



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018





CITY OF | **UPPER ARLINGTON**

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**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
*FOR THE YEAR ENDED  
DECEMBER 31, 2018***

**ISSUED BY:**

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

**Brent W. Lewis, CPA  
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*Assistant Finance Director***

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*Purchasing Administrator***

**Margot L. Sandler, CPA  
*Finance Manager***

**Laura A. Lynde  
*Accounting Assistant***

**Michelle Y. Sexton  
*Payroll Administrator***

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



CITY OF | **UPPER ARLINGTON**



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**CITY OF UPPER ARLINGTON, OHIO  
BASIC FINANCIAL STATEMENTS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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June 26, 2019

To the Honorable Kip Greenhill 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 year ended December 31, 2018, is submitted herewith. The report has a complete set of financial statements presented in accordance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by Wilson, Shannon & Snow, Inc. The independent auditor's report is located at the front of the financial section of this report.

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

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

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

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

### **Profile of the Government**

Upper Arlington was founded March 20, 1918. On February 8, 1941, the City of Upper Arlington was organized as a home-rule, Municipal Corporation organized under the laws of the State of Ohio. The City covers 9.77 square miles, located just northwest of downtown Columbus. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety; public service; parks and recreation; and community development.

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



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

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

The appropriated budget is prepared by fund, (e.g., General Fund), department (e.g., Police) and line item (e.g., Personal Services). The City Council may pass supplemental appropriations at any time by ordinance. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. The General Fund is presented in the required supplementary section, beginning on page 96. For governmental funds, other than the General Fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 138.

### **Factors Affecting Financial Condition**

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

### **Local Economy**

The Bureau of Economic Analysis indicates that Ohio’s economy grew by 1.8%. The Ohio economy is currently valued at \$649 billion. Economic growth in the Columbus region has been strong, with the Columbus region ranked as the fastest growing metropolitan area in the Midwest.

Reinvestment in Upper Arlington remained strong in 2018. Within the business and development arena, the Economic Development Office continued its focus on efforts to attract and grow a mix of professional office and medical users to strengthen and diversify the overall business base. Plans for several significant projects evolved throughout 2018, including:

- The Lane II - a project previously led by Shanghai Enterprises was revised and expanded by Crawford Hoying to include property on the west side of Westmont Boulevard. The east side is comprised of a 116-room hotel, surface parking and housing units to provide a better neighborhood transition. The west side features a five-story mixed-use building with apartments, two restaurants, 20,000 square feet of office, apartments and structured parking wrapped by townhomes to the north that front a new access road between Westmont and Chester. Construction was scheduled to begin in the summer of 2019, with the hotel opening in the fall of 2020, and the mixed-use project complete by the spring of 2021.
- Arlington Gateway – plans for this project, located on the southeast side of Lane Avenue and North Star Road, were expanded to encompass property all the way to the corner of North Star, comprising 27,000 square feet of ground floor retail, restaurant and bank uses, 218 apartments on the 2nd-6th floors that wrap around a seven-story, 843 space parking garage, and 133,000 square feet of office space on the 7th-11th floors. The review and approval process concluded in 2018, however a timeline for construction is not known at this time.
- Heartland Bank – a new, two-story bank with offices for financial planning operations began construction in 2018 at the northwest corner of Lane Avenue and Northwest Boulevard, with completion late Spring 2019.

- First Community Village – a five-story, 70-unit independent living apartment complex, with a 70-space parking garage is under construction, with a 2020 completion date.
- COhatch – second floor space at the Shops on Lane Avenue is being converted into shared working space, with completion anticipated in 2019.
- Orthopedic One – this busy medical facility at Sawmill Road and Henderson Road is expanding its surgery facilities at the rear of the existing complex, with construction beginning in 2019.
- Upper Arlington Veterinary Hospital – this local small animal veterinary practice consolidated its operations by renovating and expanding an office building at 1515 Lane Avenue. This project was completed in the second quarter of 2019.

Another significant development project pertains to the Upper Arlington Schools, which is in the beginning stages of implementing its facilities master plan. This entails building a replacement High School and replacing or renovating all five elementary schools.

The combined review and inspection of commercial and residential construction projects generated a construction value of \$100.7 million for 2018, which is on par with recent year trends. As a result of the start of several major redevelopment projects, less than six months into 2019 and the construction value total is already at more than \$408 million, with all signs indicating that this trend will continue through the rest of the year.

### **Long-term Financial Planning**

The City of Upper Arlington’s Master Plan, first adopted in 2001—and updated and re-adopted 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, technology, sustainability 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 those investments already made as the community grew and took shape over the course of many decades—our underground and surface infrastructure, public facilities and parks. The City remains committed to improving its aging infrastructure through its Capital Improvement Program (CIP). The most recent CIP is a 10-year plan of approximately \$118 million for years 2018 through 2027.

In 2014, Upper Arlington voters supported a 0.5% increase in the income tax rate—which went into effect in January 2015—with these funds restricted for the City’s Capital Improvement Program, providing a long-term, critical funding source. With this funding source in place, the City is continuing to use the adopted financial and debt policies for capital investments, which call for the Capital Improvement Program to be funded using a combination of cash and financing. The City issues general obligation bonds for financing capital improvement projects. The bonds are primarily paid with income tax receipts. In addition to the 0.5%, the City Council approved setting aside an additional 8% of the income tax to retire existing debt. For 2018, \$6.4 million of the \$28.7 million in income tax revenues can be attributed to the tax increase, representing a 3% increase from the previous year.

### **Relevant Financial Policies**

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

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

### **Major Initiatives**

The City has successfully maintained Triple A financial ratings from Moody's Investors Service, and S&P Global since 2008. These are the highest ratings available and reaffirm that the City takes its fiscal responsibilities seriously. It also means the City can expect to benefit from the lowest possible interest rates in the marketplace at any given time for future bond sales.

The fifth year of the City's 10-year Capital Improvement Program was implemented in 2018. Sections of 15 streets were completely reconstructed, sections of 15 streets were resurfaced and received spot curb and gutter repairs, one bridge was replaced, four waterlines replaced, and the second of a 10-year project to improve the City's sanitary sewers was implementing to fulfill an EPA-mandate for studying and remediating faults in the system that allow rainwater to enter sanitary sewers.

Since the City expanded its Capital Improvement Program to 10 years, approximately \$53 million has been invested in our streets, waterlines, bridges, sanitary sewer lines, streetlights and traffic signals, with positive results. The most recent two-year street paving conditions rating exercise—a process for measuring road conditions to help prioritize projects—continues a trend of improvement: the average rating for pavement condition has shifted from 82.7 in 2012 to 89.2 in 2018 (out of 100); and curb conditions have improved from an average of 2.3 in 2012 to 1.9 in 2018 (on a scale of one to five, with one being the best condition).

Following an extensive review process relative to options for 911/dispatching operations, the City successfully transitioned this critical component of our safety services to the Northwest Regional Emergency Communications Center (NRECC) at the City of Dublin. The Fire Division transfer was complete by the fall of 2017, with Police following early in 2018. Today, residents see no difference in how their emergency calls for help are received and dispatched, since calls are connected directly to professional dispatchers that have been given hands-on training on Upper Arlington's geography and service needs. Behind the scenes, technological advances available through NRECC have streamlined procedures and promise to stay apace with future regulation changes and the continuing increase in cell phone usage.

Another critical service transitioned from a detailed two-year study and community engagement process to significant change early in 2018—the City's Solid Waste Program. A new contract was secured with Local Waste Services took effect in February of 2018, transforming an outdated, cumbersome approach to one that features a simplified payment structure to recoup the costs for this Enterprise Fund-run service, with uniform trash and recycling containers with lids. The transformation of the community on trash days has been significant, virtually eliminating blowing recyclables on windy days, with an efficient collection process that residents have welcomed with open arms.

The community had been looking forward to 2018 for a special reason—Upper Arlington celebrated its 100th anniversary. Thanks to the planning efforts of the Centennial Task Force, the community celebrated this milestone year in a number of memorable ways. The most notable project was a signature Legacy Project—the Centennial Plaza and History Walk at Northam Park. Resident input helped shape the project during the planning stages, then the Task Force set about raising \$280,000 in donations. Dedicated to the community at the 2018 Fourth of July Celebrations, the Centennial Plaza—located at the park entry, between the pool and playground—features sculptures of a larger-than-life-size bronze adult bear and two cubs, set within an attractive gathering space with benches and landscaping. Along the walkway through the parking lot, significant landscaping improvements are accompanied by a series of 10 plaques depicting snapshots of Upper Arlington's history.



The City began a Parks & Recreation Comprehensive Plan process in the summer of 2017, considered a vital step toward guiding future decision-making to get the most value from the community's limited parks and the facilities within them. This process—led by PROS Consulting—began in the summer of 2017 and concluded at the close of 2018. The Parks & Recreation Comprehensive Plan is seen as a vital step in guiding future decision-making on how to get the most value from our limited parks and the facilities within them, while fulfilling the community's recreational needs. The process included extensive community engagement with focus groups, public meetings, an online questionnaire and statistically-valid survey, alongside detailed background research and analysis, and evaluations of existing facilities.

A spinoff study of the community's arts and cultural programming began in the fall of 2018, with the goal of setting the standard and strategic direction for planning and implementing a full range of creative endeavors, from public art to cultural programming. Local firm, Designing Local, Ltd, is conducting this study, to include focus groups, public meetings and survey activities. The process is expected to conclude by the fall of 2019.

Recognizing the potential impacts of current housing trends—such as larger rebuilds and lot splits—on existing neighborhoods, the Community Development Department contracted with Planning NEXT to undertake a study of the River Ridge/Kingsdale West district in late 2017/early 2018. The process considered housing trends, neighborhood connectivity, pedestrian access, safety, traffic and more, and included several opportunities for public input. The resulting report sets forth a series of recommendations designed to preserve and enhance the neighborhood's existing character that are now being addressed in a series of steps, such as minor zoning code amendments, and plans to install sidewalks along Mountview Road.

#### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the 31st 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, 2017.

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.

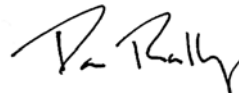
Additionally, the City received its 13th consecutive Award for Outstanding Achievement in Popular Annual Financial Reporting from GFOA for the 2017 Popular Annual Financial Report, which provides a reader-friendly summary of the City's financial standing from year to year.

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

Respectfully submitted,



Brent Lewis, CPA  
Finance Director



Dan Ralley  
Acting City Manager





Government Finance Officers Association

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

Presented to

**City of Upper Arlington  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

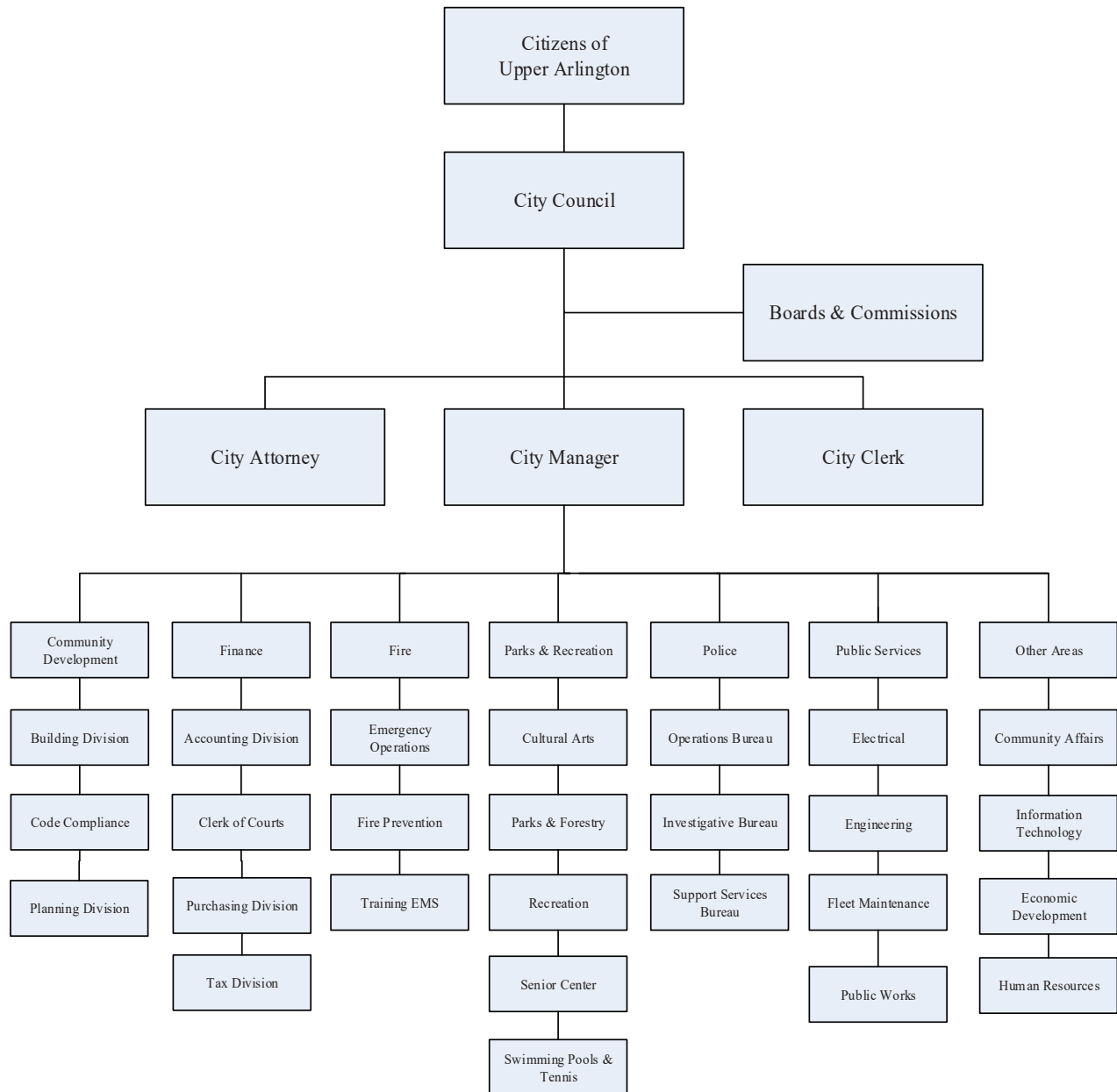
**December 31, 2017**

*Christopher P. Morrell*

Executive Director/CEO



**CITY OF UPPER ARLINGTON, OHIO**  
**ORGANIZATIONAL CHART**  
**For the Year Ended December 31 , 2018**



**CITY OF UPPER ARLINGTON, OHIO  
LIST OF CITY OFFICIALS  
December 31, 2018**

**City Council**

President/Mayor	Kip Greenhill
Vice President/Vice Mayor	Brendan T. King
Council Member	Carolyn T. Casper
Council Member	Susan M. Ralph
Council Member	Michele M. Hoyle
Council Member	Brian C. Close
Council Member	Jim Lynch

**Appointed Officials**

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

**Executive Staff**

Assistant City Manager	Daniel M. Ralley
Finance Director	Brent W. Lewis
Fire Division Chief	Lyndon D. Nofziger
Parks and Recreation Director	Deborah J. McLaughlin
Police Division Chief (Interim)	Jon H. Wilhelm
Public Services Director	Mark G. Kelsey





CITY OF | **UPPER ARLINGTON**

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

## **INDEPENDENT AUDITOR'S REPORT**

To the City Council and Management:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Upper Arlington, Franklin County, Ohio (the City), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no such 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 18 to the financial statements, during 2018, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*". We did not modify our opinion regarding this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Supplementary and Other Information***

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

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

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

City of Upper Arlington  
Franklin County  
Independent Auditor's Report

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2019, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Wilson, Shannon & Son, Inc.*

Newark, Ohio  
June 26, 2019



CITY OF | **UPPER ARLINGTON**

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**CITY OF UPPER ARLINGTON, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**(UNAUDITED)**

As management of the City of Upper Arlington (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Upper Arlington for the year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found at the front of this report.

**Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$96.7 million (net position).
- The City's total net position increased by \$6.0 million, or 7%.
- At the end of the current year, the unassigned fund balance for the General Fund was \$18.3 million, or 54% of the total General Fund expenditures.
- As of the close of the current year, the City's governmental funds reported combined ending fund balances of \$68.1 million, an increase of \$3.0 million in comparison with the prior year. Of this total amount:
  - \$3.5 million, or 5%, represents non-spendable balances for inventories and advances.
  - \$36.0 million, or 53%, 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.
  - \$10.1 million, or 15%, 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.
  - \$2.3 million, or 3%, of the fund balance is categorized as assigned. Assigned fund balances are constrained by the government's intent to use the funds for a specific purpose but are neither restricted nor committed.
  - \$16.2 million, or 24%, of the fund balance is categorized as unassigned. The unassigned fund balance represents fund balance that has not been restricted, committed, or assigned.

**Overview of the Financial Statements**

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

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

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

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

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

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

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

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

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

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

The City of Upper Arlington maintains 28 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, General Obligation Bond Retirement Fund, Bonded Improvement Fund, and the Infrastructure Improvement Fund, all of which are considered major funds. Data from the other 24 governmental funds are combined into a single, aggregated presentation.

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

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

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

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

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

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

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

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 39-94 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 95 – 112 of this report.

Other Supplementary Information, including additional budgetary schedules, the combining statements referred to earlier in connection with non-major governmental funds and major business-type funds, are presented immediately following the other required supplemental information. The additional budgetary schedules, and combining and individual fund statements and schedules can be found on pages 114-184 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 185-227.

**CITY OF UPPER ARLINGTON, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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**Government-wide Financial Analysis**

	<b><u>Net Position</u></b>			
	Governmental Activities		Business-type Activities	
		<i>Restated</i>		<i>Restated</i>
	2018	2017	2018	2017
<b><u>Assets</u></b>				
Current and other assets	\$ 92,916,239	\$ 88,143,049	\$ 6,596,813	\$ 6,149,552
Capital assets, net	112,897,773	105,806,836	48,213,587	45,165,768
Net pension asset	17,304	7,121	2,059	843
Total assets	205,831,316	193,957,006	54,812,459	51,316,163
<b><u>Deferred Outflows of Resources</u></b>	12,479,977	11,376,098	575,045	826,825
<b><u>Liabilities</u></b>				
Current and other liabilities	2,837,372	3,904,910	294,230	238,753
Long-term liabilities	152,530,690	145,009,344	3,873,318	4,361,297
Total liabilities	155,368,062	148,914,254	4,167,548	4,600,050
<b><u>Deferred Inflows of Resources</u></b>	16,988,641	13,190,871	505,115	122,612
<b><u>Net Position</u></b>				
Net investment in capital assets	56,030,022	50,937,534	46,219,776	43,063,552
Restricted	34,260,695	32,083,943	-	-
Unrestricted	(44,336,127)	(39,793,498)	4,495,065	4,356,774
Total net position	\$ 45,954,590	\$ 43,227,979	\$ 50,714,841	\$ 47,420,326

For 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

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GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer’s promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

In accordance with GASB 68 and GASB 75, the City’s statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan’s change in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017, from \$118,031,813 to \$90,648,305.

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. The City’s assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$96.7 million at the close of 2018.

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

An additional portion of the City’s net position, (35%) represents resources that are subject to restrictions on how they may be used.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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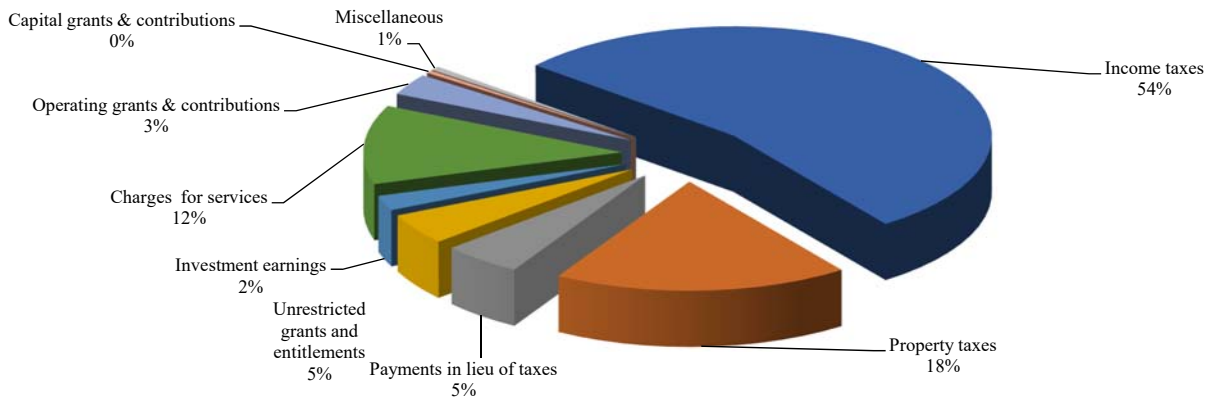
Overall net position of the City increased \$6.0 million (7%) in 2018. Net position for governmental activities increased \$2.7 million (6%), while the net position for business-type activities increased \$3.3 million (7%).

The large increase in overall net position can be primarily attributed to three main factors: (1) income tax revenue increased by \$4.3 million as a result of a general uptick in the economy; (2) \$15.8 million in capital asset additions offset by a \$5.6 million in depreciation expense; and (3) total bonded debt increased by \$4.9 million as a result of the issuance of \$9.5 million in various purpose bonds offset by regular debt payments.

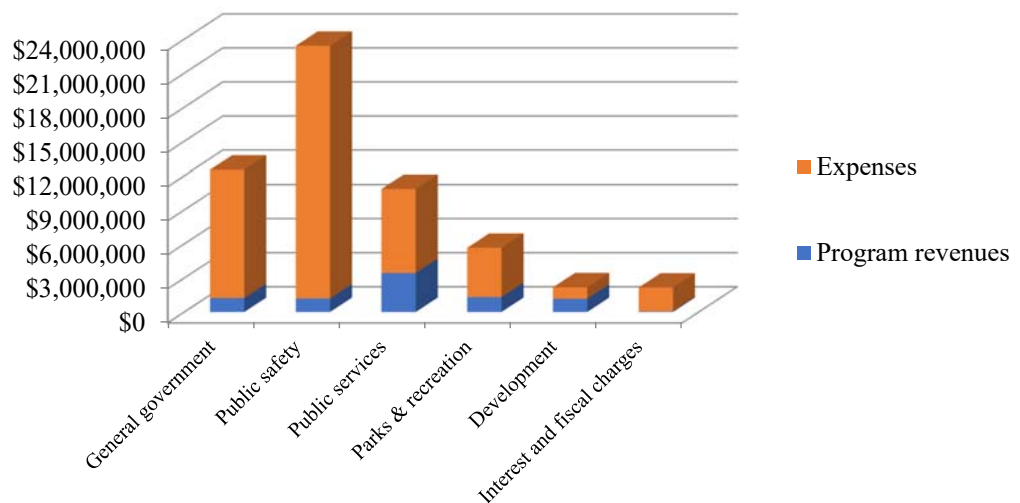
**Governmental activities.** As stated previously, Governmental activities net position increased by \$2.7 million. General revenues increased by \$5.7 million primarily due to a \$4.3 million increase in income tax revenue along with a general uptick in the economy.

The following charts illustrate both the 2018 revenues and expenses for governmental activities.

**Revenues by Source - Governmental Activities**



**Expenses and Program Revenues - Governmental Activities**



**CITY OF UPPER ARLINGTON, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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	<b><u>Changes in Net Position</u></b>			
	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
		<i>Restated</i>		<i>Restated</i>
	2018	2017	2018	2017
<b>Revenues:</b>				
<i>Program revenues:</i>				
Charges for services	\$ 6,446,026	\$ 5,012,301	\$ 5,845,261	\$ 5,101,735
Operating grants & contributions	1,737,016	1,975,585	-	-
Capital grants & contributions	220,984	1,944,289	-	-
<i>General revenues:</i>				
Income taxes	29,730,445	25,447,687	-	-
Property taxes	10,172,251	10,601,746	-	-
Payment in lieu of taxes	2,769,190	1,568,406	-	-
Unrestricted grants and entitlements	2,539,148	2,244,939	-	-
Unrestricted investment earnings	1,236,692	735,072	57,809	28,199
Other miscellaneous revenues	323,106	470,460	-	-
Total revenues	<u>55,174,858</u>	<u>50,000,485</u>	<u>5,903,070</u>	<u>5,129,934</u>
<b>Expenses:</b>				
General government	11,266,953	11,299,346	-	-
Public safety	22,222,757	19,471,869	-	-
Public services	7,399,842	7,264,870	-	-
Parks and recreation	4,345,543	4,362,705	-	-
Community development	1,001,633	1,015,559	-	-
Interest and fiscal charges	2,103,408	2,122,773	-	-
Bond issuance costs	-	211,737	-	-
Solid waste	-	-	2,852,544	2,041,993
Water surcharge	-	-	697,378	854,750
Sanitary sewer surcharge	-	-	1,288,678	1,068,934
Stormwater	-	-	723,338	725,795
Swimming pools	-	-	1,154,728	834,788
Total expenses	<u>48,340,136</u>	<u>45,748,859</u>	<u>6,716,666</u>	<u>5,526,260</u>
Change in net position before transfers	6,834,722	4,251,626	(813,596)	(396,326)
Transfers	(4,108,111)	(9,654,088)	4,108,111	9,654,088
Change in net position	<u>2,726,611</u>	<u>(5,402,462)</u>	<u>3,294,515</u>	<u>9,257,762</u>
Net position at beginning of year	43,227,979	N/A	47,420,326	N/A
Net position at end of year, restated	<u>\$ 45,954,590</u>	<u>\$ 43,227,979</u>	<u>\$ 50,714,841</u>	<u>\$ 47,420,326</u>

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$144,308 computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$2,846,344.

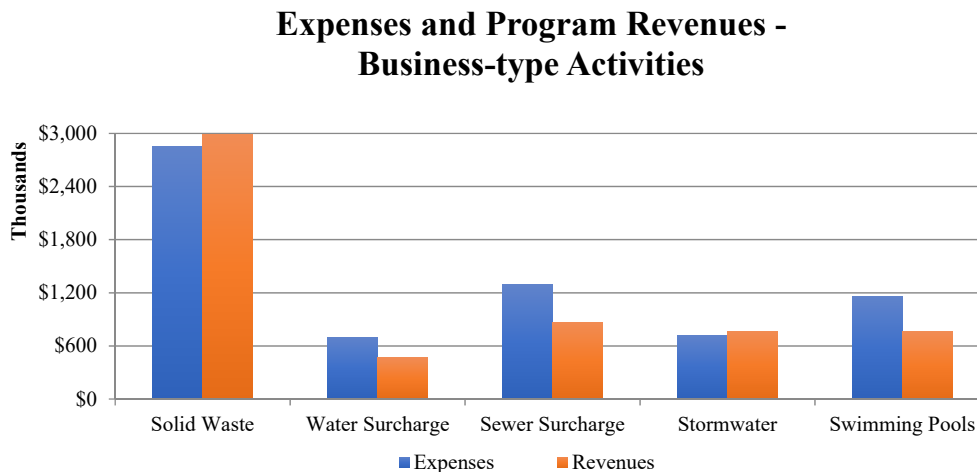
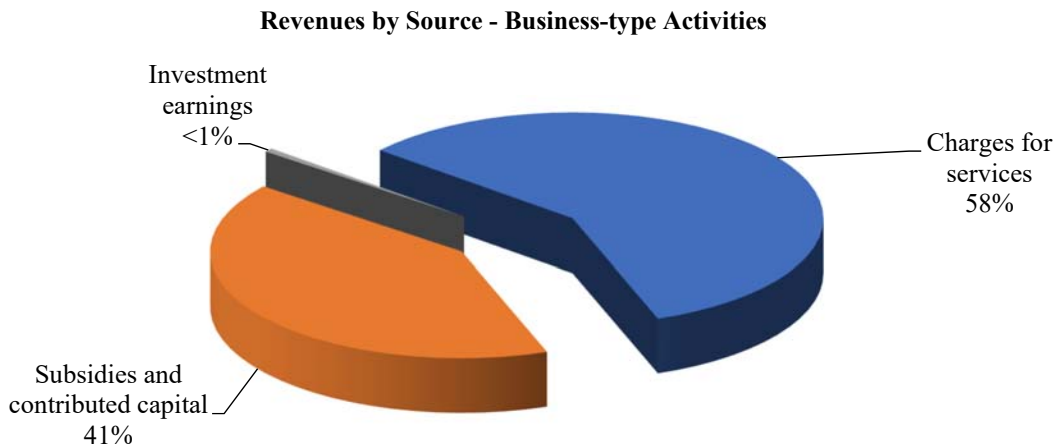
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Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	Governmental Activities	Business-type Activities	Total
Total 2018 program expenses under GASB 75	\$ 48,340,136	\$ 6,716,666	\$ 55,056,802
OPEB expense under GASB 75	(2,777,567)	(68,777)	(2,846,344)
2018 contractually require contributions	53,222	-	53,222
Adjusted 2018 program expenses	45,615,791	6,647,889	52,263,680
Total 2017 program expenses under GASB 45	45,748,859	5,526,260	51,275,119
Increase (Decrease) in program expenses not related to OPEB	\$ (133,068)	\$ 1,121,629	\$ 988,561

**Business-type activities.** Business-type activities increased the City's net position by \$3.3 million. The key element of the increase was the current year subsidies and transfers of capital assets from governmental sources of \$4.1 million.

The following charts illustrate 2018 revenues and expenses for the business type activities.





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**Financial Analysis of the City's Funds**

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

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

As of the close of the current year, the City's governmental funds reported combined ending fund balances of \$68.1 million, an increase of \$3.0 million in comparison with the prior year. Of this total amount:

- \$3.5 million, or 5%, represents non-spendable balances for inventories and advances.
- \$36.0 million, or 53%, 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.
- \$10.1 million, or 15%, 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.
- \$2.3 million, or 3%, of the fund balance is categorized as assigned. Assigned fund balances are constrained by the government's intent to use the funds for a specific purpose but are neither restricted nor committed.
- \$16.2 million, or 24%, of the fund balance is categorized as unassigned. The unassigned fund balance represents fund balance that has not been restricted, committed, or assigned.

The General Fund is the chief operating fund of the City. At the end of the current year, the unassigned fund balance of the General Fund was \$18.3 million, while the total fund balance was \$41.2 million. The remaining fund balance consists of \$15.5 million restricted for pension obligations and capital improvements; \$1.8 million committed for capital improvements and/or payment of debt issued for capital improvements and general liability insurance; \$3.4 million in non-spendable balance for inventories and advances not expected to be returned within one year; and, \$2.3 million assigned for future appropriations and expenditures.

During 2018, the City saw fund balance in the Infrastructure Improvement Fund decrease by \$1.3 million. This decrease was attributable to the following:

- The decrease in the Infrastructure Improvement Fund was the result of spending down existing balances on capital expenditures. The capital expenditures out of this fund were offset by grants revenue and transfers in from the General Fund

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During 2018, the City saw fund balances in the General Fund, General Obligation Bond Retirement Fund, and Bonded Improvement Fund increase by \$2.4 million, \$352,961, and \$131,678 respectively. These increases were attributable to the following:

- The increase in the General Fund was primarily the result of increased income tax revenue.
- The increase in the General Obligation Bond Retirement Fund primarily resulted from transfers in offset by debt service payments during the year.
- The increase in the Bonded Improvement Fund was the result of the issuance of debt for the purpose of capital improvements and interest offset by capital expenditures.

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

As of the close of the current year, the City's proprietary funds reported combined ending net position of \$53.3 million, an increase of \$3.6 million in comparison with the prior year. Of this total amount, \$46.2 million represents investment in capital assets (e.g. land, buildings, improvements other than buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding plus any significant unspent bond proceeds. The remaining \$7.1 million is unrestricted.

As mentioned above, net position increased \$3.6 million during 2018. During 2018, the Water Surcharge Fund, Stormwater Fund and Swimming Pools Fund saw decreases in net position of \$232,397, \$81,199, and \$397,252, respectively. These decreases were primarily the result of increase contractual services during the year.

During 2018, the Solid Waste Fund, Sanitary Sewer Surcharge Fund and Internal Service Fund saw increases in net position of \$150,107, \$3.8 million, and \$313,410, respectively. The large increase in the Sanitary Sewer Surcharge fund was primarily the result of receiving its portion of capital assets that were completed during 2018 and paid for out of governmental activity funds.

### **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, 2018, amounts to \$161.1 million, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress. The City's overall investment in capital assets, increased \$10.1 million, or 6.7%.

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

- ❑ **Key construction-in-progress infrastructure projects included:** The City continued its to invest in the 10-year capital improvements plan for its aging infrastructure. Construction, engineering and studies for street, waterline, and stormwater projects that have begun and will continue into future years include: Tremont Pool replacement, Northam Park renovations, street maintenance and street reconstruction programs, and various other street, waterline, bridge, sewer, and stormwater projects.
- ❑ **Key completed construction and infrastructure projects included:** 2018 street maintenance and street reconstruction programs, bridge replacements, park improvements and stormwater projects.

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**Capital assets, net of accumulated depreciation**

	Governmental Activities		Business-type Activities	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 4,461,752	\$ 4,456,212	\$ 1,236,573	\$ 1,236,573
Construction in progress	12,198,688	2,704,123	-	918,970
Building	8,002,483	8,251,197	-	-
Improvement	9,084,765	8,821,985	9,960,963	10,181,234
Machinery and equipment	4,053,979	4,316,123	411,548	212,895
Infrastructure	75,096,106	77,257,196	36,604,503	32,616,096
Total	<u>\$ 112,897,773</u>	<u>\$ 105,806,836</u>	<u>\$ 48,213,587</u>	<u>\$ 45,165,768</u>

Additional information on the City's capital assets can be found in Note 4 to the basic financial statements.

**Long-term debt.** At the end of the current year, the City had total bonded debt outstanding of \$74.4 million. This debt is backed by the full faith and credit of the City. The City does not have any revenue bonds.

**Outstanding Bonded General Obligation Debt**

	Governmental Activities		Business-type Activities	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General obligation bonds	\$ 72,456,100	\$ 67,296,564	\$ 1,908,900	\$ 1,998,436
Special assessment bonds	-	135,000	-	-
Total	<u>\$ 72,456,100</u>	<u>\$ 67,431,564</u>	<u>\$ 1,908,900</u>	<u>\$ 1,998,436</u>

During the current year, the City's total bonded debt increased by \$4.9 million as a result of the issuance of \$9.5 million in various purpose bonds for the purpose of funding capital improvements offset by regular debt payments.

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

Additional information on the City's long-term debt can be found in Note 6 to the basic financial statements.

**CITY OF UPPER ARLINGTON, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**(UNAUDITED)**

**General Fund Budgetary Highlights**

During 2018, the City increased its original General Fund revenues and other financing sources estimates by \$1.7 million. In addition, actual revenues and other financing sources exceeded the final estimate by \$1.1 million. These variances are both the result of greater than expected income tax receipts.

During 2018, the City increased original appropriations by \$226,700, highlighted by a \$218,200 advance to the W. Lane-Northwest TIF Fund. Other increases were made in relation to the higher than expected expenditures. Actual expenditures were \$1.8 million less than final appropriations are a result of conservative budgeting practices.

**Economic Factors and Next Year's Budgets and Rates**

- ❑ In 2018, Upper Arlington's average unemployment rate was 3.8%, which compares favorably to the state's average unemployment rate of 6.5%.
- ❑ The median household income in Upper Arlington is \$110,397, which is significantly higher the state's average of \$52,407.
- ❑ The Development Department issued 650 residential and commercial permits in 2018. The continued high level of home renovations speaks to business' and residents' continued confidence in the City as a stable and desirable community.
- ❑ During the current year, the unrestricted budgetary fund balance in the General Fund operating account increased \$1.3 million to a fund balance of \$16.7 million. The City has appropriated \$38.7 million for General Fund account operating expenditures in the 2019 year budget, which includes the 2019 budgeted revenues of \$37.0 million.
- ❑ Self-insured workers compensation claims were .4% of payroll. This is lower than the 1.3% anticipated in 2018. Health insurance costs remained stable during the current year. The City continues its efforts to contain costs by requiring employed spouses to be secondary on the City's health care plan as well as evaluating premium contributions. The City also continued to operate a wellness program in 2018.

**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 <https://upperarlingtonoh.gov>.

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

**STATEMENT OF NET POSITION  
AS OF DECEMBER 31, 2018**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Upper Arlington Community Improvement Corporation
<b>Assets</b>				
Cash, cash equivalents and investments	\$ 66,999,926	\$ 6,046,403	\$ 73,046,329	\$ -
Cash, cash equivalents in segregated accounts	-	-	-	5,940
Receivables (net of allowances for uncollectibles):				
Income taxes	7,817,316	-	7,817,316	-
Property and other taxes	10,344,112	-	10,344,112	-
Special assessments	359,612	-	359,612	-
Payments in lieu of taxes	3,382,951	-	3,382,951	-
Accounts	517,749	621,585	1,139,334	-
Accrued interest	237,948	11,825	249,773	-
Intergovernmental	2,446,936	-	2,446,936	-
Internal balances	83,000	(83,000)	-	-
Materials and supplies inventory	220,964	-	220,964	-
Asset held for resale	505,725	-	505,725	-
Capital assets:				
Non-depreciable	16,660,440	1,236,573	17,897,013	-
Depreciable	96,237,333	46,977,014	143,214,347	-
Net pension asset	17,304	2,059	19,363	-
Total assets	205,831,316	54,812,459	260,643,775	5,940
<b>Deferred Outflows of Resources</b>				
Deferred amount on refunding	846,090	-	846,090	-
Pension	7,518,313	439,088	7,957,401	-
OPEB	4,115,574	135,957	4,251,531	-
Total deferred outflows of resources	12,479,977	575,045	13,055,022	-
<b>Liabilities</b>				
Accounts payable	2,097,714	270,897	2,368,611	-
Accrued wages and benefits	464,264	15,380	479,644	-
Due to other governments	97,412	2,376	99,788	-
Accrued interest payable	177,982	5,577	183,559	-
Long-term liabilities:				
Due within one year	6,428,270	142,118	6,570,388	-
Due in more than one year:				
Other amounts due in more than one year	75,448,744	1,895,729	77,344,473	-
Net pension liability	37,870,655	1,089,222	38,959,877	-
Net OPEB liability	32,783,021	746,249	33,529,270	-
Total liabilities	155,368,062	4,167,548	159,535,610	-
<b>Deferred Inflows of Resources</b>				
Property and other local taxes	12,062,066	-	12,062,066	-
Pension	4,151,335	381,464	4,532,799	-
OPEB	775,240	123,651	898,891	-
Total deferred inflows of resources	16,988,641	505,115	17,493,756	-
<b>Net Position</b>				
Net investment in capital assets	56,030,022	46,219,776	102,249,798	-
Restricted for:				
Capital projects	27,543,506	-	27,543,506	-
Debt service	935,612	-	935,612	-
Street maintenance and repairs	1,893,897	-	1,893,897	-
Law enforcement and education	798,613	-	798,613	-
Pension obligations	2,621,805	-	2,621,805	-
Other purposes	467,262	-	467,262	-
Unrestricted	(44,336,127)	4,495,065	(39,841,062)	5,940
Total net position	\$ 45,954,590	\$ 50,714,841	\$ 96,669,431	\$ 5,940

See accompanying notes to the basic financial statements

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

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Functions/Programs</u>	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 11,266,953	\$ 1,230,738	\$ -	\$ -
Public safety	22,222,757	1,129,230	60,077	5,092
Public services	7,399,842	1,629,590	1,594,227	215,892
Parks and recreation	4,345,543	1,283,201	30,281	-
Community development	1,001,633	1,173,267	-	-
Interest and fiscal charges	2,103,408	-	52,431	-
Total governmental activities	<u>48,340,136</u>	<u>6,446,026</u>	<u>1,737,016</u>	<u>220,984</u>
Business-type activities:				
Solid waste	2,852,544	2,985,396	-	-
Water surcharge	697,378	465,691	-	-
Sanitary sewer surcharge	1,288,678	868,659	-	-
Stormwater	723,338	767,087	-	-
Swimming pools	1,154,728	758,428	-	-
Total business-type activities	<u>6,716,666</u>	<u>5,845,261</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 55,056,802</u>	<u>\$ 12,291,287</u>	<u>\$ 1,737,016</u>	<u>\$ 220,984</u>
Component unit:				
Upper Arlington Community Improvement Corporation	<u>\$ 3,371</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Change in net position

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

See accompanying notes to the basic financial statements

Primary Government			Component Unit
Net (Expense) Revenue and Changes in Net Position			Upper Arlington Community Improvement Corporation
Governmental Activities	Business-type Activities	Total	
\$ (10,036,215)	\$ -	\$ (10,036,215)	\$ -
(21,028,358)	-	(21,028,358)	-
(3,960,133)	-	(3,960,133)	-
(3,032,061)	-	(3,032,061)	-
171,634	-	171,634	-
(2,050,977)	-	(2,050,977)	-
(39,936,110)	-	(39,936,110)	-
-	132,852	132,852	-
-	(231,687)	(231,687)	-
-	(420,019)	(420,019)	-
-	43,749	43,749	-
-	(396,300)	(396,300)	-
-	(871,405)	(871,405)	-
(39,936,110)	(871,405)	(40,807,515)	-
-	-	-	(3,371)
29,730,445	-	29,730,445	-
10,172,251	-	10,172,251	-
2,769,190	-	2,769,190	-
2,539,148	-	2,539,148	-
1,236,692	57,809	1,294,501	8
323,106	-	323,106	-
(4,108,111)	4,108,111	-	-
42,662,721	4,165,920	46,828,641	8
2,726,611	3,294,515	6,021,126	(3,363)
43,227,979	47,420,326	90,648,305	9,303
\$ 45,954,590	\$ 50,714,841	\$ 96,669,431	\$ 5,940

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

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
AS OF DECEMBER 31, 2018**

	General	General Obligation Bond Retirement	Bonded Improvement	Infrastructure Improvement
<b>Assets:</b>				
Cash, cash equivalents and investments	\$ 33,236,660	\$ 875,997	\$ 12,737,247	\$ 7,505,960
Receivables (net of allowances):				
Income taxes	7,817,316	-	-	-
Property and other taxes	9,996,309	343,820	-	-
Special assessments	310,488	1,007	-	48,117
Payments in lieu of taxes	-	-	-	-
Accounts	511,856	-	-	-
Accrued interest	230,298	-	-	-
Intergovernmental	1,229,471	23,322	-	367,492
Advances to other funds	2,802,335	-	-	-
Due from other funds	450,000	-	-	-
Materials and supplies inventory	69,473	-	-	-
Asset held for resale	505,725	-	-	-
Total assets	<u>\$ 57,159,931</u>	<u>\$ 1,244,146</u>	<u>\$ 12,737,247</u>	<u>\$ 7,921,569</u>
<b>Liabilities:</b>				
Accounts payable	\$ 473,341	\$ -	\$ 319,962	\$ 811,000
Accrued wages and benefits	439,849	-	-	-
Due to other governments	93,401	-	-	-
Accrued vacation and sick leave	166,525	-	-	-
Advances from other funds	-	-	-	-
Due to other funds	7,883	-	-	-
Total liabilities	<u>1,180,999</u>	<u>-</u>	<u>319,962</u>	<u>811,000</u>
<b>Deferred Inflows of Resources</b>				
Property and Other Local Taxes	8,959,653	308,534	-	-
Unavailable Revenue	5,812,438	29,998	-	343,848
Total deferred inflows of resources	<u>14,772,091</u>	<u>338,532</u>	<u>-</u>	<u>343,848</u>
<b>Fund Balances:</b>				
Nonspendable	3,377,533	-	-	-
Restricted	15,504,988	905,614	12,417,285	-
Committed	1,778,409	-	-	6,766,721
Assigned	2,285,910	-	-	-
Unassigned (deficit)	18,260,001	-	-	-
Total fund balances	<u>41,206,841</u>	<u>905,614</u>	<u>12,417,285</u>	<u>6,766,721</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 57,159,931</u>	<u>\$ 1,244,146</u>	<u>\$ 12,737,247</u>	<u>\$ 7,921,569</u>

See accompanying notes to the basic financial statements



Other Governmental	Total Governmental
\$ 9,432,225	\$ 63,788,089
-	7,817,316
3,983	10,344,112
-	359,612
3,382,951	3,382,951
5,893	517,749
7,650	237,948
826,651	2,446,936
-	2,802,335
-	450,000
151,491	220,964
-	505,725
<u>\$ 13,810,844</u>	<u>\$ 92,873,737</u>
\$ 30,737	\$ 1,635,040
24,415	464,264
4,011	97,412
-	166,525
2,677,335	2,677,335
325,318	333,201
<u>3,061,816</u>	<u>5,373,777</u>
2,793,879	12,062,066
<u>1,158,836</u>	<u>7,345,120</u>
<u>3,952,715</u>	<u>19,407,186</u>
151,491	3,529,024
7,133,371	35,961,258
1,539,868	10,084,998
-	2,285,910
<u>(2,028,417)</u>	<u>16,231,584</u>
<u>6,796,313</u>	<u>68,092,774</u>
<u>\$ 13,810,844</u>	<u>\$ 92,873,737</u>



CITY OF | **UPPER ARLINGTON**

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2018

<b>Total Governmental Fund Balances</b>	<b>\$ 68,092,774</b>
<i>Amounts reported for governmental activities in the statement of net position are different due to the following:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	112,897,773
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	
Income taxes receivable	3,917,531
Property taxes receivable	170,297
Special assessments receivable	355,482
Payments in lieu of taxes receivable	589,072
Intergovernmental receivable	1,920,898
Accounts receivable	303,067
Interest receivable	88,773
In the statement of activities interest is accrued on outstanding loans payable, whereas in governmental funds, interest expenditures are reported when due.	(177,982)
The net pension asset, net pension liability and net OPEB liability are not due and payable in the current period; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.	
Net pension asset	17,304
Deferred outflows - pension	7,518,313
Deferred outflows - OPEB	4,115,574
Net pension liability	(37,870,655)
Net OPEB liability	(32,783,021)
Deferred inflows - pension	(4,151,335)
Deferred inflows - OPEB	(775,240)
Long-Term liabilities, including bonds and loans payable, are not due and payable in the current period and therefore are not reported in the funds:	
Accrued vacation and sick leave	(2,590,592)
Bonds and loans payable	(75,599,998)
Deferred outflows - bond refundings, net	846,090
Premium on bonds, net	(3,611,995)
Discount on bonds, net	92,096
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.	2,590,364
<b>Net Position of Governmental Activities</b>	<b><u>\$ 45,954,590</u></b>

See accompanying notes to the basic financial statements

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	General	General Obligation Bond Retirement	Bonded Improvement	Infrastructure Improvement
<b>Revenues:</b>				
Municipal income taxes	\$ 28,232,156	\$ -	\$ -	\$ -
Property and other taxes	9,719,737	403,104	-	-
Special assessments	52,278	89,402	-	4,130
Payments in lieu of taxes	-	-	-	-
Charges for services	1,843,747	-	-	-
Licenses and permits	1,359,976	-	-	-
Fines and forfeitures	278,252	-	-	-
Intergovernmental	2,459,625	58,467	72,146	589,733
Investment earnings	998,839	-	148,595	-
Miscellaneous	1,203,875	-	25,125	246,218
Total revenues	<u>46,148,485</u>	<u>550,973</u>	<u>245,866</u>	<u>840,081</u>
<b>Expenditures:</b>				
Current:				
General government	9,346,328	7,265	-	-
Public safety	17,439,277	-	-	-
Public services	2,011,697	-	-	-
Parks and recreation	3,541,868	-	-	-
Community development	897,908	-	-	-
Capital outlay	918,304	-	9,629,188	5,864,906
Debt service:				
Principal retirement	-	4,700,556	-	-
Interest and fiscal charges	-	2,121,710	-	-
Bond issuance costs	-	152,229	-	-
Total expenditures	<u>34,155,382</u>	<u>6,981,760</u>	<u>9,629,188</u>	<u>5,864,906</u>
Excess (deficiency) of revenues over (under) expenditures	11,993,103	(6,430,787)	(9,383,322)	(5,024,825)
<b>Other Financing Sources (Uses):</b>				
Sale of capital assets	33,279	-	-	-
Sale of bonds	-	-	9,515,000	-
Premium on issuance of bonds	-	483,931	-	-
Transfers in	-	6,299,817	-	3,750,000
Transfers out	(9,589,357)	-	-	-
Total other financing sources (uses)	<u>(9,556,078)</u>	<u>6,783,748</u>	<u>9,515,000</u>	<u>3,750,000</u>
Net change in fund balances	2,437,025	352,961	131,678	(1,274,825)
Fund balance at beginning of year	38,769,816	552,653	12,285,607	8,041,546
Fund balance at end of year	<u>\$ 41,206,841</u>	<u>\$ 905,614</u>	<u>\$ 12,417,285</u>	<u>\$ 6,766,721</u>

See accompanying notes to the basic financial statements

Other Governmental	Total Governmental
\$ -	\$ 28,232,156
61,754	10,184,595
-	145,810
2,180,118	2,180,118
219,514	2,063,261
-	1,359,976
49,858	328,110
1,731,834	4,911,805
42,617	1,190,051
657,399	2,132,617
<u>4,943,094</u>	<u>52,728,499</u>
856,550	10,210,143
248,831	17,688,108
1,845,460	3,857,157
166,156	3,708,024
-	897,908
209,310	16,621,708
-	4,700,556
-	2,121,710
-	152,229
<u>3,326,307</u>	<u>59,957,543</u>
1,616,787	(7,229,044)
152,847	186,126
-	9,515,000
-	483,931
293,400	10,343,217
<u>(753,860)</u>	<u>(10,343,217)</u>
<u>(307,613)</u>	<u>10,185,057</u>
1,309,174	2,956,013
5,487,139	65,136,761
<u>\$ 6,796,313</u>	<u>\$ 68,092,774</u>



CITY OF | **UPPER ARLINGTON**

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

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, 2018

**Net Change in Fund Balances - Total Governmental Funds** **\$ 2,956,013**

*Amounts reported for governmental activities in the statement of activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlays	15,534,602
Depreciation expense	(4,245,361)

The effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations and disposals) is to decrease net position.

Loss on disposal	(90,193)
Contributions, donations, and transfers of construction in progress	(4,108,111)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 2,255,141

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amount as deferred outflows.

Pension	3,458,907
OPEB	53,222

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense on the statement of activities.

Pension	(5,544,116)
OPEB	(2,777,567)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Repayment of debt	4,700,556
Issuance of debt	(9,515,000)
Premium on issuance of debt	(483,931)
Accretion and amortization of premiums and deferred amount on refunding, etc.	166,377

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences	66,232
Accrued interest	4,154

The net revenue (expense) of the internal service funds, including the internal balance, is allocated among governmental activities. 295,686

**Change in Net Position of Governmental Activities** **\$ 2,726,611**

See accompanying notes to the basic financial statements

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

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
AS OF DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds				
	Solid Waste	Water Surcharge	Sanitary Sewer Surcharge	Stormwater	Swimming Pools
<b>Assets:</b>					
Current assets:					
Cash, cash equivalents and investments	\$ 950,089	\$ 950,527	\$ 1,099,152	\$ 2,527,239	\$ 519,396
Receivables (net of allowances):					
Accounts	304,040	86,616	162,620	68,309	-
Accrued interest	3,231	-	-	8,594	-
Due from other funds	-	-	-	-	-
Total current assets	<u>1,257,360</u>	<u>1,037,143</u>	<u>1,261,772</u>	<u>2,604,142</u>	<u>519,396</u>
Noncurrent assets:					
Nondepreciable capital assets	-	514	-	-	1,236,059
Depreciable capital assets, net	-	15,848,690	8,572,704	13,170,418	9,385,202
Net pension asset	-	173	686	366	834
Total noncurrent assets	<u>-</u>	<u>15,849,377</u>	<u>8,573,390</u>	<u>13,170,784</u>	<u>10,622,095</u>
Total assets	<u>1,257,360</u>	<u>16,886,520</u>	<u>9,835,162</u>	<u>15,774,926</u>	<u>11,141,491</u>
<b>Deferred Outflows of Resources</b>					
Pension	-	25,920	139,968	66,949	206,251
OPEB	-	4,627	36,545	20,963	73,822
Total deferred outflows of resources	<u>-</u>	<u>30,547</u>	<u>176,513</u>	<u>87,912</u>	<u>280,073</u>
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable	239,266	-	9,446	20,862	1,323
Accrued wages and benefits	-	1,345	10,315	3,315	405
Due to other governments	-	208	1,593	512	63
Due to other funds	125,000	17	134	43	5
Accrued vacation and sick leave	-	5,838	20,696	5,999	-
Loans payable	-	18,869	-	-	-
Bonds payable	-	50,456	4,313	35,947	-
Accrued interest payable	-	3,102	265	2,210	-
Total current liabilities	<u>364,266</u>	<u>79,835</u>	<u>46,762</u>	<u>68,888</u>	<u>1,796</u>
Noncurrent liabilities:					
Advances from other funds	125,000	-	-	-	-
Accrued vacation and sick leave	-	2,064	7,317	2,122	-
Loans payable	-	66,042	-	-	-
Bonds payable	-	1,011,288	86,412	720,484	-
Net pension liability	-	91,775	362,865	193,591	440,991
Net OPEB liability	-	62,875	248,677	132,592	302,105
Total noncurrent liabilities	<u>125,000</u>	<u>1,234,044</u>	<u>705,271</u>	<u>1,048,789</u>	<u>743,096</u>
Total liabilities	<u>489,266</u>	<u>1,313,879</u>	<u>752,033</u>	<u>1,117,677</u>	<u>744,892</u>
<b>Deferred Inflows of Resources:</b>					
Pension	-	131,231	85,488	46,872	117,873
OPEB	-	72,744	18,525	9,877	22,505
Total deferred inflows of resources	<u>-</u>	<u>203,975</u>	<u>104,013</u>	<u>56,749</u>	<u>140,378</u>
<b>Net Position:</b>					
Net investment in capital assets	-	14,702,549	8,481,979	12,413,987	10,621,261
Unrestricted	768,094	696,664	673,650	2,274,425	(84,967)
Total net position	<u>\$ 768,094</u>	<u>\$ 15,399,213</u>	<u>\$ 9,155,629</u>	<u>\$ 14,688,412</u>	<u>\$ 10,536,294</u>

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



Total	Governmental Activities - Internal Service
\$ 6,046,403	\$ 3,211,837
621,585	-
11,825	-
-	8,400
6,679,813	3,220,237
1,236,573	-
46,977,014	-
2,059	-
48,215,646	-
54,895,459	3,220,237
439,088	-
135,957	-
575,045	-
270,897	462,674
15,380	-
2,376	-
125,199	-
32,533	-
18,869	-
90,716	-
5,577	-
561,547	462,674
125,000	-
11,503	-
66,042	-
1,818,184	-
1,089,222	-
746,249	-
3,856,200	-
4,417,747	462,674
381,464	-
123,651	-
505,115	-
46,219,776	-
4,327,866	2,757,563
50,547,642	\$ 2,757,563
167,199	
\$ 50,714,841	

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds				
	Solid Waste	Water Surcharge	Sanitary Sewer Surcharge	Stormwater	Swimming Pools
<b>Operating Revenues:</b>					
Charges for services	\$ 2,985,396	\$ 465,691	\$ 867,073	\$ 767,087	\$ 758,428
Miscellaneous	-	-	1,586	-	-
Total operating revenues	<u>2,985,396</u>	<u>465,691</u>	<u>868,659</u>	<u>767,087</u>	<u>758,428</u>
<b>Operating Expenses:</b>					
Personal services	-	105,846	645,123	277,749	639,014
Materials and supplies	-	21,194	50,692	14,934	30,839
Contractual services	2,852,544	36,620	300,495	73,883	267,654
Self-insurance	-	-	-	-	-
Depreciation, net	-	501,335	297,432	332,702	216,975
Miscellaneous	-	-	-	-	1,198
Total operating expenses	<u>2,852,544</u>	<u>664,995</u>	<u>1,293,742</u>	<u>699,268</u>	<u>1,155,680</u>
Operating income (loss)	132,852	(199,304)	(425,083)	67,819	(397,252)
<b>Nonoperating Revenues (Expenses)</b>					
Investment earnings	17,255	-	-	40,554	-
Interest expense	-	(37,911)	(3,240)	(27,010)	-
Total nonoperating revenues (expenses)	<u>17,255</u>	<u>(37,911)</u>	<u>(3,240)</u>	<u>13,544</u>	<u>-</u>
Income (loss) before contributions	150,107	(237,215)	(428,323)	81,363	(397,252)
Capital contributions, net	-	4,818	4,265,855	(162,562)	-
Change in net position	150,107	(232,397)	3,837,532	(81,199)	(397,252)
Net position at beginning of year, restated	617,987	15,631,610	5,318,097	14,769,611	10,933,546
Net position at end of year	<u>\$ 768,094</u>	<u>\$ 15,399,213</u>	<u>\$ 9,155,629</u>	<u>\$ 14,688,412</u>	<u>\$ 10,536,294</u>

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

Total	Governmental Activities - Internal Service
\$ 5,843,675	\$ 3,690,013
1,586	116,205
<u>5,845,261</u>	<u>3,806,218</u>
1,667,732	-
117,659	-
3,531,196	-
-	3,492,808
1,348,444	-
1,198	-
<u>6,666,229</u>	<u>3,492,808</u>
(820,968)	313,410
57,809	-
(68,161)	-
<u>(10,352)</u>	<u>-</u>
(831,320)	313,410
<u>4,108,111</u>	<u>-</u>
3,276,791	313,410
	2,444,153
	<u>\$ 2,757,563</u>
17,724	
<u>\$ 3,294,515</u>	

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

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds				
	Solid Waste	Water Surcharge	Sanitary Sewer Surcharge	Stormwater	Swimming Pools
<b>Cash flow from Operating Activities</b>					
Receipts from customers and users	\$ 2,738,708	\$ 479,834	\$ 886,545	\$ 745,602	\$ 758,428
Payments to suppliers and contractual services	(2,797,205)	(57,826)	(371,362)	(73,484)	(298,729)
Payments to employees	-	(149,716)	(555,349)	(237,730)	(467,257)
Net cash provided (used) by operating activities	(58,497)	272,292	(40,166)	434,388	(7,558)
<b>Cash flow for Noncapital Financing Activities</b>					
Advances in	250,000	-	-	-	-
Net cash provided by non-capital financing activities	250,000	-	-	-	-
<b>Cash flow from Capital and Related Financing</b>					
Purchases of capital assets	-	-	(278,628)	(1,526)	(7,998)
Principal paid on capital debt	-	(68,670)	(4,255)	(35,480)	-
Interest paid on capital debt	-	(37,973)	(3,245)	(27,054)	-
Net cash used by capital and related financing activities	-	(106,643)	(286,128)	(64,060)	(7,998)
<b>Cash flow from investing activities</b>					
Interest and dividends received	16,118	-	-	37,937	-
Net cash provided by investing activities	16,118	-	-	37,937	-
Net increase (decrease) in cash and cash equivalents	207,621	165,649	(326,294)	408,265	(15,556)
Cash and cash equivalents, January 1	742,468	784,878	1,425,446	2,118,974	534,952
Cash and cash equivalents, December 31	<u>\$ 950,089</u>	<u>\$ 950,527</u>	<u>\$ 1,099,152</u>	<u>\$ 2,527,239</u>	<u>\$ 519,396</u>

See accompanying notes to the basic financial statements

Total	Governmental Activities - Internal Service
\$ 5,609,117	\$ 3,805,203
(3,598,606)	(3,433,281)
(1,410,052)	-
<u>600,459</u>	<u>371,922</u>
 250,000	 -
<u>250,000</u>	<u>-</u>
 (288,152)	 -
(108,405)	-
<u>(68,272)</u>	<u>-</u>
 (464,829)	 -
 54,055	 -
<u>54,055</u>	<u>-</u>
 439,685	 371,922
5,606,718	2,839,915
<u>\$ 6,046,403</u>	<u>\$ 3,211,837</u>
	(Continued)

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

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Business-type Activities - Enterprise Funds				
	Solid Waste	Water Surcharge	Sanitary Sewer Surcharge	Stormwater	Swimming Pools
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 132,852	\$ (199,304)	\$ (425,083)	\$ 67,819	\$ (397,252)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	-	501,335	297,432	332,702	216,975
(Increase) decrease in accounts receivable	(246,688)	14,143	17,886	(21,485)	-
Increase in due from other funds	-	-	-	-	-
Decrease in net pension asset and deferred outflows	-	130,560	45,335	14,903	59,766
Increase (decrease) in accounts payable	55,339	(12)	(20,175)	15,333	962
Increase in accrued payroll liabilities	-	134	1,083	2,497	473
Increase (decrease) in accrued vacation and sick leave	-	(2,176)	1,353	533	-
Increase (decrease) in net pension/OPEB liability and deferred inflows	-	(172,388)	42,003	22,086	111,518
Total adjustments	(191,349)	471,596	384,917	366,569	389,694
Net cash provided (used) by operating activities	<u>\$ (58,497)</u>	<u>\$ 272,292</u>	<u>\$ (40,166)</u>	<u>\$ 434,388</u>	<u>\$ (7,558)</u>
<b>Non cash investing, capital, and financing activities:</b>					
Contributions of capital assets from governmental activities	<u>\$ -</u>	<u>\$ 4,818</u>	<u>\$ 4,265,855</u>	<u>\$ 756,376</u>	<u>\$ -</u>
Contributions of capital-related debt from governmental activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (918,938)</u>	<u>\$ -</u>
Decrease in fair value of investments	<u>\$ (3,102)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,252)</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements

<u>Total</u>	<u>Governmental Activities - Internal Service</u>
\$ (820,968)	\$ 313,410
1,348,444	-
(236,144)	-
-	(1,015)
250,564	-
51,447	59,527
4,187	-
(290)	-
3,219	-
<u>1,421,427</u>	<u>58,512</u>
<u>\$ 600,459</u>	<u>\$ 371,922</u>
<u>\$ 5,027,049</u>	<u>\$ -</u>
<u>\$ (918,938)</u>	<u>\$ -</u>
<u>\$ (11,354)</u>	<u>\$ -</u>

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

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
AS OF DECEMBER 31, 2018

	<u>Agency Funds</u>
<b>Assets</b>	
Cash, cash equivalents and investments	\$ 1,290,751
Cash with third-party fiscal agent	796
Accounts receivable	48,968
 Total assets	 <u><u>\$ 1,340,515</u></u>
 <b>Liabilities</b>	
Due to others	\$ 1,340,515
 Total liabilities	 <u><u>\$ 1,340,515</u></u>

See accompanying notes to the basic financial statements



**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**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, the 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 Brent Lewis, Finance & Administrative Services Director, 3600 Tremont Road, Upper Arlington, Ohio 43221.

The City is associated with an organization, which is defined as a Jointly Governed Organization. This organization is presented in Note 15 to the basic financial statements.

**(b) Government-wide and Fund Financial Statements**

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

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

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

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

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

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

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

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

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

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

**(c) Measurement Focus and Basis of Accounting**

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

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

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

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

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

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

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

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

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

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

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

The City reports the following major governmental funds:

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

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

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

*Infrastructure Improvement Fund* – This fund accounts for a seven-year capital project program. The General Fund provides an annual fund transfer to fund the program.

The City reports the following major proprietary funds:

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

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

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

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

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

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

Additionally, the City reports the following fund types:

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

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

*Internal Service Funds* – These funds are used to account for financing services provided by one department to other departments of the City generally on a cost-reimbursement basis. The City's Internal Service funds report on the self-insurance program.

*Agency Funds* – These funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature and do not involve measurement of results of operations. The City's Agency Funds report on the assets held in a custodial manner for other organizations and employees.

**(d) Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance**

**1. Deposits and Investments**

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

During 2018, investments were limited to federal agency securities, municipal securities, U.S. Treasuries, corporate bonds, the State Treasury Asset Reserve of Ohio (STAR Ohio) and money market funds. Federal agency securities, municipal securities, and U.S. Treasuries are reported at fair value which is based on quoted market prices. STAR Ohio and money market accounts are reported at the net asset value (NAV) per share. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

STAR Ohio is 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 SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." For 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

**2. Receivables and Payables**

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

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the City. Real property tax revenues received in 2018 represent the collection of 2017 taxes. Real property taxes received in 2018 were levied after October 1, 2017, on the assessed values as of January 1, 2017, 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 2018 represent the collection of 2017 taxes. Public utility real and tangible personal property taxes received in 2017 became a lien on December 31, 2017, were levied after October 1, 2017, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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

Accrued property taxes receivable represents real property and public utility property taxes which were measurable as of December 31, 2018, 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 2018 operations.

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

The full tax rate for all City operations for the year ended December 31, 2018 was \$6.17 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2018 property tax receipts were based are as follows:

	<u>Assessed Valuation</u>
Real Property	\$ 1,896,739,860
Public Utility Property	27,231,410
Total	<u><u>\$ 1,923,971,270</u></u>

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

The City levies an income tax of 2.5% 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 \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement 34, the historical costs of governmental infrastructure assets (retroactive to January 1, 1980) are included as part of the governmental capital assets reported in the government-wide statements. Donated capital assets are recorded at estimated acquisition value at the time of donation.

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

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

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

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

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

**5. Deferred Outflows/Inflows of Resources**

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, pension and OPEB. 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 or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 10 and 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes delinquent property taxes, income taxes, special assessments and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental activities found on page 25. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 10 and 11)

**6. Compensated Absences**

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

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

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



**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

7. Long-term Obligations

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

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

8. Pensions/Other Postemployment Benefits (OPEB)

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

9. Fund Balance

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

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

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

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

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

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

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

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.

**10. Net Position**

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

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

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 2 – Deposits and Investments**

Deposit and Investment Policies

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. In addition, the City is prohibited from using reverse repurchase agreements and does not leverage its investment portfolio in any manner. During 2018, the City invested in STAR Ohio. 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, 2018 were 44.9 days.

The City purchases investments, except for certificates of deposit, only through its investment advisor, New Albany Capital Partners, LLC (NAC). NAC is contracted by the City to make investment recommendations and must acknowledge in writing their comprehension and receipt of the City policies.

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

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

- (a) U.S. Treasury Bills, Notes, and Bonds; various federal agency securities including issues of Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corp. (FHLMC), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), 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 ORC § 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) General obligations of the State of Ohio.
- (c) General 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, provided that all of the following apply:
  - 1. The debt is payable from the general revenues and backed by the full faith and credit of the political subdivision,
  - 2. The debt is rated at the time of purchase in the three highest classifications of at least one nationally recognized rating agency and purchased through a registered securities broker or dealer,
  - 3. The aggregate value of the bonds/obligations does not exceed twenty percent (20%) of the portfolio, and
  - 4. The City is not the sole buyer of the issue.

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 2 – Deposits and Investments (continued)**

- (d) Certificates of deposit issued by institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Certificates of deposit shall be collateralized using eligible securities or instruments as defined under ORC § 135.18 or 135.181. The selection of ORC § 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 ORC § 135.03, or any eligible securities dealer pursuant to ORC § 135.14(M). Repurchase agreements transacted with eligible securities dealers shall be executed on a delivery versus 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 (2) percent and marked to market daily. 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 consisting exclusively of obligations described in ORC § 135.14(B)(1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions mentioned in ORC § 135.03.
- (h) Commercial paper notes issued by an entity that is defined in ORC § 1705.01(D) and that has assets exceeding five hundred million dollars (\$500,000,000.00), to which notes all of the following apply:
  - 1. The notes are rated at the time of purchase in the highest classification established by at least two (2) nationally recognized standard rating services.
  - 2. The aggregate value of the notes does not exceed ten (10) percent of the aggregate value of the outstanding commercial paper of the issuing corporation.
  - 3. The notes mature not later than two hundred seventy (270) days after purchase.
  - 4. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five (5) percent of interim moneys available for investment at the time 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, Moody's, or Fitch.

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.

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 2 – Deposits and Investments (continued)**

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

**(b) Limitations on the investment of interim funds:**

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

1. The aggregate total of all corporate medium term notes shall not exceed fifteen percent (15%) of the average portfolio, based upon purchase cost or book value, at the time of purchase. Commercial paper and bankers' acceptances shall not be considered when calculating the maximum holdings in any single issuer.
2. The use of derivative securities, as defined in Ohio Revised Code §135.14(C), is expressly prohibited.
3. Collateralized mortgage obligations (CMOs) of any kind are expressly prohibited.

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

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

**Deposits**

At December 31, 2018, the carrying value of all the City's cash deposits was \$2,079,240, including \$200,000 of non-negotiable certificates of deposit, and the bank balance was \$2,188,833. Of the bank balance, \$450,000 was covered by the Federal Deposit Insurance Corporation (FDIC) and the remaining was uninsured and collateralized. The City's financial institution was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System. Additionally, within its agency funds, the City had cash on hand with a third-party fiscal agent in the amount of \$796.

Custodial credit risk is the risk that, in the event of bank failure, the City's deposits may not be returned. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute. Ohio law requires that deposits either be insured or be protected by:

1. Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
2. Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 2 – Deposits and Investments (continued)**

Investments

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

Investment type	Measurement Value	Investment maturities		
		1 year or less	1 to 3 years	3 to 5 years
STAR Ohio	\$ 12,764,604	\$ 12,764,604	\$ -	\$ -
Money market mutual fund	3,923,322	3,923,322	-	-
Municipal securities	645,058	523,560	121,498	-
FFCB	7,055,698	3,795,106	3,260,592	-
FHLB	7,346,119	2,940,477	2,000,280	2,405,362
FHLMC	1,191,552	-	800,360	391,192
FNMA	10,861,643	9,403,988	1,457,655	-
FMAC	21,284,829	5,462,390	12,435,531	3,386,908
Corporate Bonds	2,199,775	495,030	1,704,745	-
US treasuries	4,985,240	4,985,240	-	-
Total investments	<u>\$ 72,257,840</u>	<u>\$ 44,293,717</u>	<u>\$ 21,780,661</u>	<u>\$ 6,183,462</u>

STAR Ohio and money market accounts are reported at the net asset value (NAV) per share. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. All other investments are reported at fair value. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the City's investments, with the exception of STAR Ohio and money market mutual funds, are reported at fair value and are valued using significant other observable inputs (Level 2 inputs). Institutional bond quotes and evaluations based on various market and industry inputs are used in the valuation of the City's level 2 investments.

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

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

The City's investments in federal agency securities, US treasuries, STAR Ohio, and money market mutual funds were rated AAA. \$244,474 of the City's investments in municipal securities were rated AA and \$400,584 were rated P-1. Of the City's investments in corporate bonds, \$990,535 were rated AA, and \$1,209,240 were rated A.

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 2 – Deposits and Investments (continued)**

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

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

***Reconciliation of Cash and Investments to the Statement of Net Position:*** The following is a reconciliation of cash and investments to the statement of net position as of December 31, 2018:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 2,079,240
Cash held by third party agent	796
Investments	<u>72,257,840</u>
Total	<u><u>\$ 74,337,876</u></u>

<u>Cash and investments per statements of net position</u>	
Governmental activities	\$ 66,999,926
Business-type activities	6,046,403
Agency Fund	<u>1,291,547</u>
Total	<u><u>\$ 74,337,876</u></u>

Interest revenue credited to the General Fund as of December 31, 2018 consisted of \$1,219,975 in interest earnings and \$221,136 in unrealized fair value losses. Of the \$1,219,975 in interest earnings credited to the General Fund as of December 31, 2018, \$590,073 represents the amount assigned from other funds not entitled to earn interest per Ohio statute.

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 3 – Receivables and Deferred Inflows of Resources**

(a) Receivables

Receivables at December 31, 2018 consisted of income taxes, property and other taxes, special assessments, payments in lieu of taxes, accounts (billings for user charged services), accrued interest and intergovernmental receivables arising from grants, entitlements, and shared revenue. Receivables have been recorded to the extent that they are measurable at December 31, 2018. A summary of the items of receivables reported on the statement of net position follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Income taxes	\$ 7,817,316	\$ -
Property and other taxes	10,344,112	-
Special assessments	359,612	-
Payments in lieu of taxes	3,382,951	-
Accounts	517,749	621,585
Accrued interest	237,948	11,825
Intergovernmental	2,446,936	-

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

(b) Deferred Inflows of Resources

On the statement of net position, deferred inflows of resources include property taxes and payments in lieu of taxes for which there is an enforceable legal claim as of December 31, 2018, which were levied to finance year 2018 operations, pension and OPEB (see Notes 10 and 11).

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Property and other taxes	\$ 9,268,187	\$ -
Payments in lieu of taxes	2,793,879	-
Pension/OPEB	4,926,575	505,115
	<u>\$ 16,988,641</u>	<u>\$ 505,115</u>

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

	<b>General</b>	<b>General Obligation Bond Retirement</b>	<b>Infrastructure Improvement</b>	<b>Other Governmental</b>	<b>Total</b>
<u>Deferred inflows:</u>					
Income tax	\$ 3,917,531	\$ -	\$ -	\$ -	\$ 3,917,531
Property tax	164,628	5,669	-	-	170,297
Special assessments	310,488	1,007	43,987	-	355,482
Payments in lieu of taxes	-	-	-	589,072	589,072
Intergovernmental	1,037,720	23,322	299,861	559,995	1,920,898
Accrued interest	84,897	-	-	3,876	88,773
Accounts	297,174	-	-	5,893	303,067
Total deferred inflows	<u>\$ 5,812,438</u>	<u>\$ 29,998</u>	<u>\$ 343,848</u>	<u>\$ 1,158,836</u>	<u>\$ 7,345,120</u>



**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 4 – Capital Assets**

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning balance	Additions	Deductions	Transfers	Ending balance
<b><i>Governmental Activities</i></b>					
Nondepreciable capital assets					
Land	\$ 4,456,212	\$ 5,540	\$ -	\$ -	\$ 4,461,752
Construction in progress	2,704,123	14,189,577	-	(4,695,012)	12,198,688
Total nondepreciable assets	<u>7,160,335</u>	<u>14,195,117</u>	<u>-</u>	<u>(4,695,012)</u>	<u>16,660,440</u>
Depreciable capital assets					
Buildings	18,470,621	20,097	-	-	18,490,718
Improvements other than buildings	11,578,234	85,460	-	402,660	12,066,354
Machinery and equipment	17,656,390	887,261	(801,913)	-	17,741,738
Infrastructure	108,674,170	346,667	-	184,241	109,205,078
Total depreciable assets	<u>156,379,415</u>	<u>1,339,485</u>	<u>(801,913)</u>	<u>586,901</u>	<u>157,503,888</u>
Less accumulated depreciation					
Buildings	(10,219,424)	(268,811)	-	-	(10,488,235)
Improvements other than buildings	(2,756,249)	(225,340)	-	-	(2,981,589)
Machinery and equipment	(13,340,267)	(1,059,212)	711,720	-	(13,687,759)
Infrastructure	(31,416,974)	(2,691,998)	-	-	(34,108,972)
Total accumulated depreciation	<u>(57,732,914)</u>	<u>(4,245,361)</u>	<u>711,720</u>	<u>-</u>	<u>(61,266,555)</u>
Depreciable capital assets, net of accumulated depreciation	<u>98,646,501</u>	<u>(2,905,876)</u>	<u>(90,193)</u>	<u>586,901</u>	<u>96,237,333</u>
Total capital assets, net	<u>\$ 105,806,836</u>	<u>\$ 11,289,241</u>	<u>\$ (90,193)</u>	<u>\$ (4,108,111)</u>	<u>\$ 112,897,773</u>

Depreciation expense was charged to functions/programs of governmental activities as follows:

**Governmental Activities:**

General government	\$ 369,990
Public safety	578,852
Public services	3,000,002
Parks and recreation	292,139
Community development	4,378
Total depreciation expense	<u>\$ 4,245,361</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 4 – Capital Assets (continued)**

<i><b>Business-type Activities</b></i>	Beginning balance	Additions	Deductions	Transfers	Ending balance
Nondepreciable capital assets					
Land	\$ 1,236,573	\$ -	\$ -	\$ -	\$ 1,236,573
Construction in progress	918,970	-	-	(918,970)	-
Total nondepreciable assets	<u>2,155,543</u>	<u>-</u>	<u>-</u>	<u>(918,970)</u>	<u>1,236,573</u>
Depreciable capital assets					
Improvements other than buildings	11,641,749	7,998	-	-	11,649,747
Machinery and equipment	1,196,642	278,628	(12,328)	-	1,462,942
Infrastructure	55,889,236	1,526	-	5,027,081	60,917,843
Total depreciable assets	<u>68,727,627</u>	<u>288,152</u>	<u>(12,328)</u>	<u>5,027,081</u>	<u>74,030,532</u>
Less accumulated depreciation					
Improvements other than buildings	(1,460,515)	(228,269)	-	-	(1,688,784)
Machinery and equipment	(983,747)	(79,975)	12,328	-	(1,051,394)
Infrastructure	(23,273,140)	(1,040,200)	-	-	(24,313,340)
Total accumulated depreciation	<u>(25,717,402)</u>	<u>(1,348,444)</u>	<u>12,328</u>	<u>-</u>	<u>(27,053,518)</u>
Depreciable capital assets, net of accumulated depreciation	<u>43,010,225</u>	<u>(1,060,292)</u>	<u>-</u>	<u>5,027,081</u>	<u>46,977,014</u>
Total capital assets, net	<u>\$ 45,165,768</u>	<u>\$ (1,060,292)</u>	<u>\$ -</u>	<u>\$ 4,108,111</u>	<u>\$ 48,213,587</u>

Depreciation expense was charged to functions/programs of business-type activities as follows:

**Business-type Activities:**

Water Surcharge	\$ 501,335
Sanitary Sewer Surcharge	297,432
Stormwater	332,702
Swimming Pools	216,975
Total depreciation expense	<u>\$ 1,348,444</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 4 – Capital Assets (continued)**

Construction Commitments - The City has active construction projects as of December 31, 2018. The projects include reconstruction/maintenance of streets, waterlines, sewer lines and stormwater systems, installing fiber optic cable, sidewalks, replacing traffic signals, and various park-related projects. At year-end, the City's commitments with contractors are as follows:

Company	Contract Amount	Amount Remaining on Contract
Arcadis U.S.	\$ 959,806	\$ 680,662
Burgess and Niple	1,562,263	218,146
Carpenter Marty Transportation	386,048	2,373
Columbus Asphalt Paving	522,280	47,480
Decker Construction	6,588,144	365,319
DLZ Ohio	70,000	10,900
E.P. Ferris and Associates	145,571	28,692
EMH & T	220,890	62,545
Hardlines Design Company	204,902	107,489
OHM Advisors	39,250	9,797
Playworld Midstates	164,989	164,989
Strawser Paving	4,557,496	558,665
Thayer Power and Communication Line	258,758	125,041
Thomas & Marker Construction	1,408,287	913,132
U.S. Utility Contractor	439,940	439,940

Encumbrances - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by all funds on a budgetary basis of accounting. On the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities. Outstanding encumbrances, net of related payables, in the governmental funds at December 31, 2018 were as follows:

Fund	Encumbrances, net payables
General	\$ 951,021
Bonded Improvement	1,595,891
Infrastructure Improvement	2,218,311
Other Governmental	572,220
Total	<u>\$ 5,337,443</u>

**Note 5 – Interfund Activity**

(a) Due from/to Other Funds

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

“Due from/to other funds” balances at December 31, 2018 represent the premium charges payable to the BWC administration fund for the funding of worker’s compensation claims totaling \$8,400. Additionally, the Due from/to other funds” balances in the General, Other Governmental funds and Proprietary funds include \$450,000 in interfund balances that are expected to be repaid within one year. See the table in 5(b) for further detail.

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 5 – Interfund Activity (continued)**

**(b) Interfund Balances**

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

Interfund balances at December 31, 2018 as reported on the Governmental Funds Balance Sheet, consist of the following individual interfund advances:

Fund	Beginning balance	New advances	Advance repayments	Ending balance	Balance Sheet	
					Due from/to other funds	Advances from/to
General	\$ 2,989,135	\$ 468,200	\$ (205,000)	\$ 3,252,335	\$ 450,000	\$ 2,802,335
Other Governmental:						
Arlington Centre TIF	(5,000)	-	5,000	-	-	-
Tremont Road TIF	(291,135)	-	-	(291,135)	(25,000)	(266,135)
Kingsdale Core TIF	(818,000)	-	100,000	(718,000)	(200,000)	(518,000)
W. Lane Northwest TIF	-	(218,200)	-	(218,200)	-	(218,200)
Community Fiber Optic	(1,875,000)	-	100,000	(1,775,000)	(100,000)	(1,675,000)
Total Other Governmental	(2,989,135)	(218,200)	205,000	(3,002,335)	(325,000)	(2,677,335)
Proprietary Funds:						
Solid Waste	-	(250,000)	-	(250,000)	(125,000)	(125,000)
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

**(c) Interfund Transfers**

Interfund transfers for the year ended December 31, 2018, consisted of the following, as reported in the fund financials:

Transfers from	Transfers to			
	General Obligation Bond Retirement	Infrastructure Improvement	Other Governmental	Total
General	\$ 5,545,957	\$ 3,750,000	\$ 293,400	\$ 9,589,357
Other Governmental	753,860	-	-	753,860
Total	\$ 6,299,817	\$ 3,750,000	\$ 293,400	\$ 10,343,217

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

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**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 6 – Long-term Liabilities**

The following is a summary of changes in long-term liabilities of the Governmental and Business-type Activities for the year ended December 31, 2018:

<b>Governmental Activities</b>					
	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>General obligation bonds:</i>					
2008 Fire station bonds 2.875%-4.375%	\$ 285,801	\$ -	\$ (285,801)	\$ -	\$ -
2008 Infrastructure bonds 2.875%-4.375%	189,199	-	(189,199)	-	-
2009A Building renovation refunding bonds 2%-4%	430,000	-	(135,000)	295,000	145,000
2009C Various purpose bonds 2%-4%	1,065,000	-	(340,000)	725,000	355,000
2011 Refunding bonds 2%-3.5%	3,840,000	-	(610,000)	3,230,000	620,000
2012 Lane Ave mixed used development bonds 2%-3.125%	6,420,000	-	(195,000)	6,225,000	195,000
2012 Various purpose bonds 2%-3%	2,805,000	-	(135,000)	2,670,000	140,000
2013 Refunding bonds 3%-4%	6,905,000	-	(930,000)	5,975,000	455,000
2014 Refunding bonds 1.5%-3.5%	6,220,000	-	-	6,220,000	500,000
2015 Various purpose bonds 1.5%-4%	14,964,564	-	(670,464)	14,294,100	679,284
2015 Refunding bonds 1.5%-4%	5,947,000	-	(20,000)	5,927,000	510,000
2016 Various purpose bonds 2.45%-3.11%	9,820,000	-	(5,000)	9,815,000	5,000
2017 Various purpose bonds 3%	8,405,000	-	(840,000)	7,565,000	850,000
2018 Various purpose bonds 3%-4%	-	9,515,000	-	9,515,000	-
<i>Total general obligation bonds</i>	<u>67,296,564</u>	<u>9,515,000</u>	<u>(4,355,464)</u>	<u>72,456,100</u>	<u>4,454,284</u>
<i>Special assessment bonds:</i>					
1998 Neighborhood lighting bonds 4.85%	135,000	-	(135,000)	-	-
<i>Loans:</i>					
OPWC Tremont Road 0%	2,457,727	-	(104,584)	2,353,143	104,584
FCIB Community Fiber Network 1.7%	896,263	-	(105,508)	790,755	107,310
<i>Total loans</i>	<u>3,353,990</u>	<u>-</u>	<u>(210,092)</u>	<u>3,143,898</u>	<u>211,894</u>
Unamortized premium on bonds	3,434,604	483,931	(306,540)	3,611,995	-
Unamortized discount on bonds	(98,038)	-	5,942	(92,096)	-
<i>Total bonds and notes payable</i>	<u>74,122,120</u>	<u>9,998,931</u>	<u>(5,001,154)</u>	<u>79,119,897</u>	<u>4,666,178</u>
<i>Net pension liability:</i>					
OPERS	13,008,676	-	(3,859,085)	9,149,591	-
OP&F	28,223,350	497,714	-	28,721,064	-
<i>Total net pension liability:</i>	<u>41,232,026</u>	<u>497,714</u>	<u>(3,859,085)</u>	<u>37,870,655</u>	<u>-</u>
<i>Net OPEB Liability</i>					
OPERS	5,701,642	567,194	-	6,268,836	-
OP&F	21,151,269	5,362,916	-	26,514,185	-
<i>Total net OPEB liability</i>	<u>26,852,911</u>	<u>5,930,110</u>	<u>-</u>	<u>32,783,021</u>	<u>-</u>
Accrued vacation and sick leave	2,802,287	3,497,915	(3,543,085)	2,757,117	1,762,092
Total Governmental Activities long-term liabilities	<u>\$ 145,009,344</u>	<u>\$ 19,924,670</u>	<u>\$ (12,403,324)</u>	<u>\$ 152,530,690</u>	<u>\$ 6,428,270</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

<b>Business-type Activities</b>					
	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Water Surcharge Fund</i>					
General obligation bonds:					
2015 Various purpose bonds 1.5%-4%	\$ 1,111,545	\$ -	\$ (49,801)	\$ 1,061,744	\$ 50,456
Total general obligation bonds	1,111,545	-	(49,801)	1,061,744	50,456
OPWC loans:					
Arlington Avenue waterline 0%	103,780	-	(18,869)	84,911	18,869
Total OPWC loans	103,780	-	(18,869)	84,911	18,869
Net pension liability - OPERS	362,879	-	(271,104)	91,775	-
Net OPEB liability - OPERS	159,080	-	(96,205)	62,875	-
Accrued vacation and sick leave	10,078	19,360	(21,536)	7,902	5,838
<i>Total Water Surcharge Fund</i>	1,747,362	19,360	(457,515)	1,309,207	75,163
<i>Sewer Surcharge Fund</i>					
General obligation bonds:					
2015 Various purpose bonds 1.5%-4%	94,980	-	(4,255)	90,725	4,313
Total general obligation bonds	94,980	-	(4,255)	90,725	4,313
Net pension liability - OPERS	466,201	-	(103,336)	362,865	-
Net OPEB liability - OPERS	204,330	44,347	-	248,677	-
Accrued vacation and sick leave	26,660	77,894	(76,541)	28,013	20,696
<i>Total Sewer Surcharge Fund</i>	792,171	122,241	(184,132)	730,280	25,009
<i>Stormwater Fund</i>					
General obligation bonds:					
2015 Various purpose bonds 1.5%-4%	791,911	-	(35,480)	756,431	35,947
Total general obligation bonds	791,911	-	(35,480)	756,431	35,947
Net pension liability - OPERS	243,660	-	(50,069)	193,591	-
Net OPEB liability - OPERS	106,761	25,831	-	132,592	-
Accrued vacation and sick leave	7,588	26,997	(26,464)	8,121	5,999
<i>Total Stormwater Fund</i>	1,149,920	52,828	(112,013)	1,090,735	41,946
<i>Swimming Pools Fund</i>					
Net pension liability - OPERS	467,110	-	(26,119)	440,991	-
Net OPEB liability - OPERS	204,734	97,371	-	302,105	-
<i>Swimming Pools Fund</i>	671,844	97,371	(26,119)	743,096	-
Total Business-type Activities long-term liabilities	\$ 4,361,297	\$ 291,800	\$ (779,779)	\$ 3,873,318	\$ 142,118

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

The City pays obligations related to employee compensation from the fund benefitting from their service. There is no repayment schedule for the net pension/OPEB liability. However, employer pension/OPEB contributions are made from the following funds; the General Fund, the Bonded Improvement Fund, the Infrastructure Improvement Fund, Other Governmental Funds, and the Water Surcharge Fund, the Sewer Surcharge Fund, the Stormwater Fund, and the Swimming Pools fund.

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

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

*General Obligation Bonds:*

2018 Various Purpose Bonds

On December 19, 2018, the City issued \$9,515,000 in Various Purpose Limited Tax Bonds for the purpose of acquiring, constructing, installing, and equipping capital projects and public infrastructure with related equipment.

The bond issues included serial and term bonds, in the amounts of \$4,715,000 and \$4,800,000, respectively. The bonds were issued for a twenty year period with final maturity at December 1, 2038. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. Payments of principal and interest are recorded as disbursements of the General Obligation Bond Retirement Fund.

The \$4,800,000 term bonds maturing on December 1, 2038, are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

<u>Fiscal year</u>	<u>Principal amount to be redeemed</u>
2034	\$ 900,000
2035	925,000
2036	960,000
2037	990,000

The remaining principal amount of such Series 2018 Bonds (\$1,025,000) will be paid at stated maturity on December 1, 2038.

2017 Various Purpose Bonds

On January 10, 2017, the City issued \$9,280,000 in Various Purpose Limited Tax Bonds for the purpose of acquiring, constructing, installing, and equipping capital projects and public infrastructure with related equipment.

The bond issues included serial bonds, in the amounts of \$9,280,000. The bonds were issued for an eleven year period with final maturity at December 1, 2027. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. Payments of principal and interest are recorded as disbursements of the General Obligation Bond Retirement Fund.

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

2016 Various Purpose Bonds

On December 15, 2016, the City issued \$9,825,000 in Various Purpose Limited Tax Bonds for the purpose of acquiring, constructing, installing, and equipping capital projects and public infrastructure with related equipment.

The bond issues included serial and term bonds, in the amounts of \$5,520,000 and \$4,305,000, respectively. The bonds were issued for a twenty year period with final maturity at December 1, 2036. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. Payments of principal and interest are recorded as disbursements of the General Obligation Bond Retirement Fund.

The \$530,000 term bonds maturing on December 1, 2027, are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Fiscal year	Principal amount to be redeemed
2026	\$ 50,000

The remaining principal amount of such Series 2015 Bonds (\$480,000) will be paid at stated maturity on December 1, 2027.

The \$3,775,000 term bonds maturing on December 1, 2036, are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Fiscal year	Principal amount to be redeemed
2033	\$ 540,000
2034	1,060,000
2035	1,080,000

The remaining principal amount of such Series 2015 Bonds (\$1,095,000) will be paid at stated maturity on December 1, 2036.

2015 Various Purpose and Refunding Bonds

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



**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

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

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

The bond issues included serial and term bonds, in the amounts of \$22,760,000 and \$2,235,000, respectively. The bonds were issued for a twenty year period with final maturity at December 1, 2034. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. Payments of principal and interest are recorded as disbursements of the General Obligation Bond Retirement Fund.

The \$2,235,000 term bonds maturing on December 1, 2030, are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

<u>Fiscal year</u>	<u>Principal amount to be redeemed</u>
2029	\$ 1,100,000

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

2014 Refunding Bonds

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

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

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

2013 Refunding Bonds

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

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

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

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

2012 Various Purpose and Lane Ave Mixed Use Development Bonds

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

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

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

<u>Fiscal year</u>	<u>Principal amount to be redeemed</u>
2031	\$ 470,000

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

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

<u>Fiscal year</u>	<u>Principal amount to be redeemed</u>
2034	\$ 275,000

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

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

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

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

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

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

**2011 Refunding Bonds**

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

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

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

**2009 Various Purpose, Build America and Refunding Bonds**

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

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

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**Note 6 – Long-term Liabilities (continued)**

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

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

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

2008 Fire Station and Infrastructure Bonds

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

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

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

*Special Assessment Bonds:*

1998 Neighborhood Lighting Special Assessment Bonds

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

The bond issue included serial and term bonds, in the amounts of \$1,185,000 and \$605,000, respectively. The bonds matured on December 1, 2018. Payments of principal and interest are recorded as disbursements of the General Obligation Bond Retirement Fund.

*OPWC Loans:*

The City has entered into three debt financing arrangements through the Ohio Public Works Commission (OPWC) to finance road, water and sewer infrastructure improvement projects. The amounts due to the OPWC are payable solely from general revenues. The loan agreements function similar to a line-of-credit agreement. The OPWC loans are being repaid from the Capital Asset Management Fund and Water Surcharge Fund. The loan agreements require semi-annual payments based on the actual amount loaned. The two loans are scheduled to fully mature: January 1, 2023 (Arlington Avenue); and January 1, 2041 (Tremont Road).

**CITY OF UPPER ARLINGTON, OHIO**  
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**Note 6 – Long-term Liabilities (continued)**

*Franklin County Infrastructure Bank Loan:*

The City has entered into a debt financing arrangements through the Franklin County Infrastructure Bank (FCIB) to finance a community fiber network improvement project. The amount due to FCIB is payable solely from general revenues. The loan agreement function similar to a line-of-credit agreement. The loan is being repaid from the Community Fiber Optic Fund. The loan agreements require semi-annual payments with an interest rate of 1.7 percent. The loan is scheduled to fully mature October 1, 2025.

Future Debt Service Requirements

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2018 are follows:

	Governmental Activities			
	<i>General Obligation</i>		<i>Loans</i>	
	Principal	Interest	Principal	Interest
2019	\$ 4,454,284	\$ 2,317,265	\$ 211,894	\$ 12,988
2020	4,570,161	2,201,356	213,726	11,156
2021	4,076,626	2,058,901	215,589	9,293
2022	4,154,861	1,962,054	217,484	7,398
2023	4,227,504	1,860,709	219,412	5,471
2024-2028	20,767,962	7,295,068	758,490	5,028
2029-2033	18,217,857	3,732,202	522,920	-
2034-2038	10,646,845	1,100,666	522,921	-
2039-2042	1,340,000	106,251	261,462	-
Total	<u>\$ 72,456,100</u>	<u>\$ 22,634,472</u>	<u>\$ 3,143,898</u>	<u>\$ 51,334</u>

	Business-type Activities			
	<i>General Obligation</i>		<i>OPWC Loans</i>	
	Principal	Interest	Principal	Interest
2019	\$ 90,716	\$ 66,927	\$ 18,869	\$ -
2020	94,839	63,299	18,869	-
2021	98,374	59,506	18,869	-
2022	100,139	57,539	18,869	-
2023	102,496	55,535	9,435	-
2024-2028	577,038	212,812	-	-
2029-2033	692,143	97,480	-	-
2034	153,155	4,786	-	-
Total	<u>\$ 1,908,900</u>	<u>\$ 617,884</u>	<u>\$ 84,911</u>	<u>\$ -</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**Note 6 – Long-term Liabilities (continued)**

Debt Limitation

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the City's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2018, the City's total debt limit was \$202.0 million and the unvoted debt limit was \$105.8 million.

**Note 7 – Risk Management**

On October 1, 1997, the City established membership in the Central Ohio Risk Management Agency (CORMA) Self-Insurance Pool, Inc. CORMA was formed pursuant to ORC Section 2744.081. Members consist of the cities of Upper Arlington, Westerville, Pickerington, Dublin, Powell, Grove City, Groveport, Canal Winchester, and Grandview Heights. 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 \$430,228,288 limit for property claims for the pool. Coverage is provided for general liability (\$1,000,000/\$2,000,000), law enforcement liability (\$1,000,000/\$1,000,000), public official liability (\$1,000,000/\$1,000,000), employment practices liability (\$1,000,000/\$1,000,000) and automobile liability (\$1,000,000). Pool retentions are \$25,000 per loss for property, \$750,000 for umbrella and \$150,000 for liability. A third-party broker, with expertise in public entity pools, markets the program, identifies coverage lines and limits, and recommends the best insurer and insurance for procurement.

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

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

The City is self-insured for the employees' health care, dental, and worker's compensation claims. To account for and finance its health, dental, and worker's compensation claims, the City established the Employee Benefit Fund and the BWC Administration Fund (internal service funds). Operating funds of the City participate in the program and make payments to the Employee Benefit Fund and BWC Administration Fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The City purchases specific stop loss insurance for health care claims, which exceed \$90,000 per covered individual in one year and aggregate stop loss coverage at 125% of annual expected claims. The City purchases stop loss insurance for worker's compensation claims, which exceeds \$350,000 per occurrence.

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**Note 7 – Risk Management (continued)**

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

	General Liability	Health/Dental/ Workers Compensation
	<u>2017</u>	
Unpaid claims - January 1, 2017	\$ 2,744	\$ 437,939
Incurred claims	12,736	3,272,122
Payment of claims	(13,270)	(3,306,914)
Unpaid claims - December 31, 2017	<u>\$ 2,210</u>	<u>\$ 403,147</u>
	<u>2018</u>	
Unpaid claims - January 1, 2018	\$ 2,210	\$ 403,147
Incurred claims	29,491	3,492,808
Payment of claims	(31,486)	(3,433,281)
Unpaid claims - December 31, 2018	<u>\$ 215</u>	<u>\$ 462,674</u>

A claims liability of \$462,674 (health/dental/workers compensation) in the Internal Service Fund accounts payable balance represents an estimate for incurred but unpaid claims liabilities and incurred but not reported claims liabilities.

**Note 8 – Joint Operating Agreement**

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

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

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 9 – Contingent Liabilities**

(a) Grants

The City receives financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2018.

(b) Litigation

The City is a defendant in a number of lawsuits pertaining to matters, which are incidental to performing routine governmental functions. City management is of the opinion that ultimate settlement of such claims will not result in a material adverse effect on the City's financial position as of December 31, 2018.

**Note 10 – Defined Benefit Pension Plans**

***Net Pension (Asset)/Liability***

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

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

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

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

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



**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10 – Defined Benefit Pension Plans (continued)**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features.

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

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

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1.0% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1.0% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1.0% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

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

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**Note 10 – Defined Benefit Pension Plans (continued)**

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

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

**2018 Statutory Maximum Contribution Rates**

Employer	14.0 %
Employee	10.0 %

**2018 Actual Contribution Rates**

Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,275,271 for 2018. Of this amount, \$25,685 is reported as due to other governments.

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

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

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

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

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**Note 10 – Defined Benefit Pension Plans (continued)**

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

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

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

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

	<u>Police</u>	<u>Firefighters</u>
<b>2018 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25
<b>2018 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	<u>12.25 %</u>	<u>12.25 %</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$2,274,593 for 2018. Of this amount \$63,254 is reported as due to other governments.

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**Note 10 – Defined Benefit Pension Plans (continued)**

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

The net pension (asset)/liability for OPERS was measured as of December 31, 2017, and the total pension (asset)/liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension (asset)/liability was measured as of December 31, 2017 and was determined by rolling forward the total pension (asset)/liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net pension (asset)/liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Proportion of the Net Pension Liability/(Asset)				
Current Measurement Date	0.065265%	0.014224%	0.467964%	
Prior Measurement Date	0.064067%	0.014310%	0.445592%	
Change in Proportionate Share	<u>0.0011980%</u>	<u>-0.0000860%</u>	<u>0.02237200%</u>	
Proportionate Share of the Net Pension Liability/(Asset)	\$ 10,238,813	\$ (19,363)	\$ 28,721,064	\$ 38,940,514
Pension Expense	\$ 2,335,892	\$ 3,016	\$ 3,481,171	\$ 5,820,079

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
<b>Deferred Outflows of Resources</b>				
Differences between expected and actual experience	\$ 10,457	\$ -	\$ 435,862	\$ 446,319
Changes of assumptions	1,223,606	1,692	1,251,528	2,476,826
Change in proportionate share	407,616	155	1,076,621	1,484,392
City contributions subsequent to the measurement date	<u>1,266,716</u>	<u>8,555</u>	<u>2,274,593</u>	<u>3,549,864</u>
Total Deferred Outflows of Resources	<u>\$ 2,908,395</u>	<u>\$ 10,402</u>	<u>\$ 5,038,604</u>	<u>\$ 7,957,401</u>
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$ 201,776	\$ 5,769	\$ 51,957	\$ 259,502
Net difference between projected and actual earnings on pension plan investments	2,198,138	3,055	993,528	3,194,721
Change in proportionate share	<u>139,363</u>	<u>3,025</u>	<u>936,188</u>	<u>1,078,576</u>
Total Deferred Inflows of Resources	<u>\$ 2,539,277</u>	<u>\$ 11,849</u>	<u>\$ 1,981,673</u>	<u>\$ 4,532,799</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**Note 10 – Defined Benefit Pension Plans (continued)**

\$3,549,864 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OPERS	OP&F	Total
	Traditional Plan	Combined Plan		
2019	\$ 1,111,044	\$ (1,415)	\$ 677,836	\$ 1,787,465
2020	(137,453)	(1,491)	416,629	277,685
2021	(967,940)	(2,174)	(612,427)	(1,582,541)
2022	(903,249)	(2,102)	(337,224)	(1,242,575)
2023	-	(1,031)	511,235	510,204
Therafter	-	(1,789)	126,289	124,500
Total	<u>\$ (897,598)</u>	<u>\$ (10,002)</u>	<u>\$ 782,338</u>	<u>\$ (125,262)</u>

**Actuarial Assumptions - OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions and methods applied to all prior periods included in the measurement:

	Traditional Plan	Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA	Pre-1/7/13 Retirees: 3 percent, simple Post-1/7/13 Retirees: 3 percent simple through 2018, then 2.15 percent simple	Pre-1/7/13 Retirees: 3 percent, simple Post-1/7/13 Retirees: 3 percent simple through 2018, then 2.15 percent simple
Investment Rate of Return	7.5 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10 – Defined Benefit Pension Plans (continued)**

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

The following table displays the OPERS Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other investments	18.00	5.26
Total	100.00 %	5.66 %

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82% for 2017.

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**Note 10 – Defined Benefit Pension Plans (continued)**

**Discount Rate** The discount rate used to measure the total pension (asset)/liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension (asset)/liability.

**Sensitivity of the City's Proportionate Share of the Net Pension (Asset)/Liability to Changes in the Discount Rate**

The following table presents the City's proportionate share of the net pension (asset)/liability calculated using a discount rate of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension (asset)/liability			
Traditional Plan	\$ 18,181,524	\$ 10,238,813	\$ 3,616,986
Combined Plan	(10,539)	(19,363)	(25,461)

**Changes between Measurement Date and Report Date** In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City's net pension liability is not known.

**Actuarial Assumptions – OP&F**

OPF's total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017 and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

Valuation Date	January 1, 2017 with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Actuarial Assumption Experience Study Date	5 year period ended December 31, 2016
Investment Rate of Return	8.00 percent
Cost of Living Increases (COLA)	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3.00 percent
Salary Increases	3.75 percent to 10.50 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.50 percent

**CITY OF UPPER ARLINGTON, OHIO**  
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**Note 10 – Defined Benefit Pension Plans (continued)**

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates as follows, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent. For ages 67 or less, rates for police and fire are 77 percent and 68 percent, respectively. For ages 68 to 77, rates for police and fire are 105 percent and 87 percent, respectively. For ages 78 and up, rates for police and fire are 115 percent and 120 percent, respectively. Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the following rates and projected with the Conduit Modified 2016 Improvement Scale. Rates for ages 59 or less for police and fire are 35 percent. Rates for ages 60 to 69 for police and fire are 60 percent and 45 percent, respectively. Rates for ages 70 to 79 for police and fire are 75 percent and 70 percent, respectively. Rates for ages 80 and up for police and fire are 100 percent and 90 percent, respectively.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2017 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected Securities *	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	<u>120.00 %</u>	

Note: Assumptions are geometric

\* levered 2x

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.



**CITY OF UPPER ARLINGTON, OHIO**  
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**Note 10 – Defined Benefit Pension Plans (continued)**

**Discount Rate** The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$39,814,925	\$28,721,064	\$19,673,004

**Note 11 – Defined Benefit OPEB Plans**

**Net OPEB Liability**

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

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

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

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**Note 11 – Defined Benefit OPEB Plans (continued)**

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. This trust is also used to fund health care for Member-Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.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 postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**Note 11 – Defined Benefit OPEB Plans (continued)**

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, State and Local employers contributed at a rate of 14.0 percent of earnable salary and Public Safety and Law Enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the RMA for participants in the Member-Direction Plan for 2018 was 4.0%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2018.

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

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 a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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. The report may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**Note 11 – Defined Benefit OPEB Plans (continued)**

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefit under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

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 2018, the portion of employer contributions allocated to health care was .50 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that 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.

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The City's contractually required contribution to OP&F was \$53,222 for 2018.

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability			
Current Measurement Date	0.064600%	0.467964%	
Prior Measurement Date	0.063132%	0.445592%	
Change in Proportionate Share	0.001468%	0.022372%	
Proportionate Share of the Net OPEB Liability	\$ 7,015,085	\$ 26,514,185	\$ 33,529,270
OPEB Expense	\$ 636,118	\$ 2,210,226	\$ 2,846,344

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**Note 11 – Defined Benefit OPEB Plans (continued)**

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$ 5,464	\$ -	\$ 5,464
Changes of assumptions	510,772	2,587,221	3,097,993
Change in proportionate share	168,372	926,480	1,094,852
City contributions subsequent to the measurement date	-	53,222	53,222
Total Deferred Outflows of Resources	<u>\$ 684,608</u>	<u>\$ 3,566,923</u>	<u>\$ 4,251,531</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ -	\$ 133,726	\$ 133,726
Net difference between projected and actual earnings on OPEB plan investments	522,577	174,528	697,105
Change in proportionate share	68,060	-	68,060
Total Deferred Inflows of Resources	<u>\$ 590,637</u>	<u>\$ 308,254</u>	<u>\$ 898,891</u>

\$53,222 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2019	\$ 164,132	\$ 450,516	\$ 614,648
2020	164,132	450,516	614,648
2021	(103,648)	450,516	346,868
2022	(130,645)	450,516	319,871
2023	-	494,148	494,148
Therafter	-	909,235	909,235
Total	<u>\$ 93,971</u>	<u>\$ 3,205,447</u>	<u>\$ 3,299,418</u>

**Actuarial Assumptions – OPERS**

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

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**Note 11 – Defined Benefit OPEB Plans (continued)**

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.85 percent
Prior Measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**Note 11 – Defined Benefit OPEB Plans (continued)**

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	100.00 %	4.98 %

**Discount Rate** A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability	\$ 9,319,842	\$ 7,015,085	\$ 5,150,558

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**Note 11 – Defined Benefit OPEB Plans (continued)**

***Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate*** Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 6,711,940	\$ 7,015,085	\$ 7,328,224

***Changes between Measurement Date and Report Date*** In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5 percent to 6.0 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City’s net OPEB liability is not known.

***Actuarial Assumptions – OP&F***

OP&F’s total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.



**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 11 – Defined Benefit OPEB Plans (continued)**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	3.24 percent
Prior measurement date	3.79 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five-year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 11 – Defined Benefit OPEB Plans (continued)**

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected Securities *	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	<u>120.00 %</u>	
Note: Assumptions are geometric		
* levered 2x		

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

**Discount Rate** The total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 11 – Defined Benefit OPEB Plans (continued)**

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*** Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.24 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City's proportionate share of the net OPEB liability	\$ 33,143,051	\$ 26,514,185	\$ 21,413,563

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate*** Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

Year	Non-Medicare	Non-AARP	AARP	Rx Drug	Medicare Part B
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

	1% Decrease	Current Rates	1% Increase
City's proportionate share of the net OPEB liability	\$ 20,596,695	\$ 26,514,185	\$ 34,488,958

***Changes between Measurement Date and Report Date*** In March 2018, the OP&F Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. The impact to the City's net OPEB Liability is not known.

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 12 – Fund Balance Classification**

Fund balance is classified as nonspendable, restricted, committed, assigned, and unassigned 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. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	General Obligation Bond Retirement	Bonded Improvement	Infrastructure Improvement	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>						
Inventory	\$ 69,473	\$ -	\$ -	\$ -	\$ 151,491	\$ 220,964
Advances	2,802,335	-	-	-	-	2,802,335
Assets held for resale	505,725	-	-	-	-	505,725
<b>Total Nonspendable</b>	<b>3,377,533</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>151,491</b>	<b>3,529,024</b>
<b>Restricted:</b>						
Capital projects	13,086,591	-	12,417,285	-	4,675,984	30,179,860
Debt service	-	905,614	-	-	-	905,614
Street maintenance and repairs	-	-	-	-	1,192,494	1,192,494
Pensions	2,418,397	-	-	-	-	2,418,397
Law enforcement and education	-	-	-	-	998,379	998,379
Other purposes	-	-	-	-	266,514	266,514
<b>Total Restricted</b>	<b>15,504,988</b>	<b>905,614</b>	<b>12,417,285</b>	<b>-</b>	<b>7,133,371</b>	<b>35,961,258</b>
<b>Committed:</b>						
Capital projects	-	-	-	6,766,721	1,338,229	8,104,950
Emergency medical services	335,752	-	-	-	-	335,752
Economic development	391,653	-	-	-	-	391,653
Civil service	45,566	-	-	-	-	45,566
Self insurance	844,027	-	-	-	-	844,027
Technology	161,411	-	-	-	-	161,411
Parks and recreation	-	-	-	-	201,639	201,639
<b>Total Committed</b>	<b>1,778,409</b>	<b>-</b>	<b>-</b>	<b>6,766,721</b>	<b>1,539,868</b>	<b>10,084,998</b>
<b>Assigned:</b>						
Future appropriations	1,624,100	-	-	-	-	1,624,100
General government	487,076	-	-	-	-	487,076
Public safety	62,893	-	-	-	-	62,893
Parks and recreation	45,392	-	-	-	-	45,392
Community development	50,479	-	-	-	-	50,479
Public services	15,970	-	-	-	-	15,970
<b>Total Assigned</b>	<b>2,285,910</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,285,910</b>
<b>Unassigned (deficit):</b>	<b>18,260,001</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,028,417)</b>	<b>16,231,584</b>
<b>Total Fund Balances</b>	<b>\$ 41,206,841</b>	<b>\$ 905,614</b>	<b>\$ 12,417,285</b>	<b>\$ 6,766,721</b>	<b>\$ 6,796,313</b>	<b>\$ 68,092,774</b>

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 13 – Tax Abatements**

***Northwest CRA***

Description – The City of Upper Arlington by Ordinance No. 127-99 adopted June 14, 1999, designated a portion of the City as a Community Reinvestment Area (CRA) pursuant to chapter 3735 of the Ohio Revised Code. The Director of Development for the State of Ohio determined that the area designated in that ordinance contains the characteristics set forth in Section 3735.66 of the Ohio Revised Code and confirmed the area as a CRA.

The City's CRA, "Northwest CRA" is approximately 50.84 acres north of Henderson Road, between SR 33 to the west and Sawmill Road to the east. The legislation creating the CRA was done to permit only commercial office projects as applicable uses for the CRA, and would not permit single family residential, multi-family residential, or retail commercial uses as projects which would qualify for the City's CRA incentive program.

The specific tax being abated is the property tax. The taxes are abated through a reduction in assessed value. For the "Northwest CRA", each exemption is done on a case-by-case basis in advance of construction or remodeling. Existing Commercial and industrial facilities shall not exceed twelve (12) years while new commercial and industrial facilities shall not exceed fifteen (15) years.

The City of Upper Arlington does have a revenue sharing agreement with the Dublin City School District as outlined in Ordinance No. 129-99.

The gross dollar amount for the total abated value of the parcels for the tax year 2018 is \$20,261.

The City of Upper Arlington will not be disclosing these abatement agreements individually. The City will also not be disclosing the individual company tax incentive payments pursuant to ORC 718.13.

In tax year 2018, the City of Upper Arlington had three (3) active CRA agreements in the Northwest CRA. City Staff found all active CRA agreements to be in compliance. The active CRA agreements are viewed by the Tax Incentive Review Council on an annual basis. Since the creation of the Northwest CRA there have been ten (10) CRA agreements.

Recipient Commitment – The company is committed to purchasing, remodeling, and/or constructing properties within the CRA that will improve property value and bring jobs to the City.

Provisions for recapturing abated taxes – There are no provisions for recapturing abated taxes as each abatement is reviewed by the Tax Incentive Review Council on an annual basis. Abatements may be cancelled if property owners are not in compliance with their Reinvestment Area Agreement.

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 14 – City of Upper Arlington Community Improvement Corporation (CIC)**

*Summary of Significant Accounting Policies*

Organization

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

Basis of Accounting

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

Basis of Presentation

The financial statements presentation follows the recommendations of the Financial Accounting Standards Board in FASB Codification ASC 958-210. Under FASB ASC 958-210, the Corporation is required to report information regarding its financial position and activities according to three classes of net position: unrestricted net position, temporarily restricted net position, and permanently restricted net position. At December 31, 2018, the net position of the CIC is unrestricted.

Cash and Cash Equivalents

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

Concentration of Credit Risk

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

Use of Estimates

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

Tax Exempt Status

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

*Restriction of Net Position*

The CIC did not have any restrictions on cash as of December 31, 2018.

*Contingent Liabilities*

Management believes there are no pending claims or lawsuits.

*Risk Management*

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

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 15 – Jointly Governed Organization**

Central Ohio Interoperable Radio System The Central Ohio Interoperable Radio System (COIRS) is a jointly governed organization between the City of Dublin, City of Worthington, Delaware County and the City of Hilliard (the “members”). The intent of the COIRS is for the members to share in providing the financial resources and infrastructure needed to operate a digital 800MHZ public safety radio system used for dispatching emergency response and law enforcement services across the member jurisdictions. The COIRS is contracted by a Governing Board consisting of the County Administrator and the city managers for each city, or their representative. Each member’s ability to influence the operations of COIRS is limited to its representation on the Governing Board. Appropriations are adopted by the Governing Board who exercised control over the operation and maintenance of COIRS. Each member initially contributed radio system infrastructure assets, and annually, are assessed a required contribution based on its utilization of the system and related operating costs. For 2018, the City contributed \$77,125. The City of Dublin serves as the fiscal agent. Financial information may be obtained from the City of Dublin, 5200 Emerald Parkway, Dublin, Ohio 43017.

**Note 16 – Fund Deficit**

At December 31, 2018, deficit fund balances were as follows:

Fund	Deficit Fund Balance
Other Governmental:	
Tremont Road TIF	\$ (286,047)
Kingsdale CORE TIF	(527,078)
Community Fiber Optic	(1,215,292)

These funds complied with Ohio State law, which does not permit a cash basis deficit at year end. The deficit fund balance in these funds resulted from an adjustment for accrued liabilities. The General Fund is responsible for any deficits in these funds and provides transfers when cash is required, rather than when accruals occur.

**Note 17 – Reclassification of Fund Balance**

For 2018, the Estate Tax Capital Projects Fund no longer met the criteria for major fund reporting. As a result, the beginning fund balances have been reclassified. The effects of this reclassification on beginning fund balances were as follows:

Fund	Estate Tax Capital Projects	Other Governmental
Fund Balance, December 31, 2017	\$ 403,282	\$ 5,083,857
Major Fund Reclassification	(403,282)	403,282
Fund Balance, January 1, 2018	<u>\$ -</u>	<u>\$ 5,487,139</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 18 – Changes in Accounting Principles and Restatement of Net Position**

For 2018, the City implemented GASB Statement No. 75 “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*” improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB) and improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities by establishing new accounting and financial reporting requirements for OPEB plans. The implementation of this pronouncement had the following effects on net position as reported December 31, 2017:

	Governmental Activities	Business-Type Activities	Water Surcharge	Sanitary Sewer Surcharge	Stormwater	Swimming Pools
Net position December 31, 2017	\$69,946,321	\$48,085,492	\$15,789,870	\$5,519,182	\$14,874,641	\$11,134,337
Adjustments:						
Net OPEB Liability	(26,852,911)	(674,905)	(159,080)	(204,330)	(106,761)	(204,734)
Deferred Outflows - Payments Subsequent to Measurement Date	134,569	9,739	820	3,245	1,731	3,943
Restated Net Position December 31, 2017	<u>\$43,227,979</u>	<u>\$47,420,326</u>	<u>\$15,631,610</u>	<u>\$5,318,097</u>	<u>\$14,769,611</u>	<u>\$10,933,546</u>

For 2018, the City implemented GASB Statement No. 85 “*Omnibus 2017*” addresses practice issues that have been identified during implementation and application of certain GASB Statements. Specific issues discussed relate to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits [OPEB]). The implementation of this statement did not have a significant effect on the financial statements of the City.

For 2018, the City implemented GASB Statement No. 86 “*Certain Debt Extinguishment Issues*” improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of this statement did not have an effect on the financial statements of the City’s.

For 2018, the City early implemented GASB Statement No. 89 “*Accounting for Interest Cost Incurred before the End of a Construction Period*” which addresses capitalizing interest. The implementation of this statement did not have an effect on the financial statements of the City’s.

**Note 19 – Subsequent Event**

On January 8, 2018, the City issued \$5,370,000 in Various Purpose Limited Tax Serial Bonds for the purpose of acquiring, constructing, installing, and equipping capital projects and public infrastructure with related equipment. The bonds have a final maturity at December 1, 2027. Interest payments on the current interest bonds are due on June 1 and December 1 of each year.



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

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	GENERAL FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Income tax	\$ 26,316,000	\$ 28,121,000	\$ 28,736,756	\$ 615,756
Property and other local taxes	9,703,100	10,072,734	9,982,776	(89,958)
Special assessments	50,000	50,000	52,278	2,278
Charges for services	1,080,000	1,112,400	1,087,487	(24,913)
Licenses and permits	1,100,000	1,133,000	1,359,976	226,976
Fines and forfeitures	325,000	325,000	301,480	(23,520)
Intergovernmental	2,258,900	2,305,716	2,460,374	154,658
Investment earnings	507,000	642,000	827,338	185,338
Miscellaneous	1,809,500	1,160,000	1,185,415	25,415
Total revenues	43,149,500	44,921,850	45,993,880	1,072,030
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Police</b>				
Personal services	7,215,200	7,299,400	7,141,510	157,890
Other than personal services	1,460,800	1,460,800	1,243,152	217,648
Capital outlay	106,000	107,700	107,693	7
<b>Fire</b>				
Personal services	8,363,800	8,363,800	8,172,102	191,698
Other than personal services	397,700	397,700	349,961	47,739
<b>Board of Health</b>				
Other than personal services	290,000	297,465	297,465	-
<b>Parks and recreation</b>				
Personal services	2,533,400	2,533,400	2,411,207	122,193
Other than personal services	1,099,400	1,176,300	1,105,662	70,638
Capital outlay	172,000	172,000	153,374	18,626
<b>Development</b>				
Personal services	779,900	791,900	789,147	2,753
Other than personal services	159,800	159,800	137,724	22,076
Capital outlay	275,000	63,520	-	63,520
<b>Public Service Administration</b>				
Personal services	847,500	907,130	906,942	188
Other than personal services	88,500	98,500	85,285	13,215
Capital outlay	-	69,000	63,316	5,684
<b>Public Works</b>				
Personal services	901,800	817,170	816,679	491
Other than personal services	231,700	231,700	214,804	16,896
Capital outlay	139,000	139,000	95,586	43,414
<b>City Manager</b>				
Personal services	1,098,500	1,108,500	1,095,204	13,296
Other than personal services	143,900	214,900	190,293	24,607
<b>City Attorney</b>				
Personal services	597,900	607,900	603,319	4,581
Other than personal services	135,500	135,500	104,454	31,046

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	GENERAL FUND (Continued)			
	Adopted Budget	Revised Budget	Actual	Variance
<b>City Clerk</b>				
Personal services	210,000	210,000	201,592	8,408
Other than personal services	34,900	34,900	32,136	2,764
<b>City Council</b>				
Personal services	169,000	152,200	131,637	20,563
Other than personal services	5,800	6,300	6,140	160
<b>Clerk of Court</b>				
Personal services	178,200	178,200	175,107	3,093
Other than personal services	292,400	292,400	176,210	116,190
<b>Finance</b>				
Personal services	847,000	889,100	804,137	84,963
Other than personal services	165,000	270,000	238,485	31,515
<b>Facilities Maintenance</b>				
Personal services	100,400	44,400	32,628	11,772
Other than personal services	2,176,400	1,754,000	1,622,165	131,835
Capital outlay	-	6,280	6,280	-
<b>Information Technology</b>				
Personal services	506,400	506,400	502,489	3,911
Other than personal services	915,200	910,200	702,910	207,290
Capital outlay	486,000	491,000	416,019	74,981
<b>General Government</b>				
Personal services	405,800	655,800	625,998	29,802
Other than personal services	1,838,800	1,891,835	1,845,080	46,755
Total expenditures	<u>35,437,600</u>	<u>35,446,100</u>	<u>33,603,892</u>	<u>1,842,208</u>
Excess (deficiency) of expenditures over (under) revenues	7,711,900	9,475,750	12,389,988	2,914,238
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Proceeds from sale of capital assets	-	-	33,279	33,279
Transfers-in	25,000	-	-	-
Transfers out	(9,676,300)	(9,676,300)	(9,676,275)	25
Advances in	205,000	205,000	205,000	-
Advances out	(250,000)	(468,200)	(468,200)	-
Total other financing sources (uses)	<u>(9,696,300)</u>	<u>(9,939,500)</u>	<u>(9,906,196)</u>	<u>33,304</u>
Net change in fund balance	(1,984,400)	(463,750)	2,483,792	2,947,542
Fund balances at beginning of year	28,925,195	28,925,195	28,925,195	-
Lapsed encumbrances	141,806	141,806	141,806	-
Fund balances at end of year	<u>\$ 27,082,601</u>	<u>\$ 28,603,251</u>	<u>\$ 31,550,793</u>	<u>\$ 2,947,542</u>

(Continued)

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

**Net Change in Fund Balance**

Budget Basis	\$ 2,483,792
Emergency Medical Services Fund change	42,195
Economic Development Venture Fund change	116,035
Civil Service fund change	8,248
Net Adjustment for Revenue Accruals	(576,641)
Net Adjustment for Expenditure Accruals	(1,124,759)
Net Adjustment for Other Financing Sources (Uses)	263,200
Adjustment for Encumbrances	1,224,955
GAAP Basis	<u><u>\$ 2,437,025</u></u>

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO THE BUDGETARY SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note (1) – Budgetary process**

The City adopts annual expenditure budgets for all governmental, proprietary, and agency fund types, with the exception of the Flexible Benefits Fund. The CIC, a component unit of the City, does not adopt an annual expenditure budget. The City Council follows procedures outlined below in establishing the expenditure budget data reported in the Municipal Program of Services Adopted Budget for 2017 - 2018.

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

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

No transfer of appropriations can be made without City Council action, with the exception of certain transfers within a department's appropriation, within a fund, if the amounts are less than \$10,000. Expenditures cannot legally exceed appropriations at the character level. During 2018, various transfers of appropriations, supplemental appropriations, and reductions in appropriation were made in the following amounts:

<u>Fund Type</u>	<u>Increase/ (Decrease)</u>
General Fund	\$ 226,700
Special Revenue Funds	75,000
Debt Service Fund	200,000
Capital Projects Funds	969,550
Enterprise Funds	215,000

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 commitments or assignments of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

**Note (2) – General fund budgetary highlights**

During 2018, the City amended its original General Fund revenue estimates by \$1,772,350 and appropriations by \$226,700. The revenue estimate increase was highlighted by a \$1.8 million increase in income tax revenues. The increases to the original appropriations were highlighted by a \$218,200 advance to the W. Lane-Northwest TIF Fund. Other increases were made in relation to the higher than expected expenditures.

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

Last Five Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension (Asset)/Liability					
Traditional Plan	0.065265%	0.064067%	0.060318%	0.064049%	0.064049%
Combined Plan	0.014224%	0.014310%	0.011180%	0.002335%	0.002335%
City's Proportionate Share of the Net Pension (Asset)/Liability					
Traditional Plan	\$ 10,238,813	\$ 14,548,526	\$ 10,447,838	\$ 7,725,025	\$ 7,550,542
Combined Plan	(19,363)	(7,964)	(5,440)	(899)	(245)
City's Covered Payroll	\$ 9,155,141	\$ 8,753,602	\$ 7,845,468	\$ 7,854,017	\$ 7,970,038
City's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Payroll	111.63%	166.11%	133.10%	98.35%	94.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability					
Traditional Plan	84.66%	77.25%	81.08%	86.45%	86.36%
Combined Plan	137.28%	116.55%	116.90%	114.83%	104.56%

(1) This schedule is intended to show information for ten years. Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

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

Last Five Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension Liability	0.467964%	0.445592%	0.462669%	0.4750351%	0.4750351%
City's Proportionate Share of the Net Pension Liability	\$ 28,721,064	\$ 28,223,350	\$ 29,763,821	\$ 24,608,799	\$ 23,135,700
City's Covered Payroll	\$ 10,551,438	\$ 9,589,115	\$ 9,338,241	\$ 7,393,927	\$ 7,851,553
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	272.20%	294.33%	318.73%	332.82%	294.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%	72.20%	73.00%

(1) This schedule is intended to show information for ten years. Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

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

Last Six Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 1,275,271	\$ 1,190,168	\$ 1,050,432	\$ 941,457
Contributions in Relation to the Contractually Required Contribution	<u>\$ 1,275,271</u>	<u>\$ 1,190,168</u>	<u>\$ 1,050,432</u>	<u>\$ 941,457</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 9,109,085	\$ 9,155,141	\$ 8,753,602	\$ 7,845,468
Contributions as a Percentage of Covered Payroll	14.00%	13.00%	12.00%	12.00%

(1) This schedule is intended to show information for ten years. Information prior to 2013 is not available.

See accompanying notes to the required supplementary information.



<u>2014</u>	<u>2013</u>
\$ 942,482	\$ 1,036,105
<u>\$ 942,482</u>	<u>\$ 1,036,105</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 7,854,017	\$ 7,970,038
12.00%	13.00%

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

Last Eight Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 2,274,593	\$ 2,264,705	\$ 2,045,318	\$ 1,995,536
Contributions in Relation to the Contractually Required Contribution	<u>\$ 2,274,593</u>	<u>\$ 2,264,705</u>	<u>\$ 2,045,318</u>	<u>\$ 1,995,536</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 10,644,341	\$ 10,551,438	\$ 9,589,115	\$ 9,338,241
Contributions as a Percentage of Covered Payroll	21.37%	21.46%	21.33%	21.37%

(1) This schedule is intended to show information for ten years. Information prior to 2011 is not available.

See accompanying notes to the required supplementary information.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 1,607,027	\$ 1,714,578	\$ 1,991,719	\$ 1,996,404
<u>\$ 1,607,027</u>	<u>\$ 1,714,578</u>	<u>\$ 1,991,719</u>	<u>\$ 1,996,404</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,393,927	\$ 7,851,553	\$ 9,128,185	\$ 9,155,982
21.73%	21.84%	21.82%	21.80%

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

Last Two Years (1)

	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.064600%	0.063132%
City's Proportionate Share of the Net OPEB Liability	\$ 7,015,085	\$ 6,376,547
City's Covered Payroll	\$ 9,155,141	\$ 8,753,602
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	76.62%	72.84%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.05%

(1) This schedule is intended to show information for ten years. Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

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

Last Two Years (1)

	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.467964%	0.445592%
City's Proportionate Share of the Net OPEB Liability	\$ 26,514,185	\$ 21,151,269
City's Covered Payroll	\$ 10,551,438	\$ 9,589,115
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	251.29%	220.58%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.13%	18.96%

(1) This schedule is intended to show information for ten years. Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

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

Last Six Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ -	\$ 91,551	\$ 175,072	\$ 156,909
Contributions in Relation to the Contractually Required Contribution	<u>\$ -</u>	<u>\$ 91,551</u>	<u>\$ 175,072</u>	<u>\$ 156,909</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 9,109,085	\$ 9,155,141	\$ 8,753,602	\$ 7,845,468
Contributions as a Percentage of Covered Payroll	0.00%	1.00%	2.00%	2.00%

(1) This schedule is intended to show information for ten years. Information prior to 2013 is not available.

See accompanying notes to the required supplementary information.

<u>2014</u>	<u>2013</u>
\$ 157,080	\$ 79,666
<u>\$ 157,080</u>	<u>\$ 79,666</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
\$ 7,854,017	\$ 7,970,038
2.00%	1.00%

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

Last Eight Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 53,222	\$ 52,757	\$ 47,946	\$ 46,691
Contributions in Relation to the Contractually Required Contribution	<u>\$ 53,222</u>	<u>\$ 52,757</u>	<u>\$ 47,946</u>	<u>\$ 46,691</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 10,644,341	\$ 10,551,438	\$ 9,589,115	\$ 9,338,241
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%

(1) This schedule is intended to show information for ten years. Information prior to 2011 is not available.

See accompanying notes to the required supplementary information.



<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 36,970	\$ 283,441	\$ 616,152	\$ 618,029
<u>\$ 36,970</u>	<u>\$ 283,441</u>	<u>\$ 616,152</u>	<u>\$ 618,029</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,393,927	\$ 7,851,553	\$ 9,128,185	\$ 9,155,982
0.50%	3.61%	6.75%	6.75%

**CITY OF UPPER ARLINGTON, OHIO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Net Pension Liability – Ohio Public Employees Retirement System**

*Changes of benefit terms* - There were no significant changes of benefit terms in 2018.

*Changes of assumptions* - Amounts reported in 2017 reflect changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0% down to 7.5%, for the defined benefit investments. There were no significant changes of benefit terms in 2018.

**Net Pension Liability – Ohio Police and Fire Pension System**

*Changes of benefit terms* - There were no significant changes of benefit terms in 2018.

*Changes of assumptions* - Amounts reported in 2018 reflect changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.25% down to 8.00%, for the defined benefit investments.

**Net OPEB Liability – Ohio Public Employees Retirement System**

*Changes of benefit terms* - There were no significant changes of benefit terms in 2018.

*Changes of assumptions* - For 2018, the single discount rate changed from 4.23 percent to 3.85 percent.

**Net OPEB Liability – Ohio Police and Fire Pension System**

*Changes of benefit terms* - There were no significant changes of benefit terms in 2018.

*Changes of assumptions* - For 2018, the single discount rate changed from 3.79 percent to 3.24 percent.

## **OTHER SUPPLEMENTARY INFORMATION**

## **CITY OF UPPER ARLINGTON, OHIO**

### **FUND DESCRIPTIONS – MAJOR GOVERNMENTAL FUNDS**

#### **General Fund**

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

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

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

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

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

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

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

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

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

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

#### **General Obligation Bond Retirement Fund**

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

## CITY OF UPPER ARLINGTON, OHIO

### FUND DESCRIPTIONS – MAJOR GOVERNMENTAL FUNDS

#### *Capital Projects Funds*

##### **Bonded Improvement Fund**

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

##### **Infrastructure Improvement Fund**

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

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**GENERAL OPERATING ACCOUNT**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	GENERAL OPERATING ACCOUNT			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Income tax	\$ 18,948,000	\$ 20,247,000	\$ 20,751,428	\$ 504,428
Property and other local taxes	6,611,100	6,775,100	6,763,400	(11,700)
Special assessments	50,000	50,000	52,278	2,278
Charges for services	1,080,000	1,112,400	1,087,487	(24,913)
Licenses and permits	1,100,000	1,133,000	1,359,976	226,976
Fines and forfeitures	325,000	325,000	301,480	(23,520)
Intergovernmental	1,857,900	1,878,900	2,016,329	137,429
Investment earnings	500,000	635,000	815,920	180,920
Miscellaneous	1,516,000	1,016,000	1,038,371	22,371
Total revenues	31,988,000	33,172,400	34,186,669	1,014,269
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Police</b>				
Personal services	7,215,200	7,299,400	7,141,510	157,890
Other than personal services	1,460,800	1,460,800	1,243,152	217,648
<b>Fire</b>				
Personal services	8,363,800	8,363,800	8,172,102	191,698
Other than personal services	397,700	397,700	349,961	47,739
<b>Board of Health</b>				
Other than personal services	290,000	297,465	297,465	-
<b>Parks and recreation</b>				
Personal services	2,533,400	2,533,400	2,411,207	122,193
Other than personal services	1,099,400	1,176,300	1,105,662	70,638
<b>Development</b>				
Personal services	779,900	791,900	789,147	2,753
Other than personal services	159,800	159,800	137,724	22,076
<b>Public Service Administration</b>				
Personal services	847,500	907,130	906,942	188
Other than personal services	88,500	98,500	85,285	13,215
<b>Public Works Division</b>				
Personal services	901,800	817,170	816,679	491
Other than personal services	231,700	231,700	214,804	16,896
<b>City Manager</b>				
Personal services	1,098,500	1,108,500	1,095,204	13,296
Other than personal services	143,900	214,900	190,293	24,607
<b>City Attorney</b>				
Personal services	597,900	607,900	603,319	4,581
Other than personal services	135,500	135,500	104,454	31,046
<b>City Clerk</b>				
Personal services	210,000	210,000	201,592	8,408
Other than personal services	34,900	34,900	32,136	2,764

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**GENERAL OPERATING ACCOUNT (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	GENERAL OPERATING ACCOUNT (Continued)			
	Adopted Budget	Revised Budget	Actual	Variance
<b>City Council</b>				
Personal services	169,000	152,200	131,637	20,563
Other than personal services	5,800	6,300	6,140	160
<b>Clerk of Court</b>				
Personal services	178,200	178,200	175,107	3,093
Other than personal services	292,400	292,400	176,210	116,190
<b>Finance</b>				
Personal services	847,000	889,100	804,137	84,963
Other than personal services	165,000	270,000	238,485	31,515
<b>Facilities Maintenance</b>				
Personal services	100,400	44,400	32,628	11,772
Other than personal services	2,176,400	1,754,000	1,622,165	131,835
<b>Information Technology</b>				
Personal services	506,400	506,400	502,489	3,911
Other than personal services	800,200	800,200	673,113	127,087
<b>General Government</b>				
Personal services	405,800	655,800	625,998	29,802
Other than personal services	1,788,800	1,841,835	1,813,594	28,241
Total expenditures	<u>34,025,600</u>	<u>34,237,600</u>	<u>32,700,341</u>	<u>1,537,259</u>
Excess (deficiency) of expenditures over revenues	(2,037,600)	(1,065,200)	1,486,328	2,551,528
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Proceeds from sale of capital assets	-	-	33,279	33,279
Transfers in	25,000	-	-	-
Transfers out	(2,068,400)	(2,068,400)	(2,068,400)	-
Advances in	205,000	205,000	205,000	-
Advances out	(250,000)	(468,200)	(468,200)	-
Interaccount transfers in	2,563,000	2,563,000	2,321,688	(241,312)
Interaccount transfers-out	(340,000)	(340,000)	(340,000)	-
Total other financing sources (uses)	<u>134,600</u>	<u>(108,600)</u>	<u>(316,633)</u>	<u>(208,033)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(1,903,000)	(1,173,800)	1,169,695	2,343,495
Fund balances at beginning of year	15,428,143	15,428,143	15,428,143	-
Lapsed encumbrances	126,715	126,715	126,715	-
Fund balances at end of year	<u>\$ 13,651,858</u>	<u>\$ 14,381,058</u>	<u>\$ 16,724,553</u>	<u>\$ 2,343,495</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL ASSET MANAGEMENT ACCOUNT**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	CAPITAL ASSET MANAGEMENT ACCOUNT			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Income tax	\$ 7,368,000	\$ 7,874,000	\$ 7,985,328	\$ 111,328
Total revenues	7,368,000	7,874,000	7,985,328	111,328
<b><u>EXPENDITURES:</u></b>				
Total expenditures	-	-	-	-
Excess (deficiency) of expenditures over revenues	7,368,000	7,874,000	7,985,328	111,328
<b><u>OTHER FINANCING (USES):</u></b>				
Transfers out	(7,607,900)	(7,607,900)	(7,607,875)	25
Total other financing (uses)	(7,607,900)	(7,607,900)	(7,607,875)	25
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(239,900)	266,100	377,453	111,353
Fund balances at beginning of year	10,597,719	10,597,719	10,597,719	-
Fund balances at end of year	<u>\$ 10,357,819</u>	<u>\$ 10,863,819</u>	<u>\$ 10,975,172</u>	<u>\$ 111,353</u>



**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**POLICE AND FIRE PENSION ACCOUNT**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	POLICE AND FIRE PENSION ACCOUNT			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Property and other local taxes	\$ 2,268,200	\$ 2,447,234	\$ 2,375,400	\$ (71,834)
Intergovernmental	294,800	317,216	327,095	9,879
Total revenues	<u>2,563,000</u>	<u>2,764,450</u>	<u>2,702,495</u>	<u>(61,955)</u>
<b><u>EXPENDITURES:</u></b>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of expenditures over revenues	2,563,000	2,764,450	2,702,495	(61,955)
<b><u>OTHER FINANCING (USES):</u></b>				
Interaccount transfers out	<u>(2,563,000)</u>	<u>(2,563,000)</u>	<u>(2,321,688)</u>	<u>241,312</u>
Total other financing (uses)	<u>(2,563,000)</u>	<u>(2,563,000)</u>	<u>(2,321,688)</u>	<u>241,312</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	201,450	380,807	179,357
Fund balances at beginning of year	1,828,821	1,828,821	1,828,821	-
Fund balances at end of year	<u>\$ 1,828,821</u>	<u>\$ 2,030,271</u>	<u>\$ 2,209,628</u>	<u>\$ 179,357</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL EQUIPMENT ACCOUNT**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	CAPITAL EQUIPMENT ACCOUNT			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Property and other local taxes	\$ 823,800	\$ 850,400	\$ 843,976	\$ (6,424)
Intergovernmental	106,200	109,600	116,950	7,350
Miscellaneous	208,500	-	-	-
Total revenues	<u>1,138,500</u>	<u>960,000</u>	<u>960,926</u>	<u>926</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Police</b>				
Capital outlay	106,000	107,700	107,693	7
<b>Parks and recreation</b>				
Capital outlay	172,000	172,000	153,374	18,626
<b>Development</b>				
Capital outlay	275,000	63,520	-	63,520
<b>Public Service Administration</b>				
Capital outlay	-	69,000	63,316	5,684
<b>Public Works Division</b>				
Capital outlay	139,000	139,000	95,586	43,414
<b>Facilities Maintenance</b>				
Capital outlay	-	6,280	6,280	-
<b>Information Technology</b>				
Capital outlay	390,000	390,000	315,803	74,197
<b>General Government</b>				
Capital outlay	69,000	-	-	-
Total expenditures	<u>1,151,000</u>	<u>947,500</u>	<u>742,052</u>	<u>205,448</u>
Excess (deficiency) of expenditures over revenues	(12,500)	12,500	218,874	206,374
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Interaccount transfers-in	240,000	240,000	240,000	-
Total other financing sources (uses)	<u>240,000</u>	<u>240,000</u>	<u>240,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	227,500	252,500	458,874	206,374
Fund balances at beginning of year	183,030	183,030	183,030	-
Lapsed encumbrances	15,091	15,091	15,091	-
Fund balances at end of year	<u>\$ 425,621</u>	<u>\$ 450,621</u>	<u>\$ 656,995</u>	<u>\$ 206,374</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SELF-INSURED LOSS ACCOUNT**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

SELF-INSURED LOSS ACCOUNT				
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Investment earnings	\$ 7,000	\$ 7,000	\$ 11,418	\$ 4,418
Miscellaneous	10,000	47,000	48,525	1,525
Total revenues	17,000	54,000	59,943	5,943
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>General Government</b>				
Other than personal services	50,000	50,000	31,486	18,514
Total expenditures	50,000	50,000	31,486	18,514
Excess (deficiency) of expenditures over revenues	(33,000)	4,000	28,457	24,457
Fund balances at beginning of year	816,727	816,727	816,727	-
Fund balances at end of year	<u>\$ 783,727</u>	<u>\$ 820,727</u>	<u>\$ 845,184</u>	<u>\$ 24,457</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**COMMUNICATIONS AND TECHNOLOGY ACCOUNT**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	COMMUNICATIONS AND TECHNOLOGY ACCOUNT			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Miscellaneous	\$ 75,000	\$ 97,000	\$ 98,519	\$ 1,519
Total revenues	75,000	97,000	98,519	1,519
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Information Technology</b>				
Other than personal services	115,000	110,000	29,797	80,203
Capital outlay	96,000	101,000	100,216	784
Total expenditures	211,000	211,000	130,013	80,987
Excess (deficiency) of expenditures over revenues	(136,000)	(114,000)	(31,494)	82,506
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Interaccount transfers-in	100,000	100,000	100,000	-
Total other financing sources (uses)	100,000	100,000	100,000	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(36,000)	(14,000)	68,506	82,506
Fund balances at beginning of year	70,755	70,755	70,755	-
Fund balances at end of year	\$ 34,755	\$ 56,755	\$ 139,261	\$ 82,506



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**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**TOTAL GENERAL FUND ACCOUNTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	TOTAL GENERAL FUND ACCOUNTS			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Income tax	\$ 26,316,000	\$ 28,121,000	\$ 28,736,756	\$ 615,756
Property and other local taxes	9,703,100	10,072,734	9,982,776	(89,958)
Special assessments	50,000	50,000	52,278	2,278
Charges for services	1,080,000	1,112,400	1,087,487	(24,913)
Licenses and permits	1,100,000	1,133,000	1,359,976	226,976
Fines and forfeitures	325,000	325,000	301,480	(23,520)
Intergovernmental	2,258,900	2,305,716	2,460,374	154,658
Investment earnings	507,000	642,000	827,338	185,338
Miscellaneous	1,809,500	1,160,000	1,185,415	25,415
Total revenues	43,149,500	44,921,850	45,993,880	1,072,030
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Police</b>				
Personal services	7,215,200	7,299,400	7,141,510	157,890
Other than personal services	1,460,800	1,460,800	1,243,152	217,648
Capital outlay	106,000	107,700	107,693	7
<b>Fire</b>				
Personal services	8,363,800	8,363,800	8,172,102	191,698
Other than personal services	397,700	397,700	349,961	47,739
<b>Board of Health</b>				
Other than personal services	290,000	297,465	297,465	-
<b>Parks and recreation</b>				
Personal services	2,533,400	2,533,400	2,411,207	122,193
Other than personal services	1,099,400	1,176,300	1,105,662	70,638
Capital outlay	172,000	172,000	153,374	18,626
<b>Development</b>				
Personal services	779,900	791,900	789,147	2,753
Other than personal services	159,800	159,800	137,724	22,076
Capital outlay	275,000	63,520	-	63,520
<b>Public Service Administration</b>				
Personal services	847,500	907,130	906,942	188
Other than personal services	88,500	98,500	85,285	13,215
Capital outlay	-	69,000	63,316	5,684
<b>Public Works Division</b>				
Personal services	901,800	817,170	816,679	491
Other than personal services	231,700	231,700	214,804	16,896
Capital outlay	139,000	139,000	95,586	43,414
<b>City Manager</b>				
Personal services	1,098,500	1,108,500	1,095,204	13,296
Other than personal services	143,900	214,900	190,293	24,607
<b>City Attorney</b>				
Personal services	597,900	607,900	603,319	4,581
Other than personal services	135,500	135,500	104,454	31,046

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**TOTAL GENERAL FUND ACCOUNTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	TOTAL GENERAL FUND ACCOUNTS (Continued)			
	Adopted Budget	Revised Budget	Actual	Variance
<b>City Clerk</b>				
Personal services	210,000	210,000	201,592	8,408
Other than personal services	34,900	34,900	32,136	2,764
<b>City Council</b>				
Personal services	169,000	152,200	131,637	20,563
Other than personal services	5,800	6,300	6,140	160
<b>Clerk of Court</b>				
Personal services	178,200	178,200	175,107	3,093
Other than personal services	292,400	292,400	176,210	116,190
<b>Finance</b>				
Personal services	847,000	889,100	804,137	84,963
Other than personal services	165,000	270,000	238,485	31,515
<b>Facilities Maintenance</b>				
Personal services	100,400	44,400	32,628	11,772
Other than personal services	2,176,400	1,754,000	1,622,165	131,835
Capital outlay	-	6,280	6,280	-
<b>Information Technology</b>				
Personal services	506,400	506,400	502,489	3,911
Other than personal services	915,200	910,200	702,910	207,290
Capital outlay	486,000	491,000	416,019	74,981
<b>General Government</b>				
Personal services	405,800	655,800	625,998	29,802
Other than personal services	1,838,800	1,891,835	1,845,080	46,755
Total expenditures	<u>35,437,600</u>	<u>35,446,100</u>	<u>33,603,892</u>	<u>1,842,208</u>
Excess (deficiency) of expenditures over revenues	7,711,900	9,475,750	12,389,988	2,914,238
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Proceeds from sale of capital assets	-	-	33,279	33,279
Operating transfers-in	25,000	-	-	-
Transfers out	(9,676,300)	(9,676,300)	(9,676,275)	25
Advances in	205,000	205,000	205,000	-
Advances out	(250,000)	(468,200)	(468,200)	-
Interaccount transfers in	2,903,000	2,903,000	2,661,688	(241,312)
Interaccount transfers out	(2,903,000)	(2,903,000)	(2,661,688)	241,312
Total other financing sources (uses)	<u>(9,696,300)</u>	<u>(9,939,500)</u>	<u>(9,906,196)</u>	<u>33,304</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(1,984,400)	(463,750)	2,483,792	2,947,542
Fund balances at beginning of year	28,925,195	28,925,195	28,925,195	-
Lapsed encumbrances	141,806	141,806	141,806	-
Fund balances at end of year	<u>\$ 27,082,601</u>	<u>\$ 28,603,251</u>	<u>\$ 31,550,793</u>	<u>\$ 2,947,542</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**GENERAL OBLIGATION BOND RETIREMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	GENERAL OBLIGATION BOND RETIREMENT FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Property and other local taxes	\$ 316,200	\$ 410,900	\$ 421,940	\$ 11,040
Special assessments	100,000	100,000	89,402	(10,598)
Intergovernmental	106,300	58,200	58,467	267
Total revenues	<u>522,500</u>	<u>569,100</u>	<u>569,809</u>	<u>709</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Finance</b>				
Other than personal services	6,995,400	7,195,400	6,981,775	213,625
Total expenditures	<u>6,995,400</u>	<u>7,195,400</u>	<u>6,981,775</u>	<u>213,625</u>
Excess (deficiency) of expenditures over revenues	(6,472,900)	(6,626,300)	(6,411,966)	214,334
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Premium on issuance of bonds	-	550,000	483,931	(66,069)
Transfers in	6,457,900	6,457,900	6,299,817	(158,083)
Total other financing sources (uses)	<u>6,457,900</u>	<u>7,007,900</u>	<u>6,783,748</u>	<u>(224,152)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(15,000)	381,600	371,782	(9,818)
Fund balances at beginning of year	504,215	504,215	504,215	-
Fund balances at end of year	<u>\$ 489,215</u>	<u>\$ 885,815</u>	<u>\$ 875,997</u>	<u>\$ (9,818)</u>



**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**BONDED IMPROVEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	BONDED IMPROVEMENT FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Intergovernmental	\$ -	\$ 81,800	\$ 81,868	\$ 68
Investment Earnings	55,000	140,000	216,454	76,454
Miscellaneous	-	25,125	25,125	-
Total revenues	<u>55,000</u>	<u>246,925</u>	<u>323,447</u>	<u>76,522</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Public Service Administration</b>				
Personal services	283,200	345,200	297,807	47,393
<b>Public Works Division</b>				
Capital outlay	<u>8,306,900</u>	<u>8,519,500</u>	<u>8,447,995</u>	<u>71,505</u>
Total expenditures	<u>8,590,100</u>	<u>8,864,700</u>	<u>8,745,802</u>	<u>118,898</u>
Excess (deficiency) of expenditures over revenues	(8,535,100)	(8,617,775)	(8,422,355)	195,420
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Sale of bonds	-	9,500,000	9,515,000	15,000
Total other financing sources (uses)	<u>-</u>	<u>9,500,000</u>	<u>9,515,000</u>	<u>15,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(8,535,100)	882,225	1,092,645	210,420
Fund balances at beginning of year	9,140,066	9,140,066	9,140,066	-
Lapsed encumbrances	<u>588,683</u>	<u>588,683</u>	<u>588,683</u>	<u>-</u>
Fund balances at end of year	<u>\$ 1,193,649</u>	<u>\$ 10,610,974</u>	<u>\$ 10,821,394</u>	<u>\$ 210,420</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**INFRASTRUCTURE IMPROVEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	INFRASTRUCTURE IMPROVEMENT FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Intergovernmental	\$ 122,100	\$ 1,552,000	\$ 1,554,544	\$ 2,544
Miscellaneous	-	180,000	246,218	66,218
Total revenues	<u>122,100</u>	<u>1,732,000</u>	<u>1,800,762</u>	<u>68,762</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Parks and recreation</b>				
Personal services	184,300	124,300	5,618	118,682
Capital outlay	2,383,600	2,383,600	2,351,210	32,390
<b>Public Service Administration</b>				
Personal services	139,600	129,600	113,854	15,746
<b>Public Works Division</b>				
Capital outlay	4,838,500	4,838,500	4,588,291	250,209
Total expenditures	<u>7,546,000</u>	<u>7,476,000</u>	<u>7,058,973</u>	<u>417,027</u>
Excess (deficiency) of expenditures over revenues	(7,423,900)	(5,744,000)	(5,258,211)	485,789
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating transfers-in	3,750,000	3,750,000	3,750,000	-
Total other financing sources (uses)	<u>3,750,000</u>	<u>3,750,000</u>	<u>3,750,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(3,673,900)	(1,994,000)	(1,508,211)	485,789
Fund balances at beginning of year	5,786,908	5,786,908	5,786,908	-
Lapsed encumbrances	265,583	265,583	265,583	-
Fund balances at end of year	<u>\$ 2,378,591</u>	<u>\$ 4,058,491</u>	<u>\$ 4,544,280</u>	<u>\$ 485,789</u>



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## **CITY OF UPPER ARLINGTON, OHIO**

### **FUND DESCRIPTIONS – NONMAJOR GOVERNMENTAL FUNDS**

#### ***Nonmajor Special Revenue Funds***

##### **Tax Incentive Review Fund**

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

##### **Street Maintenance and Repair Fund**

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

##### **Law Enforcement Fund**

Established pursuant to Ohio Revised Section 2981.13, the fund accounts for the deposit of monies received from the seizure of tangible property relinquished in accordance with the Contraband Seizure Forfeiture Act. Funds are used solely for law enforcement purposes.

##### **Tree Planting Fund**

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

##### **Enforcement Education Fund**

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

##### **Mayor's Court Computer Fund**

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

##### **Mayor's Court Special Project Fund**

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

## **CITY OF UPPER ARLINGTON, OHIO**

### **FUND DESCRIPTIONS – NONMAJOR GOVERNMENTAL FUNDS**

#### **Life Long Learning and Leisure Fund**

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

#### **Neighborhood Lighting Fund**

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

#### **Clerk of Court Fund**

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

#### **Upper Arlington Visitor's Bureau Fund**

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

#### ***Nonmajor Capital Project Funds***

#### **Tax Increment Financing (TIF) Districts**

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

#### **Estate Tax Capital Projects Fund**

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

#### **Community Fiber Optic Fund**

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

**CITY OF UPPER ARLINGTON, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**AS OF DECEMBER 31, 2018**

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total Nonmajor Governmental
<b>Assets:</b>			
Cash, cash equivalents and investments	\$ 2,939,112	\$ 6,493,113	\$ 9,432,225
Receivables (net of allowances):			
Property and other taxes	3,983	-	3,983
Payments in lieu of taxes	-	3,382,951	3,382,951
Accounts	5,893	-	5,893
Accrued interest	7,650	-	7,650
Intergovernmental	812,500	14,151	826,651
Materials and supplies inventory	151,491	-	151,491
Total assets	<u>\$ 3,920,629</u>	<u>\$ 9,890,215</u>	<u>\$ 13,810,844</u>
<b>Liabilities:</b>			
Accounts payable	\$ 16,104	\$ 14,633	\$ 30,737
Accrued wages and benefits	24,415	-	24,415
Due to other governments	4,011	-	4,011
Advances from other funds	-	2,677,335	2,677,335
Due to other funds	318	325,000	325,318
Total liabilities	<u>44,848</u>	<u>3,016,968</u>	<u>3,061,816</u>
<b>Deferred Inflows of Resources</b>			
Property and Other Local Taxes	-	2,793,879	2,793,879
Unavailable Revenue	557,422	601,414	1,158,836
Total deferred inflows of resources	<u>557,422</u>	<u>3,395,293</u>	<u>3,952,715</u>
<b>Fund Balance:</b>			
Nonspendable			
Inventory	151,491	-	151,491
Restricted			
Capital projects	-	4,675,984	4,675,984
Street maintenance and repairs	1,192,494	-	1,192,494
Law enforcement and education	998,379	-	998,379
Other purposes	266,514	-	266,514
Committed			
Capital projects	507,842	830,387	1,338,229
Parks and recreation	201,639	-	201,639
Unassigned (deficit)	-	(2,028,417)	(2,028,417)
Total fund balance	<u>3,318,359</u>	<u>3,477,954</u>	<u>6,796,313</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 3,920,629</u>	 <u>\$ 9,890,215</u>	 <u>\$ 13,810,844</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total Nonmajor Governmental
<b>Revenues:</b>			
Property and other taxes	\$ 61,754	\$ -	\$ 61,754
Payments in lieu of taxes	-	2,180,118	2,180,118
Charges for services	219,514	-	219,514
Fines and forfeitures	49,858	-	49,858
Intergovernmental	1,640,274	91,560	1,731,834
Investment earnings	34,933	7,684	42,617
Miscellaneous	26,718	630,681	657,399
Total revenues	<u>2,033,051</u>	<u>2,910,043</u>	<u>4,943,094</u>
<b>Expenditures:</b>			
Current:			
General government	128,078	728,472	856,550
Public safety	248,831	-	248,831
Public services	1,845,460	-	1,845,460
Parks and recreation	166,156	-	166,156
Capital outlay	-	209,310	209,310
Total expenditures	<u>2,388,525</u>	<u>937,782</u>	<u>3,326,307</u>
Excess (deficiency) of revenues over (under) expenditures	(355,474)	1,972,261	1,616,787
<b>Other Financing Sources (Uses):</b>			
Sale of capital assets	152,847	-	152,847
Transfers in	225,000	68,400	293,400
Transfers out	-	(753,860)	(753,860)
Total other financing sources (uses)	<u>377,847</u>	<u>(685,460)</u>	<u>(307,613)</u>
Net change in fund balances	22,373	1,286,801	1,309,174
Fund balance at beginning of year	3,295,986	2,191,153	5,487,139
Increase/Decrease in Inventory	-	-	-
Fund balance at end of year	<u>\$ 3,318,359</u>	<u>\$ 3,477,954</u>	<u>\$ 6,796,313</u>

**CITY OF UPPER ARLINGTON, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
AS OF DECEMBER 31, 2018**

	<u>Tax Incentive Review</u>	<u>Street Maintenance and Repair</u>	<u>Law Enforcement</u>	<u>Tree Planting</u>	<u>Enforcement Education</u>	<u>Mayor's Court Computer</u>
<b>Assets:</b>						
Cash, cash equivalents and investments	\$ 23,770	\$ 959,281	\$ 783,719	\$ 95,948	\$ 17,578	\$ 66,167
Receivables (net of allowances):						
Property and other taxes	-	-	-	-	-	-
Accounts	-	-	-	-	-	-
Accrued interest	-	3,262	2,665	-	-	-
Intergovernmental	-	812,500	-	-	-	-
Materials and supplies inventory	-	151,491	-	-	-	-
Total assets	<u>\$ 23,770</u>	<u>\$ 1,926,534</u>	<u>\$ 786,384</u>	<u>\$ 95,948</u>	<u>\$ 17,578</u>	<u>\$ 66,167</u>
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ 11,073	\$ -	\$ -	\$ 30	\$ -
Accrued wages and benefits	-	18,470	4,351	-	-	-
Due to other governments	-	2,854	911	-	-	-
Due to other funds	-	240	57	-	-	-
Total liabilities	<u>-</u>	<u>32,637</u>	<u>5,319</u>	<u>-</u>	<u>30</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>						
Unavailable Revenue	-	549,912	982	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>549,912</u>	<u>982</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance:</b>						
Nonspendable						
Inventory	-	151,491	-	-	-	-
Restricted						
Street maintenance and repairs	-	1,192,494	-	-	-	-
Law enforcement and education	-	-	780,083	-	17,548	66,167
Other purposes	23,770	-	-	-	-	-
Committed						
Capital projects	-	-	-	-	-	-
Parks and recreation	-	-	-	95,948	-	-
Total fund balances	<u>23,770</u>	<u>1,343,985</u>	<u>780,083</u>	<u>95,948</u>	<u>17,548</u>	<u>66,167</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 23,770</u>	<u>\$ 1,926,534</u>	<u>\$ 786,384</u>	<u>\$ 95,948</u>	<u>\$ 17,578</u>	<u>\$ 66,167</u>



Mayor's Court Special Project	Life Long Learning and Leisure	Neighborhood Lighting	Clerk of Court	Upper Arlington Visitor's Bureau	Total Nonmajor Special Revenue Funds
\$ 129,304	\$ 111,692	\$ 506,754	\$ 48,361	\$ 196,538	\$ 2,939,112
-	-	-	-	3,983	3,983
-	-	5,893	-	-	5,893
-	-	1,723	-	-	7,650
-	-	-	-	-	812,500
-	-	-	-	-	151,491
<u>\$ 129,304</u>	<u>\$ 111,692</u>	<u>\$ 514,370</u>	<u>\$ 48,361</u>	<u>\$ 200,521</u>	<u>\$ 3,920,629</u>
\$ 390	\$ 4,586	\$ -	\$ 25	\$ -	\$ 16,104
-	1,212	-	-	382	24,415
-	187	-	-	59	4,011
-	16	-	-	5	318
<u>390</u>	<u>6,001</u>	<u>-</u>	<u>25</u>	<u>446</u>	<u>44,848</u>
-	-	6,528	-	-	557,422
-	-	6,528	-	-	557,422
-	-	-	-	-	151,491
-	-	-	-	-	1,192,494
86,245	-	-	48,336	-	998,379
42,669	-	-	-	200,075	266,514
-	-	507,842	-	-	507,842
-	105,691	-	-	-	201,639
<u>128,914</u>	<u>105,691</u>	<u>507,842</u>	<u>48,336</u>	<u>200,075</u>	<u>3,318,359</u>
<u>\$ 129,304</u>	<u>\$ 111,692</u>	<u>\$ 514,370</u>	<u>\$ 48,361</u>	<u>\$ 200,521</u>	<u>\$ 3,920,629</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Tax Incentive Review</u>	<u>Street Maintenance and Repair</u>	<u>Law Enforcement</u>	<u>Tree Planting</u>	<u>Enforcement Education</u>	<u>Mayor's Court Computer</u>
<b>Revenues:</b>						
Property and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	30,450	-	-
Fines and forfeitures	-	-	-	-	2,340	8,913
Intergovernmental	-	1,613,236	27,038	-	-	-
Investment earnings	-	13,201	12,961	-	-	-
Miscellaneous	3,978	16,353	-	5,725	-	-
Total revenues	<u>3,978</u>	<u>1,642,790</u>	<u>39,999</u>	<u>36,175</u>	<u>2,340</u>	<u>8,913</u>
<b>Expenditures:</b>						
Current:						
General government	5,000	-	-	-	-	-
Public safety	-	-	195,751	-	2,435	8,326
Public services	-	1,780,075	-	-	-	-
Parks and recreation	-	-	-	26,346	-	-
Total expenditures	<u>5,000</u>	<u>1,780,075</u>	<u>195,751</u>	<u>26,346</u>	<u>2,435</u>	<u>8,326</u>
Excess (deficiency) of revenues over (under) expenditures	(1,022)	(137,285)	(155,752)	9,829	(95)	587
<b>Other Financing Sources:</b>						
Sale of capital assets	-	-	152,847	-	-	-
Transfers in	-	225,000	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>225,000</u>	<u>152,847</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,022)	87,715	(2,905)	9,829	(95)	587
Fund balance at beginning of year	24,792	1,256,270	782,988	86,119	17,643	65,580
Increase/Decrease in Inventory	-	-	-	-	-	-
Fund balance at end of year	<u>\$ 23,770</u>	<u>\$ 1,343,985</u>	<u>\$ 780,083</u>	<u>\$ 95,948</u>	<u>\$ 17,548</u>	<u>\$ 66,167</u>

Mayor's Court Special Project	Life Long Learning and Leisure	Neighborhood Lighting	Clerk of Court	Upper Arlington Visitor's Bureau	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 61,754	\$ 61,754
-	126,657	62,407	-	-	219,514
29,693	-	-	8,912	-	49,858
-	-	-	-	-	1,640,274
-	-	8,771	-	-	34,933
662	-	-	-	-	26,718
<u>30,355</u>	<u>126,657</u>	<u>71,178</u>	<u>8,912</u>	<u>61,754</u>	<u>2,033,051</u>
-	-	-	-	123,078	128,078
33,985	-	-	8,334	-	248,831
-	-	65,385	-	-	1,845,460
-	139,810	-	-	-	166,156
<u>33,985</u>	<u>139,810</u>	<u>65,385</u>	<u>8,334</u>	<u>123,078</u>	<u>2,388,525</u>
(3,630)	(13,153)	5,793	578	(61,324)	(355,474)
-	-	-	-	-	152,847
-	-	-	-	-	225,000
-	-	-	-	-	377,847
(3,630)	(13,153)	5,793	578	(61,324)	22,373
132,544	118,844	502,049	47,758	261,399	3,295,986
-	-	-	-	-	-
<u>\$ 128,914</u>	<u>\$ 105,691</u>	<u>\$ 507,842</u>	<u>\$ 48,336</u>	<u>\$ 200,075</u>	<u>\$ 3,318,359</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**TAX INCENTIVE REVIEW FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	TAX INCENTIVE REVIEW FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Miscellaneous	\$ 5,000	\$ 5,000	\$ 3,978	\$ (1,022)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>3,978</u>	<u>(1,022)</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Finance</b>				
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 expenditures over revenues	-	-	(1,022)	(1,022)
Fund balances at beginning of year	24,792	24,792	24,792	-
Fund balances at end of year	<u>\$ 24,792</u>	<u>\$ 24,792</u>	<u>\$ 23,770</u>	<u>\$ (1,022)</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**STREET MAINTENANCE AND REPAIR FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	STREET MAINTENANCE AND REPAIR FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Intergovernmental	\$ 1,625,000	\$ 1,625,000	\$ 1,622,476	\$ (2,524)
Investment Earnings	500	7,500	11,241	3,741
Miscellaneous	8,000	8,000	16,353	8,353
Total revenues	<u>1,633,500</u>	<u>1,640,500</u>	<u>1,650,070</u>	<u>9,570</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Public Service Administration</b>				
Personal services	439,000	419,000	411,931	7,069
Other than personal services	265,450	265,450	249,558	15,892
<b>Public Works Division</b>				
Personal services	827,700	907,700	877,402	30,298
Other than personal services	469,800	469,800	350,271	119,529
Total expenditures	<u>2,001,950</u>	<u>2,061,950</u>	<u>1,889,162</u>	<u>172,788</u>
Excess (deficiency) of expenditures over revenues	(368,450)	(421,450)	(239,092)	182,358
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating transfers-in	225,000	225,000	225,000	-
Total other financing sources (uses)	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(143,450)	(196,450)	(14,092)	182,358
Fund balances at beginning of year	899,551	899,551	899,551	-
Lapsed encumbrances	987	987	987	-
Fund balances at end of year	<u>\$ 757,088</u>	<u>\$ 704,088</u>	<u>\$ 886,446</u>	<u>\$ 182,358</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**LAW ENFORCEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	LAW ENFORCEMENT FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Intergovernmental	\$ -	\$ -	\$ 27,038	\$ 27,038
Investment Earnings	10,000	10,000	11,212	1,212
Miscellaneous	105,000	105,000	-	(105,000)
Total revenues	<u>115,000</u>	<u>115,000</u>	<u>38,250</u>	<u>(76,750)</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Police</b>				
Personal services	275,800	200,800	181,720	19,080
Other than personal services	30,000	30,000	12,358	17,642
Total expenditures	<u>305,800</u>	<u>230,800</u>	<u>194,078</u>	<u>36,722</u>
Excess (deficiency) of expenditures over revenues	(190,800)	(115,800)	(155,828)	(40,028)
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Proceeds from sale of capital assets	-	-	152,847	152,847
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>152,847</u>	<u>152,847</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(190,800)	(115,800)	(2,981)	112,819
Fund balances at beginning of year	789,259	789,259	789,259	-
Fund balances at end of year	<u>\$ 598,459</u>	<u>\$ 673,459</u>	<u>\$ 786,278</u>	<u>\$ 112,819</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**TREE PLANTING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	TREE PLANTING FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Charges for services	\$ 13,500	\$ 29,500	\$ 30,450	\$ 950
Miscellaneous	-	-	5,725	5,725
Total revenues	<u>13,500</u>	<u>29,500</u>	<u>36,175</u>	<u>6,675</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Parks and recreation</b>				
Other than personal services	<u>20,000</u>	<u>30,000</u>	<u>26,346</u>	<u>3,654</u>
Total expenditures	<u>20,000</u>	<u>30,000</u>	<u>26,346</u>	<u>3,654</u>
Excess (deficiency) of expenditures over revenues	(6,500)	(500)	9,829	10,329
Fund balances at beginning of year	<u>86,119</u>	<u>86,119</u>	<u>86,119</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ 79,619</u></u>	<u><u>\$ 85,619</u></u>	<u><u>\$ 95,948</u></u>	<u><u>\$ 10,329</u></u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ENFORCEMENT EDUCATION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	ENFORCEMENT EDUCATION FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Fines and forfeitures	\$ 3,000	\$ 3,000	\$ 2,465	\$ (535)
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>2,465</u>	<u>(535)</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Police</b>				
Other than personal services	<u>2,500</u>	<u>2,500</u>	<u>2,405</u>	<u>95</u>
Total expenditures	<u>2,500</u>	<u>2,500</u>	<u>2,405</u>	<u>95</u>
Excess (deficiency) of expenditures over revenues	500	500	60	(440)
Fund balances at beginning of year	<u>17,518</u>	<u>17,518</u>	<u>17,518</u>	<u>-</u>
Fund balances at end of year	<u>\$ 18,018</u>	<u>\$ 18,018</u>	<u>\$ 17,578</u>	<u>\$ (440)</u>



**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**MAYOR'S COURT COMPUTER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	MAYOR'S COURT COMPUTER FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 9,665	\$ (335)
Total revenues	10,000	10,000	9,665	(335)
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Clerk of Court</b>				
Other than personal services	11,600	11,600	7,771	3,829
Total expenditures	11,600	11,600	7,771	3,829
Excess (deficiency) of expenditures over revenues	(1,600)	(1,600)	1,894	3,494
Fund balances at beginning of year	51,726	51,726	51,726	-
Fund balances at end of year	<u>\$ 50,126</u>	<u>\$ 50,126</u>	<u>\$ 53,620</u>	<u>\$ 3,494</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**MAYOR'S COURT SPECIAL PROJECT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	MAYOR'S COURT SPECIAL PROJECT FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 32,208	\$ 2,208
Miscellaneous	-	-	662	662
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>32,870</u>	<u>2,870</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Clerk of Court</b>				
Other than personal services	22,000	22,000	11,869	10,131
Capital outlay	-	25,000	22,072	2,928
Total expenditures	<u>22,000</u>	<u>47,000</u>	<u>33,941</u>	<u>13,059</u>
Excess (deficiency) of expenditures over revenues	8,000	(17,000)	(1,071)	15,929
Fund balances at beginning of year	130,375	130,375	130,375	-
Fund balances at end of year	<u>\$ 138,375</u>	<u>\$ 113,375</u>	<u>\$ 129,304</u>	<u>\$ 15,929</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**LIFE LONG LEARNING AND LEISURE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	LIFE LONG LEARNING AND LEISURE FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Charges for services	\$ 175,000	\$ 175,000	\$ 126,657	\$ (48,343)
Total revenues	<u>175,000</u>	<u>175,000</u>	<u>126,657</u>	<u>(48,343)</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Parks and recreation</b>				
Personal services	89,300	89,300	66,365	22,935
Other than personal services	<u>106,300</u>	<u>106,300</u>	<u>68,918</u>	<u>37,382</u>
Total expenditures	<u>195,600</u>	<u>195,600</u>	<u>135,283</u>	<u>60,317</u>
Excess (deficiency) of expenditures over revenues	(20,600)	(20,600)	(8,626)	11,974
Fund balances at beginning of year	<u>120,318</u>	<u>120,318</u>	<u>120,318</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ 99,718</u></u>	<u><u>\$ 99,718</u></u>	<u><u>\$ 111,692</u></u>	<u><u>\$ 11,974</u></u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**NEIGHBORHOOD LIGHTING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	NEIGHBORHOOD LIGHTING FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Charges for services	\$ 63,000	\$ 63,000	\$ 62,407	\$ (593)
Investment Earnings	5,000	5,000	7,303	2,303
Total revenues	<u>68,000</u>	<u>68,000</u>	<u>69,710</u>	<u>1,710</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Public Service Administration</b>				
Personal services	43,400	43,400	26,298	17,102
Other than personal services	47,100	47,100	44,305	2,795
Total expenditures	<u>90,500</u>	<u>90,500</u>	<u>70,603</u>	<u>19,897</u>
Excess (deficiency) of expenditures over revenues	(22,500)	(22,500)	(893)	21,607
Fund balances at beginning of year	504,673	504,673	504,673	-
Fund balances at end of year	<u>\$ 482,173</u>	<u>\$ 482,173</u>	<u>\$ 503,780</u>	<u>\$ 21,607</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CLERK OF COURT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	CLERK OF COURT FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 9,665	\$ (335)
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>9,665</u>	<u>(335)</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Clerk of Court</b>				
Other than personal services	<u>17,000</u>	<u>17,000</u>	<u>11,504</u>	<u>5,496</u>
Total expenditures	<u>17,000</u>	<u>17,000</u>	<u>11,504</u>	<u>5,496</u>
Excess (deficiency) of expenditures over revenues	(7,000)	(7,000)	(1,839)	5,161
Fund balances at beginning of year	<u>33,903</u>	<u>33,903</u>	<u>33,903</u>	<u>-</u>
Fund balances at end of year	<u>\$ 26,903</u>	<u>\$ 26,903</u>	<u>\$ 32,064</u>	<u>\$ 5,161</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**UPPER ARLINGTON VISITOR'S BUREAU FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

UPPER ARLINGTON VISITOR'S BUREAU FUND				
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Property and other local taxes	\$ 70,000	\$ 70,000	\$ 61,069	\$ (8,931)
Total revenues	<u>70,000</u>	<u>70,000</u>	<u>61,069</u>	<u>(8,931)</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>City Manager</b>				
Personal services	24,000	-	-	-
Other than personal services	60,000	60,000	44,048	15,952
Capital outlay	-	55,000	55,000	-
<b>Information Technology</b>				
Personal services	-	24,000	23,584	416
Total expenditures	<u>84,000</u>	<u>139,000</u>	<u>122,632</u>	<u>16,368</u>
Excess (deficiency) of expenditures over revenues	(14,000)	(69,000)	(61,563)	7,437
Fund balances at beginning of year	258,101	258,101	258,101	-
Fund balances at end of year	<u>\$ 244,101</u>	<u>\$ 189,101</u>	<u>\$ 196,538</u>	<u>\$ 7,437</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**EMERGENCY MEDICAL SERVICES FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	EMERGENCY MEDICAL SERVICES FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Charges for services	\$ 600,000	\$ 600,000	\$ 714,933	\$ 114,933
Intergovernmental	-	11,800	10,391	(1,409)
Total revenues	<u>600,000</u>	<u>611,800</u>	<u>725,324</u>	<u>113,524</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Fire</b>				
Other than personal services	247,500	240,600	210,183	30,417
Capital outlay	31,300	38,200	38,194	6
Total expenditures	<u>278,800</u>	<u>278,800</u>	<u>248,377</u>	<u>30,423</u>
Excess (deficiency) of expenditures over revenues	321,200	333,000	476,947	143,947
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating transfers-out	<u>(438,100)</u>	<u>(438,100)</u>	<u>(438,082)</u>	<u>18</u>
Total other financing sources (uses)	<u>(438,100)</u>	<u>(438,100)</u>	<u>(438,082)</u>	<u>18</u>
Excess (deficiency) of revenues and other financing over expenditures and other uses	(116,900)	(105,100)	38,865	143,965
Fund balances at beginning of year	203,353	203,353	203,353	-
Lapsed encumbrances	161	161	161	-
Fund balances at end of year	<u>\$ 86,614</u>	<u>\$ 98,414</u>	<u>\$ 242,379</u>	<u>\$ 143,965</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CIVIL SERVICE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	CIVIL SERVICE FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>General Government</b>				
Other than personal services	25,000	25,000	16,752	8,248
Total expenditures	25,000	25,000	16,752	8,248
Excess (deficiency) of expenditures over revenues	(25,000)	(25,000)	(16,752)	8,248
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating transfers-in	25,000	25,000	25,000	-
Total other financing sources (uses)	25,000	25,000	25,000	-
Excess (deficiency) of revenues and other financing sources over expenditures	-	-	8,248	8,248
Fund balances at beginning of year	37,318	37,318	37,318	-
Lapsed encumbrances	-	-	-	-
Fund balances at end of year	<u>\$ 37,318</u>	<u>\$ 37,318</u>	<u>\$ 45,566</u>	<u>\$ 8,248</u>



**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ECONOMIC DEVELOPMENT VENTURE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	ECONOMIC DEVELOPMENT VENTURE FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>City Manager</b>				
Other than personal services	500,000	500,000	358,658	141,342
Total expenditures	500,000	500,000	358,658	141,342
Excess (deficiency) of expenditures over revenues	(500,000)	(500,000)	(358,658)	141,342
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating transfers-in	500,000	500,000	500,000	-
Total other financing sources (uses)	500,000	500,000	500,000	-
Excess (deficiency) of revenues and other financing sources over expenditures	-	-	141,342	141,342
Fund balances at beginning of year	250,618	250,618	250,618	-
Lapsed encumbrances	68	68	68	-
Fund balances at end of year	<u>\$ 250,686</u>	<u>\$ 250,686</u>	<u>\$ 392,028</u>	<u>\$ 141,342</u>

**CITY OF UPPER ARLINGTON, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
AS OF DECEMBER 31, 2018**

	Arlington Centre TIF	Tremont Road TIF	Lane Avenue Mixed Use TIF	Lane Avenue TIF	Arlington Crossing TIF	Horizon TIF
<b>Assets:</b>						
Cash, cash equivalents and investments	\$ 19,071	\$ 5,088	\$ 1,285,805	\$ 376,524	\$ 615,199	\$ 2,114,084
Receivables (net of allowances):						
Payments in lieu of taxes	24,046	56,784	948,400	110,435	128,715	414,642
Intergovernmental	-	-	-	-	10,860	-
Total assets	<u>\$ 43,117</u>	<u>\$ 61,872</u>	<u>\$ 2,234,205</u>	<u>\$ 486,959</u>	<u>\$ 754,774</u>	<u>\$ 2,528,726</u>
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advances from other funds	-	266,135	-	-	-	-
Due to other funds	-	25,000	-	-	-	-
Total liabilities	<u>-</u>	<u>291,135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>						
Property and Other Local Taxes	24,046	56,784	948,400	110,435	128,715	414,642
Unavailable Revenue	-	-	-	-	10,860	-
Total deferred inflows of resources	<u>24,046</u>	<u>56,784</u>	<u>948,400</u>	<u>110,435</u>	<u>139,575</u>	<u>414,642</u>
<b>Fund Balance:</b>						
Restricted						
Capital projects	19,071	-	1,285,805	376,524	615,199	2,114,084
Committed						
Capital projects	-	-	-	-	-	-
Unassigned (deficit)	-	(286,047)	-	-	-	-
Total fund balances	<u>19,071</u>	<u>(286,047)</u>	<u>1,285,805</u>	<u>376,524</u>	<u>615,199</u>	<u>2,114,084</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 43,117</u>	<u>\$ 61,872</u>	<u>\$ 2,234,205</u>	<u>\$ 486,959</u>	<u>\$ 754,774</u>	<u>\$ 2,528,726</u>

Kingsdale West TIF	Kingsdale Core TIF	Riverside North TIF	Riverside South TIF	W. Lane Northwest TIF	Estate Tax Capital Projects	Community Fiber Optic	Total Nonmajor Capital Projects
\$ 199,555	\$ 190,922	\$ 10,439	\$ 55,307	\$ 218,200	\$ 842,798	\$ 560,121	\$ 6,493,113
43,001	1,633,472	1,450	22,006	-	-	-	3,382,951
425	-	-	-	-	2,866	-	14,151
<u>\$ 242,981</u>	<u>\$ 1,824,394</u>	<u>\$ 11,889</u>	<u>\$ 77,313</u>	<u>\$ 218,200</u>	<u>\$ 845,664</u>	<u>\$ 560,121</u>	<u>\$ 9,890,215</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,220	\$ 413	\$ 14,633
-	518,000	-	-	218,200	-	1,675,000	2,677,335
-	200,000	-	-	-	-	100,000	325,000
<u>-</u>	<u>718,000</u>	<u>-</u>	<u>-</u>	<u>218,200</u>	<u>14,220</u>	<u>1,775,413</u>	<u>3,016,968</u>
43,001	1,044,400	1,450	22,006	-	-	-	2,793,879
425	589,072	-	-	-	1,057	-	601,414
<u>43,426</u>	<u>1,633,472</u>	<u>1,450</u>	<u>22,006</u>	<u>-</u>	<u>1,057</u>	<u>-</u>	<u>3,395,293</u>
199,555	-	10,439	55,307	-	-	-	4,675,984
-	-	-	-	-	830,387	-	830,387
-	(527,078)	-	-	-	-	(1,215,292)	(2,028,417)
<u>199,555</u>	<u>(527,078)</u>	<u>10,439</u>	<u>55,307</u>	<u>-</u>	<u>830,387</u>	<u>(1,215,292)</u>	<u>3,477,954</u>
<u>\$ 242,981</u>	<u>\$ 1,824,394</u>	<u>\$ 11,889</u>	<u>\$ 77,313</u>	<u>\$ 218,200</u>	<u>\$ 845,664</u>	<u>\$ 560,121</u>	<u>\$ 9,890,215</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Arlington Centre TIF	Tremont Road TIF	Lane Avenue Mixed Use TIF	Lane Avenue TIF	Arlington Crossing TIF	Horizon TIF
<b>Revenues:</b>						
Payments in lieu of taxes	\$ 24,164	\$ -	\$ 958,753	\$ 116,788	\$ 134,413	\$ 354,132
Intergovernmental	-	-	-	-	18,119	-
Investment earnings	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>24,164</u>	<u>-</u>	<u>958,753</u>	<u>116,788</u>	<u>152,532</u>	<u>354,132</u>
<b>Expenditures:</b>						
Current:						
General government	273	-	429,108	1,973	2,463	8,370
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>273</u>	<u>-</u>	<u>429,108</u>	<u>1,973</u>	<u>2,463</u>	<u>8,370</u>
Excess (deficiency) of revenues over (under) expenditures	23,891	-	529,645	114,815	150,069	345,762
<b>Other Financing Sources (Uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(364,431)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(364,431)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	23,891	-	165,214	114,815	150,069	345,762
Fund balance (deficit) at beginning of year	(4,820)	(286,047)	1,120,591	261,709	465,130	1,768,322
Increase/Decrease in Inventory	-	-	-	-	-	-
Fund balance (deficit) at end of year	<u>\$ 19,071</u>	<u>\$ (286,047)</u>	<u>\$ 1,285,805</u>	<u>\$ 376,524</u>	<u>\$ 615,199</u>	<u>\$ 2,114,084</u>

Kingsdale West TIF	Kingsdale Core TIF	Riverside North TIF	Riverside South TIF	W. Lane Northwest TIF	Estate Tax Capital Projects	Community Fiber Optic	Total Nonmajor Capital Projects
\$ 43,188	\$ 525,109	\$ 1,457	\$ 22,114	\$ -	\$ -	\$ -	\$ 2,180,118
854	-	-	-	-	72,587	-	91,560
-	-	-	-	-	7,684	-	7,684
-	-	-	-	-	435,165	195,516	630,681
44,042	525,109	1,457	22,114	-	515,436	195,516	2,910,043
498	285,521	16	250	-	-	-	728,472
-	-	-	-	-	88,331	120,979	209,310
498	285,521	16	250	-	88,331	120,979	937,782
43,544	239,588	1,441	21,864	-	427,105	74,537	1,972,261
-	-	-	-	-	-	68,400	68,400
-	(269,131)	-	-	-	-	(120,298)	(753,860)
-	(269,131)	-	-	-	-	(51,898)	(685,460)
43,544	(29,543)	1,441	21,864	-	427,105	22,639	1,286,801
156,011	(497,535)	8,998	33,443	-	403,282	(1,237,931)	2,191,153
-	-	-	-	-	-	-	-
\$ 199,555	\$ (527,078)	\$ 10,439	\$ 55,307	\$ -	\$ 830,387	\$ (1,215,292)	\$ 3,477,954

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ARLINGTON CENTRE TIF FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	ARLINGTON CENTRE TIF FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Payments in lieu of taxes	\$ 31,500	\$ 24,200	\$ 24,164	\$ (36)
Total revenues	31,500	24,200	24,164	(36)
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Finance</b>				
Other than personal services	1,000	1,000	273	727
Total expenditures	1,000	1,000	273	727
Excess (deficiency) of expenditures over revenues	30,500	23,200	23,891	691
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Advances out	(5,000)	(5,000)	(5,000)	-
Total other financing sources (uses)	(5,000)	(5,000)	(5,000)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	25,500	18,200	18,891	691
Fund balances at beginning of year	180	180	180	-
Fund balances at end of year	\$ 25,680	\$ 18,380	\$ 19,071	\$ 691

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**TREMONT ROAD TIF FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	TREMONT ROAD TIF FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Payments in lieu of taxes	\$ 30,000	\$ -	\$ -	\$ -
Total revenues	30,000	-	-	-
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Finance</b>				
Other than personal services	1,000	-	-	-
Total expenditures	1,000	-	-	-
Excess (deficiency) of expenditures over revenues	29,000	-	-	-
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating transfers-out	(25,000)	-	-	-
Total other financing sources (uses)	(25,000)	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	4,000	-	-	-
Fund balances at beginning of year	5,088	5,088	5,088	-
Fund balances at end of year	\$ 9,088	\$ 5,088	\$ 5,088	\$ -

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**LANE AVENUE MIXED USE TIF FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	LANE AVENUE MIXED USE TIF FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Payments in lieu of taxes	\$ 891,000	\$ 955,000	\$ 958,753	\$ 3,753
Total revenues	891,000	955,000	958,753	3,753
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Finance</b>				
Other than personal services	400,000	430,000	429,108	892
Total expenditures	400,000	430,000	429,108	892
Excess (deficiency) of expenditures over revenues	491,000	525,000	529,645	4,645
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating transfers-out	(364,500)	(364,500)	(364,431)	69
Total other financing sources (uses)	(364,500)	(364,500)	(364,431)	69
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	126,500	160,500	165,214	4,714
Fund balances at beginning of year	1,120,591	1,120,591	1,120,591	-
Fund balances at end of year	<u>\$ 1,247,091</u>	<u>\$ 1,281,091</u>	<u>\$ 1,285,805</u>	<u>\$ 4,714</u>



**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**LANE AVENUE TIF FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	LANE AVENUE TIF FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Payments in lieu of taxes	\$ 78,400	\$ 116,400	\$ 116,788	\$ 388
Total revenues	<u>78,400</u>	<u>116,400</u>	<u>116,788</u>	<u>388</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Finance</b>				
Other than personal services	1,200	2,000	1,973	27
Total expenditures	<u>1,200</u>	<u>2,000</u>	<u>1,973</u>	<u>27</u>
Excess (deficiency) of expenditures over revenues	77,200	114,400	114,815	415
Fund balances at beginning of year	261,709	261,709	261,709	-
Fund balances at end of year	<u>\$ 338,909</u>	<u>\$ 376,109</u>	<u>\$ 376,524</u>	<u>\$ 415</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ARLINGTON CROSSING TIF FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	ARLINGTON CROSSING TIF FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Payments in lieu of taxes	\$ 195,000	\$ 150,000	\$ 134,413	\$ (15,587)
Intergovernmental	-	-	18,119	18,119
Total revenues	<u>195,000</u>	<u>150,000</u>	<u>152,532</u>	<u>2,532</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Finance</b>				
Other than personal services	<u>3,500</u>	<u>3,500</u>	<u>2,463</u>	<u>1,037</u>
Total expenditures	<u>3,500</u>	<u>3,500</u>	<u>2,463</u>	<u>1,037</u>
Excess (deficiency) of expenditures over revenues	191,500	146,500	150,069	3,569
Fund balances at beginning of year	<u>465,130</u>	<u>465,130</u>	<u>465,130</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ 656,630</u></u>	<u><u>\$ 611,630</u></u>	<u><u>\$ 615,199</u></u>	<u><u>\$ 3,569</u></u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**HORIZON TIF FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	HORIZON TIF FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Payments in lieu of taxes	\$ 330,000	\$ 353,000	\$ 354,132	\$ 1,132
Total revenues	330,000	353,000	354,132	1,132
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Finance</b>				
Other than personal services	4,000	8,400	8,370	30
Total expenditures	4,000	8,400	8,370	30
Excess (deficiency) of expenditures over revenues	326,000	344,600	345,762	1,162
Fund balances at beginning of year	1,768,322	1,768,322	1,768,322	-
Fund balances at end of year	<u>\$ 2,094,322</u>	<u>\$ 2,112,922</u>	<u>\$ 2,114,084</u>	<u>\$ 1,162</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**KINGSDALE WEST TIF FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	KINGSDALE WEST TIF FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Payments in lieu of taxes	\$ 42,900	\$ 42,900	\$ 43,188	\$ 288
Intergovernmental	-	-	854	854
Total revenues	<u>42,900</u>	<u>42,900</u>	<u>44,042</u>	<u>1,142</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Finance</b>				
Other than personal services	800	800	498	302
Total expenditures	<u>800</u>	<u>800</u>	<u>498</u>	<u>302</u>
Excess (deficiency) of expenditures over revenues	42,100	42,100	43,544	1,444
Fund balances at beginning of year	156,011	156,011	156,011	-
Fund balances at end of year	<u>\$ 198,111</u>	<u>\$ 198,111</u>	<u>\$ 199,555</u>	<u>\$ 1,444</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**KINGSDALE CORE TIF FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	KINGSDALE CORE TIF FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Payments in lieu of taxes	\$ 893,000	\$ 524,000	\$ 525,109	\$ 1,109
Total revenues	893,000	524,000	525,109	1,109
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Finance</b>				
Other than personal services	459,000	285,600	285,521	79
Total expenditures	459,000	285,600	285,521	79
Excess (deficiency) of expenditures over revenues	434,000	238,400	239,588	1,188
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating transfers-out	(269,200)	(269,200)	(269,131)	69
Advances out	(100,000)	(100,000)	(100,000)	-
Total other financing sources (uses)	(369,200)	(369,200)	(369,131)	69
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	64,800	(130,800)	(129,543)	1,257
Fund balances at beginning of year	320,465	320,465	320,465	-
Fund balances at end of year	<u>\$ 385,265</u>	<u>\$ 189,665</u>	<u>\$ 190,922</u>	<u>\$ 1,257</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**RIVERSIDE NORTH TIF FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	RIVERSIDE NORTH TIF FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Payments in lieu of taxes	\$ 1,600	\$ 1,600	\$ 1,457	\$ (143)
Total revenues	<u>1,600</u>	<u>1,600</u>	<u>1,457</u>	<u>(143)</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Finance</b>				
Other than personal services	100	100	16	84
Total expenditures	<u>100</u>	<u>100</u>	<u>16</u>	<u>84</u>
Excess (deficiency) of expenditures over revenues	1,500	1,500	1,441	(59)
Fund balances at beginning of year	8,998	8,998	8,998	-
Fund balances at end of year	<u>\$ 10,498</u>	<u>\$ 10,498</u>	<u>\$ 10,439</u>	<u>\$ (59)</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**RIVERSIDE SOUTH TIF FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	RIVERSIDE SOUTH TIF FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Payments in lieu of taxes	\$ 16,800	\$ 21,800	\$ 22,114	\$ 314
Total revenues	16,800	21,800	22,114	314
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Finance</b>				
Other than personal services	200	250	250	-
Total expenditures	200	250	250	-
Excess (deficiency) of expenditures over revenues	16,600	21,550	21,864	314
Fund balances at beginning of year	33,443	33,443	33,443	-
Fund balances at end of year	<u>\$ 50,043</u>	<u>\$ 54,993</u>	<u>\$ 55,307</u>	<u>\$ 314</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**W. LANE - NORTHWEST TIF FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	W. LANE - NORTHWEST TIF FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Public Works Division</b>				
Capital outlay	-	218,200	218,200	-
Total expenditures	-	218,200	218,200	-
Excess (deficiency) of expenditures over revenues	-	(218,200)	(218,200)	-
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Advances in	-	218,200	218,200	-
Total other financing sources (uses)	-	218,200	218,200	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ESTATE TAX CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	ESTATE TAX CAPITAL PROJECTS FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Intergovernmental	\$ -	\$ 163,100	\$ 163,132	\$ 32
Investment Earnings	-	3,300	6,796	3,496
Miscellaneous	-	435,000	435,165	165
Total revenues	-	601,400	605,093	3,693
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Parks and recreation</b>				
Capital outlay	-	119,812	119,812	-
<b>Public Service Administration</b>				
Personal services	-	10,000	1,391	8,609
<b>Public Works Division</b>				
Capital outlay	-	581,088	52,124	528,964
Total expenditures	-	710,900	173,327	537,573
Excess (deficiency) of expenditures over revenues	-	(109,500)	431,766	541,266
Fund balances at beginning of year	144,531	144,531	144,531	-
Lapsed encumbrances	149,001	149,001	149,001	-
Fund balances at end of year	<u>\$ 293,532</u>	<u>\$ 184,032</u>	<u>\$ 725,298</u>	<u>\$ 541,266</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**COMMUNITY FIBER OPTIC FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	COMMUNITY FIBER OPTIC FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>REVENUES:</u></b>				
Miscellaneous	\$ 194,700	\$ 194,700	\$ 195,516	\$ 816
Total revenues	194,700	194,700	195,516	816
<b><u>EXPENDITURES:</u></b>				
Current:				
<b>Information Technology</b>				
Other than personal services	25,000	25,000	21,196	3,804
Capital outlay	150,000	150,000	18,449	131,551
Total expenditures	175,000	175,000	39,645	135,355
Excess (deficiency) of expenditures over revenues	19,700	19,700	155,871	136,171
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating transfers-in	68,400	68,400	68,400	-
Operating transfers-out	(120,300)	(120,300)	(120,298)	2
Advances out	(100,000)	(100,000)	(100,000)	-
Total other financing sources (uses)	(151,900)	(151,900)	(151,898)	2
Excess (deficiency) of revenues and other financing sources over expenditures	(132,200)	(132,200)	3,973	136,173
Fund balances at beginning of year	419,785	419,785	419,785	-
Lapsed encumbrances	-	-	-	-
Fund balances at end of year	\$ 287,585	\$ 287,585	\$ 423,758	\$ 136,173

**CITY OF UPPER ARLINGTON, OHIO**  
**FUND DESCRIPTIONS – ENTERPRISE FUNDS**

**Solid Waste Fund**

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

**Water Surcharge Fund**

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

**Sanitary Sewer Surcharge Fund**

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

**Stormwater Fund**

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

**Swimming Pools Fund**

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

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN FUND EQUITY**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SOLID WASTE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	SOLID WASTE FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>OPERATING REVENUES:</u></b>				
Charges for services	\$ 3,000,000	\$ 2,800,000	\$ 2,738,708	\$ (61,292)
Total operating revenues	<u>3,000,000</u>	<u>2,800,000</u>	<u>2,738,708</u>	<u>(61,292)</u>
<b><u>OPERATING EXPENSES:</u></b>				
Current:				
<b>Solid Waste</b>				
Other than personal services	3,097,000	3,137,000	3,006,323	130,677
Total operating expenses	<u>3,097,000</u>	<u>3,137,000</u>	<u>3,006,323</u>	<u>130,677</u>
Excess (deficiency) of operating expenses over (under) operating revenues	(97,000)	(337,000)	(267,615)	69,385
<b><u>NONOPERATING REVENUES:</u></b>				
Investment earnings	5,000	5,000	14,765	9,765
Advances in	250,000	250,000	250,000	-
Total nonoperating revenues	<u>255,000</u>	<u>255,000</u>	<u>264,765</u>	<u>9,765</u>
Net change in fund equity	158,000	(82,000)	(2,850)	79,150
Fund equity at beginning of year	721,751	721,751	721,751	-
Fund equity at end of year	<u>\$ 879,751</u>	<u>\$ 639,751</u>	<u>\$ 718,901</u>	<u>\$ 79,150</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN FUND EQUITY**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**WATER SURCHARGE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	WATER SURCHARGE FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>OPERATING REVENUES:</u></b>				
Charges for services	\$ 460,000	\$ 490,000	\$ 479,834	\$ (10,166)
Total operating revenues	460,000	490,000	479,834	(10,166)
<b><u>OPERATING EXPENSES:</u></b>				
Current:				
<b>Public Works Division</b>				
Personal services	214,300	169,300	149,716	19,584
Other than personal services	148,500	148,500	57,826	90,674
Capital outlay	9,000	9,000	-	9,000
<b>Finance</b>				
Other than personal services	106,700	106,700	106,643	57
Total expenses	478,500	433,500	314,185	119,315
Net change in fund equity	(18,500)	56,500	165,649	109,149
Fund equity at beginning of year	780,777	780,777	780,777	-
Lapsed encumbrances	4,101	4,101	4,101	-
Fund equity at end of year	<u>\$ 766,378</u>	<u>\$ 841,378</u>	<u>\$ 950,527</u>	<u>\$ 109,149</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN FUND EQUITY**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SANITARY SEWER SURCHARGE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	SANITARY SEWER SURCHARGE FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>OPERATING REVENUES:</u></b>				
Charges for services	\$ 855,000	\$ 875,000	\$ 884,959	\$ 9,959
Miscellaneous	1,500	1,500	1,586	86
Total operating revenues	<u>856,500</u>	<u>876,500</u>	<u>886,545</u>	<u>10,045</u>
<b><u>OPERATING EXPENSES:</u></b>				
Current:				
<b>Public Works Division</b>				
Personal services	449,300	574,300	555,349	18,951
Other than personal services	367,100	367,099	324,019	43,080
Capital outlay	280,000	280,000	278,628	1,372
<b>Finance</b>				
Other than personal services	7,500	7,501	7,500	1
Total expenses	<u>1,103,900</u>	<u>1,228,900</u>	<u>1,165,496</u>	<u>63,404</u>
Net change in fund equity	(247,400)	(352,400)	(278,951)	73,449
Fund equity at beginning of year	1,352,349	1,352,349	1,352,349	-
Lapsed encumbrances	5,948	5,948	5,948	-
Fund equity at end of year	<u>\$ 1,110,897</u>	<u>\$ 1,005,897</u>	<u>\$ 1,079,346</u>	<u>\$ 73,449</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN FUND EQUITY**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**STORMWATER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	STORMWATER FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>OPERATING REVENUES:</u></b>				
Charges for services	\$ 744,000	\$ 753,000	\$ 745,602	\$ (7,398)
Total revenues	<u>744,000</u>	<u>753,000</u>	<u>745,602</u>	<u>(7,398)</u>
<b><u>OPERATING EXPENSES:</u></b>				
Current:				
<b>Public Works Division</b>				
Personal services	270,400	260,400	237,730	22,670
Other than personal services	149,000	149,000	99,505	49,495
<b>Finance</b>				
Other than personal services	62,600	62,600	62,534	66
Total expenses	<u>482,000</u>	<u>472,000</u>	<u>399,769</u>	<u>72,231</u>
Excess (deficiency) of operating expenses over (under) operating revenues	262,000	281,000	345,833	64,833
<b><u>NONOPERATING REVENUES (EXPENSES):</u></b>				
Investment earnings	20,000	20,000	33,474	13,474
Total nonoperating revenues (expenses)	<u>20,000</u>	<u>20,000</u>	<u>33,474</u>	<u>13,474</u>
Net change in fund equity	282,000	301,000	379,307	78,307
Fund equity at beginning of year, restated	2,111,742	2,111,742	2,111,742	-
Lapsed encumbrances	14,719	14,719	14,719	-
Fund equity at end of year	<u>\$ 2,408,461</u>	<u>\$ 2,427,461</u>	<u>\$ 2,505,768</u>	<u>\$ 78,307</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN FUND EQUITY**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SWIMMING POOLS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	SWIMMING POOLS FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>OPERATING REVENUES:</u></b>				
Charges for services	\$ 700,000	\$ 743,000	\$ 758,428	\$ 15,428
Total operating revenues	700,000	743,000	758,428	15,428
<b><u>OPERATING EXPENSES:</u></b>				
Current:				
<b>Parks and recreation</b>				
Personal services	505,000	480,000	467,257	12,743
Other than personal services	201,300	242,300	208,654	33,646
Capital outlay	16,000	105,000	104,423	577
Total expenses	722,300	827,300	780,334	46,966
Net change in fund equity	(22,300)	(84,300)	(21,906)	62,394
Fund equity at beginning of year	534,202	534,202	534,202	-
Lapsed encumbrances	750	750	750	-
Fund equity at end of year	<u>\$ 512,652</u>	<u>\$ 450,652</u>	<u>\$ 513,046</u>	<u>\$ 62,394</u>



## **CITY OF UPPER ARLINGTON, OHIO**

### **FUND DESCRIPTIONS – INTERNAL SERVICE FUNDS**

#### **Employee Benefits Fund**

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

#### **BWC Administration Fund**

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

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

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
AS OF DECEMBER 31, 2018**

	Employee Benefits Fund	BWC Administration Fund	Total
<b>Assets:</b>			
Current assets:			
Cash, cash equivalents and investments	\$ 2,526,515	\$ 685,322	\$ 3,211,837
Receivables (net of allowances):			
Due from other funds	-	8,400	8,400
Total assets	<u>2,526,515</u>	<u>693,722</u>	<u>3,220,237</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	<u>244,540</u>	<u>218,134</u>	<u>462,674</u>
Total liabilities	<u>244,540</u>	<u>218,134</u>	<u>462,674</u>
<b>Net Position:</b>			
Unrestricted	<u>2,281,975</u>	<u>475,588</u>	<u>2,757,563</u>
Total net position	<u><u>\$ 2,281,975</u></u>	<u><u>\$ 475,588</u></u>	<u><u>\$ 2,757,563</u></u>

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

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Employee Benefits Fund	BWC Administration Fund	Total
<b>Operating Revenues:</b>			
Charges for services	\$ 3,420,826	\$ 269,187	\$ 3,690,013
Miscellaneous	115,224	981	116,205
Total operating revenues	<u>3,536,050</u>	<u>270,168</u>	<u>3,806,218</u>
<b>Operating Expenses:</b>			
Self-insurance	3,282,142	210,666	3,492,808
Total operating expenses	<u>3,282,142</u>	<u>210,666</u>	<u>3,492,808</u>
Change in net position	253,908	59,502	313,410
Net position at beginning of year	2,028,067	416,086	2,444,153
Net position at end of year	<u><u>\$ 2,281,975</u></u>	<u><u>\$ 475,588</u></u>	<u><u>\$ 2,757,563</u></u>

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

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Employee Benefits Fund	BWC Administration Fund	Total
<b>Cash Flows from Operating Activities</b>			
Receipts from customers and users	\$ 3,536,050	\$ 269,153	\$ 3,805,203
Payments to suppliers and contractual services	(3,268,855)	(164,426)	(3,433,281)
Net cash provided by operating activities	<u>267,195</u>	<u>104,727</u>	<u>371,922</u>
Net increase in cash and cash equivalents	267,195	104,727	371,922
Cash and cash equivalents, January 1	<u>2,259,320</u>	<u>580,595</u>	<u>2,839,915</u>
Cash and cash equivalents, December 31	<u><u>\$ 2,526,515</u></u>	<u><u>\$ 685,322</u></u>	<u><u>\$ 3,211,837</u></u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	\$ 253,908	\$ 59,502	\$ 313,410
Adjustments to reconcile operating income to net cash provided by operating activities:			
Increase in due from other funds	-	(1,015)	(1,015)
Increase in accounts payable	13,287	46,240	59,527
Total adjustments	<u>13,287</u>	<u>45,225</u>	<u>58,512</u>
Net cash provided by operating activities	<u><u>\$ 267,195</u></u>	<u><u>\$ 104,727</u></u>	<u><u>\$ 371,922</u></u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN FUND EQUITY**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**EMPLOYEE BENEFITS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	EMPLOYEE BENEFITS FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>OPERATING REVENUES:</u></b>				
Charges for services	\$ 3,524,000	\$ 3,524,000	\$ 3,420,826	\$ (103,174)
Miscellaneous	52,000	114,500	115,224	724
Total operating revenues	<u>3,576,000</u>	<u>3,638,500</u>	<u>3,536,050</u>	<u>(102,450)</u>
<b><u>OPERATING EXPENSES:</u></b>				
Current:				
<b>Finance</b>				
Personal services	2,890,000	2,890,000	2,663,312	226,688
Other than personal services	885,000	885,000	635,261	249,739
Total expenses	<u>3,775,000</u>	<u>3,775,000</u>	<u>3,298,573</u>	<u>476,427</u>
Net change in fund equity	(199,000)	(136,500)	237,477	373,977
Fund equity at beginning of year	2,243,204	2,243,204	2,243,204	-
Lapsed encumbrances	16,116	16,116	16,116	-
Fund equity at end of year	<u>\$ 2,060,320</u>	<u>\$ 2,122,820</u>	<u>\$ 2,496,797</u>	<u>\$ 373,977</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN FUND EQUITY**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**BWC ADMINISTRATION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	BWC ADMINISTRATION FUND			
	Adopted Budget	Revised Budget	Actual	Variance
<b><u>OPERATING REVENUES:</u></b>				
Charges for services	\$ 260,000	\$ 260,000	\$ 268,172	\$ 8,172
Miscellaneous	-	-	981	981
Total operating revenues	<u>260,000</u>	<u>260,000</u>	<u>269,153</u>	<u>9,153</u>
<b><u>OPERATING EXPENSES:</u></b>				
Current:				
<b>Finance</b>				
Personal services	100,000	100,000	76,692	23,308
Other than personal services	153,000	153,000	97,183	55,817
Total expenses	<u>253,000</u>	<u>253,000</u>	<u>173,875</u>	<u>79,125</u>
Net change in fund equity	7,000	7,000	95,278	88,278
Fund equity at beginning of year	580,595	580,595	580,595	-
Fund equity at end of year	<u>\$ 587,595</u>	<u>\$ 587,595</u>	<u>\$ 675,873</u>	<u>\$ 88,278</u>

**CITY OF UPPER ARLINGTON, OHIO**  
**FUND DESCRIPTIONS – FIDUCIARY FUNDS**

**Agency Funds**

**Unclaimed Funds Fund**

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

**Construction Withholding Fund**

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

**Mayor's Court Fund**

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

**Flexible Benefits Fund**

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

**Payroll Clearing Fund**

The fund accounts for payroll and deduction checks of employees.

**Revolving Fund**

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

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

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS (AGENCY FUNDS ONLY)  
AS OF DECEMBER 31, 2018

	<b>Agency Funds</b>			
	Unclaimed Funds Fund	Construction Withholding Fund	Mayor's Court Fund	Flexible Benefits Fund
<b><u>ASSETS</u></b>				
Cash, cash equivalents and investments	\$ 6,093	\$ 640,048	\$ 42,116	\$ -
Cash with third-party fiscal agent	-	-	-	796
Accounts receivable	-	48,968	-	-
Total assets	<u>\$ 6,093</u>	<u>\$ 689,016</u>	<u>\$ 42,116</u>	<u>\$ 796</u>
<b><u>LIABILITIES</u></b>				
Due to others	\$ 6,093	\$ 689,016	\$ 42,116	\$ 796
Total liabilities	<u>\$ 6,093</u>	<u>\$ 689,016</u>	<u>\$ 42,116</u>	<u>\$ 796</u>



<b>Agency Funds</b>		
Payroll Clearing Fund	Revolving Fund	Totals
\$ 514,937	\$ 87,557	\$ 1,290,751
-	-	796
-	-	48,968
<u>\$ 514,937</u>	<u>\$ 87,557</u>	<u>\$ 1,340,515</u>
<u>\$ 514,937</u>	<u>\$ 87,557</u>	<u>\$ 1,340,515</u>
<u>\$ 514,937</u>	<u>\$ 87,557</u>	<u>\$ 1,340,515</u>
<u>\$ 514,937</u>	<u>\$ 87,557</u>	<u>\$ 1,340,515</u>

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

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS (AGENCY FUNDS ONLY)  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Balances Jan. 1, 2018	Additions	Deductions	Balances Dec. 31, 2018
<b>UNCLAIMED FUNDS</b>				
<b>Assets</b>				
Cash and investments	\$ 3,608	\$ 2,485	\$ -	\$ 6,093
<b>Liabilities</b>				
Due to others	\$ 3,608	\$ 2,485	\$ -	\$ 6,093
<b>CONSTRUCTION WITHHOLDING FUND</b>				
<b>Assets</b>				
Cash and investments	\$ 1,067,041	\$ 1,040,666	\$ 1,467,659	\$ 640,048
Accounts receivable	105,532	48,968	105,532	48,968
Total assets	<u>\$ 1,172,573</u>	<u>\$ 1,089,634</u>	<u>\$ 1,573,191</u>	<u>\$ 689,016</u>
<b>Liabilities</b>				
Due to others	<u>\$ 1,172,573</u>	<u>\$ 1,089,634</u>	<u>\$ 1,573,191</u>	<u>\$ 689,016</u>
<b>MAYOR'S COURT FUND</b>				
<b>Assets</b>				
Cash and investments	\$ 50,576	\$ 525,387	\$ 533,847	\$ 42,116
<b>Liabilities</b>				
Due to others	<u>\$ 50,576</u>	<u>\$ 525,387</u>	<u>\$ 533,847</u>	<u>\$ 42,116</u>
<b>FLEXIBLE BENEFITS FUND</b>				
<b>Assets</b>				
Cash with third party fiscal agent	<u>\$ 2,790</u>	<u>\$ 109,701</u>	<u>\$ 111,695</u>	<u>\$ 796</u>
<b>Liabilities</b>				
Due to others	<u>\$ 2,790</u>	<u>\$ 109,701</u>	<u>\$ 111,695</u>	<u>\$ 796</u>
<b>PAYROLL CLEARING FUND</b>				
<b>Assets</b>				
Cash and investments	<u>\$ 482,713</u>	<u>\$ 24,524,970</u>	<u>\$ 24,492,746</u>	<u>\$ 514,937</u>
<b>Liabilities</b>				
Due to others	<u>\$ 482,713</u>	<u>\$ 24,524,970</u>	<u>\$ 24,492,746</u>	<u>\$ 514,937</u>
<b>REVOLVING FUND</b>				
<b>Assets</b>				
Cash and investments	<u>\$ 34,643</u>	<u>\$ 201,955</u>	<u>\$ 149,041</u>	<u>\$ 87,557</u>
<b>Liabilities</b>				
Due to others	<u>\$ 34,643</u>	<u>\$ 201,955</u>	<u>\$ 149,041</u>	<u>\$ 87,557</u>
<b>TOTAL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash and investments	\$ 1,638,581	\$ 26,295,463	\$ 26,643,293	\$ 1,290,751
Cash with third party fiscal agent	2,790	109,701	111,695	796
Accounts receivable	105,532	48,968	105,532	48,968
Total assets	<u>\$ 1,746,903</u>	<u>\$ 26,454,132</u>	<u>\$ 26,860,520</u>	<u>\$ 1,340,515</u>
<b>Liabilities</b>				
Due to others	<u>\$ 1,746,903</u>	<u>\$ 26,454,132</u>	<u>\$ 26,860,520</u>	<u>\$ 1,340,515</u>





CITY OF | **UPPER ARLINGTON**

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## CITY OF UPPER ARLINGTON

### STATISTICAL SECTION

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

#### **Contents**

#### **Tables**

##### ***Financial Trends***

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

1-4

##### ***Revenue Capacity***

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

5-15

##### ***Debt Capacity***

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

16-19

##### ***Demographic and Economic Information***

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

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##### ***Operating Information***

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

21-23

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

	Year			
	<u>2018</u>	<i>Restated</i> <u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental Activities				
Net investment in capital assets	\$ 56,030	\$ 50,937	\$ 44,989	\$ 41,505
Restricted for:				
Capital projects	27,543	26,143	20,585	5,882
Debt service	935	597	686	466
Street construction, maintenance & repair	1,894	1,796	1,814	1,733
Law enforcement (public safety)	799	801	919	922
Economic development	-	-	-	509
Pension obligations	2,622	2,215	1,673	1,143
Other purposes	467	532	456	540
Unrestricted	(44,336)	(39,793)	4,227	20,540
<i>Total Governmental Activities Net Position</i>	<u>\$ 45,954</u>	<u>\$ 43,228</u>	<u>\$ 75,349</u>	<u>\$ 73,240</u>
Business-type activities				
Net investment in capital assets	\$ 46,220	\$ 43,064	\$ 34,284	\$ 31,740
Unrestricted	4,495	4,356	4,544	3,444
<i>Total Business-Type Activities Net Position</i>	<u>\$ 50,715</u>	<u>\$ 47,420</u>	<u>\$ 38,828</u>	<u>\$ 35,184</u>
Primary Government				
Net investment in capital assets	\$ 102,250	\$ 94,001	\$ 79,273	\$ 73,245
Restricted				
Capital projects	27,543	26,143	20,585	5,882
Debt service	935	597	686	466
Street construction, maintenance & repair	1,894	1,796	1,814	1,733
Law enforcement and education	799	801	919	922
Economic development	-	-	-	509
Pension obligations	2,622	2,215	1,673	1,143
Other purposes	467	532	456	540
Unrestricted	(39,841)	(35,437)	8,771	23,984
<i>Total Primary Government Net Position</i>	<u>\$ 96,669</u>	<u>\$ 90,648</u>	<u>\$ 114,177</u>	<u>\$ 108,424</u>

## Source:

City of Upper Arlington Finance Department

## Note:

GASB 68 was implemented in 2015 and the 2014 amounts have been restated. Effects of this implementation can not fully be shown for prior years.

GASB 75 was implemented in 2018 and the 2017 amounts have been restated. Effects of this implementation can not fully be shown for prior years.

Table 1

Year					
<i>Restated</i>					
<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 38,329	\$ 37,816	\$ 40,921	\$ 33,668	\$ 35,574	\$ 32,666
4,759	3,057	976	5,216	3,817	3,219
496	468	365	284	222	186
1,497	1,371	1,365	1,478	1,565	1,735
1,105	1,099	1,426	1,115	1,062	823
528	62	639	403	353	536
739	532	253	316	322	386
427	319	184	65	47	62
16,482	50,027	48,603	43,720	37,753	38,116
<u>\$ 64,362</u>	<u>\$ 94,751</u>	<u>\$ 94,732</u>	<u>\$ 86,265</u>	<u>\$ 80,715</u>	<u>\$ 77,729</u>
\$ 31,672	\$ 27,573	\$ 22,426	\$ 20,905	\$ 19,329	\$ 18,599
2,797	3,477	3,573	3,529	3,458	3,585
<u>\$ 34,469</u>	<u>\$ 31,050</u>	<u>\$ 25,999</u>	<u>\$ 24,434</u>	<u>\$ 22,787</u>	<u>\$ 22,184</u>
\$ 70,001	\$ 65,389	\$ 63,347	\$ 54,573	\$ 54,903	\$ 51,265
4,759	3,057	976	5,216	3,817	3,219
496	468	365	284	222	186
1,497	1,371	1,365	1,478	1,565	1,735
1,105	1,099	1,426	1,115	1,062	823
528	62	639	403	353	536
739	532	253	316	322	386
427	319	184	65	47	62
19,279	53,504	52,176	47,249	41,211	41,701
<u>\$ 98,831</u>	<u>\$ 125,801</u>	<u>\$ 120,731</u>	<u>\$ 110,699</u>	<u>\$ 103,502</u>	<u>\$ 99,913</u>

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

	<b>Year</b>			
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
<b>Expenses</b>				
Governmental Activities:				
General Government	\$ 11,267	\$ 11,299	\$ 10,491	\$ 10,043
Public Safety	22,223	19,472	18,922	16,812
Public Services	7,400	7,265	6,688	5,524
Parks and Recreation	4,345	4,363	3,657	3,233
Community Development	1,002	1,015	912	864
Interest on long-term debt	2,103	2,335	1,855	1,857
<i>Total Governmental Activities Expenses</i>	<u>48,340</u>	<u>45,749</u>	<u>42,525</u>	<u>38,333</u>
Business-Type activities:				
Solid Waste	2,852	2,042	2,153	2,063
Water	697	854	881	741
Sewer	1,289	1,069	869	636
Stormwater	723	726	610	560
Swimming pool	1,155	835	440	775
<i>Total Business-Type Activities Expenses</i>	<u>6,716</u>	<u>5,526</u>	<u>4,953</u>	<u>4,775</u>
<i>Total Primary Government Expenses</i>	<u>\$ 55,056</u>	<u>\$ 51,275</u>	<u>\$ 47,478</u>	<u>\$ 43,108</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for services:				
General Government	\$ 1,231	\$ 1,251	\$ 1,214	\$ 1,256
Public Safety	1,129	815	1,021	1,169
Public Services	1,630	528	373	556
Parks and Recreation	1,283	1,288	1,240	1,308
Community Development	1,173	1,130	1,117	1,047
Operating grants and contributions	1,737	1,976	1,847	1,905
Capital grants and contributions	221	1,944	536	2,085
<i>Total Governmental Activities Program Revenues</i>	<u>8,404</u>	<u>8,932</u>	<u>7,348</u>	<u>9,326</u>
Business-Type Activities:				
Charges for services:				
Solid Waste	2,985	2,276	2,457	2,006
Water	466	484	541	447
Sewer	869	875	959	834
Stormwater	767	755	759	737
Swimming pools	758	712	600	541
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	-
<i>Total Business-Type Activities Program Revenues</i>	<u>5,845</u>	<u>5,102</u>	<u>5,316</u>	<u>4,565</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 14,249</u>	<u>\$ 14,034</u>	<u>\$ 12,664</u>	<u>\$ 13,891</u>



Table 2

Year					
<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 11,744	\$ 8,333	\$ 7,492	\$ 7,981	\$ 7,903	\$ 8,189
16,206	16,031	16,570	15,973	15,724	16,110
4,977	5,561	4,996	4,649	5,159	4,709
3,143	3,085	3,137	3,147	3,052	3,346
892	1,005	1,045	935	953	984
1,666	1,814	2,108	1,822	1,464	1,205
<u>38,628</u>	<u>35,829</u>	<u>35,348</u>	<u>34,507</u>	<u>34,255</u>	<u>34,543</u>
2,109	2,077	2,051	2,041	2,009	1,952
656	527	481	567	453	400
632	579	701	676	651	794
487	494	587	1,027	1,069	858
673	694	708	658	667	736
<u>4,557</u>	<u>4,371</u>	<u>4,528</u>	<u>4,969</u>	<u>4,849</u>	<u>4,740</u>
<u>\$ 43,185</u>	<u>\$ 40,200</u>	<u>\$ 39,876</u>	<u>\$ 39,476</u>	<u>\$ 39,104</u>	<u>\$ 39,283</u>
\$ 1,092	\$ 1,131	\$ 652	\$ 793	\$ 818	\$ 971
1,178	1,066	1,347	1,507	1,391	1,370
162	267	124	2,340	80	76
1,208	1,196	1,068	1,983	879	848
1,100	923	797	762	1,053	677
2,032	1,941	2,177	410	2,060	1,813
-	-	388	-	-	80
<u>6,772</u>	<u>6,524</u>	<u>6,553</u>	<u>7,795</u>	<u>6,281</u>	<u>5,835</u>
1,917	1,961	1,986	1,954	1,685	1,664
431	454	484	415	400	378
788	818	850	791	774	771
758	748	752	761	548	537
566	588	646	638	628	608
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,460</u>	<u>4,569</u>	<u>4,718</u>	<u>4,559</u>	<u>4,035</u>	<u>3,958</u>
<u>\$ 11,232</u>	<u>\$ 11,093</u>	<u>\$ 11,271</u>	<u>\$ 12,354</u>	<u>\$ 10,316</u>	<u>\$ 9,793</u>

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

	<b>Year</b>			
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
<b>Net(Expense)Revenue</b>				
Governmental Activities	\$ (39,936)	\$ (36,817)	\$ (35,177)	\$ (29,007)
Business-Type Activities	(871)	(424)	363	(210)
<i>Total Primary Government Net Expense</i>	<u>\$ (40,807)</u>	<u>\$ (37,241)</u>	<u>\$ (34,814)</u>	<u>\$ (29,217)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Taxes				
Income taxes	29,730	25,448	23,946	22,863
Property taxes	10,172	10,602	10,503	9,819
Intergovernmental (1)	5,308	3,813	4,841	5,219
Unrestricted investment earnings	1,237	735	564	526
Miscellaneous	323	470	687	363
Transfers	(4,108)	(9,654)	(3,255)	(905)
Total governmental activities	<u>42,662</u>	<u>31,414</u>	<u>37,286</u>	<u>37,885</u>
Business-type activities:				
Investment earnings	58	28	25	20
Miscellaneous	-	-	-	-
Transfers	4,108	9,654	3,255	905
<i>Total Business-Type Activities</i>	<u>4,166</u>	<u>9,682</u>	<u>3,280</u>	<u>925</u>
<i>Total Primary Government</i>	<u>\$ 46,828</u>	<u>\$ 41,096</u>	<u>\$ 40,566</u>	<u>\$ 38,810</u>
<b>Change in Net Position</b>				
Governmental activities	2,726	(5,403)	2,109	8,878
Business-type activities	3,295	9,258	3,643	715
<i>Total Primary Government Change in Net Position</i>	<u>\$ 6,021</u>	<u>\$ 3,855</u>	<u>\$ 5,752</u>	<u>\$ 9,593</u>

Note:

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

Sources:

City of Upper Arlington Finance Department

Table 2

Year					
<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ (31,856)	\$ (29,305)	\$ (28,795)	\$ (26,712)	\$ (27,974)	\$ (28,708)
(97)	198	190	(410)	(814)	(782)
<u>\$ (31,953)</u>	<u>\$ (29,107)</u>	<u>\$ (28,605)</u>	<u>\$ (27,122)</u>	<u>\$ (28,788)</u>	<u>\$ (29,490)</u>
16,830	18,474	15,663	16,045	13,165	12,173
9,294	9,245	8,936	9,043	9,122	9,109
5,260	5,824	12,195	8,245	8,879	7,676
922	(90)	703	609	866	887
400	723	1,117	355	293	332
(4,132)	(4,852)	(1,352)	(2,035)	(1,365)	(1,048)
<u>28,574</u>	<u>29,324</u>	<u>37,262</u>	<u>32,262</u>	<u>30,960</u>	<u>29,129</u>
29	-	23	22	51	35
-	1	-	-	-	-
<u>4,132</u>	<u>4,852</u>	<u>1,352</u>	<u>2,036</u>	<u>1,365</u>	<u>1,048</u>
<u>4,161</u>	<u>4,853</u>	<u>1,375</u>	<u>2,058</u>	<u>1,416</u>	<u>1,083</u>
<u>\$ 32,735</u>	<u>\$ 34,177</u>	<u>\$ 38,637</u>	<u>\$ 34,320</u>	<u>\$ 32,376</u>	<u>\$ 30,212</u>
(3,282)	19	8,467	5,550	2,986	421
4,064	5,051	1,565	1,648	602	301
<u>\$ 782</u>	<u>\$ 5,070</u>	<u>\$ 10,032</u>	<u>\$ 7,198</u>	<u>\$ 3,588</u>	<u>\$ 722</u>

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

	<b>Year</b>			
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
General fund				
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Nonspendable	\$ 3,378	\$ 3,324	\$ 3,148	\$ 3,586
Restricted	15,505	14,524	13,173	1,568
Committed	1,778	1,489	1,320	10,314
Assigned	2,286	2,023	4,281	617
Unassigned (deficit)	18,260	17,410	17,561	18,799
<i>Total General Fund</i>	<u>\$ 41,207</u>	<u>\$ 38,770</u>	<u>\$ 39,483</u>	<u>\$ 34,884</u>
 All other governmental funds				
Reserved	N/A	N/A	N/A	N/A
Unreserved, reported in:				
Special revenue funds	N/A	N/A	N/A	N/A
Capital projects funds	N/A	N/A	N/A	N/A
Debt service funds	N/A	N/A	N/A	N/A
Nonspendable	\$ 151	\$ 126	\$ 131	\$ 67
Restricted	20,456	19,115	18,426	16,452
Committed	8,307	9,152	11,253	15,504
Assigned	-	-	-	-
Unassigned	(2,028)	(2,026)	(1,886)	(1,592)
<i>Total All Other Governmental Funds</i>	<u>\$ 26,886</u>	<u>\$ 26,367</u>	<u>\$ 27,924</u>	<u>\$ 30,431</u>

Sources:

City of Upper Arlington Finance Department

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

Table 3

Year					
<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
N/A	N/A	N/A	N/A	\$ 1,817	\$ 1,248
N/A	N/A	N/A	N/A	26,258	25,506
\$ 1,962	\$ 2,023	\$ 2,559	\$ 2,832	N/A	N/A
959	1,021	1,026	861	N/A	N/A
8,465	8,788	8,877	9,809	N/A	N/A
491	3,468	-	-	N/A	N/A
18,586	16,594	21,867	17,621	N/A	N/A
<u>\$ 30,463</u>	<u>\$ 31,894</u>	<u>\$ 34,329</u>	<u>\$ 31,123</u>	<u>\$ 28,075</u>	<u>\$ 26,754</u>
N/A	N/A	N/A	N/A	\$ 3,181	\$ 4,239
N/A	N/A	N/A	N/A	2,196	2,536
N/A	N/A	N/A	N/A	19,506	14,476
N/A	N/A	N/A	N/A	358	294
\$ 114	\$ 34	\$ 4,925	\$ 4,922	N/A	N/A
4,295	9,247	11,108	9,403	N/A	N/A
15,960	16,600	12,617	9,192	N/A	N/A
-	-	-	-	N/A	N/A
(270)	(801)	(5,723)	(4,749)	N/A	N/A
<u>\$ 20,099</u>	<u>\$ 25,080</u>	<u>\$ 22,927</u>	<u>\$ 18,768</u>	<u>\$ 25,241</u>	<u>\$ 21,545</u>

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

	<b>Year</b>			
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
<b>Revenues</b>				
Taxes	\$ 38,563	\$ 37,563	\$ 35,778	\$ 31,989
Intergovernmental (1)	7,092	6,990	7,232	10,425
Licenses and permits	1,360	1,244	1,213	1,181
Charges for services	2,063	1,930	2,014	2,102
Fines and forfeits	328	362	463	398
Investment earnings	1,190	779	533	510
Miscellaneous	2,133	1,729	1,083	1,561
<i>Total Revenues</i>	<u>52,729</u>	<u>50,597</u>	<u>48,316</u>	<u>48,166</u>
<b>Expenditures</b>				
General Government	10,210	9,940	9,819	9,637
Public Safety	17,688	17,010	15,991	15,547
Public Services	3,857	3,756	3,915	2,788
Parks and Recreation	3,708	3,539	3,265	2,963
Community Development	898	867	814	844
Capital outlay	16,622	20,054	20,839	12,562
Debt services				
Principal	4,701	5,159	3,810	7,375
Interest	2,122	2,194	1,720	1,577
Other charges	152	212	171	288
<i>Total Expenditures</i>	<u>59,958</u>	<u>62,731</u>	<u>60,344</u>	<u>53,581</u>
<i>Excess of Revenues Over(Under)</i>				
<i>Expenditures</i>	(7,229)	(12,134)	(12,028)	(5,415)
<b>Other Financing Sources (Uses)</b>				
Transfers in	10,343	11,749	7,052	5,053
Transfers out	(10,343)	(11,749)	(7,052)	(5,292)
Bonds/Notes issued	9,515	9,280	13,335	18,800
Refunding bonds and escrow transfer	-	-	-	6,082
Premium on bonds/notes issued	484	458	171	2,064
Payment to refunded bond escrow agent	-	-	-	(6,760)
Capital lease proceeds	-	-	-	-
Sale of capital assets	186	126	613	221
<i>Total Other Financing Sources (Uses)</i>	<u>10,185</u>	<u>9,864</u>	<u>14,119</u>	<u>20,168</u>
<i>Net Change in Fund Balances</i>	<u>\$ 2,956</u>	<u>\$ (2,270)</u>	<u>\$ 2,091</u>	<u>\$ 14,753</u>
 Debt Service as a Percentage of Noncapital Expenditures	 15.36%	 16.55%	 13.80%	 21.82%

Sources:

City of Upper Arlington Finance Department

Note:

(1) For comparison purposes, payments in lieu of taxes is included with intergovernmental revenue

Table 4

Year					
<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 26,710	\$ 26,131	\$ 33,890	\$ 28,344	\$ 28,433	\$ 27,322
7,200	7,831	5,450	5,624	4,632	4,208
1,115	1,066	877	945	922	819
2,004	1,994	2,014	1,899	1,891	1,913
373	345	362	430	416	388
899	(106)	703	609	866	887
1,299	1,683	1,660	1,493	1,128	896
39,600	38,944	44,956	39,344	38,288	36,433
11,359	6,532	7,332	7,557	7,880	7,939
15,646	15,930	15,527	15,784	15,651	16,252
2,697	4,081	3,135	2,913	3,190	2,892
2,925	2,866	3,008	3,017	3,040	3,149
958	994	994	956	991	975
10,763	5,272	10,830	16,095	8,923	13,601
3,092	2,850	2,595	2,480	1,985	1,487
1,530	1,735	1,819	1,743	1,393	1,177
152	154	151	131	148	235
49,122	40,414	45,391	50,676	43,201	47,707
(9,522)	(1,470)	(435)	(11,332)	(4,913)	(11,274)
4,919	9,851	7,285	5,036	6,661	5,605
(6,058)	(9,861)	(7,297)	(5,036)	(7,111)	(5,801)
3,800	-	10,000	6,000	10,000	10,090
6,265	8,640	-	-	-	6,715
217	775	247	284	25	488
(6,348)	(9,273)	-	(6,151)	-	(7,058)
-	918	-	-	-	-
315	138	333	208	381	174
3,110	1,188	10,568	341	9,956	10,213
\$ (6,412)	\$ (282)	\$ 10,133	\$ (10,991)	\$ 5,043	\$ (1,061)
12.05%	13.05%	12.77%	12.21%	9.85%	7.81%

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

<b><u>Year</u></b>	<b><u>Income</u></b> <b><u>Tax</u></b>	<b><u>Property</u></b> <b><u>Tax</u></b>	<b><u>Estate</u></b> <b><u>Tax</u></b>	<b><u>Motor Fuel</u></b> <b><u>Tax</u></b>	<b><u>Total</u></b>
2018	\$ 29,730	\$ 10,172	\$ 1	1,173	\$ 41,076
2017	25,448	10,602	3	1,204	37,257
2016	23,946	10,503	8	1,177	35,634
2015	22,863	9,818	65	1,215	33,961
2014	16,830	9,294	216	1,172	27,512
2013	18,474	9,245	2,430	1,152	31,301
2012	15,663	8,936	8,235	1,146	33,980
2011	16,045	9,044	3,652	1,134	29,875
2010	13,165	9,122	4,462	1,141	27,890
2009	12,173	9,109	4,192	1,018	26,492

Source:

City of Upper Arlington Finance Department



Table 6

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

	2018		2009	
	Assessed Valuation (1)	% of Total Assessed Valuation	Assessed Valuation	% of Total Assessed Valuation
<u>Public Utilities</u>				
Columbus Southern Power Co.	\$ 13,642,310	0.71%	\$ 10,172,660	0.64%
AEP Ohio Transmission	7,738,570	0.40%		
Columbia Gas of Ohio Inc.	5,916,600	0.31%	1,371,400	0.09%
<u>Real Estate</u>				
First Community Village	8,428,600	0.44%	2,143,960	0.14%
Berkley House LLC	8,400,000	0.44%		
Lane Avenue 450 LLC	5,526,720	0.29%	7,509,380	0.47%
Orthopaedic Medical Properties LLC	5,075,010	0.26%		
GGRE Son Central II Arlington LLC	4,753,010	0.25%		
Scioto Country Club Inc.	3,873,100	0.20%	3,872,680	0.24%
Echo/Contentental Kingsdale LLC	3,609,240	0.19%	7,746,100	0.49%
Centro NP Greentree SC LLC	3,447,510	0.18%		
Kenbrook Village Company	3,405,500	0.18%	2,541,000	0.16%
National Church Residences	2,681,850	0.14%		
Tremont Center Company	2,336,540	0.12%		
Lane Avenue Office Building LLC	2,153,340	0.11%	2,156,000	0.14%
Arlington Court Nursing Home	1,995,000	0.10%		
Kroger Co.	1,910,650	0.10%		
Huntington National Bank	1,861,380	0.10%		
Investment Land Holdings II	1,739,120	0.09%		
Shanghi Enterprises LLC	1,690,610	0.09%		
Upper Arlington Medical LP	1,645,010	0.09%		
CBC Companies Inc.	1,603,030	0.08%		
F9 UA LLC	1,575,000	0.08%		
V V and V Company	1,505,010	0.08%		
DO-AN Investments LTD	1,505,000	0.08%		
Time Warner Entertainment Company LP			8,050,040	0.51%
Kingsdale Condominiums			3,977,210	0.25%
New Plan Financing I Inc.			3,903,760	0.25%
Kimco Development Corp.			3,850,640	0.24%
<u>Tangible Personal Property</u>				
Ohio Bell Telephone			1,037,810	0.07%
New Par			138,670	0.01%
Sprintcom Inc.			64,190	0.00%
Time Warner Entertainment Company LP			27,210	0.00%
TWC Digital Telephone LLC			21,330	0.00%
T Mobile Central LLC			14,700	0.00%
Sprint Nextel Cop.			14,360	0.00%
Cincinnati SMSA Ltd Partnership			13,830	0.00%
Dieca Communications Inc.			7,570	0.00%
Choice One Communications of Ohio Inc.			5,510	0.00%
XO Communications Services Inc.			3,410	0.00%
ALL OTHERS	\$ 1,825,953,560	94.89%	1,522,614,270	96.30%
TOTAL ASSESSED VALUATION	\$ 1,923,971,270	100.00%	\$ 1,581,257,690	100.00%

Notes:

(1) Amounts for 2018 excludes any abated values or any values included with in a tax increment financing district.

Source: Franklin County, Ohio; County Auditor

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

<u>Year</u>	<u>City of Upper Arlington</u>					<u>Overlapping Rates</u>			
	<u>Franklin County</u>								
	<u>Operating</u>	<u>Debt</u>	<u>Police &amp;</u>	<u>Capital</u>	<u>Total</u>		<u>Specialty</u>	<u>Metro</u>	<u>Total</u>
	<u>Millage</u>	<u>Service</u>	<u>Pension</u>	<u>Equipment</u>	<u>City</u>	<u>Operating</u>	<u>Service</u>	<u>Parks</u>	<u>County</u>
	<u>Millage</u>	<u>Millage</u>	<u>Millage</u>	<u>Millage</u>	<u>Millage</u>	<u>Millage</u>	<u>Millage</u>	<u>Millage</u>	<u>Millage</u>
2018	3.90	0.20	1.57	0.50	6.17	1.47	16.70	0.75	18.92
2017	3.90	0.25	1.57	0.50	6.22	1.47	16.70	0.75	18.92
2016	3.90	0.50	1.68	0.50	6.58	1.47	16.25	0.75	18.47
2015	3.90	0.50	1.68	0.50	6.58	1.47	16.25	0.75	18.47
2014	3.90	0.50	1.68	0.50	6.58	1.47	16.25	0.75	18.47
2013	3.90	0.54	1.68	0.50	6.62	1.47	16.25	0.75	18.47
2012	3.90	0.54	1.68	0.50	6.62	1.47	16.25	0.75	18.47
2011	3.90	0.54	1.54	0.50	6.48	1.47	15.85	0.75	18.07
2010	3.90	0.54	1.54	0.50	6.48	1.47	15.85	0.75	18.07
2009	3.90	0.54	1.54	0.50	6.48	1.47	15.85	0.75	18.07

Notes:

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

Source: Franklin County, Ohio; County Auditor

Table 7

<b>Overlapping Rates</b>					
<b>Upper Arlington Schools</b>			<b>Library</b>		<b>Total Direct &amp; Overlapping Rates</b>
<b>Operating Millage</b>	<b>Debt Service Millage</b>	<b>Total School Millage</b>	<b>Operating Millage</b>	<b>Total Library Millage</b>	
107.86	6.90	114.76	2.00	2.00	141.85
107.86	6.90	114.76	2.00	2.00	141.90
104.11	1.90	106.01	2.00	2.00	133.06
104.11	1.85	105.96	2.00	2.00	133.01
104.11	1.97	106.08	2.00	2.00	133.13
104.11	1.97	106.08	2.00	2.00	133.17
100.11	1.97	102.08	2.00	2.00	129.17
100.11	1.97	102.08	2.00	2.00	128.63
100.11	1.97	102.08	2.00	2.00	128.63
100.11	1.97	102.08	2.00	2.00	128.63

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

<b>Year Ended <u>December 31</u></b>	<b>Real Property</b>			<b>Personal Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
	<b><u>Residential Property</u></b>	<b><u>Commercial Property</u></b>	<b><u>Public Utility Property</u></b>	<b><u>General</u></b>		
2018	\$ 1,739,970,960	\$ 156,768,900	\$ 27,231,410	\$ -	\$ 1,923,971,270	6.17
2017	1,740,706,620	161,580,020	25,185,610	-	1,927,472,250	6.22
2016	1,546,531,670	139,964,160	24,528,820	-	1,711,024,650	6.58
2015	1,539,456,620	139,457,060	24,165,400	-	1,703,079,080	6.58
2014	1,533,958,110	149,341,880	23,905,680	-	1,707,205,670	6.58
2013	1,405,652,200	133,744,520	22,872,510	-	1,562,269,230	6.62
2012	1,405,147,490	137,151,530	21,922,850	-	1,564,221,870	6.62
2011	1,410,425,940	149,473,060	14,095,190	-	1,573,994,190	6.48
2010	1,432,981,270	135,734,450	12,720,930	-	1,581,436,650	6.48
2009	1,429,916,090	139,163,160	11,480,320	698,120	1,581,257,690	6.48

Source: Franklin County, Ohio; County Auditor

<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of <u>Actual Value</u></b>
\$ 5,497,060,771	35.00%
5,507,063,571	35.00%
4,888,641,857	35.00%
4,865,940,229	35.00%
4,877,730,486	35.00%
4,463,626,371	35.00%
4,469,205,343	35.00%
4,497,126,257	35.00%
4,518,390,429	35.00%
4,518,676,966	35.00%

Table 9

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

<b>Employer</b>	<b>2018</b>		<b>2017</b>		<b>2016</b>		<b>2015</b>		<b>2014</b>	
	<b>Percentage of Total City</b>		<b>Percentage of Total City</b>		<b>Percentage of Total City</b>		<b>Percentage of Total City</b>		<b>Percentage of Total City</b>	
	<b>Employees</b>	<b>Employment</b>	<b>Employees</b>	<b>Employment</b>	<b>Employees</b>	<b>Employment</b>	<b>Employees</b>	<b>Employment</b>	<b>Employees</b>	<b>Employment</b>
UA Board of Education	809	4.6%	854	4.9%	852	4.6%	849	5.0%	838	4.8%
AOL Midwest	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
First Community Village	173	1.0%	176	1.0%	239	1.3%	231	1.4%	225	1.3%
City of Upper Arlington	227	1.3%	221	1.3%	220	1.2%	216	1.3%	216	1.2%
Kroger	108	0.6%	112	0.6%	107	0.6%	99	0.6%	99	0.6%
Giant Eagle	115	0.7%	143	0.8%	143	0.8%	143	0.9%	128	0.7%
Scioto Country Club	250	1.4%	206	1.2%	228	1.2%	200	1.2%	200	1.1%
Wellington School	125	0.7%	124	0.7%	124	0.7%	130	0.8%	160	0.9%
National Church Residences	409	2.3%	396	2.3%	454	2.5%	232	1.4%	211	1.2%
Willis HRH	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Ohio State University	497	2.8%	472	2.7%	525	2.8%	325	1.9%	325	1.9%
CBC Companies	215	1.2%	212	1.2%	200	1.1%	202	1.2%	203	1.2%
Ohio Orthopaedic Center	180	1.0%	177	1.0%	172	0.9%	186	1.1%	175	1.0%
<b>Total</b>	<b>3,108</b>	<b>17.60%</b>	<b>3,093</b>	<b>17.70%</b>	<b>3,264</b>	<b>17.70%</b>	<b>2,813</b>	<b>16.80%</b>	<b>2,780</b>	<b>15.90%</b>
<b>Total City Employees</b>	<b>17,567 (1)</b>		<b>17,567</b>		<b>18,423</b>		<b>16,823</b>		<b>17,489</b>	

<b>Employer</b>	<b>2013</b>		<b>2012</b>		<b>2011</b>		<b>2010</b>		<b>2009</b>	
	<b>Percentage of Total City</b>		<b>Percentage of Total City</b>		<b>Percentage of Total City</b>		<b>Percentage of Total City</b>		<b>Percentage of Total City</b>	
	<b>Employees</b>	<b>Employment</b>	<b>Employees</b>	<b>Employment</b>	<b>Employees</b>	<b>Employment</b>	<b>Employees</b>	<b>Employment</b>	<b>Employees</b>	<b>Employment</b>
UA Board of Education	812	4.7%	850	5.0%	860	5.1%	880	5.0%	880	5.2%
AOL Midwest	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
First Community Village	225	1.3%	378	2.2%	352	2.1%	360	2.1%	370	2.2%
City of Upper Arlington	218	1.3%	224	1.3%	241	1.4%	246	1.4%	243	1.4%
Kroger	94	0.5%	107	0.6%	107	0.6%	107	0.6%	143	0.8%
Giant Eagle	175	1.0%	200	1.2%	201	1.2%	201	1.1%	197	1.2%
Scioto Country Club	200	1.2%	200	1.2%	173	1.0%	173	1.0%	-	0.0%
Wellington School	160	0.9%	160	0.9%	160	0.9%	160	0.9%	170	1.0%
National Church Residences	174	1.0%	184	1.1%	194	1.1%	177	1.0%	173	1.0%
Willis HRH	-	0.0%	-	0.0%	-	0.0%	106	0.6%	132	0.8%
Ohio State University	325	1.9%	325	1.9%	325	1.9%	290	1.7%	285	1.7%
CBC Companies	170	1.0%	198	1.2%	175	1.0%	175	1.0%	175	1.0%
Ohio Orthopaedic Center	243	1.4%	214	1.3%	158	0.9%	185	1.1%	170	1.0%
<b>Total</b>	<b>2,796</b>	<b>16.20%</b>	<b>3,040</b>	<b>17.90%</b>	<b>2,946</b>	<b>17.20%</b>	<b>3,060</b>	<b>17.50%</b>	<b>2,938</b>	<b>17.30%</b>
<b>Total City Employees</b>	<b>17,378</b>		<b>17,018</b>		<b>17,018</b>		<b>17,552</b>		<b>17,076</b>	

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

Notes:

(1) Total City Employees data for 2017 was used as data from 2018 was not yet available.



CITY OF | **UPPER ARLINGTON**

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

Income Averages for Upper Arlington Tax Years 2018-2009

<u>Tax Year</u>	<u>Income Range Tax Year</u>	<u>Individual Resident Filers</u>	<u>Percent of Filers</u>	<u>Local Taxable Income</u>	<u>Percent of Taxable Income</u>
2018	0-19,999	2,986	22.4%	\$ 21,017,521	1.1%
2018	20,000-49,999	1,858	14.0%	63,682,573	3.3%
2018	50,000-74,999	1,307	9.8%	81,083,773	4.2%
2018	75,000-99,999	1,210	9.1%	105,040,606	5.5%
2018	Over 100,000	5,940	44.7%	1,651,689,904	85.9%
	Total	13,301		\$ 1,922,514,377	
2017	0-19,999	3,188	23.4%	\$ 23,500,651	1.2%
2017	20,000-49,999	1,985	14.6%	68,620,900	3.6%
2017	50,000-74,999	1,350	9.9%	83,844,581	4.4%
2017	75,000-99,999	1,230	9.0%	106,799,533	5.7%
2017	Over 100,000	5,855	43.0%	1,607,422,427	85.0%
	Total	13,608		\$ 1,890,188,092	
2016	0-19,999	2,756	22.4%	\$ 20,555,204	1.2%
2016	20,000-49,999	1,761	14.3%	61,052,036	3.4%
2016	50,000-74,999	1,195	9.7%	74,422,516	4.2%
2016	75,000-99,999	1,201	9.8%	104,291,144	5.9%
2016	Over 100,000	5,400	43.9%	1,518,995,981	85.4%
	Total	12,313		\$ 1,779,316,881	
2015	0-19,999	2,884	23.1%	\$ 21,594,351	1.3%
2015	20,000-49,999	1,876	15.1%	64,481,885	3.9%
2015	50,000-74,999	1,268	10.2%	78,878,817	4.8%
2015	75,000-99,999	1,235	9.9%	107,265,158	6.5%
2015	Over 100,000	5,200	41.7%	1,372,204,630	83.4%
	Total	12,463		\$ 1,644,424,841	
2014	0-19,999	2,971	24.2%	\$ 22,095,174	1.4%
2014	20,000-49,999	1,849	15.1%	64,080,477	4.1%
2014	50,000-74,999	1,282	10.4%	79,711,821	5.2%
2014	75,000-99,999	1,259	10.3%	109,807,642	7.1%
2014	Over 100,000	4,914	40.0%	1,272,099,979	82.2%
	Total	12,275		\$ 1,547,795,093	

Sources: Regional Income Tax Authority



Table 10

Tax Year	Income Range Tax Year	Individual Resident Filers	Percent of Filers	Local Taxable Income	Percent of Taxable Income
2013	0-19,999	2,971	24.2%	\$ 22,095,174	1.4%
2013	20,000-49,999	1,849	15.1%	64,080,477	4.1%
2013	50,000-74,999	1,282	10.4%	79,711,821	5.2%
2013	75,000-99,999	1,259	10.3%	109,807,642	7.1%
2013	Over 100,000	4,914	40.0%	1,272,099,979	82.2%
	Total	12,275		\$ 1,547,795,093	
2012	0-19,999	2,961	24.1%	\$ 21,196,023	1.4%
2012	20,000-49,999	1,964	16.0%	68,089,408	4.5%
2012	50,000-74,999	1,370	11.1%	85,085,775	5.6%
2012	75,000-99,999	1,212	9.9%	105,334,609	6.9%
2012	Over 100,000	4,789	38.9%	1,249,530,060	81.7%
	Total	12,296		\$ 1,529,235,875	
2011	0-19,999	2,910	24.7%	\$ 21,326,493	1.5%
2011	20,000-49,999	1,897	16.1%	65,075,294	4.6%
2011	50,000-74,999	1,285	10.9%	79,842,261	5.6%
2011	75,000-99,999	1,237	10.5%	107,598,014	7.6%
2011	Over 100,000	4,463	37.8%	1,139,965,891	80.6%
	Total	11,792		\$ 1,413,807,953	
2010	0-19,999	3,167	23.5%	\$ 22,421,688	1.6%
2010	20,000-49,999	2,063	15.3%	71,104,776	5.1%
2010	50,000-74,999	1,448	10.8%	90,036,981	6.5%
2010	75,000-99,999	1,274	9.5%	110,848,623	8.0%
2010	Over 100,000	4,389	32.6%	1,094,467,390	78.8%
	Total	13,469		\$ 1,388,879,458	
2009	0-19,999	3,557	29.2%	\$ 24,452,373	1.8%
2009	20,000-49,999	2,348	19.3%	80,775,621	5.8%
2009	50,000-74,999	1,610	13.2%	99,913,085	7.2%
2009	75,000-99,999	1,407	11.6%	122,308,215	8.8%
2009	Over 100,000	4,547	37.4%	1,063,175,559	76.5%
	Total	12,169		\$ 1,390,624,853	

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

Local Taxes Paid by Upper Arlington Residents for Tax Years 2017 -2008

Tax Year	Taxes Paid by Upper Arlington Residents	%	Taxes credited to other municipalities	%	Total Local Income tax Paid by Residents
2017	5,720,716	12.2%	41,300,186	87.8%	47,020,902
2016	7,657,599	15.9%	40,507,619	84.1%	48,165,218
2015	6,775,590	17.9%	31,016,747	82.1%	37,792,337
2014	4,317,783	15.7%	23,231,790	84.3%	27,549,573
2013	4,247,356	16.6%	21,354,249	83.4%	25,601,605
2012	4,187,114	16.6%	21,038,943	83.4%	25,226,057
2011	3,971,038	16.5%	20,086,924	83.5%	24,057,962
2010	3,608,055	15.6%	19,450,755	84.4%	23,058,810
2009	3,455,776	15.1%	19,413,911	84.9%	22,869,687
2008	3,600,753	15.4%	19,827,002	84.6%	23,427,755

Source: Regional Income Tax Agency, Brecksville, Ohio

**Notes:**

- (1) Income reported represents income taxable at the local level. Local taxable income excludes some revenue sources taxable at the federal level, such as pensions, investment earnings, and capital gains.
- (2) While the City imposes a 2.5% income tax on its residents (effective January 1, 2015), a credit of up to 2.5% is allowed for income earned outside the City. Thus, the City's actual income tax collections are substantially less than 2.5% of local taxable income. In addition local taxable income includes income tax received from non-resident individuals who work within the jurisdiction, and are not required to file an annual return.
- (3) Differences in amounts reported as local tax collected by Upper Arlington residents and "Taxes from Individuals" amounts reported in Table 11 result from timing differences in collection and distribution of tax by the Regional Income Tax Agency (RITA), along with payments by non-resident individuals who remit payments for taxes from work performed inside the City.
- (4) Information for 2018 was not available.

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

<b>Tax Year</b>	<b>Tax Rate</b>	<b>Total Tax Collected</b>	<b>Taxes From Withholding</b>	<b>Percentage of Taxes From Withholding</b>	<b>Taxes From Net Profits</b>	<b>Percentage of Taxes From Net Profits</b>	<b>Taxes From Individuals</b>	<b>Percentage of Taxes From Individuals</b>
2018	2.5%	\$ 28,737	\$ 17,047	59%	\$ 3,835	13%	\$ 7,855	27%
2017	2.5%	26,108	16,136	62%	3,209	12%	6,763	26%
2016	2.5%	25,262	15,275	60%	2,957	12%	7,030	28%
2015	2.5%	21,491	13,644	63%	2,108	10%	5,739	27%
2014	2.0%	16,907	10,668	63%	1,844	11%	4,395	26%
2013	2.0%	16,789	10,210	61%	2,064	12%	4,515	27%
2012	2.0%	15,253	10,043	66%	1,587	10%	3,623	24%
2011	2.0%	14,662	9,485	65%	1,706	12%	3,471	24%
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%

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
2018	\$ 274,537	\$ 262,354
2017	269,049	257,173
2016	257,677	247,258
2015	263,168	250,319
2014	256,684	248,133
2013	264,847	256,662
2012	264,759	258,840
2011	227,378	221,385
2010	227,806	221,426
2009	191,228	183,462

Source: Franklin County, Ohio; County Auditor

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

<b><u>Year Ended December 31</u></b>	<b><u>Total Tax Levy for Year</u></b>	<b><u>Collected within the Year of the Levy</u></b>		<b><u>Total Collections to Date</u></b>			<b><u>Outstanding Delinquent Taxes</u></b>
		<b><u>Amount</u></b>	<b><u>Percentage of Levy</u></b>	<b><u>Delinquent Amount</u></b>	<b><u>Total Collected</u></b>	<b><u>Percentage of Levy</u></b>	
2018	\$ 11,670	\$ 11,473	98.3%	\$ 226	\$ 11,699	100.2%	\$ 167
2017	10,926	10,084	92.3%	243	10,327	94.5%	599
2016	11,068	10,819	97.8%	215	11,034	99.7%	193
2015	11,092	10,659	96.1%	335	10,994	99.1%	201
2014	10,628	10,114	95.2%	218	10,332	97.2%	225
2013	10,539	9,873	93.7%	212	10,085	95.7%	306
2012	10,263	9,814	95.6%	201	10,015	97.6%	331
2011	10,331	9,959	96.4%	139	10,098	97.7%	297
2010	10,319	10,039	97.3%	280	10,039	97.3%	280
2009	10,227	9,789	95.7%	182	9,971	97.5%	256

## Sources:

1. Franklin County, Ohio Auditor's Office

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

	Year				
	<u>2018</u>	<i>Restated</i> <u>2017</u>	<u>2016</u>	<u>2015</u>	<i>Restated</i> <u>2014</u>
<b>Water Surcharge Fund</b>					
Assets	\$ 16,887	\$ 17,232	\$ 16,168	\$ 14,865	\$ 14,977
Net Position	15,399	15,632	14,722	14,265	14,441
Operating Revenue	465	484	541	447	431
Operating (Expense)	(665)	(821)	(856)	(718)	(650)
Non-operating					
Interest expense	(38)	(40)	(23)	(22)	(5)
Capital contributions	5	1,445	795	117	1,149
Transfers in	-	-	-	-	916
Changes in net position	(233)	1,068	457	(176)	1,841
Rate per 1000 cubic feet (MCF)	-	-	-	-	-
Surcharge rate on commodity	10%	10%	10%	10%	10%
<b>Sewer Surcharge Fund</b>					
Assets	\$ 9,835	\$ 5,932	\$ 6,019	\$ 5,822	\$ 5,694
Net Position	9,156	5,318	5,722	5,629	5,430
Operating Revenues	869	875	959	834	788
Operating (Expense)	(1,294)	(1,076)	(801)	(634)	(625)
Non-operating					
Investment income	-	-	-	-	-
Interest expense	(3)	(2)	(26)	(1)	(6)
Other, net	-	-	(39)	-	-
Capital contributions	4,266	-	-	-	-
Transfers in	-	-	-	-	-
Changes in net position	3,838	(203)	93	199	157
Rate per 1000 cubic feet (MCF)	n/a	n/a	n/a	n/a	n/a
Surcharge rate on commodity	18%	18%	18%	18%	18%
<b>Stormwater Fund</b>					
Assets	\$ 15,775	\$ 15,836	\$ 13,989	\$ 10,767	\$ 10,189
Net Position	14,688	14,769	12,836	10,205	9,462
Operating Revenue	767	755	760	737	758
Operating (Expense)	(699)	(698)	(546)	(498)	(467)
Non-operating					
Investment income	41	20	19	17	28
Interest expense	(27)	(31)	(62)	(49)	(20)
Other, net	-	-	-	(13)	-
Capital contributions	(163)	1,993	2,460	549	1,843
Changes in net position	(81)	2,039	2,631	743	2,142
Annual residential rate	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45

Table 15

Year				
<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 13,078	\$ 8,467	\$ 7,946	\$ 7,411	\$ 7,231
12,683	7,959	7,518	6,882	6,600
454	484	415	401	378
(518)	(470)	(553)	(441)	(379)
(9)	(12)	(15)	(19)	(22)
4,798	438	790	341	847
-	-	-	-	-
4,725	440	637	282	824
-	-	-	-	-
10%	10%	10%	10%	10%
\$ 5,697	\$ 5,883	\$ 5,361	\$ 4,733	\$ 4,856
5,432	5,192	4,803	3,992	3,865
818	850	792	774	771
(567)	(687)	(656)	(640)	(768)
-	-	-	2	-
(12)	(17)	(23)	(28)	(32)
1	1	(2)	-	-
-	242	699	20	5
-	-	-	-	42
240	389	810	128	18
n/a	n/a	n/a	n/a	n/a
18%	18%	18%	18%	18%
\$ 8,187	\$ 8,104	\$ 7,451	\$ 7,244	\$ 7,365
7,448	7,151	6,300	6,008	5,944
748	753	760	547	536
(471)	(753)	(1,000)	(1,049)	(784)
(1)	20	17	45	36
(23)	(26)	(29)	(32)	(74)
-	-	-	(1)	(5)
44	658	-	554	-
297	652	(252)	64	(291)
\$ 45	\$ 45	\$ 45	\$ 33	\$ 33

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

	Year				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Swimming Pools Fund</b>					
Assets	\$ 11,141	\$ 11,365	\$ 5,239	\$ 5,187	\$ 5,396
Net Position	10,536	10,934	5,042	4,882	5,116
Operating Income	758	712	600	541	566
Operating (Expense)	(1,156)	(836)	(440)	(720)	(673)
Non-operating					
Other, net	-	-	-	(55)	-
Capital contributions	-	-	-	-	-
Changes in net position	(398)	(124)	160	(234)	(107)
Cost of a resident family membership (family of four)	\$ 260.00	\$ 220.00	\$ 220.00	\$ 220.00	\$ 210.00
<b>Solid Waste Fund</b>					
Assets	\$ 1,257	\$ 802	\$ 549	\$ 239	\$ 56
Net Position	768	618	376	67	(119)
Operating Income	2,985	2,276	2,457	2,006	1,917
Operating (Expense)	(2,852)	(2,042)	(2,153)	(2,063)	(2,109)
Non-operating					
Investment income	17	8	5	3	1
Other, net	-	-	-	-	-
Transfers in	-	-	-	240	-
Transfers out	-	-	-	-	224
Changes in net position	150	242	309	186	33
Cost of a single trash sticker	\$ -	\$ 2.90	\$ 2.90	\$ 2.90	\$ 2.90
Annual base charge per unit	\$ 227.00	\$ 64.00	\$ 64.00	\$ 40.00	\$ 40.00

Source: City of Upper Arlington Finance Department

Note:

GASB 68 was implemented in 2015 and the 2014 amounts have been restated. Effects of this implementation can not fully be shown for prior years.

GASB 75 was implemented in 2018 and the 2017 amounts have been restated. Effects of this implementation can not fully be shown for prior years.



Table 15

Year				
<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 5,500	\$ 5,608	\$ 5,673	\$ 5,692	\$ 5,733
5,498	5,606	5,670	5,688	5,731
588	646	638	628	608
(693)	(711)	(657)	(666)	(736)
-	(1)	-	(5)	-
-	2	-	-	-
(105)	(64)	(19)	(43)	(128)
\$ 210.00	\$ 210.00	\$ 200.00	\$ 200.00	\$ 200.00
\$ 39	\$ 123	\$ 174	\$ 255	\$ 122
(152)	(47)	4	86	(44)
1,961	1,986	1,954	1,685	1,664
(2,077)	(2,052)	(2,041)	(2,009)	(1,946)
1	3	5	4	-
-	-	-	-	(6)
10	12	-	450	153
-	-	-	-	-
(105)	(51)	(82)	130	(135)
\$ 2.90	\$ 2.90	\$ 2.90	\$ 2.40	\$ 2.40
\$ 40.00	\$ 40.00	\$ 40.00	\$ 30.00	\$ 30.00

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

<u>Year</u>	<u>General Bonded Debt Outstanding</u>			<u>Other Governmental Activities Debt</u>			
	<u>General Obligation Bonds</u>	<u>Build America &amp; Recovery Zone Bonds</u>	<u>Total</u>	<u>Special Assessment Bonds</u>	<u>Bond Anticipation Note</u>	<u>Capital Leases</u>	<u>Loans</u>
2018	\$ 75,976	\$ -	\$ 75,976	\$ -	\$ -	\$ -	\$ 3,144
2017	70,634	-	70,634	135	-	-	3,354
2016	65,813	-	65,813	260	-	187	3,510
2015	61,358	-	61,358	380	-	370	-
2014	44,288	-	44,288	495	4,800	551	-
2013	40,698	6,300	46,998	605	4,800	728	-
2012	33,908	15,520	49,428	710	4,800	-	-
2011	26,244	15,520	41,764	810	4,800	-	-
2010	28,047	15,520	43,567	905	-	-	-
2009	28,152	7,320	35,472	995	-	-	-

## Notes:

(1) See the Schedule of Demographic and Economic Statistics on table 20 for personal income and population data.

## Sources:

City of Upper Arlington Finance Department

<b><u>Business-Type Activities</u></b>					
<b>General Obligation Bonds</b>	<b>Loans</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income (1)</b>	<b>Per Capita (1)</b>	
\$ 1,909	\$ 85	\$ 81,114	3.84%	\$ 2,321	
1,998	104	76,225	3.83%	2,198	
2,264	123	72,157	3.80%	2,094	
726	177	63,011	3.41%	1,843	
528	332	50,994	2.89%	1,499	
691	590	54,412	2.97%	1,608	
855	872	56,665	3.19%	1,677	
1,018	947	49,339	2.86%	1,460	
1,171	1,201	46,844	2.70%	1,387	
1,325	1,448	39,240	2.33%	1,214	

**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)**

<b>Year</b>	<b>General Bonded Debt Outstanding</b>	<b>Less: Amounts Available in Debt Service Fund Restricted only for Principal Payments</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2018	\$ 77,885	\$ -	\$ 77,885	4.05%	\$ 2,229
2017	72,632	-	72,632	3.77%	2,095
2016	68,077	-	68,077	3.98%	1,975
2015	62,084	-	62,084	3.65%	1,816
2014	44,816	-	44,816	2.63%	1,318
2013	47,689	-	47,689	3.05%	1,409
2012	50,283	-	50,283	3.21%	1,488
2011	42,782	-	42,782	2.72%	1,266
2010	44,738	-	44,738	2.83%	1,325
2009	36,797	-	36,797	2.33%	1,138

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, 2018**

<b>Governmental Unit</b>	<b>Assessed Valuation</b>	<b>Gross General Obligation</b>	<b>Estimated Percentage Applicable to Upper Arlington<sup>1</sup></b>	<b>Estimated Share of Overlapping Debt</b>
Direct				
City of Upper Arlington	\$ 1,923,971,270	\$ 79,119,897	100.00%	\$ 79,119,897
Overlapping				
Franklin County	30,506,016,850	195,735,000	6.39%	12,507,467
Columbus City School District	30,287,614,260	399,927,249	0.03%	119,978
Dublin City School District	3,459,063,440	89,393,377	0.45%	402,270
Upper Arlington City School District	1,938,101,710	233,090,000	98.25%	229,010,925
Solid Waste Authority of Central Ohio	31,996,365,780	48,140,000	6.10%	2,936,540
Subtotal, overlapping debt		966,285,626		244,977,180
Total direct and overlapping debt		<u>\$1,045,405,523</u>		<u>\$ 324,097,077</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.

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

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

	Year									
	2018		2017		2016		2015		2014	
Overall debt limit	\$	202,017	\$	202,385	\$	179,658	\$	178,823	\$	179,257
Total net debt applicable to limit		73,459		68,742		63,893		39,080		43,902
Legal debt margin		128,558		133,643		115,765		139,743		135,355
Total net debt applicable to the limit as a percentage of debt limit		36.36%		33.97%		35.56%		21.85%		24.49%
Unvoted Debt limit	\$	105,818	\$	106,011	\$	94,106	\$	93,669	\$	93,896
Total net debt applicable to limit		72,734		67,677		62,563		37,620		41,730
Legal debt margin		33,084		38,334		31,543		56,049		52,166
Total net debt applicable to the limit as a percentage of debt limit		68.73%		63.84%		66.48%		40.16%		44.44%
<u>Overall (Voted and Unvoted) Debt Limitation:</u>										
Total assessed value		\$1,923,971								
Debt limit (10 1/2% of total assessed value)		202,017								
Debt applicable to limit:										
General obligation bonds and notes		74,365 (1)								
Less: Amount set aside for repayment of general obligation debt		906								
Total net debt applicable to limit		73,459								
Legal debt margin	\$	128,558								

Source: City of Upper Arlington Finance Department

Notes:

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

Table 19

Year					
<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 164,038	\$ 164,243	\$ 165,269	\$ 166,051	\$ 166,032	\$ 165,143
43,931	54,764	46,750	43,542	38,339	28,263
120,107	109,479	118,519	122,509	127,693	136,880
26.78%	33.34%	28.29%	26.22%	23.09%	17.11%
\$ 85,925	\$ 86,032	\$ 86,570	\$ 86,979	\$ 86,969	\$ 86,503
37,066	47,589	42,025	38,187	32,849	21,793
48,859	38,443	44,545	48,792	54,120	64,710
43.14%	55.32%	48.54%	43.90%	37.77%	25.19%

Unvoted Debt Limitation:

Total assessed value	\$ 1,923,971
Debt limit (5 1/2% of total assessed value)	105,818
Debt applicable to limit:	
General obligation bonds and notes	74,365
Less: Debt outside limitations	725
Debt within limitation	73,640
Less: Amount set aside for repayment of	
general obligation debt	906
Total net debt applicable to limit	72,734
Legal debt margin for unvoted debt	\$ 33,084

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

<b><u>Year</u></b>	<b><u>Population (1)</u></b>	<b><u>Personal Income (amounts expressed in thousands)</u></b>	<b><u>Per Capita Personal Income (1)</u></b>	<b><u>Median Age (1)</u></b>	<b><u>School Enrollment (2)</u></b>	<b><u>Unemployment</u></b>	
						<b><u>Local Rate (3)</u></b>	<b><u>State Rate (4)</u></b>
2018	34,943	\$ 2,111,431	\$ 60,425	41.4	6,134	3.1%	4.6%
2017	34,675	1,987,952	57,331	42.1	6,093	4.0%	4.9%
2016	34,465	1,897,850	55,066	42.2	5,935	3.3%	5.0%
2015	34,191	1,845,288	53,970	42.8	5,894	4.4%	5.2%
2014	34,008	1,766,103	51,932	41.8	5,786	4.8%	5.7%
2013	33,848	1,830,229	54,072	42.9	5,812	6.2%	7.1%
2012	33,785	1,776,787	52,591	42.8	5,847	6.1%	7.2%
2011	33,785	1,724,690	51,049	42.8	5,521	7.5%	8.6%
2010	33,771	1,735,289	51,384	41.8	5,521	7.7%	9.5%
2009	32,321	1,808,910	52,145	42.2	5,415	9.8%	10.2%

Sources:

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



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

<b>Function</b>	<b>Full-time Equivalent Employees as of December 31</b>				
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Public Safety					
Police	55.8	63.0	63.0	63.0	63.0
Fire	57.0	57.0	57.0	57.0	60.0
General Government	33.7	38.1	37.7	36.5	35.8
Public Services (3)	50.9	43.8	42.2	41.2	41.9
Parks and Recreation (2)	59.0	55.4	55.1	54.4	55.1
Community Development	7.8	7.8	7.8	8.8	8.8
Utilities (1)	0.0	0.0	0.0	0.0	0.0
Total	264.1	265.1	262.8	260.8	264.5

<b>Function</b>	<b>Full-time Equivalent Employees as of December 31</b>				
	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>
Public Safety					
Police	63.0	65.0	65.0	65.0	65.0
Fire	60.0	60.0	64.0	64.0	64.0
General Government	36.6	40.1	40.1	46.5	47.6
Public Services	44.4	33.0	33.3	34.2	34.2
Parks and Recreation (2)	52.2	56.3	56.3	50.8	50.8
Community Development	9.8	9.8	9.3	10.0	10.0
Utilities (1)	0.0	9.8	9.8	12.2	12.2
Total	266.0	274.1	277.8	282.7	283.8

Notes:

(1) Includes water, sewer and stormwater

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

(3) Public services and utilities functions combined during 2013.

Source:

City of Upper Arlington Finance Department

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

<b>Function</b>	<b>Year</b>			
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
<b><i>Public Safety - Police</i></b>				
Number of police stations	1	1	1	1
Number of police cruisers	15	15	15	15
Number of pieces of equipment	302	304	304	257
<b><i>Public Safety - Fire</i></b>				
Number of fire stations	2	2	2	2
Number of fire engines	3	2	3	3
Number of medics	4	4	3	3
Number of pieces of equipment	287	285	252	264
<b><i>Public Services</i></b>				
Miles of roads	346	346	346	356
Number of traffic signals	51	52	52	51
Number of streetlights	1,811	1,727	1,581	1,491
<b><i>Parks and Recreation</i></b>				
Number of parks	23	23	26	28
Acres of parkland	183	183	186	170
Number of swimming pools	3	3	2	2
Number of tennis courts	21	21	21	21
Number of senior centers	1	1	1	1
<b><i>Utilities</i></b>				
Number of fire hydrants	1,979	1,965	1,958	1,958
Number of catch basins	3,416	3,416	3,400	3,400
Miles of sanitary sewer	162	146	145	145

Sources:

1. City of Upper Arlington departments

Table 22

Year					
<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
1	1	1	1	1	1
15	15	15	15	15	15
257	257	257	257	257	257
2	2	2	2	3	3
3	3	3	3	3	3
3	3	3	3	4	4
253	275	298	288	272	272
204		204	204	204	204
51	52	52	52	52	52
1,491	1,491	1,497	1,497	1,427	1,427
28	28	28	28	28	28
170	170	170	170	180	180
2	3	3	3	3	3
21	21	21	20	20	20
1	1	1	1	1	1
1,958	1,958	1,958	1,958	1,958	1,958
3,400	3,400	3,400	3,400	3,400	3,400
145	145	145	145	145	145

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

	<b>Operating Indicators by Function</b>			
<b>Function</b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
<b><i>General Government</i></b>				
Number of probation cases (Adults)	199	271	368	291
Number of traffic cases	2,697	2,711	3,151	2,802
Number of fleet management repairs	1,310	1,172	1,158	1,182
<b><i>Public Services</i></b>				
Roadway repairs-surface (sq. ft.)	47,277	35,448	23,558	25,312
Street cleaning-leaf collection (cu. Yds.)	23,792	17,765	22,053	20,838
Street cleaning-snow removal (hours)	2,642	2,400	772	2,997
<b><i>Parks and Recreation</i></b>				
Number of registrations for programs	25,690	22,263	20,411	13,551
Number of programs/classes	1,721	1,770	1,672	966
Number of trees planted (less removed trees)	305	274	194	123
<b><i>Community Development</i></b>				
Number of building permits issued	650	724	596	514
Number of building inspections conducted	5,868	5,100	3,039	2,374
Number of code investigations	647	658	691	735
<b><i>Utilities</i></b>				
Number of fire hydrant repairs (water)	81	179	66	154
Number of catch basin repairs (stormwater)	119	299	114	195
Number of manhole repairs (sewer)	4	0	3	2
<b><i>Solid Waste</i></b>				
Number of refuse collected (tons)	9,013	4,547	5,570	5,526
Number of yard waste collected (tons)	1,964	119	306	100
Number of recyclables collected (tons)	4,531	4,143	4,747	4,652

Sources:

1. City of Upper Arlington departments

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**Operating Indicators by Function**


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<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
270	293	251	269	289	302
2,728	2,560	2,900	2,977	3,459	3,253
1,795	1,667	2,034	2,210	2,328	2,370
13,861	2,955	23,110	21,051	35,336	86,425
21,819	20,946	16,123	17,503	18,312	21,178
2,741	2,462	519	1,207	2,787	823
18,906	14,330	11,806	16,415	67,628	12,173
2,039	1,996	1,918	1,934	5,183	1,461
210	80	221	194	210	215
624	521	426	463	370	378
3,050	2,249	2,645	5,069	3,210	3,014
627	827	894	817	1,121	924
107	77	60	57	92	86
170	50	92	108	200	195
5	16	45	64	-	28
6,459	5,945	6,116	6,618	6,209	6,400
1,185	298	182	205	282	384
4,608	4,615	4,662	4,956	4,805	5,600



CITY OF | **UPPER**  
**ARLINGTON**

**Finance Department**

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