33,779)	3,529	1,221
OTHER FINANCING SOURCES (USES)			
Transfers in			
Proceeds from sale of capital assets	267,243		
Total other financing sources and uses	<u>267,243</u>	<u>-</u>	<u>-</u>
Net change in fund balances	233,464	3,529	1,221
Fund balances -- January 1, as restated	978,343	7,765	24,506
Fund balances -- December 31	<u>\$ 1,211,807</u>	<u>\$ 11,294</u>	<u>\$ 25,727</u>

<u>Tree Planting</u>	<u>Life Long Learning & Leisure</u>	<u>FEMA Fund</u>	<u>Mayor's Court Computer</u>	<u>Clerk of Court</u>
\$ 12,243	\$ 215,122	\$ 131,004		
			\$ 9,603	\$ 9,604
3,339				
<u>15,582</u>	<u>215,122</u>	<u>131,004</u>	<u>9,603</u>	<u>9,604</u>
			6,264	9,397
13,389	159,037			
			2,238	
<u>13,389</u>	<u>159,037</u>	<u>-</u>	<u>8,502</u>	<u>9,397</u>
2,193	56,085	131,004	1,101	207
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,193	56,085	131,004	1,101	207
48,445	(6,681)		70,860	57,724
<u>\$ 50,638</u>	<u>\$ 49,404</u>	<u>\$ 131,004</u>	<u>\$ 71,961</u>	<u>\$ 57,931</u>

(continued)

City of Upper Arlington, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2012

	Neighborhood Lighting	Total Nonmajor Special Revenue	Infrastructure Improvement	Chelsea TIF	ARL Crossing TIF
REVENUES					
Intergovernmental		\$ 165,012	\$ -	\$ 251,809	\$ -
Charges for services	\$ 66,915	294,280			
Fines and forfeits		23,175			
Investment earnings	4,391	15,900			
Miscellaneous		14,937	6,080		
Total revenues	<u>71,306</u>	<u>513,304</u>	<u>6,080</u>	<u>251,809</u>	<u>-</u>
EXPENDITURES					
Current:					
Public Safety		93,458			
General Government		5,000			
Public Services	29,016	29,016		6,612	
Parks and Recreation		172,426			
Debt service:					
Interest				192,814	
Capital outlay:					
Capital outlay	10,608	20,161	812,126		
Total expenditures	<u>39,624</u>	<u>320,061</u>	<u>812,126</u>	<u>199,426</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	31,682	193,243	(806,046)	52,383	-
OTHER FINANCING SOURCES (USES)					
Transfers in			750,000		
Proceeds from sale of capital assets		267,243			
Total other financing sources and uses	<u>-</u>	<u>267,243</u>	<u>750,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	31,682	460,486	(56,046)	52,383	-
Fund balances -- January 1, as restated	415,188	1,596,150	895,352	(41,873)	
Fund balances -- December 31	<u>\$ 446,870</u>	<u>\$ 2,056,636</u>	<u>\$ 839,306</u>	<u>\$ 10,510</u>	<u>\$ -</u>

Capital Projects					Total Nonmajor Capital Projects	Total Nonmajor Governmental Funds
Horizon TIF	Lane Avenue TIF	Kingsdale West TIF	Riverside North TIF	Riverside South TIF		
\$ 324,637		\$ 51,936	\$ 1,454	\$ -	\$ 629,836	\$ 794,848
						294,280
						23,175
						15,900
						21,017
<u>324,637</u>	<u>\$ -</u>	<u>51,936</u>	<u>1,454</u>	<u>-</u>	<u>635,916</u>	<u>1,149,220</u>
						93,458
						5,000
5,970		587	-	-	13,169	42,185
						172,426
						192,814
						192,814
	358,922				1,171,048	1,191,209
<u>5,970</u>	<u>358,922</u>	<u>587</u>	<u>-</u>	<u>-</u>	<u>1,377,031</u>	<u>1,697,092</u>
318,667	(358,922)	51,349	1,454	-	(741,115)	(547,872)
						750,000
						267,243
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,000</u>	<u>1,017,243</u>
318,667	(358,922)	51,349	1,454	-	8,885	469,371
						750,000
						267,243
233,110	450,080	97,980	-	-	1,634,649	3,230,799
<u>\$ 551,777</u>	<u>\$ 91,158</u>	<u>\$ 149,329</u>	<u>\$ 1,454</u>	<u>\$ -</u>	<u>\$ 1,643,534</u>	<u>\$ 3,700,170</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Law Enforcement Fund
For the Fiscal Year Ended December 31, 2012

	Law Enforcement Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Investment earnings	\$ 13,060	\$ 13,060	\$ 10,730	\$ (2,330)
Intergovernmental	-	-	6,633	6,633
Miscellaneous	107,500	107,500	272,620	165,120
Total revenues	120,560	120,560	289,983	169,423
<u>EXPENDITURES:</u>				
Current:				
Police				
Personal services	-	115,000	67,989	47,011
Other than personal services	34,800	46,800	7,912	38,888
Capital	-	7,800	7,315	485
Total expenditures	34,800	169,600	83,216	86,384
Excess (deficiency) of revenues over expenditures	85,760	(49,040)	206,767	255,807
<u>OTHER FINANCING SOURCES (USES):</u>				
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	85,760	(49,040)	206,767	255,807
Fund balances at beginning of year	973,106	973,106	973,106	-
Fund balances at end of year	\$ 1,058,866	\$ 924,066	\$ 1,179,873	\$ 255,807

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Enforcement Education Fund
For the Fiscal Year Ended December 31, 2012

	Enforcement Education Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Fines and forfeitures	\$ 3,000	\$ 3,000	\$ 3,967	\$ 967
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>3,967</u>	<u>967</u>
<u>EXPENDITURES:</u>				
Current:				
Police				
Other than personal services	1,000	1,000	439	561
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>439</u>	<u>561</u>
Excess (deficiency) of revenues over expenditures	<u>2,000</u>	<u>2,000</u>	<u>3,528</u>	<u>1,528</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	2,000	2,000	3,528	1,528
Fund balances at beginning of year	7,765	7,765	7,765	-
Fund balances at end of year	<u>\$ 9,765</u>	<u>\$ 9,765</u>	<u>\$ 11,293</u>	<u>\$ 1,528</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Tax Incentive Review Fund
For the Fiscal Year Ended December 31, 2012

	Tax Incentive Review Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Miscellaneous	\$ 7,500	\$ 7,500	\$ 6,221	\$ (1,279)
Total revenues	<u>7,500</u>	<u>7,500</u>	<u>6,221</u>	<u>(1,279)</u>
EXPENDITURES:				
Current:				
Finance				
Other than personal services	5,000	5,000	5,000	-
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>2,500</u>	<u>2,500</u>	<u>1,221</u>	<u>(1,279)</u>
OTHER FINANCING SOURCES (USES):				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	2,500	2,500	1,221	(1,279)
Fund balances at beginning of year	24,506	24,506	24,506	-
Fund balances at end of year	<u>\$ 27,006</u>	<u>\$ 27,006</u>	<u>\$ 25,727</u>	<u>\$ (1,279)</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Civil Service Fund
For the Fiscal Year Ended December 31, 2012

	Civil Service Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:				
Current:				
City Manager				
Other than personal services	20,000	20,000	16,300	3,700
Total expenditures	20,000	20,000	16,300	3,700
Excess (deficiency) of revenues over expenditures	(20,000)	(20,000)	(16,300)	3,700
OTHER FINANCING SOURCES (USES):				
Operating transfers-in	20,000	20,000	20,000	-
Total other financing sources (uses)	20,000	20,000	20,000	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	-	3,700	3,700
Fund balances at beginning of year	26,484	26,484	26,484	-
Fund balances at end of year	\$ 26,484	\$ 26,484	\$ 30,184	\$ 3,700

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Tree Planting Fund
For the Fiscal Year Ended December 31, 2012

	Tree Planting Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Charges for services	\$ 13,500	\$ 13,500	\$ 12,243	\$ (1,257)
Miscellaneous	-	-	3,339	3,339
Total revenues	<u>13,500</u>	<u>13,500</u>	<u>15,582</u>	<u>2,082</u>
<u>EXPENDITURES:</u>				
Current:				
Parks and recreation				
Other than personal services	13,500	13,500	13,389	111
Total expenditures	<u>13,500</u>	<u>13,500</u>	<u>13,389</u>	<u>111</u>
Excess (deficiency) of revenues over expenditures	-	-	2,193	2,193
<u>OTHER FINANCING SOURCES (USES):</u>				
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	-	2,193	2,193
Fund balances at beginning of year	48,444	48,444	48,444	-
Fund balances at end of year	<u>\$ 48,444</u>	<u>\$ 48,444</u>	<u>\$ 50,637</u>	<u>\$ 2,193</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Life Long Learning and Leisure Fund
For the Fiscal Year Ended December 31, 2012

	Life Long Learning and Leisure Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Charges for services	\$ 155,000	\$ 155,000	\$ 198,387	\$ 43,387
Total revenues	155,000	155,000	198,387	43,387
<u>EXPENDITURES:</u>				
Current:				
Parks and recreation				
Personal services	53,442	54,850	54,850	-
Other than personal services	101,000	99,592	99,588	4
Total expenditures	154,442	154,442	154,438	4
Excess (deficiency) of revenues over expenditures	558	558	43,949	43,391
<u>OTHER FINANCING SOURCES (USES):</u>				
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	558	558	43,949	43,391
Fund balances at beginning of year	22,795	22,795	22,795	-
Fund balances at end of year	\$ 23,353	\$ 23,353	\$ 66,744	\$ 43,391

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Mayor's Court Computer Fund
For the Fiscal Year Ended December 31, 2012

	Mayor's Court Computer Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Fines and forfeitures	\$ 12,000	\$ 12,000	\$ 9,603	\$ (2,397)
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>9,603</u>	<u>(2,397)</u>
EXPENDITURES:				
Current:				
Clerk of Court				
Other than personal services	12,000	12,000	5,546	6,454
Total expenditures	<u>12,000</u>	<u>12,000</u>	<u>5,546</u>	<u>6,454</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>4,057</u>	<u>4,057</u>
OTHER FINANCING SOURCES (USES):				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	-	4,057	4,057
Fund balances at beginning of year	68,624	68,624	68,624	-
Fund balances at end of year	<u>\$ 68,624</u>	<u>\$ 68,624</u>	<u>\$ 72,681</u>	<u>\$ 4,057</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Clerk of Court Fund
For the Fiscal Year Ended December 31, 2012

	Clerk of Court Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Fines and forfeitures	\$ 12,000	\$ 12,000	\$ 9,603	\$ (2,397)
	<u>12,000</u>	<u>12,000</u>	<u>9,603</u>	<u>(2,397)</u>
<u>EXPENDITURES:</u>				
Current:				
Clerk of Court				
Other than personal services	17,000	17,000	9,339	7,661
Capital	-	-	-	-
Total expenditures	<u>17,000</u>	<u>17,000</u>	<u>9,339</u>	<u>7,661</u>
Excess (deficiency) of revenues over expenditures	<u>(5,000)</u>	<u>(5,000)</u>	<u>264</u>	<u>5,264</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(5,000)	(5,000)	264	5,264
Fund balances at beginning of year	57,786	57,786	57,786	-
Lapsed encumbrances	-	-	-	-
Fund balances at end of year	<u>\$ 52,786</u>	<u>\$ 52,786</u>	<u>\$ 58,050</u>	<u>\$ 5,264</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Neighborhood Lighting Fund
For the Fiscal Year Ended December 31, 2012

	Neighborhood Lighting Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Charges for services	\$ 62,000	\$ 62,000	\$ 64,012	\$ 2,012
Investment earnings	5,185	5,185	4,307	(878)
Total revenues	<u>67,185</u>	<u>67,185</u>	<u>68,319</u>	<u>1,134</u>
<u>EXPENDITURES:</u>				
Current:				
Public Service Administration				
Personal services	25,753	25,753	20,504	5,249
Other than personal services	75,000	75,000	12,480	62,520
Total expenditures	<u>100,753</u>	<u>100,753</u>	<u>32,984</u>	<u>67,769</u>
Excess (deficiency) of revenues over expenditures	<u>(33,568)</u>	<u>(33,568)</u>	<u>35,335</u>	<u>68,903</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(33,568)</u>	<u>(33,568)</u>	<u>35,335</u>	<u>68,903</u>
Fund balances at beginning of year	407,319	407,319	407,319	-
Fund balances at end of year	<u>\$ 373,751</u>	<u>\$ 373,751</u>	<u>\$ 442,654</u>	<u>\$ 68,903</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Economic Development Venture Fund
For the Fiscal Year Ended December 31, 2012

	Economic Development Venture Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:				
Current:				
City Manager:				
Other than personal services	500,000	500,000	304,544	195,456
Total expenditures	500,000	500,000	304,544	195,456
Excess (deficiency) of revenues over expenditures	(500,000)	(500,000)	(304,544)	195,456
OTHER FINANCING SOURCES (USES):				
Operating transfers-in	200,000	325,000	325,000	-
Total other financing sources (uses)	200,000	325,000	325,000	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(300,000)	(175,000)	20,456	195,456
Fund balances at beginning of year	273,290	273,290	273,290	-
Lapsed encumbrances	80,000	80,000	80,000	-
Fund balances at end of year	<u>\$ 53,290</u>	<u>\$ 178,290</u>	<u>\$ 373,746</u>	<u>\$ 195,456</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Emergency Medical Services Fund
For the Fiscal Year Ended December 31, 2012

	Emergency Medical Services Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 835,000	\$ 835,000	\$ 831,707	\$ (3,293)
Total revenues	<u>835,000</u>	<u>835,000</u>	<u>831,707</u>	<u>(3,293)</u>
EXPENDITURES:				
Current:				
Fire				
Personal services	63,418	63,418	50,086	13,332
Other than personal services	142,600	142,600	104,643	37,957
Capital	920,000	920,000	919,306	694
Total expenditures	<u>1,126,018</u>	<u>1,126,018</u>	<u>1,074,035</u>	<u>51,983</u>
Excess (deficiency) of revenues over expenditures	<u>(291,018)</u>	<u>(291,018)</u>	<u>(242,328)</u>	<u>48,690</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-out	<u>(446,385)</u>	<u>(446,385)</u>	<u>(446,385)</u>	<u>-</u>
Total other financing sources (uses)	<u>(446,385)</u>	<u>(446,385)</u>	<u>(446,385)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(737,403)</u>	<u>(737,403)</u>	<u>(688,713)</u>	<u>48,690</u>
Fund balances at beginning of year	1,324,008	1,324,008	1,324,008	-
Fund balances at end of year	<u>\$ 586,605</u>	<u>\$ 586,605</u>	<u>\$ 635,295</u>	<u>\$ 48,690</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Infrastructure Improvement Fund
For the Fiscal Year Ended December 31, 2012

	Infrastructure Improvement Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Reimbursements	12,750	12,750	6,080	(6,670)
Total revenues	<u>12,750</u>	<u>12,750</u>	<u>6,080</u>	<u>(6,670)</u>
EXPENDITURES:				
Current:				
Parks and recreation				
Capital	300,000	328,700	279,894	48,806
Streets				
Capital	500,000	500,300	500,276	24
Total expenditures	<u>800,000</u>	<u>829,000</u>	<u>780,170</u>	<u>48,830</u>
Excess (deficiency) of revenues over expenditures	<u>(787,250)</u>	<u>(816,250)</u>	<u>(774,090)</u>	<u>42,160</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-in	750,000	750,000	750,000	-
Total other financing sources (uses)	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(37,250)	(66,250)	(24,090)	42,160
Fund balances at beginning of year	584,343	584,343	584,343	-
Lapsed encumbrances	212,054	212,054	212,054	-
Fund balances at end of year	<u>\$ 759,147</u>	<u>\$ 730,147</u>	<u>\$ 772,307</u>	<u>\$ 42,160</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Chelsea TIF Fund
For the Fiscal Year Ended December 31, 2012

	Chelsea TIF Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Payments in lieu of taxes	\$ 235,000	\$ 250,510	\$ 251,810	\$ 1,300
Total revenues	<u>\$ 235,000</u>	<u>\$ 250,510</u>	<u>\$ 251,810</u>	<u>\$ 1,300</u>
<u>EXPENDITURES:</u>				
Current:				
City Manager:				
Other than personal services	-	7,000	6,612	388
Total expenditures	<u>-</u>	<u>7,000</u>	<u>6,612</u>	<u>388</u>
Excess (deficiency) of revenues over expenditures	<u>235,000</u>	<u>243,510</u>	<u>245,198</u>	<u>1,688</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating transfers-out	(1,092,814)	(1,092,814)	(1,092,814)	-
Total other financing sources (uses)	<u>(1,092,814)</u>	<u>(1,092,814)</u>	<u>(1,092,814)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(857,814)	(849,304)	(847,616)	1,688
Fund balances at beginning of year	858,127	858,127	858,127	-
Fund balances at end of year	<u>\$ 313</u>	<u>\$ 8,823</u>	<u>\$ 10,511</u>	<u>\$ 1,688</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Horizon TIF Fund
For the Fiscal Year Ended December 31, 2012

	Horizon TIF Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Payments in lieu of taxes	\$ 236,000	\$ 236,000	\$ 324,637	\$ 88,637
Total revenues	<u>\$ 236,000</u>	<u>\$ 236,000</u>	<u>\$ 324,637</u>	<u>\$ 88,637</u>
<u>EXPENDITURES:</u>				
Current:				
City Manager:				
Other than personal services	4,000	6,000	5,971	29
Total expenditures	<u>4,000</u>	<u>6,000</u>	<u>5,971</u>	<u>29</u>
Excess (deficiency) of revenues over expenditures	<u>232,000</u>	<u>230,000</u>	<u>318,666</u>	<u>88,666</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	232,000	230,000	318,666	88,666
Fund balances at beginning of year	833,110	833,110	833,110	-
Fund balances at end of year	<u>\$ 1,065,110</u>	<u>\$ 1,063,110</u>	<u>\$ 1,151,776</u>	<u>\$ 88,666</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Lane Avenue TIF Fund
For the Fiscal Year Ended December 31, 2012

	Lane Avenue TIF Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Miscellaneous	-	-	-	-
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>EXPENDITURES:</u>				
Current:				
Public Service				
Capital	288,800	288,800	84,475	204,325
Total expenditures	<u>288,800</u>	<u>288,800</u>	<u>84,475</u>	<u>204,325</u>
Excess (deficiency) of revenues over expenditures	<u>(288,800)</u>	<u>(288,800)</u>	<u>(84,475)</u>	<u>204,325</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating transfers-in	188,800	188,800	150,000	(38,800)
Operating transfers-out	-	(538,728)	(538,728)	-
Total other financing sources (uses)	<u>188,800</u>	<u>(349,928)</u>	<u>(388,728)</u>	<u>(38,800)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(100,000)	(638,728)	(473,203)	165,525
Fund balances at beginning of year	678,811	678,811	678,811	-
Fund balances at end of year	<u><u>\$ 578,811</u></u>	<u><u>\$ 40,083</u></u>	<u><u>\$ 205,608</u></u>	<u><u>\$ 165,525</u></u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Kingsdale West TIF Fund
For the Fiscal Year Ended December 31, 2012

	Kingsdale West TIF Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Payments in lieu of taxes	\$ 19,000	\$ 19,000	\$ 51,936	\$ 32,936
Total revenues	<u>\$ 19,000</u>	<u>\$ 19,000</u>	<u>\$ 51,936</u>	<u>\$ 32,936</u>
<u>EXPENDITURES:</u>				
Current:				
City Manager:				
Other than personal services	1,500	1,500	587	913
Total expenditures	<u>1,500</u>	<u>1,500</u>	<u>587</u>	<u>913</u>
Excess (deficiency) of revenues over expenditures	<u>17,500</u>	<u>17,500</u>	<u>51,349</u>	<u>33,849</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	17,500	17,500	51,349	33,849
Fund balances at beginning of year	97,980	97,980	97,980	-
Fund balances at end of year	<u>\$ 115,480</u>	<u>\$ 115,480</u>	<u>\$ 149,329</u>	<u>\$ 33,849</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Riverside North TIF Fund
For the Fiscal Year Ended December 31, 2012

	Riverside North TIF Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<u>REVENUES:</u>				
Payments in lieu of taxes	\$ -	\$ 1,471	\$ 1,471	\$ -
Total revenues	<u>\$ -</u>	<u>\$ 1,471</u>	<u>\$ 1,471</u>	<u>\$ 0</u>
<u>EXPENDITURES:</u>				
Finance				
Other than personal services	-	20	17	3
Total expenditures	<u>-</u>	<u>20</u>	<u>17</u>	<u>3</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>1,451</u>	<u>1,454</u>	<u>3</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	1,451	1,454	3
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ 1,451</u>	<u>\$ 1,454</u>	<u>\$ 3</u>

CITY OF UPPER ARLINGTON

ENTERPRISE FUNDS

Water Surcharge Fund

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

Sanitary Sewer Surcharge Fund

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

Stormwater Fund

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

Swimming Pools Fund

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

Solid Waste Fund

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

City of Upper Arlington, Ohio
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Water Surcharge Fund
For the Fiscal Year Ended December 31, 2012

	Water Surcharge Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 440,000	\$ 440,000	\$ 469,277	\$ 29,277
Total revenues	<u>440,000</u>	<u>440,000</u>	<u>469,277</u>	<u>29,277</u>
EXPENDITURES:				
Current:				
Utilities				
Personal services	263,617	233,617	138,584	95,033
Other than personal services	210,963	210,963	187,018	23,945
Total expenditures	<u>474,580</u>	<u>444,580</u>	<u>325,602</u>	<u>118,978</u>
Excess (deficiency) of revenues over expenditures	<u>(34,580)</u>	<u>(4,580)</u>	<u>143,675</u>	<u>148,255</u>
OTHER FINANCING SOURCES (USES):				
Loan proceeds	-	-	188,691	188,691
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>188,691</u>	<u>188,691</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(34,580)</u>	<u>(4,580)</u>	<u>332,366</u>	<u>336,946</u>
Fund balances at beginning of year	302,870	302,870	302,870	-
Fund balances at end of year	<u>\$ 268,290</u>	<u>\$ 298,290</u>	<u>\$ 635,236</u>	<u>\$ 336,946</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Sanitary Sewer Surcharge Fund
For the Fiscal Year Ended December 31, 2012

	Sanitary Sewer Surcharge Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 819,000	\$ 819,000	\$ 831,889	\$ 12,889
Miscellaneous	1,500	1,500	1,314	(186)
Total revenues	<u>820,500</u>	<u>820,500</u>	<u>833,203</u>	<u>12,703</u>
EXPENDITURES:				
Current:				
Utilities				
Personal services	305,138	335,138	318,564	16,574
Other than personal services	310,639	310,639	267,372	43,267
Capital outlay	300,000	300,000	291,671	8,329
Total expenditures	<u>915,777</u>	<u>945,777</u>	<u>877,607</u>	<u>68,170</u>
Excess (deficiency) of revenues over expenditures	<u>(95,277)</u>	<u>(125,277)</u>	<u>(44,404)</u>	<u>80,873</u>
OTHER FINANCING SOURCES (USES):				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(95,277)	(125,277)	(44,404)	80,873
Fund balances at beginning of year	378,123	378,123	378,123	-
Fund balances at end of year	<u>\$ 282,846</u>	<u>\$ 252,846</u>	<u>\$ 333,719</u>	<u>\$ 80,873</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Stormwater Fund
For the Fiscal Year Ended December 31, 2012

	Stormwater Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 719,000	\$ 719,000	\$ 760,444	\$ 41,444
Investment earnings	31,985	23,985	21,932	(2,053)
Total revenues	<u>750,985</u>	<u>742,985</u>	<u>782,376</u>	<u>39,391</u>
EXPENDITURES:				
Current:				
Utilities				
Personal services	173,025	315,025	294,735	20,290
Other than personal services	369,350	364,350	57,138	307,212
Capital outlay	<u>452,240</u>	<u>452,240</u>	<u>338,696</u>	<u>113,544</u>
Total expenditures	<u>994,615</u>	<u>1,131,615</u>	<u>690,569</u>	<u>441,046</u>
Excess (deficiency) of revenues over expenditures	<u>(243,630)</u>	<u>(388,630)</u>	<u>91,807</u>	<u>480,437</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-out	<u>(185,800)</u>	<u>(185,800)</u>	<u>(185,800)</u>	<u>-</u>
Total other financing sources (uses)	<u>(185,800)</u>	<u>(185,800)</u>	<u>(185,800)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(429,430)</u>	<u>(574,430)</u>	<u>(93,993)</u>	<u>480,437</u>
Fund balances at beginning of year	1,768,345	1,768,345	1,768,345	-
Lapsed encumbrances	39,544	39,544	39,544	-
Fund balances at end of year	<u>\$ 1,378,459</u>	<u>\$ 1,233,459</u>	<u>\$ 1,713,896</u>	<u>\$ 480,437</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Swimming Pools Fund
For the Fiscal Year Ended December 31, 2012

	Swimming Pools Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 630,000	\$ 630,000	\$ 645,164	\$ 15,164
Total revenues	<u>630,000</u>	<u>630,000</u>	<u>645,164</u>	<u>15,164</u>
EXPENDITURES:				
Current:				
Parks and recreation				
Personal services	443,900	443,900	438,800	5,100
Other than personal services	179,150	179,150	175,416	3,734
Capital outlay	14,000	14,000	8,117	5,883
Total expenditures	<u>637,050</u>	<u>637,050</u>	<u>622,333</u>	<u>14,717</u>
Excess (deficiency) of revenues over expenditures	<u>(7,050)</u>	<u>(7,050)</u>	<u>22,831</u>	<u>29,881</u>
OTHER FINANCING SOURCES (USES):				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(7,050)</u>	<u>(7,050)</u>	<u>22,831</u>	<u>29,881</u>
Fund balances at beginning of year	470,805	470,805	470,805	-
Fund balances at end of year	<u>\$ 463,755</u>	<u>\$ 463,755</u>	<u>\$ 493,636</u>	<u>\$ 29,881</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Solid Waste Fund
For the Fiscal Year Ended December 31, 2012

	Solid Waste Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 2,032,700	\$ 2,032,700	\$ 1,990,844	\$ (41,856)
Investment earnings	4,055	3,305	2,717	(588)
Miscellaneous	200	200	35	(165)
	<u>2,036,955</u>	<u>2,036,205</u>	<u>1,993,596</u>	<u>(42,609)</u>
EXPENDITURES:				
Current:				
Solid Waste				
Other than personal services	2,060,169	2,060,169	2,057,411	2,758
Total expenditures	<u>2,060,169</u>	<u>2,060,169</u>	<u>2,057,411</u>	<u>2,758</u>
Excess (deficiency) of revenues over expenditures	<u>(23,214)</u>	<u>(23,964)</u>	<u>(63,815)</u>	<u>(39,851)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-in	-	12,000	12,000	-
Total other financing sources (uses)	<u>-</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(23,214)</u>	<u>(11,964)</u>	<u>(51,815)</u>	<u>(39,851)</u>
Fund balances at beginning of year	121,024	121,024	121,024	-
Fund balances at end of year	<u>\$ 97,810</u>	<u>\$ 109,060</u>	<u>\$ 69,209</u>	<u>\$ (39,851)</u>

CITY OF UPPER ARLINGTON

Internal Service Funds

Employee Benefits Fund

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

BWC Administration Fund

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

City of Upper Arlington, Ohio
Combining Statement of Net Position
Internal Service Funds
December 31, 2012

ASSETS	Employee Benefits	BWC Administration	Total
Current assets:			
Cash, cash equivalents and investments	\$ 1,994,159	\$ 183,377	\$ 2,177,536
Accounts receivable (net of allowance for uncollectibles)	134,226		134,226
Due from other funds	239,990	226,477	466,467
Total current assets	<u>2,368,375</u>	<u>409,854</u>	<u>2,778,229</u>
Total noncurrent assets	-	-	-
Total assets	<u>\$ 2,368,375</u>	<u>\$ 409,854</u>	<u>\$ 2,778,229</u>
 LIABILITIES			
Current liabilities:			
Accounts payable	\$ 239,990	\$ 181,464	\$ 421,454
Total current liabilities	<u>239,990</u>	<u>181,464</u>	<u>421,454</u>
Noncurrent liabilities:			
Total noncurrent liabilities	-	-	-
Total liabilities	<u>239,990</u>	<u>181,464</u>	<u>421,454</u>
 NET POSITION			
Unrestricted	<u>2,128,385</u>	<u>228,390</u>	<u>2,356,775</u>
Total net position	<u>\$ 2,128,385</u>	<u>\$ 228,390</u>	<u>\$ 2,356,775</u>

City of Upper Arlington, Ohio
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2012

	<u>Employee Benefits</u>	<u>BWC Administration</u>	<u>Total</u>
Operating revenues:			
Charges for sales and services:			
Charges for services	\$ 3,527,822	\$ 270,661	\$ 3,798,483
Total operating revenues	<u>3,527,822</u>	<u>270,661</u>	<u>3,798,483</u>
Operating expenses -			
Self-insurance	<u>3,486,320</u>	<u>200,359</u>	<u>3,686,679</u>
Total operating expenses	<u>3,486,320</u>	<u>200,359</u>	<u>3,686,679</u>
Change in net position	41,502	70,302	111,804
Net position -- January 1	<u>2,086,883</u>	<u>158,088</u>	<u>2,244,971</u>
Net position -- December 31	<u>\$ 2,128,385</u>	<u>\$ 228,390</u>	<u>\$ 2,356,775</u>

City of Upper Arlington, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the year Ended December 31, 2012

	<u>Employee Benefits</u>	<u>BWC Administration</u>	<u>Total</u>
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 3,356,599	\$ 233,631	\$ 3,590,230
Payments to suppliers	<u>(3,458,346)</u>	<u>(196,498)</u>	<u>(3,654,844)</u>
Net cash provided (used) by operating activities	<u>(101,747)</u>	<u>37,133</u>	<u>(64,614)</u>
Cash and cash equivalents, January 1	<u>2,095,906</u>	<u>146,244</u>	<u>2,242,150</u>
Cash and cash equivalents, December 31	<u>\$ 1,994,159</u>	<u>\$ 183,377</u>	<u>\$ 2,177,536</u>

City of Upper Arlington, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the year Ended December 31, 2012

	<u>Employee Benefits</u>	<u>BWC Administration</u>	<u>Total</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income	41,502	70,302	111,804
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
(Increase) decrease in accounts receivable	(118,689)	-	(118,689)
(Increase) decrease in due from other funds	(52,534)	(37,030)	(89,564)
Increase (decrease) in accounts payable	<u>27,974</u>	<u>3,861</u>	<u>31,835</u>
Total adjustments	<u>(143,249)</u>	<u>(33,169)</u>	<u>(176,418)</u>
Net cash provided (used) by operating activities	<u>\$ (101,747)</u>	<u>\$ 37,133</u>	<u>\$ (64,614)</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Internal Service Fund - Employee Benefits Fund
For the Fiscal Year Ended December 31, 2012

	Employee Benefits Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 3,068,901	\$ 3,068,901	\$ 3,288,566	\$ 219,665
Reimbursements	199,800	199,800	68,032	(131,768)
Total revenues	<u>3,268,701</u>	<u>3,268,701</u>	<u>3,356,598</u>	<u>87,897</u>
EXPENDITURES:				
Current:				
Finance				
Personal services	2,911,987	2,881,687	2,713,172	168,515
Other than personal services	719,606	749,906	748,724	1,182
Total expenditures	<u>3,631,593</u>	<u>3,631,593</u>	<u>3,461,896</u>	<u>169,697</u>
Excess (deficiency) of revenues over expenditures	<u>(362,892)</u>	<u>(362,892)</u>	<u>(105,298)</u>	<u>257,594</u>
OTHER FINANCING SOURCES (USES):				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(362,892)</u>	<u>(362,892)</u>	<u>(105,298)</u>	<u>257,594</u>
Fund balances at beginning of year	2,090,354	2,090,354	2,090,354	-
Lapsed encumbrances	5,553	5,553	5,553	-
Fund balances at end of year	<u>\$ 1,733,015</u>	<u>\$ 1,733,015</u>	<u>\$ 1,990,609</u>	<u>\$ 257,594</u>

City of Upper Arlington, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (NON-GAAP Budgetary Basis)
Internal Service Fund - BWC Administration Fund
For the Fiscal Year Ended December 31, 2012

	BWC Administration Fund			
	Adopted Budget	Revised Budget	Actual	Variance
REVENUES:				
Charges for services	\$ 311,298	\$ 311,298	\$ 232,378	\$ (78,920)
Reimbursements	-	-	1,253	1,253
Total revenues	<u>311,298</u>	<u>311,298</u>	<u>233,631</u>	<u>(77,667)</u>
EXPENDITURES:				
Current:				
Finance				
Personal services	147,000	137,000	77,756	59,244
Other than personal services	148,000	158,000	121,428	36,572
Total expenditures	<u>295,000</u>	<u>295,000</u>	<u>199,184</u>	<u>95,816</u>
Excess (deficiency) of revenues over expenditures	<u>16,298</u>	<u>16,298</u>	<u>34,447</u>	<u>18,149</u>
OTHER FINANCING SOURCES (USES):				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	16,298	16,298	34,447	18,149
Fund balances at beginning of year	146,245	146,245	146,245	-
Fund balances at end of year	<u>\$ 162,543</u>	<u>\$ 162,543</u>	<u>\$ 180,692</u>	<u>\$ 18,149</u>

CITY OF UPPER ARLINGTON

FIDUCIARY FUNDS - Agency Funds

Returnable Bonds Fund

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

Unclaimed Funds

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

Construction Withholding Fund

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

Mayor's Court Fund

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

Flexible Benefits Fund

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

Payroll Clearing Fund

The fund accounts for payroll and deduction checks of employees.

Revolving Fund

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

City of Upper Arlington, Ohio
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds - (Agency Funds Only)
As of December 31, 2012

	Agency Funds				
	Returnable Bonds Fund	Unclaimed Funds	Construction Withholding Fund	Mayor's Court Fund	Flexible Benefits Fund
ASSETS:					
Cash and investments	\$ 35,000	\$ 1,714	\$ 405,700	\$ 45,184	
Cash with third party fiscal agent					\$ 11,745
Total assets	<u>\$ 35,000</u>	<u>\$ 1,714</u>	<u>\$ 405,700</u>	<u>\$ 45,184</u>	<u>\$ 11,745</u>
LIABILITIES:					
Due to others	\$ 35,000	\$ 1,714	\$ 405,700	\$ 45,184	\$ 11,745
Total liabilities	<u>\$ 35,000</u>	<u>\$ 1,714</u>	<u>\$ 405,700</u>	<u>\$ 45,184</u>	<u>\$ 11,745</u>

	<u>Agency Funds</u>		
	<u>Payroll Clearing Fund</u>	<u>Revolving Fund</u>	<u>Total Agency Funds</u>
ASSETS:			
Cash and investments	\$ 834,835	\$ 21,756	\$ 1,344,189
Cash with third party fiscal agent			11,745
Total assets	<u>\$ 834,835</u>	<u>\$ 21,756</u>	<u>\$ 1,355,934</u>
LIABILITIES:			
Due to others	\$ 834,835	\$ 21,756	\$ 1,355,934
Total liabilities	<u>\$ 834,835</u>	<u>\$ 21,756</u>	<u>\$ 1,355,934</u>

City of Upper Arlington, Ohio
 Agency Funds
 Combining Statement of Changes in Assets and Liabilities
 Fiduciary Funds - (Agency Funds Only)
 For the Fiscal Year Ended December 31, 2012

	Balances Jan. 1, 2012	Additions	Deductions	Balances Dec. 31, 2012
RETURNABLE BONDS FUNDS				
Assets				
Cash and investments	\$ 35,000			\$ 35,000
Liabilities				
Due to others	\$ 35,000			\$ 35,000
UNCLAIMED FUNDS				
Assets				
Cash and investments	\$ 1,084	1,100	470	\$ 1,714
Liabilities				
Due to others	\$ 1,084	1,100	470	\$ 1,714
CONSTRUCTION WITHHOLDING FUND				
Assets				
Cash and investments	\$ 786,425	492,384	873,109	\$ 405,700
Liabilities				
Due to others	\$ 786,425	492,384	873,109	\$ 405,700
MAYOR'S COURT FUND				
Assets				
Cash and investments	\$ 43,294	529,860	527,970	\$ 45,184
Liabilities				
Due to others	\$ 43,294	529,860	527,970	\$ 45,184
FLEXIBLE BENEFITS FUND				
Assets				
Cash with third party fiscal agent	\$ 4,969	198,457	191,681	\$ 11,745
Liabilities				
Due to others	\$ 4,969	198,457	191,681	\$ 11,745
PAYROLL CLEARING FUND				
Assets				
Cash and investments	\$ 633,090	21,828,141	21,626,396	\$ 834,835
Liabilities				
Due to others	\$ 633,090	21,828,141	21,626,396	\$ 834,835
REVOLVING FUND				
Assets				
Cash and investments	\$ 50,691	97,846	126,781	\$ 21,756
Liabilities				
Due to others	\$ 50,691	97,846	126,781	\$ 21,756
TOTAL AGENCY FUNDS				
Assets				
Cash and investments	\$ 1,549,584	22,949,331	23,154,726	\$ 1,344,189
Cash with third party fiscal agent	4,969	198,457	191,681	11,745
Total Assets	\$ 1,554,553	23,147,788	23,346,407	\$ 1,355,934
Liabilities				
Due to others	\$ 1,554,553	23,147,788	23,346,407	\$ 1,355,934

CITY OF UPPER ARLINGTON

E. STATISTICAL SECTION

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

<u>Contents</u>	<u>Tables</u>
<i>Financial Trends</i> These schedules contain trend information to help understand how the City's financial performance and wellbeing has changed over time.	1-4
<i>Revenue Capacity</i> These schedules contain information to help assess the City's most significant revenue sources.	5-15
<i>Debt Capacity</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	16-19
<i>Demographic and Economic Information</i> This schedule contains service and infrastructure data to help the reader understand how the information in the City's financial activities take place.	20
<i>Operating Information</i> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	21-23

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

	Year									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities										
Invested in capital assets, net of related debt	\$ 46,341	\$ 38,478	\$ 35,574	\$ 32,666	\$ 29,923	\$ 26,458	\$ 23,100	\$ 22,315	\$ 19,898	\$ 20,491
Restricted for:										
Capital projects	889	5,216	3,817	3,219	2,956	2,491	1,909	13,759	11,376	7,631
Debt service	365	284	222	186	137	527	758	989	932	948
Street construction, maintenance & repair	1,365	1,478	1,565	1,735	2,026	1,172	1,097	788	641	731
Public safety	1,426	1,115	1,062	823	973	1,396	1,227	819	248	137
Economic development	639	403	353	536	355	533	611	606	313	76
Pension obligations	253	316	322	386	365	314	321	220	192	168
Other purposes	184	65	47	62	67	470	330	969	133	214
Unrestricted	43,803	38,920	37,753	38,116	40,506	40,708	38,680	22,673	25,792	30,536
<i>Total Governmental Activities Net Position</i>	<u>\$ 95,265</u>	<u>\$ 86,275</u>	<u>\$ 80,715</u>	<u>\$ 77,729</u>	<u>\$ 77,308</u>	<u>\$ 74,069</u>	<u>\$ 68,033</u>	<u>\$ 63,138</u>	<u>\$ 59,525</u>	<u>\$ 60,932</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 22,215	\$ 20,905	\$ 19,329	\$ 18,599	\$ 18,025	\$ 17,613	\$ 17,972	\$ 16,539	\$ 12,460	\$ 10,539
Restricted										
Unrestricted	\$ 3,574	\$ 3,529	\$ 3,458	\$ 3,585	\$ 3,858	\$ 3,603	\$ 3,132	\$ 3,227	\$ 5,489	\$ 3,085
<i>Total Business-Type Activities Net Position</i>	<u>\$ 25,789</u>	<u>\$ 24,434</u>	<u>\$ 22,787</u>	<u>\$ 22,184</u>	<u>\$ 21,883</u>	<u>\$ 21,216</u>	<u>\$ 21,104</u>	<u>\$ 19,766</u>	<u>\$ 17,949</u>	<u>\$ 13,624</u>
Primary Government										
Invested in capital assets, net of related debt	\$ 68,556	\$ 59,383	\$ 54,903	\$ 51,265	\$ 47,948	\$ 44,071	\$ 41,072	\$ 38,854	\$ 32,358	\$ 31,030
Restricted										
Capital projects	889	5,216	3,817	3,219	2,956	2,491	1,909	13,759	11,376	7,631
Debt service	365	284	222	186	137	527	758	989	932	948
Street construction, maintenance & repair	1,365	1,478	1,565	1,735	2,026	1,172	1,097	788	641	731
Public safety	1,426	1,115	1,062	823	973	1,396	1,227	819	248	137
Economic development	639	403	353	536	355	533	611	606	313	76
Pension obligations	253	316	322	386	365	314	321	220	192	168
Other purposes	184	65	47	62	67	470	330	977	148	225
Unrestricted	47,377	42,449	41,211	41,701	44,364	44,311	41,812	25,900	31,281	33,621
<i>Total Primary Government Net Position</i>	<u>\$ 121,054</u>	<u>\$ 110,709</u>	<u>\$ 103,502</u>	<u>\$ 99,913</u>	<u>\$ 99,191</u>	<u>\$ 95,285</u>	<u>\$ 89,137</u>	<u>\$ 82,912</u>	<u>\$ 77,489</u>	<u>\$ 74,567</u>

Note:

- (1) Years 2006 and prior have been restated to reflect the subsequent discrete presentation of the Upper Arlington Community Improvement Corporation component unit.
(2) For comparative purposes, the revenue and expenditure data for year 2006 has been restated for the reclassification of the Community Improvement Corporation discretely presented component unit from the Governmental Activities Net Position.

Source:

City of Upper Arlington Finance Department



CITY OF | **UPPER ARLINGTON**

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

	Year									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses										
Governmental Activities:										
Public Safety	\$ 16,085	\$ 15,973	\$ 15,724	\$ 16,110	\$ 15,776	\$ 15,082	\$ 14,266	\$ 13,436	\$ 13,227	\$ 12,172
General Government	7,186	7,971	7,903	8,189	8,851	7,154	8,200	8,710	8,212	7,067
Public Services	4,850	4,649	5,159	4,709	4,889	5,679	5,167	4,882	4,868	4,317
Parks and Recreation	3,045	3,147	3,052	3,346	3,331	3,269	3,142	3,025	3,021	2,897
Community Development	1,014	935	953	984	991	944	853	875	870	724
Interest on long-term debt	2,046	1,822	1,464	1,205	996	958	1,111	1,095	1,006	977
<i>Total Governmental Activities Expenses</i>	<u>34,226</u>	<u>34,497</u>	<u>34,255</u>	<u>34,543</u>	<u>34,834</u>	<u>33,086</u>	<u>32,739</u>	<u>32,023</u>	<u>31,204</u>	<u>28,154</u>
Business-Type activities:										
Water	481	567	453	400	564	318	333	325	643	341
Sewer	701	676	651	794	736	700	660	697	671	718
Stormwater	778	1,027	1,069	858	683	704	692	635	643	686
Swimming pool	711	658	667	736	686	626	603	635	539	555
Solid Waste	2,051	2,041	2,009	1,952	2,334	1,949	1,983	1,855	1,789	1,688
<i>Total Business-Type Activities Expenses</i>	<u>4,722</u>	<u>4,969</u>	<u>4,849</u>	<u>4,740</u>	<u>5,003</u>	<u>4,297</u>	<u>4,271</u>	<u>4,147</u>	<u>4,285</u>	<u>3,988</u>
<i>Total Primary Government Expenses</i>	<u>\$ 38,948</u>	<u>\$ 39,466</u>	<u>\$ 39,104</u>	<u>\$ 39,283</u>	<u>\$ 39,837</u>	<u>\$ 37,383</u>	<u>\$ 37,010</u>	<u>\$ 36,170</u>	<u>\$ 35,489</u>	<u>\$ 32,142</u>
Program Revenues										
Governmental Activities:										
Charges for services:										
Public Safety	\$ 1,347	\$ 1,507	\$ 1,391	\$ 1,370	\$ 493	\$ 1,297	\$ 988	\$ 1,275	\$ 8	\$ 10
General Government	652	793	818	971	698	616	173	59	68	-
Public Services	124	2,340	80	76	79	106	76	65	321	1
Parks and Recreation	1,068	1,983	879	848	860	805	815	741	503	965
Community Development	797	762	1,053	677	760	781	774	796	964	614
Operating grants and contributions	2,177	410	2,060	1,813	1,632	1,703	1,704	1,688	70	84
Capital grants and contributions	388	-	-	80	195	248	300	91	-	119
<i>Total Governmental Activities Program Revenues</i>	<u>6,553</u>	<u>7,795</u>	<u>6,281</u>	<u>5,835</u>	<u>4,717</u>	<u>5,556</u>	<u>4,830</u>	<u>4,715</u>	<u>1,934</u>	<u>1,793</u>
Business-Type Activities:										
Charges for services:										
Water	484	415	400	378	338	332	288	368	324	315
Sewer	850	791	774	771	734	708	550	680	629	605
Stormwater	752	761	548	537	542	552	521	531	555	571
Swimming pools	646	638	628	608	640	658	632	603	445	375
Solid Waste	1,986	1,954	1,685	1,664	2,052	1,872	1,794	1,780	1,823	1,375
Operating grants and contributions	-	-	-	-	32	5	-	-	-	-
Capital grants and contributions	-	-	-	-	14	6	1,434	1,814	610	-
<i>Total Business-Type Activities Program Revenues</i>	<u>4,718</u>	<u>4,559</u>	<u>4,035</u>	<u>3,958</u>	<u>4,352</u>	<u>4,133</u>	<u>5,219</u>	<u>5,776</u>	<u>4,386</u>	<u>3,241</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 11,271</u>	<u>\$ 12,354</u>	<u>\$ 10,316</u>	<u>\$ 9,793</u>	<u>\$ 9,069</u>	<u>\$ 9,689</u>	<u>\$ 10,049</u>	<u>\$ 10,491</u>	<u>\$ 6,320</u>	<u>\$ 5,034</u>

	Year									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net(Expense)Revenue										
Governmental Activities	\$ (27,673)	\$ (26,702)	\$ (27,974)	\$ (28,708)	\$ (30,117)	\$ (27,530)	\$ (27,909)	\$ (27,308)	\$ (29,270)	\$ (26,361)
Business-Type Activities	(4)	(410)	(814)	(782)	(651)	(164)	948	1,629	101	(747)
<i>Total Primary Government Net Expense</i>	<u>(27,677)</u>	<u>(27,112)</u>	<u>(28,788)</u>	<u>(29,490)</u>	<u>(30,768)</u>	<u>(27,694)</u>	<u>(26,961)</u>	<u>(25,679)</u>	<u>(29,169)</u>	<u>(27,108)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Income taxes	15,663	16,045	13,165	12,173	13,627	14,615	12,944	14,292	11,109	12,580
Property taxes	8,936	9,043	9,122	9,109	8,847	8,826	9,098	7,834	7,881	7,350
Estate taxes	8,235	3,652	4,462	4,192	5,186	2,282	3,761	3,775	3,287	1,581
Intergovernmental	3,960	4,593	4,417	3,484	4,182	3,594	3,616	2,866	5,780	5,644
Unrestricted investment earnings	703	609	866	887	2,562	2,693	2,134	1,078	855	1,097
Miscellaneous	1,117	355	293	332	1,289	1,556	1,414	1,319	1,578	1,599
Transfers	(1,352)	(2,035)	(1,365)	(1,048)	(895)	-	(160)	(250)	(4,150)	(2,273)
Total governmental activities	<u>37,262</u>	<u>32,262</u>	<u>30,960</u>	<u>29,129</u>	<u>34,798</u>	<u>33,566</u>	<u>32,807</u>	<u>30,914</u>	<u>26,340</u>	<u>27,578</u>
Business-type activities:										
Investment earnings	23	22	51	35	185	276	228	109	75	91
Miscellaneous	-	-	-	-	239	-	-	(172)	-	4
Transfers	1,352	2,036	1,365	1,048	895	-	160	251	4,150	2,273
<i>Total Business-Type Activities</i>	<u>1,375</u>	<u>2,058</u>	<u>1,416</u>	<u>1,083</u>	<u>1,319</u>	<u>276</u>	<u>388</u>	<u>188</u>	<u>4,225</u>	<u>2,368</u>
<i>Total Primary Government</i>	<u>38,637</u>	<u>34,320</u>	<u>32,376</u>	<u>30,212</u>	<u>36,117</u>	<u>33,842</u>	<u>33,195</u>	<u>31,102</u>	<u>30,565</u>	<u>29,946</u>
Change in Net Position										
Governmental activities	9,589	5,560	2,986	421	4,681	6,036	4,898	3,606	(2,930)	1,217
Business-type activities	1,371	1,648	602	301	668	112	1,336	1,817	4,326	1,621
<i>Total Primary Government Change in Net Position</i>	<u>\$ 10,960</u>	<u>\$ 7,208</u>	<u>\$ 3,588</u>	<u>\$ 722</u>	<u>\$ 5,349</u>	<u>\$ 6,148</u>	<u>\$ 6,234</u>	<u>\$ 5,423</u>	<u>\$ 1,396</u>	<u>\$ 2,838</u>

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

	Year			
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General fund				
Reserved	N/A	N/A	\$ 1,817	\$ 1,248
Unreserved	N/A	N/A	26,258	25,506
Nonspendable	\$ 62	\$ 64	N/A	N/A
Restricted	1,026	861	N/A	N/A
Committed	8,877	9,809	N/A	N/A
Assigned	-	-	N/A	N/A
Unassigned	24,114	17,621	N/A	N/A
<i>Total General Fund</i>	<u>\$ 34,079</u>	<u>\$ 28,355</u>	<u>\$ 28,075</u>	<u>\$ 26,754</u>
All other governmental funds				
Reserved	N/A	N/A	\$ 3,181	\$ 4,239
Unreserved, reported in:				
Special revenue funds	N/A	N/A	2,196	2,536
Capital projects funds	N/A	N/A	19,506	14,476
Debt service funds	N/A	N/A	358	294
Nonspendable	\$ 125	\$ 122	N/A	N/A
Restricted	11,199	9,403	N/A	N/A
Committed	12,617	9,192	N/A	N/A
Assigned	-	-	N/A	N/A
Unassigned	(5,651)	(4,749)	N/A	N/A
<i>Total All Other Governmental Funds</i>	<u>\$ 18,290</u>	<u>\$ 13,968</u>	<u>\$ 25,241</u>	<u>\$ 21,545</u>

Sources:

City of Upper Arlington Finance Department

Note:

(1) For comparative purposes, data for year 2006 has been restated for the reclassification of the Community Improvement Corporation discretely presented component unit from the Governmental Fund Balances.

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

Table 3

Year						
<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	
\$ 1,302	\$ 878	\$ 1,038	\$ 820	\$ 1,929	\$ 3,000	
28,671	27,554	26,462	21,739	22,180	24,326	
N/A	N/A	N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	
\$ 29,973	\$ 28,432	\$ 27,500	\$ 22,559	\$ 24,109	\$ 27,326	
\$ 7,251	\$ 2,087	\$ 1,103	\$ 1,373	\$ 4,384	\$ 2,621	
2,628	2,723	2,324	1,646	1,244	1,258	
9,279	10,879	11,752	13,866	12,272	14,134	
229	685	916	986	926	1,043	
N/A	N/A	N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	
\$ 19,387	\$ 16,374	\$ 16,095	\$ 17,871	\$ 18,826	\$ 19,056	

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

	Year			
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Revenues				
Taxes	\$ 33,890	\$ 28,344	\$ 28,433	\$ 27,322
Intergovernmental	5,450	5,624	4,632	4,208
Licenses and permits	877	945	922	819
Charges for services	2,014	1,899	1,891	1,913
Fines and forfeits	362	430	416	388
Investment earnings	703	609	866	887
Miscellaneous	1,660	1,493	1,128	896
<i>Total Revenues</i>	<u>44,956</u>	<u>39,344</u>	<u>38,288</u>	<u>36,433</u>
Expenditures				
Public Safety	15,527	15,784	15,651	16,252
General Government	7,419	7,557	7,880	7,939
Public Services	3,135	2,913	3,190	2,892
Parks and Recreation	3,008	3,017	3,040	3,149
Community Development	994	956	991	975
Health Services	-	-	-	-
Capital outlay	10,830	16,095	8,923	13,601
Debt services				
Principal	2,595	2,480	1,985	1,487
Interest	1,819	1,743	1,393	1,177
Other charges	151	131	148	235
<i>Total Expenditures</i>	<u>45,478</u>	<u>50,676</u>	<u>43,201</u>	<u>47,707</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	(522)	(11,332)	(4,913)	(11,274)
Other Financing Sources (Uses)				
Transfers in	7,285	5,036	6,661	5,605
Transfers out	(7,297)	(5,036)	(7,111)	(5,801)
Bonds/Notes issued	10,000	6,000	10,000	10,090
Refunding bonds and escrow transfer				6,715
Premium on bonds/notes issued	247	284	25	488
Payment of refunding notes				-
Payment to refunded bond escrow agent	-	(6,151)		(7,058)
Installment loan issued				-
Sale of capital assets	333	208	381	174
<i>Total Other Financing Sources (Uses)</i>	<u>10,568</u>	<u>341</u>	<u>9,956</u>	<u>10,213</u>
<i>Net Change in Fund Balances</i>	<u>\$ 10,046</u>	<u>\$ (10,991)</u>	<u>\$ 5,043</u>	<u>\$ (1,061)</u>
 Debt Service as a Percentage of Noncapital Expenditures	 13.30%	 12.21%	 9.96%	 7.94%

Sources:

City of Upper Arlington Finance Department

Note:

(1) For comparative purposes, the revenue and expenditure data for year 2006 has been restated for the reclassification of the Community Improvement Corporation discretely presented component unit from the Governmental Funds.

Table 4

Year						
<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	
\$ 27,576	\$ 27,261	\$ 26,228	\$ 27,056	\$ 23,881	\$ 24,580	
4,372	4,295	4,783	3,510	4,427	3,896	
862	917	733	866	703	624	
1,911	1,812	1,585	1,561	1,139	966	
362	362	394	439	414	355	
1,997	2,218	2,134	1,365	855	1,096	
1,569	2,051	2,045	1,005	1,121	1,355	
<u>38,649</u>	<u>38,916</u>	<u>37,902</u>	<u>35,802</u>	<u>32,540</u>	<u>32,872</u>	
15,188	14,677	13,531	13,079	12,723	11,821	
8,510	6,909	6,538	6,239	6,045	6,600	
2,998	3,875	3,453	3,490	3,648	2,601	
3,147	3,025	2,897	2,858	2,791	2,618	
968	936	850	863	855	719	
-	-	-	161	167	157	
7,114	6,686	4,667	8,585	10,759	10,499	
4,964	1,195	1,848	1,821	1,757	1,311	
1,227	972	991	1,103	967	955	
120				15	102	
<u>44,236</u>	<u>38,275</u>	<u>34,775</u>	<u>38,199</u>	<u>39,727</u>	<u>37,383</u>	
(5,587)	641	3,127	(2,397)	(7,187)	(4,511)	
3,348	5,826	2,661	8,026	3,399	5,337	
(3,396)	(5,826)	(2,822)	(8,277)	(7,539)	(5,885)	
9,972	3,972	3,972	3,972	3,972	10,000	
123	40	25	33	35	105	
-	(3,972)	(3,972)	(3,972)			
-				500		
94	530	174	110	64	112	
<u>10,141</u>	<u>570</u>	<u>38</u>	<u>(108)</u>	<u>431</u>	<u>9,669</u>	
<u>\$ 4,554</u>	<u>\$ 1,211</u>	<u>\$ 3,165</u>	<u>\$ (2,505)</u>	<u>\$ (6,756)</u>	<u>\$ 5,158</u>	
16.66%	6.86%	9.43%	9.87%	9.40%	8.43%	

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

<u>Year</u>	<u>Income Tax</u>	<u>Property Tax</u>	<u>Estate Tax</u>	<u>Motor Fuel Tax (1)</u>	<u>Total</u>
2012	\$ 15,663	\$ 8,936	\$ 8,235	\$ 1,146	\$ 33,980
2011	16,045	9,044	3,652	1,134	29,875
2010	13,165	9,122	4,462	1,141	27,890
2009	12,173	9,109	4,192	1,018	26,492
2008	13,627	8,847	3,743	1,139	27,356
2007	14,616	8,826	2,282	1,131	26,855
2006	12,944	9,098	3,761	1,132	26,935
2005	14,292	7,834	3,775	1,095	26,996
2004	11,109	7,881	3,287	960	23,237
2003	12,580	7,350	1,581	964	22,475

Note:

(1) Years 2003 through 2006 include reclasses for consistency in presentation.

Source:

City of Upper Arlington Finance Department

**City of Upper Arlington, Ohio
Principal Property Taxpayers
Current and Nine Years Ago**

	2012		2002	
	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
<u>Public Utilities</u>				
Columbus Southern Power Co.	\$12,255,260	0.78%	\$8,729,230	0.68%
Columbia Gas of Ohio Inc.	1,528,340	0.10%	1,141,850	0.09%
Ohio Bell Telephone			7,718,210	0.60%
 <u>Real Estate</u>				
Tree of Life Christian	8,637,400	0.55%		
Lane Avenue 450 LLC	7,513,140	0.48%		
Echo/Continental	7,026,260	0.45%		
Kimco Development Corporation	4,459,010	0.28%	2,999,160	0.23%
Kingsdale Condominiums	4,456,240	0.28%		
Centro NP Greentree SC	4,170,260	0.26%		
Scioto Country Club Inc.	3,900,400	0.25%	3,561,790	0.28%
Kenbrook Village Company	3,043,600	0.19%		
Huntington National Bank	2,975,070	0.19%		
Orthopaedic Medical	2,669,980	0.17%		
Lane Avenue Office	2,433,550	0.15%		
First Community Village			7,257,260	0.57%
RRC Acquisitions Inc.			6,068,240	0.47%
New Plan Financing I Inc.			3,601,690	0.28%
Compuserve Inc.			5,188,870	0.41%
UAP-Columbus JV-326132			5,237,050	0.41%
 <u>Tangible Personal Property</u>				
Uunet Technologies Inc.			6,174,540	0.48%
America Online Inc.			3,043,510	0.24%
Time Warner Entertainment Company LP			1,980,950	0.15%
Rich's Department Stores Inc.			1,230,680	0.10%
Circuit City Stores, Inc.			940,380	0.07%
Kroger Company			582,650	0.05%
BOAHC Inc.			416,090	0.03%
Wild Oats Market Inc.			385,800	0.03%
Ameritech New Media, Inc.			380,820	0.03%
Stein Mart			335,130	0.03%
 ALL OTHERS	 <u>1,508,925,680</u>	 <u>95.87%</u>	 <u>1,212,727,338</u>	 <u>94.77%</u>
 TOTAL ASSESSED VALUATION	 <u><u>\$1,573,994,190</u></u>	 <u><u>100.00%</u></u>	 <u><u>\$1,279,701,238</u></u>	 <u><u>100.00%</u></u>

Source: Franklin County, Ohio; County Auditor

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

<u>Fiscal Year</u>	<u>City of Upper Arlington</u>					<u>Overlapping Rates Franklin County</u>			
	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Police & Fire Pension Millage</u>	<u>Capital Equipment Millage</u>	<u>Total City Millage</u>	<u>Operating Millage</u>	<u>Specialty Service Millage (1)</u>	<u>Metro Parks Millage</u>	<u>Total County Millage</u>
2012	3.90	0.54	1.68	0.50	6.62	1.47	16.25	0.75	18.47
2011	3.90	0.54	1.54	0.50	6.48	1.47	15.85	0.75	18.07
2010	3.90	0.54	1.54	0.50	6.48	1.47	15.85	0.75	18.07
2009	3.90	0.54	1.54	0.50	6.48	1.47	15.85	0.75	18.07
2008	3.90	0.52	1.54	0.50	6.46	1.47	15.90	0.65	18.02
2007	3.90	0.44	1.54	0.50	6.38	1.47	16.37	0.65	18.49
2006	3.90	0.44	1.80	0.50	6.64	1.47	16.32	0.65	18.44
2005	3.90	0.54	1.80	0.50	6.74	1.47	16.32	0.65	18.44
2004	3.90	0.65	1.80	0.50	6.85	1.47	15.52	1.45	18.44
2003	3.90	0.66	1.80	0.50	6.86	1.47	15.52	0.55	17.54

Notes:

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

Source: Franklin County, Ohio; County Auditor

Overlapping Rates					
Upper Arlington Schools			Library		Total Direct & Overlapping Rates
Operating Millage	Debt Service Millage	Total School Millage	Operating Millage	Total Library Millage	
100.11	1.97	102.08	2.00	2.00	129.17
100.11	1.97	102.08	2.00	2.00	128.63
100.11	1.97	102.08	2.00	2.00	128.63
100.11	1.97	102.08	2.00	2.00	128.63
94.46	1.97	96.43	2.00	2.00	122.91
93.91	1.97	95.88	2.00	2.00	122.75
93.91	1.97	95.88	2.00	2.00	122.96
93.91	1.97	95.88	2.00	2.00	123.06
93.91	2.33	96.24	2.00	2.00	123.53
86.11	3.00	89.11	2.00	2.00	115.51

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

<u>Year Ended December 31</u>	<u>Real Property</u>			<u>Personal Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Public Utility Property</u>	<u>General</u>				
2012	\$ 1,405,147,490	\$ 137,151,530	\$ 21,922,850	\$ -	\$ 1,564,221,870	6.62	\$ 4,469,205,343	35.00%
2011	1,410,425,940	149,473,060	14,095,190	-	1,573,994,190	6.48	4,497,126,257	35.00%
2010	1,432,981,270	135,734,450	12,720,930	-	1,581,436,650	6.48	4,518,390,429	35.00%
2009	1,429,916,090	139,163,160	11,480,320	698,120	1,581,257,690	6.48	4,518,676,966	35.00%
2008	1,419,959,820	140,637,860	10,791,660	1,396,240	1,572,785,580	6.46	4,495,268,789	35.00%
2007	1,403,290,100	128,782,010	10,411,260	5,925,871	1,548,409,241	6.38	4,430,798,827	35.00%
2006	1,394,180,700	129,708,510	15,114,070	9,567,004	1,548,570,284	6.64	4,435,420,245	35.00%
2005	1,385,515,540	131,105,350	16,565,250	12,449,944	1,545,636,084	6.74	4,430,331,605	35.00%
2004	1,142,159,690	119,509,430	17,262,240	17,585,944	1,296,517,304	6.85	3,724,433,376	35.00%
2003	1,134,538,040	115,313,410	17,191,600	17,677,037	1,284,720,087	6.86	3,690,831,148	35.00%

Source: Franklin County, Ohio; County Auditor

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

<u>Employer</u>	<u>2012</u>		<u>2011</u>		<u>2010</u>		<u>2009</u>		<u>2008</u>	
	<u>Employees</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
UA Board of Education	850	5.0%	860	5.1%	880	5.0%	880	5.2%	880	4.7%
AOL Midwest	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
First Community Village	378	2.2%	352	2.1%	360	2.1%	370	2.2%	410	2.2%
City of Upper Arlington	224	1.3%	241	1.4%	246	1.4%	243	1.4%	245	1.3%
Kroger	107	0.6%	107	0.6%	107	0.6%	143	0.8%	-	0.0%
Giant Eagle	200	1.2%	198	1.2%	201	1.1%	197	1.2%	200	1.1%
Scioto Country Club	200	1.2%	173	1.0%	173	1.0%	-	0.0%	-	0.0%
Wellington School	160	0.9%	160	0.9%	160	0.9%	170	1.0%	170	0.9%
National Church Residences	184	1.1%	194	1.1%	177	1.0%	173	1.0%	210	1.1%
Willis HRH	-	0.0%	-	0.0%	106	0.6%	132	0.8%	125	0.7%
Ohio State University	325 (3)	1.9%	325	1.9%	290	1.7%	285	1.7%	300	1.6%
CBC Companies	198	1.2%	175	1.0%	175	1.0%	175	1.0%	170	0.9%
Ohio Orthopaedic Center	214	1.3%	158	0.9%	185	1.1%	170	1.0%	170	0.9%
Total	3,040	17.9%	2,943	17.2%	3,060	17.5%	2,938	17.3%	2,880	15.4%
Total City Employees	17,018 (1)		17,018 (1)		17,552		17,076		18,773	

<u>Employer</u>	<u>2007</u>		<u>2006</u>	
	<u>Employees</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
UA Board of Education	890	5.0%	883	5.5%
AOL Midwest	107	0.6%	230	1.4%
First Community Village	384	2.2%	350	2.2%
City of Upper Arlington	263	1.5%	260	1.6%
Kroger	113	0.6%	140	0.9%
Giant Eagle	160	0.9%	150	0.9%
Scioto Country Club	157	0.9%	197	1.2%
Wellington School	170	1.0%	170	1.1%
National Church Residences	173	1.0%	165	1.0%
Willis HRH	130	0.7%	150	0.9%
Ohio State University	309	1.7%		
CBC Companies	157	0.9%		
Ohio Orthopaedic Center	unknown			
Total	3,013	17.0%	2,695	16.7%
Total City Employees	17,851		16,064	

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

Notes:

- (1) Total City Employees data for 2011 was used as data from 2012 was not yet available.
- (2) Data prior to 2006 was not available or kept.

**City of Upper Arlington, Ohio
Income Averages
Last Ten Years**

Income Averages for Upper Arlington Tax Years 2002-2011

Tax Year	Income Range Tax Year	Individual Resident Filers	Percent of Filers	Local Taxable Income	Percent of Taxable Income
2011	0-19,999	2,910	24.7%	\$21,326,493	1.5%
2011	20,000-49,999	1,897	16.1%	65,075,294	4.6%
2011	50,000-74,999	1,285	10.9%	79,842,261	5.6%
2011	75,000-99,999	1,237	10.5%	107,598,014	7.6%
2011	Over 100,000	4,463	37.8%	1,139,965,891	80.6%
	Total	11,792		\$1,413,807,953	
2010	0-19,999	3,167	25.7%	\$22,421,688	1.6%
2010	20,000-49,999	2,063	16.7%	71,104,776	5.1%
2010	50,000-74,999	1,448	11.7%	90,036,981	6.5%
2010	75,000-99,999	1,274	10.3%	110,848,623	8.0%
2010	Over 100,000	4,389	35.6%	1,094,467,390	78.8%
	Total	12,341		\$1,388,879,458	
2009	0-19,999	3,557	26.4%	\$24,452,373	1.8%
2009	20,000-49,999	2,348	17.4%	80,775,621	5.8%
2009	50,000-74,999	1,610	12.0%	99,913,085	7.2%
2009	75,000-99,999	1,407	10.4%	122,308,215	8.8%
2009	Over 100,000	4,547	33.8%	1,063,175,559	76.4%
	Total	13,469		\$1,390,624,853	
2008	0-19,999	3,502	26.4%	\$23,754,404	1.7%
2008	20,000-49,999	2,271	17.1%	79,149,064	5.6%
2008	50,000-74,999	1,515	11.4%	94,207,245	6.6%
2008	75,000-99,999	1,411	10.6%	122,833,691	8.6%
2008	Over 100,000	4,591	34.5%	1,103,314,611	77.5%
	Total	13,290		\$1,423,259,015	
2007	0-19,999	3,664	30.1%	\$26,359,565	2.4%
2007	20,000-49,999	1,637	13.5%	54,251,610	4.9%
2007	50,000-74,999	1,407	11.6%	79,693,160	7.2%
2007	75,000-99,999	1,245	10.2%	100,589,849	9.1%
2007	Over 100,000	4,216	34.6%	849,276,468	76.5%
	Total	12,169		\$1,110,170,652	

Table 10

Tax Year	Income Range Tax Year	Individual Resident Filers	Percent of Filers	Local Taxable Income	Percent of Taxable Income
2006	0-19,999	3,695	30.3%	\$26,984,865	2.5%
2006	20,000-49,999	1,672	13.7%	55,616,909	5.2%
2006	50,000-74,999	1,451	11.9%	82,344,261	7.7%
2006	75,000-99,999	1,267	10.4%	100,839,642	9.4%
2006	Over 100,000	4,114	33.7%	803,216,492	75.1%
	Total	12,199		\$1,069,002,169	
2005	0-19,999	3,803	30.7%	\$26,682,883	2.6%
2005	20,000-49,999	1,800	14.5%	61,121,765	6.0%
2005	50,000-74,999	1,503	12.1%	84,143,579	8.2%
2005	75,000-99,999	1,295	10.5%	103,131,636	10.1%
2005	Over 100,000	3,973	32.1%	746,916,424	73.1%
	Total	12,374		\$1,021,996,287	
2004	0-19,999	3,006	26.4%	\$20,217,366	2.0%
2004	20,000-49,999	2,220	19.5%	77,488,367	7.5%
2004	50,000-74,999	1,580	13.9%	98,128,545	9.5%
2004	75,000-99,999	1,242	10.9%	107,756,835	10.4%
2004	Over 100,000	3,352	29.4%	732,638,515	70.7%
	Total	11,400		\$1,036,229,628	
2003	0-19,999	3,048	26.2%	\$20,832,873	2.1%
2003	20,000-49,999	2,308	19.8%	80,697,366	8.0%
2003	50,000-74,999	1,681	14.4%	104,452,389	10.3%
2003	75,000-99,999	1,301	11.2%	113,105,862	11.2%
2003	Over 100,000	3,298	28.3%	691,332,818	68.4%
	Total	11,636		\$1,010,421,308	
2002	0-19,999	2,982	26.3%	\$20,697,810	2.0%
2002	20,000-49,999	2,258	19.9%	80,098,043	7.7%
2002	50,000-74,999	1,664	14.7%	102,703,820	9.9%
2002	75,000-99,999	1,257	11.1%	108,995,420	10.5%
2002	Over 100,000	3,173	28.0%	729,808,957	70.0%
	Total	11,334		\$1,042,304,050	

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

Local Taxes Paid by Upper Arlington Residents for Tax Years 2002-2011

Tax Year	Taxes Paid by Upper Arlington Residents	%	Taxes credited to other municipalities	%	Total Local Income tax Paid by Residents
2011	\$3,971,038	16.5%	\$20,086,924	83.5%	\$24,057,962
2010	\$3,608,055	15.6%	\$19,450,755	84.4%	\$23,058,810
2009	\$3,455,776	15.1%	\$19,413,911	84.9%	\$22,869,687
2008	\$3,600,753	15.4%	\$19,827,002	84.6%	\$23,427,755
2007	\$3,368,303	14.8%	\$19,335,641	85.2%	\$22,703,944
2006	\$3,093,888	14.2%	\$18,743,528	85.8%	\$21,837,416
2005	\$2,640,738	12.9%	\$17,799,188	87.1%	\$20,439,926
2004	\$2,893,662	14.0%	\$17,830,931	86.0%	\$20,724,593
2003	\$2,468,736	12.2%	\$17,742,940	87.8%	\$20,211,676
2002	\$2,060,205	9.9%	\$18,803,243	90.1%	\$20,863,448

Source: Regional Income Tax Agency, Brecksville, Ohio

Notes:

- (1) Income reported represents income taxable at the local level. Local taxable income excludes some revenue sources taxable at the federal level, such as pensions, investment earnings, and capital gains.
- (2) While the City imposes a 2% income tax on its residents, a credit of up to 2% is allowed for income earned outside the City. Thus, the City's actual income tax collections are substantially less than 2% of local taxable income. In addition local taxable income includes income tax received from non-resident individuals who work within the jurisdiction, and are not required to file an annual return.
- (3) Differences in amounts reported as local tax collected by Upper Arlington residents and "Taxes from Individuals" amounts reported in Table 11 result from timing differences in collection and distribution of tax by the Regional Income Tax Agency (RITA), along with payments by non-resident individuals who remit payments for taxes from work performed inside the City.
- (4) Information for 2012 was not available.

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

Tax Year	Tax Rate	Total Tax Collected	Taxes From Withholding	Percentage of Taxes From Withholding	Taxes From Net Profits	Percentage of Taxes From Net Profits	Taxes From Individuals	Percentage of Taxes From Individuals
2012	2.0%	\$ 15,253	\$ 10,043	66%	\$ 1,587	10%	\$ 3,623	24%
2011	2.0%	14,662	9,485	65%	1,706	12%	3,471	23%
2010	2.0%	13,595	8,823	65%	1,654	12%	3,118	23%
2009	2.0%	12,856	8,470	66%	1,368	11%	3,018	23%
2008	2.0%	13,459	8,861	66%	1,199	9%	3,399	25%
2007	2.0%	13,725	8,976	65%	1,590	12%	3,159	23%
2006	2.0%	12,948	8,537	66%	1,300	10%	3,111	24%
2005	2.0%	14,092	8,447	60%	2,070	15%	3,575	25%
2004	2.0%	12,103	7,789	64%	1,358	11%	2,956	24%
2003	2.0%	12,276	7,534	61%	1,447	12%	3,295	27%

Sources:

1. City of Upper Arlington Finance Department

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

Year	Assessment Billings	Assessment Collections
2012	\$ 264,759	\$ 258,840
2011	227,378	221,385
2010	227,806	221,426
2009	191,228	183,462
2008	164,544	158,503
2007	176,749	170,283
2006	170,875	165,602
2005	176,490	168,968
2004	193,890	180,040
2003	402,517	390,545

Source: Franklin County, Ohio; County Auditor

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

<u>Year Ended</u> <u>December 31</u>	<u>Total Tax Levy for</u> <u>Year</u>	<u>Collected within the</u> <u>Year of the Levy</u>		<u>Total Collections to Date</u>			<u>Outstanding</u> <u>Delinquent</u> <u>Taxes</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	<u>Delinquent</u> <u>Amount</u>	<u>Total</u> <u>Collected</u>	<u>Percentage</u> <u>of Levy</u>	
2012	\$ 10,263	\$ 9,814	95.6%	\$ 201	\$ 10,015	97.6%	\$ 331
2011	10,331	9,959	96.4%	139	10,098	97.7%	297
2010	10,319	10,039	97.3%	280	10,039	97.3%	280
2009	10,227	9,789	95.7%	182	9,971	97.5%	256
2008	9,956	9,629	96.7%	156	9,785	98.3%	171
2007	9,825	9,607	97.8%	216	9,823	100.0%	2
2006	9,922	9,748	98.2%	154	9,902	99.8%	20
2005	8,676	8,538	98.4%	132	8,670	99.9%	6
2004	8,612	8,462	98.3%	192	8,612	100.0%	-
2003	8,560	8,404	98.2%	177	8,560	100.0%	-

Sources:

1. Franklin County, Ohio Auditor's Office

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Water Surcharge Fund										
Assets	\$8,467,283	\$7,945,622	\$7,411,223	\$7,230,608	\$6,502,281	\$6,360,422	\$6,434,128	\$5,904,731	\$5,236,168	\$5,468,767
Net Position	7,958,545	7,518,288	6,882,025	6,599,581	5,775,525	5,542,374	5,529,978	4,789,701	3,919,893	3,953,820
Operating Revenue	483,841	415,257	400,872	378,310	338,368	331,769	287,526	367,837	323,738	315,387
Operating (Expense)	(469,704)	(553,445)	(441,195)	(379,486)	(538,746)	(292,343)	(297,320)	(281,602)	(592,922)	(283,715)
Non-operating										
Investment income	-	-	-	-	-	-	-	-	-	-
Interest expense	(12,113)	(15,474)	(18,729)	(21,882)	(24,936)	(27,893)	(35,732)	(43,170)	(50,303)	(57,141)
Other, net	-	-	-	-	-	-	-	-	-	-
Capital contributions	438,233	789,925	341,496	847,114	458,465	863	785,803	814,577	153,060	-
Transfers in	-	-	-	-	-	-	-	12,166	132,500	-
Changes in net position	440,257	636,263	282,444	824,056	233,151	12,396	740,277	869,808	(33,927)	(25,469)
Rate per 1000 cubic feet (MCF)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	n/a	\$2.25	\$2.25	\$2.25	\$2.25
Surcharge rate on commodity	n/a	n/a	n/a	n/a	n/a	\$0.10	n/a	n/a	n/a	n/a
	10%	10%	10%	10%						
Sewer Surcharge Fund										
Assets	\$5,882,523	\$5,361,147	\$4,733,360	\$4,855,726	\$4,855,594	\$5,001,647	\$5,178,972	\$4,975,935	\$4,778,126	\$4,910,419
Net Position	5,191,963	4,803,006	3,992,446	3,864,859	3,847,306	3,804,221	3,806,317	3,352,075	2,927,519	2,788,748
Operating Revenues	849,869	791,375	773,647	770,913	733,944	707,767	550,432	679,508	628,936	605,311
Operating (Expense)	(686,420)	(655,787)	(640,209)	(767,628)	(695,158)	(667,109)	(602,141)	(615,965)	(595,873)	(634,287)
Non-operating										
Investment income	-	-	2,191	-	-	-	-	-	-	-
Interest expense	(17,321)	(22,636)	(27,770)	(32,729)	(39,545)	(46,953)	(56,772)	(81,605)	(75,066)	(83,827)
Other, net	1,314	(1,782)	-	(283)	-	-	(717)	-	-	-
Capital contributions	241,515	699,390	19,728	5,280	43,844	4,199	563,440	327,211	68,882	-
Transfers in	-	-	-	42,000	-	-	-	115,407	111,892	80,000
Change in net position	388,957	810,560	127,587	17,553	43,085	(2,096)	454,242	424,556	138,771	(32,803)
Rate per 1000 cubic feet (MCF)	n/a	n/a	n/a	n/a	n/a	n/a	\$4.90	\$4.90	\$4.90	\$4.90
Surcharge rate on commodity	18%	18%	18%	18%	18%	\$0.18	n/a	n/a	n/a	n/a
Stormwater Fund										
Assets	\$7,889,928	\$7,450,946	\$7,244,427	\$7,364,506	\$7,703,051	\$7,285,557	\$7,329,195	\$7,298,612	\$6,938,644	\$7,054,938
Net Position	6,936,230	6,300,342	6,007,974	5,944,148	6,234,838	5,690,203	5,584,460	5,447,922	4,924,013	4,922,292
Operating Revenue	752,485	759,571	547,530	536,686	541,393	552,515	521,393	531,407	554,837	570,524
Operating (Expense)	(753,441)	(999,967)	(1,049,163)	(784,215)	(611,126)	(640,036)	(609,646)	(546,910)	(549,591)	(587,402)
Non-operating										
Investment income	20,482	17,199	44,912	35,810	158,057	269,598	224,481	106,217	72,928	91,524
Interest expense	(25,800)	(28,800)	(31,800)	(73,572)	(71,174)	(76,334)	(82,367)	(88,005)	(93,333)	(98,357)
Other, net	-	-	(1,252)	(5,399)	-	-	(205)	-	-	0
Capital contributions	658,395	-	553,599	-	527,485	-	84,882	521,200	16,880	224,365
Transfers in	-	-	-	-	-	-	-	-	-	-
Changes in net asset/net income	652,121	(251,997)	63,826	(290,690)	544,635	105,743	(138,538)	523,909	1,721	200,654
Annual residential rate	\$45.00	\$45.00	\$33.00	\$33.00	\$33.00	\$33.00	\$33.00	\$33.00	\$33.00	\$33.00

**City of Upper Arlington
Enterprise Funds Summary Data, cont.**

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Swimming Pools Fund										
Assets	\$5,608,496	\$5,672,924	\$5,691,865	\$5,733,292	\$5,862,787	\$5,892,406	\$5,870,072	\$5,834,355	\$6,689,387	1,701,313
Net Position	5,606,289	5,670,292	5,688,405	5,730,972	5,858,410	5,891,084	5,858,925	5,818,409	5,870,319	1,687,186
Operating Income	645,686	638,039	627,780	607,844	639,817	658,141	632,090	602,636	444,735	375,077
Operating (Expense)	(710,533)	(657,934)	(666,474)	(735,539)	(636,328)	(625,982)	(602,674)	(634,911)	(539,115)	(555,090)
Non-operating	-	-	-	-	-	-	-	634,911	-	-
Investment income	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
Other, net	(712)	-	(4,881)	257	-	-	-	(172,202)	-	-
Transfers in	-	-	-	-	-	-	11,100	1,560	3,906,000	366,696
Capital contributions	1,556	-	-	-	13,837	-	151,007	-	371,513	1,500,503
Change in net position	(64,003)	(18,113)	(43,575)	(127,438)	(17,326)	32,159	191,523	(51,910)	4,183,133	1,687,186
Cost of a resident family membership (family of four)	\$210.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$180.00	\$180.00	\$180.00	\$ 150.00
Solid Waste Fund										
Assets	\$122,966	\$174,319	\$255,184	\$122,153	\$235,106	\$438,585	\$602,488	\$507,750	\$632,074	\$822,501
Net Position	(47,030)	4,200	86,461	(43,807)	91,235	206,575	323,739	357,469	307,684	271,550
Operating Income	1,985,699	1,953,860	1,685,471	1,663,863	2,051,840	1,871,859	1,794,062	1,780,473	1,823,425	1,374,436
Operating (Expense)	(2,051,441)	(2,041,069)	(2,009,141)	(1,946,147)	(2,362,771)	(2,201,569)	(1,981,547)	(1,854,940)	(1,789,696)	(1,687,663)
Non-operating	-	-	-	-	-	5,000	-	-	-	-
Investment income	2,512	4,948	3,771	(76)	26,992	6,095	5,933	2,611	2,405	4,168
Interest expense	-	-	-	-	-	-	-	-	-	-
Other, net	-	-	167	(6,182)	303,283	-	(1,478)	-	-	-
Transfers in	12,000	-	450,000	153,500	48,032	1,451	149,300	121,641	-	101,250
Transfers out	-	-	-	-	(182,716)	-	-	-	-	-
Changes in net position	(51,230)	(82,261)	130,268	(135,042)	(115,340)	(117,164)	(33,730)	49,785	36,134	(207,809)
Cost of a single trash sticker	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$3.10	\$2.50	\$2.50	\$2.50	\$2.25

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

<u>Fiscal Year</u>	<u>General Bonded Debt Outstanding</u>			<u>Other Governmental Activities Debt</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
	<u>General Obligation Bonds & Notes</u>	<u>Build America & Recovery Zone Bonds</u>	<u>Total</u>	<u>Special Assessment Bonds</u>	<u>Installation Loans</u>	<u>General Obligation Bonds</u>	<u>Ohio Public Works Commission Loans</u>			
2012	\$37,695	\$15,520	\$53,215	\$710	\$ -	\$840	\$872	\$55,637	3.13%	\$1,647
2011	30,190	15,520	45,710	810	-	1,000	947	48,467	2.81%	1,435
2010	27,475	15,520	42,995	905	-	1,150	1,201	46,251	2.67%	1,370
2009	27,570	7,320	34,890	995	-	1,300	1,448	38,633	2.29%	1,195
2008	26,002	-	26,002	1,085	105	1,405	1,686	30,283	1.75%	890
2007	20,807	-	20,807	1,170	207	1,575	1,916	25,675	1.81%	762
2006	21,822	-	21,822	1,250	307	1,750	2,139	27,268	2.06%	864
2005	23,406	-	23,406	1,325	405	2,130	2,354	29,620	2.23%	939
2004	24,957	-	24,957	1,400	600	2,491	2,562	32,010	2.64%	1,005
2003	22,576	-	22,576	1,470	196	2,839	2,764	29,845	2.70%	923

Notes:

(1) See the Schedule of Demographic and Economic Statistics on page 154 for personal income and population data.

Sources:

City of Upper Arlington Finance Department

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

<u>Fiscal Year</u>	<u>General Bonded Debt Outstanding</u>	<u>Less: Amounts Available in Debt Service Fund Restricted only for Principal Payments</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2012	\$ 54,055	\$ -	\$ 54,055	3.46%	\$ 1,600
2011	46,710	-	46,710	2.97%	1,383
2010	44,145	-	44,145	2.79%	1,307
2009	36,190	-	36,190	2.29%	1,120
2008	27,407	-	27,407	1.74%	806
2007	22,382	-	22,382	1.45%	664
2006	23,572	-	23,572	1.52%	747
2005	25,536	-	25,536	1.65%	809
2004	27,448	-	27,448	2.12%	862
2003	25,415	-	25,415	1.98%	786

Source: City of Upper Arlington Finance Department

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

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

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

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

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

City of Upper Arlington, Ohio
Direct and Overlapping Governmental Activities Debt
As of December 31, 2012

<u>Governmental Unit</u>	<u>Assessed Valuation</u>	<u>Gross General Obligation</u>	<u>Estimated Percentage Applicable to Upper Arlington¹</u>	<u>Estimated Share of Overlapping Debt</u>
Direct				
City of Upper Arlington	\$ 1,564,221,870	\$ 54,228,111	100.00%	\$ 54,228,111
Overlapping				
Franklin County	26,124,037,800	257,170,000	5.99%	15,398,498
Columbus City School District	8,961,241,860	470,804,552	0.03%	153,542
Dublin City School District	2,905,344,070	156,150,450	0.19%	380,745
Upper Arlington City School District	1,577,192,520	24,149,988	98.54%	23,798,159
Central Ohio JVS	4,680,089,760	<u>3,485,000</u>	0.15%	<u>5,275</u>
Subtotal, overlapping debt		911,759,990		39,736,219
Total direct and overlapping debt		<u>\$ 965,988,101</u>		<u>\$ 93,964,330</u>

Source: Auditor, Franklin County; Settlement Division

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

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



CITY OF | **UPPER ARLINGTON**

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Overall debt limit	\$ 134,896	\$ 136,134	\$ 162,292	\$ 162,600
Total net debt applicable to limit	23,004	25,431	26,861	24,822
Legal debt margin	\$ 111,892	\$ 110,703	\$ 135,431	\$ 137,778
Total net debt applicable to the limit as a percentage of debt limit	17.05%	18.68%	16.55%	15.27%
Unvoted Debt limit	\$ 70,660	\$ 71,308	\$ 85,010	\$ 85,171
Total net debt applicable to limit	14,438	17,290	18,101	16,496
Legal debt margin	\$ 56,222	\$ 54,018	\$ 66,909	\$ 68,675
Total net debt applicable to the limit as a percentage of debt limit	20.43%	24.25%	21.29%	19.37%
<u>Overall (Voted and Unvoted) Debt Limitation:</u>				
Total assessed value	\$1,564,222 (2)			
Debt limit (10 1/2% of total assessed value)	164,243			
Debt applicable to limit:				
General obligation bonds and notes	54,764			
Less: Amount set aside for repayment of general obligation debt	498			
Total net debt applicable to limit	<u>54,266</u>			
Legal debt margin	<u>\$ 109,977</u>			

Notes:

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

		<u>Year</u>					
		<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$	162,583	\$ 165,143	\$ 166,032	\$ 166,051	\$ 165,269	164,243	
	23,552	28,263	38,339	43,542	46,750	54,764	
\$	139,031	\$ 136,880	\$ 127,693	\$ 122,509	\$ 118,519	\$ 109,479	
	14.49%	17.11%	23.09%	26.22%	28.29%	33.34%	
\$	85,162	\$ 86,503	\$ 86,969	86,979	86,570	86,032	
	15,917	21,793	32,849	38,187	42,025	47,589	
\$	69,245	\$ 64,710	\$ 54,120	\$ 48,792	\$ 44,545	\$ 38,443	
	18.69%	25.19%	37.77%	43.90%	48.54%	55.32%	

Unvoted Debt Limitation:

Total assessed value	\$ 1,564,222
Debt limit (5 1/2% of total assessed value)	86,032
Debt applicable to limit:	
General obligation bonds and notes	54,764
Less: Debt outside limitations	7,175
Debt within limitation	<u>47,589</u>
Less: Amount set aside for repayment of general obligation debt	498
Total net debt applicable to limit	<u>47,091</u>
Legal debt margin for unvoted debt	<u>\$ 38,941</u>

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

<u>Year</u>	<u>Population 1</u>	<u>Personal Income (amounts expressed in thousands)</u>	<u>Per Capita Personal Income 1</u>	<u>Median Age 1</u>	<u>School Enrollment 2</u>	<u>Unemployment</u>	
						<u>Local Rate 3</u>	<u>State Rate 4</u>
2012	33,785	\$ 1,776,787	\$ 52,591	42.8	5,847	6.1%	7.2%
2011	33,771	1,723,976	51,049	42.8	5,521	7.5%	8.6%
2010	33,771	1,735,289	51,384	41.8	5,521	7.7%	9.5%
2009	32,321	1,808,910	52,145	42.2	5,415	9.8%	10.2%
2008	34,023	1,726,701	50,751	42.1	5,438	5.3%	6.5%
2007	33,686	1,415,654	42,025	42.6	5,492	4.9%	5.8%
2006	31,550	1,325,889	42,025	42.6	5,628	4.7%	5.5%
2005	31,550	1,325,889	42,025	42.6	5,440	4.6%	5.5%
2004	31,860	1,214,376	38,116	42.6	5,388	5.0%	5.7%
2003	32,323	1,103,895	34,152	42.6	5,491	4.7%	6.0%

Notes:

** Data not available or kept

Sources:

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



CITY OF | **UPPER ARLINGTON**

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City of Upper Arlington, Ohio
Full-time Equivalent City Government Employees by Function
Last Ten Years

Function	Full-time Equivalent Employees as of December 31				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Public Safety					
Police	65.0	65.0	65.0	65.0	65.0
Fire	60.0	64.0	64.0	64.0	64.0
General Government	40.1	40.1	46.5	47.6	47.6
Public Services	33.0	33.3	34.2	34.2	34.2
Parks and Recreation (2)	56.3	56.3	50.8	50.8	51.5
Community Development	9.8	9.3	10.0	10.0	10.0
Utilities (1)	0.0	9.8	12.2	12.2	12.2
Sanitation	-	-	-	-	23.2
Total	264.2	277.8	282.7	283.8	307.7

Function	Full-time Equivalent Employees as of December 31				
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Public Safety					
Police	65.0	65.0	65.0	63.0	63.0
Fire	64.0	64.0	64.0	64.0	64.0
General Government	47.6	47.0	47.5	47.5	46.0
Public Services	34.2	33.2	33.2	34.2	34.2
Parks and Recreation (2)	50.8	49.8	53.3	52.6	52.6
Community Development	10.0	10.0	10.0	10.0	10.0
Utilities (1)	12.2	12.2	12.2	12.2	12.2
Sanitation	23.2	23.2	23.2	23.2	23.2
Total	307.0	304.4	308.4	306.7	305.2

Notes:

(1) Includes water, sewer and stormwater

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

Source:

City of Upper Arlington Finance Department

City of Upper Arlington, Ohio
Capital Asset Statistics
Last Eight Years

Function	2012	2011	2010	2009	2008	2007	2006	2005
Public Safety - Police								
Number of police stations	1	1	1	1	1	1	1	1
Number of police cruisers	15	15	15	15	15	13	15	13
Number of pieces of equipment	257	257	257	257	255	255	257	251
Public Safety - Fire								
Number of fire stations	2	2	3	3	3	3	3	3
Number of fire engines	3	3	3	3	3	3	3	3
Number of medics	3	3	4	4	3	3	3	3
Number of pieces of equipment	298	288	272	272	295	306	319	299
Public Services								
Miles of roads	204	204	204	204	154	154	153	153
Number of traffic signals	52	52	52	52	52	52	54	54
Number of streetlights	1,497	1,497	1,427	1,427	1,427	809	659	659
Parks and Recreation								
Number of parks	28	28	28	28	25	25	22	25
Acres of parkland	170	170	180	180	180	180	180	169
Number of swimming pools	3	3	3	3	3	3	3	3
Number of tennis courts	21	20	20	20	23	23	23	16
Number of senior centers	1	1	1	1	1	1	1	1
Utilities								
Number of fire hydrants	1,958	1,958	1,958	1,958	1,958	1,958	1,958	1,958
Number of catch basins	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400
Miles of sanitary sewer	145	145	145	145	145	145	143	143
Solid Waste								
Number of packer trucks	-	-	-	-	-	10	11	10
Number of satellite vehicles	-	-	-	-	7	21	22	23
Roll-Off Truck	-	-	-	-	-	1	1	-
Stake Bed Truck	-	-	-	-	-	1	1	-
Pick-up Trucks	-	-	-	-	3	4	3	-

Note:

Data for years prior to 2005 is not available.

Sources:

1. City of Upper Arlington departments

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

Function	Operating Indicators by Function			
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Public Safety - Police				
Number of citations issued	4,015	4,200	4,642	4,497
Number of arrests	474	592	633	705
Number of accidents	478	524	510	496
Public Safety - Fire				
Number of fire responses	1,821	4,815	3,077	3,226
Number of EMS responses	3,196	3,224	3,418	3,916
Number of inspections	2,085	1,917	1,435	952
General Government				
Number of probation cases	251	269	289	302
Number of traffic cases	2,900	2,977	3,459	3,253
Number of fleet management repairs	2,034	2,210	2,328	2,370
Public Services				
Roadway repairs-surface (sq. ft.)	23,110	21,051	35,336	86,425
Street cleaning-leaf collection (cu. Yds.)	16,123	17,503	18,312	21,178
Street cleaning-snow removal (hours)	519	1,207	2,787	823
Parks and Recreation				
Number of registrations for programs	11,806	16,415	67,628	12,173
Number of programs/classes	1,918	1,934	5,183	1,461
Number of trees planted (less removed trees)	221	194	210	215
Community Development				
Number of building permits issued	426	463	370	378
Number of building inspections conducted	2,645	5,069	3,210	3,014
Number of code investigations	894	817	1,121	924
Utilities				
Number of fire hydrant repairs (water)	60	57	92	86
Number of catch basin repairs (stormwater)	92	108	200	195
Number of manhole repairs (sewer)	45	64	-	28
Solid Waste				
Number of refuse collected (tons)	6,116	6,618	6,209	6,400
Number of yard waste collected (tons)	182	205	282	384
Number of recyclables collected (tons)	4,662	4,956	4,805	5,600

Note:

** Data not available or kept

Sources:

1. City of Upper Arlington departments

Operating Indicators by Function

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
4,181	4,293	3,616	5,014	5,275	5,265
711	586	734	806	872	907
539	516	555	549	583	609
3,500	3,493	3,300	3,410	2,438	3,491
4,000	3,954	3,533	2,894	2,914	3,621
1,437	1,437	1,700	1,757	1,138	1,517
269	216	227	244	236	223
3,200	2,939	3,178	3,486	3,520	4,114
2,407	2,898	2,874	3,194	3,242	3,661
116,686	109,082	131,774	121,610	105,439	108,308
22,669	21,668	22,235	23,941	21,091	20,068
1,168	2,002	294	1,465	1,000	661
8,999	11,406	22,409	25,663	10,816	13,697
1,383	802	1,146	927	612	639
275	306	173	390	170	280
383	376	380	433	406	432
2,259	2,455	2,542	2,481	2,469	2,318
1,017	934	698	664	964	862
97	75	106	175	117	88
225	244	82	57	108	137
54	42	63	113	119	120
6,700	6,814	7,120	6,406	7,542	7,693
300	391	599	640	667	855
4,400	4,362	5,747	5,701	5,456	5,750



CITY OF | **UPPER**
ARLINGTON

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Dave Yost • Auditor of State

CITY OF UPPER ARLINGTON

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 8, 2013**