



Dave Yost • Auditor of State



CITY OF BLUE ASH  
HAMILTON COUNTY

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# Dave Yost • Auditor of State

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

City of Blue Ash  
Hamilton County  
4343 Cooper Road  
Blue Ash, Ohio 45242

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Blue Ash, Hamilton County, Ohio (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 28, 2017.

### ***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

June 28, 2017



# **2016 Comprehensive Annual Financial Report**



**City of Blue Ash, Ohio**

**Fiscal Year Ended**

**December 31, 2016**



**On the Cover:**

Municipal & Safety Center

North Fire Station

Cooper Creek Event Center (rear)

Recreation Center



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2016

*Prepared by the Finance Department*

Amy Moore  
Finance Officer



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CITY OF BLUE ASH  
HAMILTON COUNTY, OHIO

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## Introductory Section





**On the Introductory Section Divider:**

Main Pool

Historic Hunt House

Entry Sign

Tulips at Cooper Creek Event Center





# CITY OF BLUE ASH

4343 Cooper Road • Blue Ash, Ohio 45242  
David M. Waltz, City Manager

phone (513) 745-8500  
www.blueash.com

fax (513)-745-8594

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June 28, 2017

To The Council and The Citizens of the City of Blue Ash, Ohio:

Submitted for your review is the Comprehensive Annual Financial Report (CAFR) of the City of Blue Ash, (the City) for the year ended December 31, 2016. It represents the City's commitment to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operation of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been presented.

This CAFR was prepared in accordance with accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

This letter should be read in conjunction with the Management Discussion and Analysis (MD&A) that can be found immediately following the Independent Auditor's Report.

## **THE CITY OF BLUE ASH**

The City of Blue Ash is a vibrant Ohio community located twelve miles northeast of Cincinnati. Its 7.7 square mile area serves a residential population of 12,114 (2010 Census) and an estimated daytime population of nearly 53,000. In 2016, approximately 2,200 businesses and organizations were located in Blue Ash. Blue Ash is a balanced community with approximately 35% of the area designated for residential use; approximately 35% for industrial and commercial use; and the remaining 30% used for municipal, educational, and limited agricultural purposes. Blue Ash was settled in 1791, incorporated as a village in 1955 and became a City in 1961. Blue Ash is a home-rule City with a Council/Manager form of government. The City's responsibilities and structure are outlined in the City Charter, which was adopted by residents in 1961 and was amended in 2006 for the passage of an earnings tax rate increase intended for major capital improvements. The Charter was recently amended in 2016 to bring the City in-line with other communities with several general updates with the most significant being changes to Council terms and elections.

The legislative body of Blue Ash consists of a seven-member Council, five of whom are elected by Ward, and two of whom are elected At-Large. Council chooses the Mayor and Vice Mayor among its members. For 2016 and prior, all seven members were elected on a partisan basis for two-year terms. Under the amended Charter, Council will be elected on a non-partisan basis for four-year staggered terms.

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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The City Council appoints a City Manager, a Solicitor, and a Clerk of Council. The City Manager is responsible for appointing all administrative staff. The City provides the following municipal services: police, fire and emergency services, street construction and maintenance, planning and zoning services, economic development, storm water management, residential waste collection, pool and recreational facilities, championship golf course and event center, parks and a 37 acre sports complex.

**ECONOMIC CONDITIONS AND OUTLOOK**

Since the City's earliest days, citizens and City council recognized, and respected, the role played by a stable and growing business presence in the town. Business contributes to a significant market valuation that supports the local school district via property tax payments.

Such awareness is reflected in Blue Ash's past and current posture regarding business retention and attraction. Council and the Administration are strong supporters of investing in economic development and continuing to provide a broad array of governmental services which makes Blue Ash a good location in which to own or operate a business. The City's long term focus on making the town business-friendly, with strong safety services, an aggressive program of investing in traffic flow improvements and quality recreational options, all contribute to a solid and diverse business base.

Perhaps the most useful measure of the economic climate or status of Blue Ash lies in a review or recap of earnings tax collections – the City's primary source of recurring annual revenue. Total gross cash basis earnings tax collections are shown below:

2012	32,679,637
2013	33,947,202
2014	34,788,642
2015	35,145,404
2016	35,864,610
2017	35,950,000 (expected)

Such an outcome, given economic conditions, reflects well on the strength of Blue Ash's business base and confirms that the City still remains a strong complement to the economic resources within Hamilton County, Ohio.

Administration and Council remain focused on monitoring the impact of the economy upon the maintenance of general fund reserves, the provision of quality services and in planning for the possible economic changes. Accomplishing this objective will entail ongoing review of the services offered, further efficiency and monitoring/reductions in operating costs, ranking of capital purchases and projects, and further investment in economic development.

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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**MAJOR INITIATIVES**

The City's annual objectives or initiatives, for any given year, are carefully planned paying close attention to changing economic conditions, operational outcomes, the awareness to preserve fund balance, and the overall value added to the wide array of government services Blue Ash already offers to its residents and businesses. Major projects or initiatives for 2016 included:

- Following Council's 2015 approval of a new Comprehensive Land Use Plan, staff began working on an update to the City's Zoning Code. The entire Zoning Code was re-written in 2016 to better reflect development realities and current market conditions. The updates included definitions and approval processes, new architectural standards, and zoning district changes.
- Administration spent much of 2016 working with developers on a mixed-use development plan for the 98-acre site adjacent to the City's newly constructed Summit Park. The proposed mixed-use development plan presented to Council in 2016 included a corporate headquarters, Class A office, high-end apartments, 100 single-family detached homes, restaurant and retail space, and one or two hotels. The project is expected to begin construction in mid-2017.
- Design and engineering plans were finalized in 2016 for major road improvements including the extension of Malsbary Road through to Kenwood Road, a round-about intersection at Malsbary and Alliance, and the construction of a new roadway connecting Malsbary Road to Cooper Road. The City was awarded transportation and economic development grants totaling approximately \$400,000 to complete this project which is expected to improve traffic flow between Kenwood Road and Reed Hartman Highway and encourage future development.
- Construction continued in 2016 on the City's 130-acre multi-use Summit Park development. The Master Plan for the park completed in 2012 included significant planning, design, and engineering efforts. Phase I of this multi-phase park construction included extensive earthwork, utility infrastructure, water management, great lawn, one-acre playground, walking paths, and landscaping. In 2016 the City completed Phase II which added new amenities such as a multi-purpose community building, a 9,400 square-foot restaurant pavilion connected by a unique glass canopy, and an events and performance stage. The final major construction phase of Summit Park began in 2016 and its completion is expected in the fall of 2017. This final phase will consist of pond and waterway restoration, bridges/docks, a natural play area, and the construction of an observation tower that will serve as the focal point of the park.

**THE FUTURE**

The outlook for the future of the City remains favorable. Although economic factors may change, earnings tax collections are stable, and investment continues in economic development in both business retention and attraction. City Council and Administration recognize the importance of a regional approach to economic and community development by combining efforts with both the Regional Economic Development Initiative and the Cincinnati USA Regional Chamber.

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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Blue Ash has credited its success to progressive planning efforts. In continuing this endeavor, the 2015 Comprehensive Land Use Plan and the 2016 Zoning Code update was crafted to ensure that future development and redevelopment are in line with current trends. With an eye toward creating an environment where businesses thrive, the next phase of development in Blue Ash will include connected, mixed-use campuses where people work, live, and recreate. Such spaces are attractive to millennials and empty nesters alike – providing a future employment base and options for aging in place.

Council is kept aware of the City's operational performance and administration continues to work toward fiscal sustainability by reviewing costs, searching for efficiencies, succession planning, and the prioritization of capital projects and purchases.

The foundation which the City of Blue Ash was based upon, and which it has grown and flourished under, will remain the framework around Blue Ash's future. While the City will respond, adjust, and react to the economic challenges and changes in the business environment, Council and the City Administration will remain true to those core values that have served the community well for so many years.

**FINANCIAL INFORMATION**

**Internal and Budgetary Controls**

Development of the City's accounting system included substantial consideration of the adequacy of the internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance of the following:

1. The City's assets are protected against loss and unauthorized use or disposition.
2. Reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

The concept of reasonable assurance states that internal controls should be evaluated applying the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation.
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the City Administration and the Finance Department.

All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary control is maintained within the personal services, operating expense, contractual services, and capital outlay categories within each department through the encumbering of estimated purchase amounts prior to the release of formal purchase orders to vendors. Purchase order requisitions, which would result in an overrun above appropriated balances, are not approved until additional appropriations are made available via City Council approved ordinances amending the annual appropriations ordinance. Open encumbrances as of December 31, 2016 are reported as assigned fund balance in the General Fund.

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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**INDEPENDENT AUDIT**

The City of Blue Ash contracted with the Auditor of the State of Ohio to audit the basic financial statements of the City. Their unmodified opinion has been included in this report.

**CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Blue Ash, Ohio for its comprehensive annual financial report for the fiscal year ended December 31, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government finance reports.

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

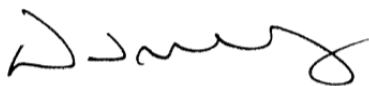
A Certificate of Achievement is valid for a period of one year only. The City of Blue Ash has received a Certificate of Achievement for the last twenty-nine consecutive years (fiscal years ended 1987-2015). We believe our current report will again meet the Certificate of Achievement program requirements, and it will be submitted to GFOA for consideration.

**ACKNOWLEDGMENTS**

Sincere appreciation is extended to the many individuals who have worked diligently and contributed much time and effort in making this report possible.

Finally, special thanks to the members of City Council and the City Administration whose support is necessary for the City of Blue Ash to conform to reporting requirements established for municipal governments and to maintain the sound financial position that the City has enjoyed for many years.

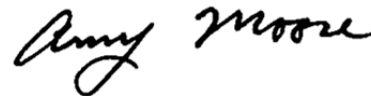
Respectfully submitted,



David M. Waltz  
City Manager



Sherry L. Poppe, CPA  
Treasurer/Administrative  
Services Director



Amy Moore  
Finance Officer

**CITY OF BLUE ASH, OHIO**

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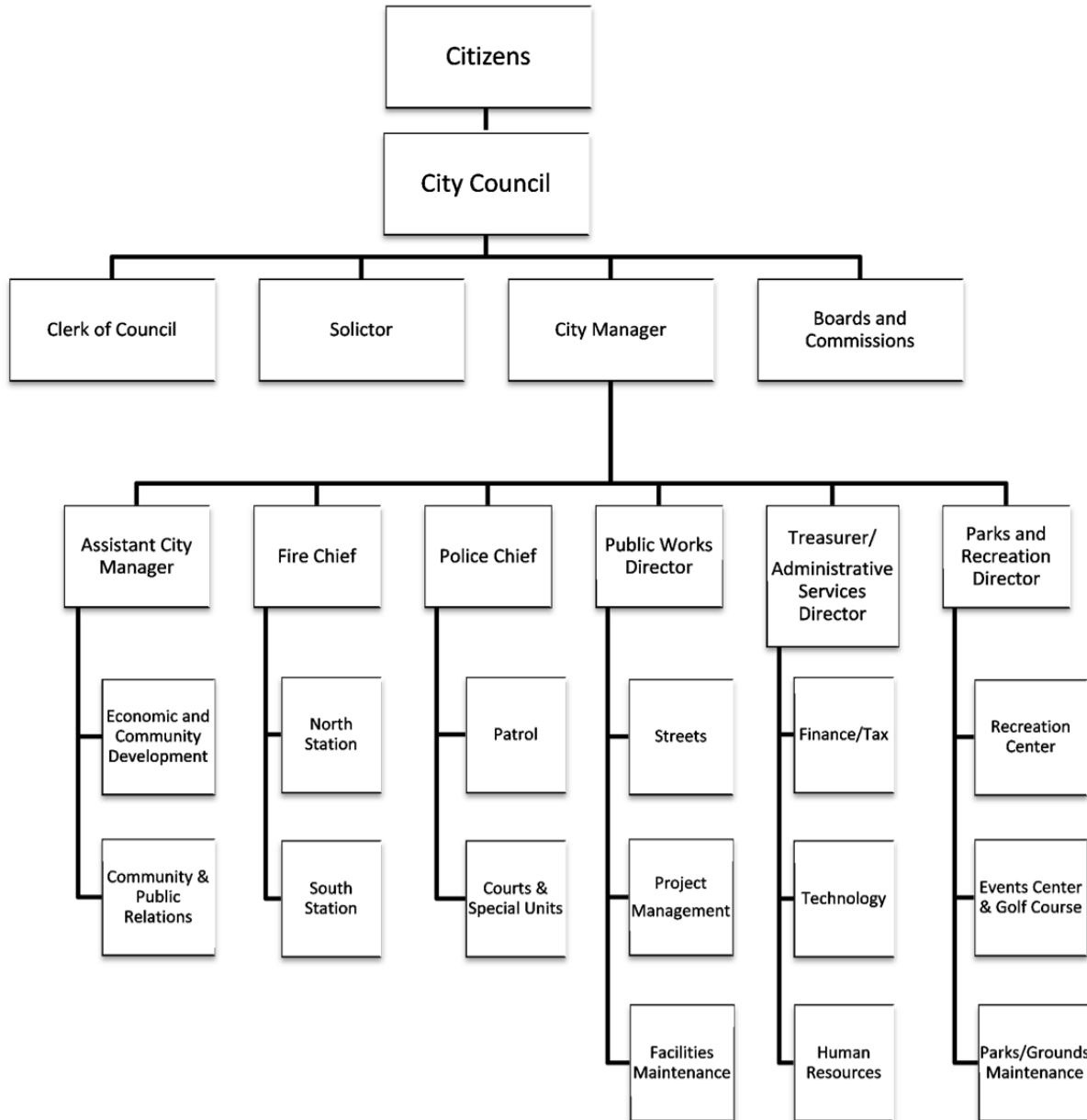
***List of Principal Officials  
For the Year Ended December 31, 2016***

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<b>OFFICE HELD</b>	<b>NAME OF OFFICIAL</b>
Administration:	
City Manager	David M. Waltz
Assistant City Manager	Kelly M. Harrington
Treasurer/Administrative Services Director	Sherry L. Poppe
Parks and Recreation Director	Charles D. Funk
Public Works Director	Gordon M. Perry
Fire Chief	Richard R. Brown
Police Chief	Paul W. Hartinger
City Council:	
Mayor, At Large	Lee Czerwonka
Vice Mayor, At Large	Thomas C. Adamec
Ward 1	Rob Ryan
Ward 2	Stephanie Stoller
Ward 3	Pramod Jhaveri
Ward 4	Robert J. Buckman, Jr.
Ward 5	Mark Sirkin
Solicitor	Bryan E. Pacheco
Clerk of Council	Jamie K. Eifert

**City Organizational Chart  
For the Year Ended December 31, 2016**

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**Boards and Commissions**

---

- |                               |                          |
|-------------------------------|--------------------------|
| Charter Revision Board        | Civil Service Commission |
| Board of Sites/Zoning Appeals | Planning Commission      |
| Recreation Board              |                          |
| Tax Board of Review           |                          |

**Government Finance Officers Association of the United States and Canada  
Certificate of Achievement for Excellence in Financial Reporting**

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Government Finance Officers Association

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

Presented to

**City of Blue Ash  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

Executive Director/CEO





## Financial Section





**On the Financial Section Divider:**

Veterans Memorial Park

Golf Cart at Blue Ash Golf Course

Playground at Summit Park

Tree Lined Street



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

City of Blue Ash  
Hamilton County  
4343 Cooper Road  
Blue Ash, Ohio 45242

To the City Council:

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Blue Ash, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

**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, each major fund, and the aggregate remaining fund information of the City of Blue Ash, Hamilton County, Ohio, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

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

*Supplementary and Other Information*

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

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

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

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 28, 2017, 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

June 28, 2017



***Management's Discussion and Analysis  
For the Year Ended December 31, 2016 Unaudited***

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The discussion and analysis of the City of Blue Ash's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2016. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

**FINANCIAL HIGHLIGHTS**

**Key financial highlights for 2016 are as follows:**

- ❑ In total, net position increased \$6,196,117. Net position of governmental activities increased \$6,417,723, which represents a 6.3% increase from 2015. Net position of business-type activities decreased \$221,606 from 2015.
- ❑ General revenues accounted for \$41,381,053 in revenue or 84.1% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$7,842,836 or 15.9% of all revenues.
- ❑ The City had \$38,295,531 in expenses related to governmental activities; only \$3,585,325 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$41,381,053 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$41,466,938 in revenues and other financing sources and \$44,223,084 in expenditures and other financing uses. The balance of the General Fund decreased by \$2,754,862 to \$43,811,132.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts – *management's discussion and analysis*, the *basic financial statements*, and an optional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2016 Unaudited***

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**Government-wide Statements**

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net position (the difference between the City's assets and liabilities) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or declining, respectively.
- To assess the overall health of the City the reader needs to consider additional nonfinancial factors such as the City's tax base and the condition of the City's capital assets.

The government-wide financial statements of the City are divided into two categories:

- Governmental Activities – Most of the City's programs and services are reported here including security of persons and property, leisure time activities, community environment, transportation and general government.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's golf course, clubhouse and event center is reported as a business type activity.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

**Governmental Funds** – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs and delivery of services. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Proprietary Funds** – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.



**CITY OF BLUE ASH, OHIO**

**Management’s Discussion and Analysis  
For the Year Ended December 31, 2016 Unaudited**

**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. All of the City’s fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities.

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

The following table provides a comparison of the City’s net position as of December 31, 2016 and 2015:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$72,511,106	\$67,843,592	\$747,625	\$561,061	\$73,258,731	\$68,404,653
Capital assets, Net	129,016,606	122,344,363	11,726,377	12,203,169	140,742,983	134,547,532
Total assets	201,527,712	190,187,955	12,474,002	12,764,230	214,001,714	202,952,185
Deferred Outflows of Resources	7,144,358	2,704,440	557,751	188,897	7,702,109	2,893,337
Net Pension Liability	24,911,973	19,243,636	1,443,736	1,018,167	26,355,709	20,261,803
Long-term debt outstanding	67,346,589	61,898,956	206,703	276,590	67,553,292	62,175,546
Other liabilities	2,864,305	5,043,461	228,611	294,162	3,092,916	5,337,623
Total liabilities	95,122,867	86,186,053	1,879,050	1,588,919	97,001,917	87,774,972
Deferred Inflows of Resources	4,522,303	4,097,165	27,896	17,795	4,550,199	4,114,960
Net position						
Net investment in capital assets	75,165,978	72,296,446	11,602,415	12,019,132	86,768,393	84,315,578
Restricted	8,352,334	3,116,685	0	0	8,352,334	3,116,685
Unrestricted	25,508,588	27,196,046	(477,608)	(672,719)	25,030,980	26,523,327
Total net position	\$109,026,900	\$102,609,177	\$11,124,807	\$11,346,413	\$120,151,707	\$113,955,590

The adoption of GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27,” significantly revised accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City’s actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

***Management's Discussion and Analysis  
For the Year Ended December 31, 2016 Unaudited***

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

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

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

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

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

**CITY OF BLUE ASH, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2016 Unaudited**

Changes in Net position – The following table shows the changes in net position for fiscal year 2016 and 2015:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues:						
Charges for Services and Sales	\$2,287,018	\$1,600,711	\$4,020,511	\$4,026,551	\$6,307,529	\$5,627,262
Operating Grants and Contributions	1,053,207	1,295,689	0	0	1,053,207	1,295,689
Capital Grants and Contributions	245,100	0	237,000	250,000	482,100	250,000
General revenues:						
Income Taxes	34,167,742	33,619,607	0	0	34,167,742	33,619,607
Property Taxes	4,134,982	4,064,412	0	0	4,134,982	4,064,412
Other Local Taxes	1,197,802	1,146,178	0	0	1,197,802	1,146,178
Grants and Entitlements not Restricted to Specific Programs	648,002	658,670	0	0	648,002	658,670
Investment Earnings	243,707	57,543	0	0	243,707	57,543
Miscellaneous	988,818	2,203,227	0	0	988,818	2,203,227
Total revenues	<u>44,966,378</u>	<u>44,646,037</u>	<u>4,257,511</u>	<u>4,276,551</u>	<u>49,223,889</u>	<u>48,922,588</u>
Program Expenses						
Security of Persons and Property	11,713,893	10,472,646	0	0	11,713,893	10,472,646
Leisure Time Activities	5,640,754	5,403,923	0	0	5,640,754	5,403,923
Community Development	1,345,380	968,522	0	0	1,345,380	968,522
Transportation	4,868,588	5,227,321	0	0	4,868,588	5,227,321
General Government	12,307,511	10,286,073	0	0	12,307,511	10,286,073
Debt Service:						
Interest and Fiscal Charges	2,419,405	2,194,572	0	0	2,419,405	2,194,572
Golf Course and Event Center	0	0	4,732,241	4,580,478	4,732,241	4,580,478
Total expenses	<u>38,295,531</u>	<u>34,553,057</u>	<u>4,732,241</u>	<u>4,580,478</u>	<u>43,027,772</u>	<u>39,133,535</u>
Excess (deficiency) before Transfers	6,670,847	10,092,980	(474,730)	(303,927)	6,196,117	9,789,053
Transfers	(253,124)	(368,240)	253,124	368,240	0	0
Total Change in Net Position	<u>6,417,723</u>	<u>9,724,740</u>	<u>(221,606)</u>	<u>64,313</u>	<u>6,196,117</u>	<u>9,789,053</u>
Beginning Net Position	<u>102,609,177</u>	<u>92,884,437</u>	<u>11,346,413</u>	<u>11,282,100</u>	<u>113,955,590</u>	<u>104,166,537</u>
Ending Net Position	<u>\$109,026,900</u>	<u>\$102,609,177</u>	<u>\$11,124,807</u>	<u>\$11,346,413</u>	<u>\$120,151,707</u>	<u>\$113,955,590</u>

**CITY OF BLUE ASH, OHIO**

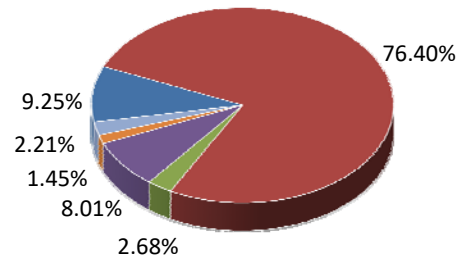
**Management's Discussion and Analysis  
For the Year Ended December 31, 2016 Unaudited**

**Governmental Activities**

Net position of the City's governmental activities increased by \$6,417,723 in 2016. Revenues increased by \$320,341 and expenses increased \$3,742,474 from 2015 to 2016. Even with expenses growing at a larger percentage than revenues as compared to the prior year, total revenues still exceeded total expenses yielding an increased 2016 net position.

Property taxes and income taxes made up 9.25% and 76.4% respectively of revenues for governmental activities for the City in fiscal year 2016. The City's reliance upon tax revenues is demonstrated by the following graph indicating 85.65% of total revenues from general tax revenues:

Revenue Sources	2016	Percent of Total
Property Taxes	\$4,134,982	9.25%
Income Taxes	34,167,742	76.40%
Other Local Taxes	1,197,802	2.68%
Program Revenues	3,585,325	8.01%
Grants and Entitlements not Restricted to Specific Programs	648,002	1.45%
General Other	988,818	2.21%
<b>Total Revenue</b>	<b>\$44,722,671</b>	<b>100.00%</b>



**Business-Type Activities**

Net position of the business-type activities decreased by \$221,606. Cash position was up in 2016 but fewer assets were added during the year and the net difference between assets and depreciation is the primary cause in the decrease of net position.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City's governmental funds reported a combined fund balance of \$61,734,012, which is an increase from last year's balance of \$54,353,811. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2016 and 2015:

	Fund Balance December 31, 2016	Fund Balance December 31, 2015	Increase (Decrease)
General	\$43,811,132	\$46,565,994	(\$2,754,862)
General Bond Retirement	655,735	12	655,723
TIF Carver Road			
Bond Retirement	898,912	907,063	(8,151)
Summit Park	11,563,816	3,354,712	8,209,104
Other Governmental	4,804,417	3,526,030	1,278,387
<b>Total</b>	<b>\$61,734,012</b>	<b>\$54,353,811</b>	<b>\$7,380,201</b>

**CITY OF BLUE ASH, OHIO**

**Management's Discussion and Analysis  
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Of the City's \$61,734,012 year ended fund balances for governmental activities, 59.9% is unassigned, which allows it for spending at the government's discretion. Of the remaining 40.1%, \$15.9 million has external restrictions primarily for grant use, debt and construction projects. \$442,650 is in nonspendable form (prepaid items and supplies inventory), \$1,617,548 is committed to parks and the balance of \$6,769,403 is assigned by City management to cover outstanding purchase orders and future budget needs.

**General Fund – General Fund** – The City's General Fund balance decreased due to expenditures and other financing uses exceeding revenue collections. Additional transfers were made in 2016 to the Summit Park fund for expenditures needed in final significant phase of construction. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2016 Revenues	2015 Revenues	Increase (Decrease)
Property Taxes	\$1,896,330	\$1,986,082	(\$89,752)
Municipal Income Tax	34,066,385	33,413,800	652,585
Other Local Taxes	1,197,802	1,146,178	51,624
Intergovernmental Revenues	636,395	656,497	(20,102)
Charges for Services	1,672,468	726,172	946,296
Licenses and Permits	1,095,615	581,410	514,205
Investment Earnings	189,796	47,003	142,793
Fines and Forfeitures	84,907	83,142	1,765
All Other Revenue	335	2,689	(2,354)
Total	\$40,840,033	\$38,642,973	\$2,197,060

General Fund revenues showed a 5.7% increase in 2016 compared to 2015. Income tax showed a modest increase while charges for services and licenses and permits were strong in 2016. Increased building and renovation activity in the City account for the large increase in permits. A significant property tax refund for newly exempted property also contributed to the overall increase in revenue.

	2016 Expenditures	2015 Expenditures	Increase (Decrease)
Security of Persons and Property	\$11,325,099	\$9,968,820	\$1,356,279
Community Development	1,882,368	1,642,390	239,978
General Government	8,199,239	8,003,881	195,358
Total	\$21,406,706	\$19,615,091	\$1,791,615

General Fund expenditures increased by 9.1% or \$1,791,615 above 2015 expenditures. With an increase in permit revenue, there was a coinciding increase in related fees within the Community Development function. Succession planning and increased capital expenditures resulted in an increase within Security of Persons and Property.

**General Bond Retirement Fund** – This fund typically varies little from year to year as it is primarily funded by the amount of transfers necessary (after other revenue sources are accounted for) to cover the year's debt service requirements.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2016 Unaudited***

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***TIF Carver Road Bond Retirement Fund*** – This fund typically varies little from year to year as it is primarily funded by the amount of payments in lieu of taxes (reported as property taxes) necessary to cover the year's debt service requirements.

***Summit Park Fund*** – The fund increased due to additional transfers from the General Fund for expenditures in the last significant phase of construction related to the building of the park.

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2016 the City amended its General Fund budget several times, as approved by City Council.

For the General Fund, final budget basis revenue and other financing sources of \$40.6 million increased from the original budget estimates of \$40.2 million. However, the City budgets conservatively and actual revenues are typically higher than the budgeted figures as evident in the collection of \$42 million in revenue yielding a \$1.4 million positive variance over final budget. The expense budget increased \$5.7 million during 2016 primarily to allow for additional transfers to the Summit Park Fund based on Council's decision to move forward with construction of the final significant phase of the project. Actual expenditures of \$47.3 million were below the final budgeted number of \$53.7 million because of conservative budgeting and prudent spending which led to lower than anticipated transfers out to other funds. The General Fund maintained an adequate fund balance to cover expenditures.

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***Management's Discussion and Analysis  
For the Year Ended December 31, 2016 Unaudited***

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

At the end of fiscal 2016 the City had \$140,742,983 net of accumulated depreciation invested in land, construction in progress, buildings, improvements other than buildings, infrastructure and machinery and equipment. Of this total, \$129,016,606 was related to governmental activities and \$11,726,377 to the business-type activities. The following table shows fiscal year 2016 and 2015 balances:

	Governmental Activities		Increase (Decrease)
	2016	2015	
Land	\$38,176,634	\$40,357,247	(\$2,180,613)
Construction In Progress	38,407,518	28,310,989	10,096,529
Buildings	45,197,367	45,524,968	(327,601)
Improvements Other than Buildings	6,489,934	6,489,934	0
Infrastructure	33,146,688	32,325,212	821,476
Machinery and Equipment	14,654,158	13,725,231	928,927
Less: Accumulated Depreciation	(47,055,693)	(44,389,218)	(2,666,475)
Totals	<u>\$129,016,606</u>	<u>\$122,344,363</u>	<u>\$6,672,243</u>

	Business-Type Activities		Increase (Decrease)
	2016	2015	
Land	\$1,124,764	\$1,124,764	\$0
Construction In Progress	13,572	285,572	(272,000)
Buildings	9,706,734	9,683,474	23,260
Improvements Other than Buildings	4,117,253	3,769,603	347,650
Machinery and Equipment	1,643,793	1,589,493	54,300
Less: Accumulated Depreciation	(4,879,739)	(4,249,737)	(630,002)
Totals	<u>\$11,726,377</u>	<u>\$12,203,169</u>	<u>(\$476,792)</u>

The most significant change in capital assets occurred in construction in progress for both governmental and business-type activities. The major projects in process are the construction at Summit Park and the completion of the parking lot at the event center respectively.

As of December 31, 2016, the City has construction commitments of \$11.8 million due to various projects taking place throughout the City. Detail on the construction commitments can be found in Note 15. Additional information on the City's capital assets can be found in Note 9.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2016 Unaudited***

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***Debt***

At December 31, 2016, the City had \$62,819,733 in bonds outstanding, \$4,666,856 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Governmental Activities:		
Bonds Payable	\$62,819,733	\$57,035,252
OPWC Loan	1,852,491	2,236,044
Capital Lease	938,681	1,083,302
Compensated Absences	1,735,684	1,544,358
Net Pension Liability	24,911,973	19,243,636
Total Governmental Activities	<u>\$92,258,562</u>	<u>\$81,142,592</u>
Business-Type Activities:		
Capital Lease	\$123,962	\$184,037
Compensated Absences	82,741	92,553
Net Pension Liability	1,443,736	1,018,167
Total Business-Type Activities	<u>1,650,439</u>	<u>1,294,757</u>
Totals	<u>\$93,909,001</u>	<u>\$82,437,349</u>

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. At December 31, 2016, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 12.

**ECONOMIC FACTORS**

The Blue Ash City Council and Administration has continued monitoring reserves, operational revenues and costs, and capital needs very closely. Controlling costs, defining priorities, forecasting, and encouraging economic development has been the focus. Blue Ash remains committed to maintaining and improving its solid business base. The establishment of new companies as well as expansion of existing companies occurred in 2016 creating new jobs in the community.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact Amy Moore, Finance Officer.





**CITY OF BLUE ASH, OHIO****Statement of Net Position  
December 31, 2016**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 56,848,847	\$ 660,868	\$ 57,509,715
Receivables:			
Taxes	11,286,695	0	11,286,695
Accounts	2,436,956	1,489	2,438,445
Intergovernmental	794,617	392	795,009
Interest	31,341	0	31,341
Inventory of Supplies at Cost	383,360	82,210	465,570
Prepaid Items	59,290	2,666	61,956
Restricted Assets:			
Cash and Cash Equivalents	670,000	0	670,000
Capital Assets:			
Capital Assets Not Being Depreciated	76,584,152	1,138,336	77,722,488
Capital Assets Being Depreciated, Net	52,432,454	10,588,041	63,020,495
<b>Total Assets</b>	<b>201,527,712</b>	<b>12,474,002</b>	<b>214,001,714</b>
<b>Deferred Outflows of Resources:</b>			
Pension	7,144,358	557,751	7,702,109
<b>Total Deferred Outflows of Resources</b>	<b>7,144,358</b>	<b>557,751</b>	<b>7,702,109</b>
<b>Liabilities:</b>			
Accounts Payable	651,282	82,099	733,381
Accrued Wages and Benefits	861,109	45,800	906,909
Intergovernmental Payable	54,226	2,836	57,062
Contracts Payable	729,083	0	729,083
Unearned Revenue	0	97,876	97,876
Accrued Interest Payable	568,605	0	568,605
Long-Term Liabilities:			
Due Within One Year	5,666,919	83,677	5,750,596
Due in More Than One Year:			
Net Pension Liability	24,911,973	1,443,736	26,355,709
Other Amounts Due in More Than One Year	61,679,670	123,026	61,802,696
<b>Total Liabilities</b>	<b>95,122,867</b>	<b>1,879,050</b>	<b>97,001,917</b>
<b>Deferred Inflows of Resources:</b>			
Property Tax Levy for Next Fiscal Year	4,311,508	0	4,311,508
Pension	210,795	27,896	238,691
<b>Total Deferred Inflows of Resources</b>	<b>4,522,303</b>	<b>27,896</b>	<b>4,550,199</b>

**CITY OF BLUE ASH, OHIO**

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	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	75,165,978	11,602,415	86,768,393
Restricted For:			
Capital Projects	3,821,434	0	3,821,434
Debt Service	1,413,656	0	1,413,656
Streets and Highways	2,693,030	0	2,693,030
Security of Persons & Property	221,029	0	221,029
TIF Activities	203,185	0	203,185
Unrestricted (Deficit)	25,508,588	(477,608)	25,030,980
<b>Total Net Position</b>	<b>\$ 109,026,900</b>	<b>\$ 11,124,807</b>	<b>\$ 120,151,707</b>

See accompanying notes to the basic financial statements

**CITY OF BLUE ASH, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2016**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Security of Persons and Property	\$ 11,713,893	\$ 9,629	\$ 277,228	\$ 0
Leisure Time Activities	5,640,754	1,094,815	0	0
Community Development	1,345,380	998,232	0	0
Transportation	4,868,588	47,363	775,979	245,100
General Government	12,307,511	136,979	0	0
Interest and Fiscal Charges	2,419,405	0	0	0
<b>Total Governmental Activities</b>	<b>38,295,531</b>	<b>2,287,018</b>	<b>1,053,207</b>	<b>245,100</b>
<b>Business-Type Activities:</b>				
Golf Course and Events Center	4,732,241	4,020,511	0	237,000
<b>Total Business-Type Activities</b>	<b>4,732,241</b>	<b>4,020,511</b>	<b>0</b>	<b>237,000</b>
<b>Totals</b>	<b>\$ 43,027,772</b>	<b>\$ 6,307,529</b>	<b>\$ 1,053,207</b>	<b>\$ 482,100</b>

**General Revenues**

Property Taxes Levied for:  
 General Purposes  
 Debt Service  
 Municipal Income Taxes  
 Other Local Taxes  
 Grants and Entitlements not Restricted to Specific Programs  
 Investment Earnings  
 Miscellaneous  
 Transfers  
 Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

**CITY OF BLUE ASH, OHIO**

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Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (11,427,036)	\$ 0	\$ (11,427,036)
(4,545,939)	0	(4,545,939)
(347,148)	0	(347,148)
(3,800,146)	0	(3,800,146)
(12,170,532)	0	(12,170,532)
(2,419,405)	0	(2,419,405)
<u>(34,710,206)</u>	<u>0</u>	<u>(34,710,206)</u>
0	(474,730)	(474,730)
0	(474,730)	(474,730)
<u>(34,710,206)</u>	<u>(474,730)</u>	<u>(35,184,936)</u>
1,896,330	0	1,896,330
2,238,652	0	2,238,652
34,167,742	0	34,167,742
1,197,802	0	1,197,802
648,002	0	648,002
243,707	0	243,707
988,818	0	988,818
(253,124)	253,124	0
<u>41,127,929</u>	<u>253,124</u>	<u>41,381,053</u>
6,417,723	(221,606)	6,196,117
<u>102,609,177</u>	<u>11,346,413</u>	<u>113,955,590</u>
<u>\$ 109,026,900</u>	<u>\$ 11,124,807</u>	<u>\$ 120,151,707</u>

**CITY OF BLUE ASH, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2016**

	General	General Bond Retirement	TIF Carver Road Bond Retirement	Summit Park
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 38,942,647	\$ 655,366	\$ 227,391	\$ 12,262,573
Receivables:				
Taxes	8,901,869	79,826	1,161,000	0
Accounts	2,432,975	0	0	0
Intergovernmental	288,963	2,850	0	62,100
Interest	22,769	369	129	7,375
Interfund Loans Receivables	26,166	0	0	0
Inventory of Supplies, at Cost	12,246	0	0	0
Prepaid Items	53,925	0	1,392	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	670,000	0
<b>Total Assets</b>	<u>\$ 50,681,560</u>	<u>\$ 738,411</u>	<u>\$ 2,059,912</u>	<u>\$ 12,332,048</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 348,579	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	722,495	0	0	0
Intergovernmental Payable	39,412	0	0	0
Contracts Payable	0	0	0	706,132
Interfund Loans Payable	0	0	0	0
<b>Total Liabilities</b>	<u>1,110,486</u>	<u>0</u>	<u>0</u>	<u>706,132</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	3,831,610	4,500	0	62,100
Property Tax Levy for Next Fiscal Year	1,928,332	78,176	1,161,000	0
<b>Total Deferred Inflows of Resources</b>	<u>5,759,942</u>	<u>82,676</u>	<u>1,161,000</u>	<u>62,100</u>
<b>Fund Balances:</b>				
Nonspendable	66,171	0	1,392	0
Restricted	0	655,735	897,520	11,563,816
Committed	0	0	0	0
Assigned	6,769,403	0	0	0
Unassigned	36,975,558	0	0	0
<b>Total Fund Balances</b>	<u>43,811,132</u>	<u>655,735</u>	<u>898,912</u>	<u>11,563,816</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 50,681,560</u>	<u>\$ 738,411</u>	<u>\$ 2,059,912</u>	<u>\$ 12,332,048</u>

See accompanying notes to the basic financial statements

**CITY OF BLUE ASH, OHIO**

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Other Governmental Funds	Total Governmental Funds
\$ 4,760,870	\$ 56,848,847
1,144,000	11,286,695
3,981	2,436,956
440,704	794,617
699	31,341
0	26,166
371,114	383,360
3,973	59,290
0	670,000
\$ 6,725,341	\$ 72,537,272
\$ 302,703	\$ 651,282
138,614	861,109
14,814	54,226
22,951	729,083
26,166	26,166
505,248	2,321,866
271,676	4,169,886
1,144,000	4,311,508
1,415,676	8,481,394
375,087	442,650
2,823,915	15,940,986
1,617,548	1,617,548
0	6,769,403
(12,133)	36,963,425
4,804,417	61,734,012
\$ 6,725,341	\$ 72,537,272

***Reconciliation Of Total Governmental Fund Balances  
To Net Position Of Governmental Activities  
December 31, 2016***

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<b>Total Governmental Fund Balances</b>		\$ 61,734,012
<b><i>Amounts reported for governmental activities in the statement of net position are different because</i></b>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		129,016,606
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds.		4,169,886
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		(17,978,410)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds Payable	(62,819,733)	
Capital Lease Payable	(938,681)	
OPWC Loans	(1,852,491)	
Compensated Absences Payable	(1,735,684)	
Accrued Interest Payable	(568,605)	
		<u>(67,915,194)</u>
<b><i>Net Position of Governmental Activities</i></b>		<b><u>\$ 109,026,900</u></b>

See accompanying notes to the basic financial statements





**CITY OF BLUE ASH, OHIO**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2016**

	General	General Bond Retirement	TIF Carver Road Bond Retirement	Summit Park
<b>Revenues:</b>				
Property Taxes	\$ 1,896,330	\$ 76,878	\$ 1,161,906	\$ 0
Municipal Income Tax	34,066,385	0	0	0
Other Local Taxes	1,197,802	0	0	0
Intergovernmental Revenues	636,395	25,900	0	245,100
Charges for Services	1,672,468	0	0	0
Licenses and Permits	1,095,615	0	0	0
Investment Earnings	189,796	2,784	1,942	45,760
Fines and Forfeitures	84,907	0	0	0
All Other Revenue	335	0	0	0
<b>Total Revenue</b>	<b>40,840,033</b>	<b>105,562</b>	<b>1,163,848</b>	<b>290,860</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	11,325,099	0	0	0
Leisure Time Activities	0	0	0	0
Community Development	1,882,368	0	0	0
Transportation	0	0	0	0
General Government	8,199,239	0	506,249	0
Capital Outlay	0	0	0	8,054,756
Debt Service:				
Principal Retirement	0	4,337,322	250,000	0
Interest & Fiscal Charges	0	2,140,645	415,750	0
<b>Total Expenditures</b>	<b>21,406,706</b>	<b>6,477,967</b>	<b>1,171,999</b>	<b>8,054,756</b>
Excess (Deficiency) of Revenues Over Expenditures	19,433,327	(6,372,405)	(8,151)	(7,763,896)
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	626,905	0	0	0
Sale of Bonds	0	0	0	8,560,000
Premiums on Debt Issuance	0	1,436,587	0	0
Transfers In	0	5,591,541	0	7,413,000
Transfers Out	(22,816,378)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(22,189,473)</b>	<b>7,028,128</b>	<b>0</b>	<b>15,973,000</b>
Net Change in Fund Balances	(2,756,146)	655,723	(8,151)	8,209,104
<b>Fund Balances at Beginning of Year</b>	<b>46,565,994</b>	<b>12</b>	<b>907,063</b>	<b>3,354,712</b>
Change in Inventory Reserve	1,284	0	0	0
<b>Fund Balances End of Year</b>	<b>\$ 43,811,132</b>	<b>\$ 655,735</b>	<b>\$ 898,912</b>	<b>\$ 11,563,816</b>

See accompanying notes to the basic financial statements

**CITY OF BLUE ASH, OHIO**

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Other Governmental Funds	Total Governmental Funds
\$ 1,026,582	\$ 4,161,696
0	34,066,385
0	1,197,802
1,040,045	1,947,440
1,079,904	2,752,372
0	1,095,615
3,425	243,707
2,158	87,065
246,741	247,076
<u>3,398,855</u>	<u>45,799,158</u>
305,654	11,630,753
4,672,934	4,672,934
0	1,882,368
4,911,807	4,911,807
684,236	9,389,724
1,105,337	9,160,093
0	4,587,322
0	2,556,395
<u>11,679,968</u>	<u>48,791,396</u>
(8,281,113)	(2,992,238)
0	626,905
0	8,560,000
0	1,436,587
9,662,713	22,667,254
(104,000)	(22,920,378)
<u>9,558,713</u>	<u>10,370,368</u>
1,277,600	7,378,130
3,526,030	54,353,811
787	2,071
<u>\$ 4,804,417</u>	<u>\$ 61,734,012</u>

***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, 2016***

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<b>Net Change in Fund Balances - Total Governmental Funds</b>		\$ 7,378,130
<i>Amounts reported for governmental activities in the statement of activities are different because</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital Outlay	12,637,802	
Depreciation Expense	<u>(3,473,011)</u>	9,164,791
The statement of activities reports activity arising from the disposal of capital assets.		
Sale of Capital Assets	(626,905)	
Loss on Disposal of Capital Assets	<u>(1,865,643)</u>	(2,492,548)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		(832,780)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		1,970,884
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(3,309,224)
The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position.		
General Obligation Bonds Issued	(8,560,000)	
Premium on General Obligation Bonds	<u>(1,436,587)</u>	(9,996,587)
Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bond Principal Payment	4,059,148	
OPWC Loans Payment	383,553	
Capital Leases Principal Payment	144,621	
Amortization of Bond Premium	<u>152,958</u>	4,740,280
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		(15,968)
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 the governmental funds.		
Compensated Absences	(191,326)	
Change in Inventory	<u>2,071</u>	<u>(189,255)</u>
<b><i>Change in Net Position of Governmental Activities</i></b>		<b>\$ 6,417,723</b>

See accompanying notes to the basic financial statements

**CITY OF BLUE ASH, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 1,911,409	\$ 1,911,409	\$ 1,896,330	\$ (15,079)
Municipal Income Tax	34,150,000	33,975,000	34,487,362	512,362
Other Local Taxes	1,100,000	1,100,000	1,173,590	73,590
Intergovernmental Revenue	579,646	582,146	656,183	74,037
Charges for Services	1,232,670	1,232,670	1,707,316	474,646
Licenses and Permits	475,500	1,019,500	1,114,582	95,082
Investment Earnings	35,000	35,000	175,764	140,764
Fines and Forfeitures	82,500	82,500	81,439	(1,061)
All Other Revenues	300	300	361	61
Total Revenues	<u>39,567,025</u>	<u>39,938,525</u>	<u>41,292,927</u>	<u>1,354,402</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	12,449,921	12,476,771	11,800,505	676,266
Community Development	3,870,476	4,370,477	3,571,142	799,335
General Government	10,185,528	10,010,753	9,098,247	912,506
Total Expenditures	<u>26,505,925</u>	<u>26,858,001</u>	<u>24,469,894</u>	<u>2,388,107</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,061,100	13,080,524	16,823,033	3,742,509
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	600,000	600,000	626,905	26,905
Transfers Out	(21,431,646)	(26,768,471)	(22,816,777)	3,951,694
Advances In	0	24,970	24,970	0
Advances Out	0	(25,280)	(25,280)	0
Total Other Financing Sources (Uses):	<u>(20,831,646)</u>	<u>(26,168,781)</u>	<u>(22,190,182)</u>	<u>3,978,599</u>
Net Change in Fund Balance	(7,770,546)	(13,088,257)	(5,367,149)	7,721,108
Fund Balance at Beginning of Year	40,678,152	40,678,152	40,678,152	0
Prior Year Encumbrances	1,995,025	1,995,025	1,995,025	0
Fund Balance at End of Year	<u>\$ 34,902,631</u>	<u>\$ 29,584,920</u>	<u>\$ 37,306,028</u>	<u>\$ 7,721,108</u>

See accompanying notes to the basic financial statements



**CITY OF BLUE ASH, OHIO**

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**Statement of Net Position  
Proprietary Fund  
December 31, 2016**

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	Business-Type Activities <u>Enterprise Fund</u> Golf Course and Events Center
<b>Assets:</b>	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 660,868
Receivables:	
Accounts	1,489
Intergovernmental	392
Inventory of Supplies at Cost	82,210
Prepaid Items	2,666
<i>Total Current Assets</i>	<u>747,625</u>
<i>Non Current Assets:</i>	
Capital Assets:	
Capital Assets Not Being Depreciated	1,138,336
Capital Assets Being Depreciated, Net	10,588,041
<b>Total Assets</b>	<u>12,474,002</u>
<b>Deferred Outflows of Resources:</b>	
Pension	<u>557,751</u>
<b>Liabilities:</b>	
<i>Current Liabilities:</i>	
Accounts Payable	82,099
Accrued Wages and Benefits	45,800
Intergovernmental Payable	2,836
Unearned Revenue	97,876
Capital Lease Payable - Current	61,337
Compensated Absences - Current	22,340
<i>Total Current Liabilities</i>	<u>312,288</u>
<i>Long Term Liabilities:</i>	
Compensated Absences Payable	60,401
Capital Leases Payable	62,625
Net Pension Liability	1,443,736
<b>Total Liabilities</b>	<u>1,879,050</u>
<b>Deferred Inflows of Resources:</b>	
Pension	<u>27,896</u>
<b>Net Position:</b>	
Net Investment in Capital Assets	11,602,415
Unrestricted	(477,608)
<b>Total Net Position</b>	<u>\$ 11,124,807</u>

See accompanying notes to the basic financial statements

**CITY OF BLUE ASH, OHIO**

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**Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Fund  
For the Year Ended December 31, 2016**

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	Business-Type Activities <u>Enterprise Fund</u> Golf Course and Events Center
<b>Operating Revenues:</b>	
Charges for Services	\$ 3,752,691
<b>Total Operating Revenues</b>	<u>3,752,691</u>
<b>Operating Expenses:</b>	
Personal Services	1,580,787
Contractual Services	1,619,885
Materials and Supplies	603,842
Depreciation	661,202
<b>Total Operating Expenses</b>	<u>4,465,716</u>
Operating Income (Loss)	(713,025)
<b>Nonoperating Revenue (Expenses):</b>	
Interest Expense	(3,864)
Other Nonoperating Revenue	267,820
Other Nonoperating Expense	(262,661)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>1,295</u>
Income (Loss) Before Transfers and Contributions	(711,730)
Transfers In	253,124
Capital Contributions	<u>237,000</u>
Change in Net Position	(221,606)
Net Position Beginning of Year	<u>11,346,413</u>
Net Position End of Year	<u>\$ 11,124,807</u>

See accompanying notes to the basic financial statements



**CITY OF BLUE ASH, OHIO**

**Statement of Cash Flows  
Proprietary Fund  
For the Year Ended December 31, 2016**

	Business-Type Activities Enterprise Fund Golf Course and Events Center
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$3,746,246
Cash Payments for Goods and Services	(2,245,709)
Cash Payments to Employees	(1,532,532)
Net Cash Used by Operating Activities	<u>(31,995)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>	
Transfers In from Other Funds	253,124
Net Cash Provided by Noncapital Financing Activities	<u>253,124</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Acquisition and Construction of Assets	(188,029)
Intergovernmental Grant	237,000
Interest Paid on Lease	(3,864)
Principal Payment on Capital Lease	(60,075)
Net Cash Used for Capital and Related Financing Activities	<u>(14,968)</u>
Net Increase in Cash and Cash Equivalents	206,161
Cash and Cash Equivalents at Beginning of Year	454,707
Cash and Cash Equivalents at End of Year	<u>\$660,868</u>
<u>Reconciliation of Operating Loss to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Loss	(\$713,025)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	661,202
Miscellaneous Nonoperating Income	268,549
Miscellaneous Nonoperating Expense	(262,661)
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(1,397)
Decrease in Inventory	19,045
Decrease in Prepaid Items	1,220
Increase in Deferred Outflows - Pension	(368,854)
Decrease in Accounts Payable	(46,803)
Decrease in Accrued Wages and Benefits	(8,892)
Decrease in Unearned Revenues	(5,048)
Decrease in Intergovernmental Payable	(1,189)
Decrease in Compensated Absences	(9,812)
Increase in Deferred Inflows - Pension	10,101
Increase in Net Pension Liability	425,569
Total Adjustments	<u>681,030</u>
Net Cash Used by Operating Activities	<u>(\$31,995)</u>

Schedule of Noncash Investing, Capital and Financing Activities:

For the year ended December 31, 2016, the Golf Course and Events Center Fund received a fully depreciated asset with a cost and accumulated depreciation of \$21,612 from the Governmental Activities. The Golf Course and Events Center Fund had outstanding liabilities of \$5,501 for the purchase of certain capital assets at December 31, 2016.

See accompanying notes to the basic financial statements

**CITY OF BLUE ASH, OHIO**

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***Statement of Assets and Liabilities  
Fiduciary Funds  
December 31, 2016***

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	<u>Agency</u>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 38,766
<b>Total Assets</b>	<u>38,766</u>
<b>Liabilities:</b>	
Intergovernmental Payable	1,196
Due to Others	37,570
<b>Total Liabilities</b>	<u>\$ 38,766</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Blue Ash, Ohio (the City) is a home-rule municipal corporation created under the laws of the State of Ohio. The City operates under its own Charter. The current Charter, which provides for a Council/Manager form of government, was adopted in 1961 and has been amended six times (1967, 1976, 1980, 1988, 1989 and 2006).

The financial statements are presented as of December 31, 2016 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to local governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

**A. Reporting Entity**

The accompanying basic financial statements comply with the provisions of the GASB Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 61 *"The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34,"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, agencies, boards and commissions that are part of the primary government, which includes the following services: police and fire protection, emergency medical response, parks and recreation, planning, zoning, street maintenance, residential refuse collection (on a contractual basis) and other governmental services. The City does serve as the fiscal agent for the Special County Arson Taskforce Unit (reported as an agency fund) for the purpose of receiving, allocating, and expending funds from federal, state, and local sources or from private contributions. The City has no administrative responsibility for the fund. In addition, the City owns and operates an event center, public golf course and associated restaurant which is reported as an enterprise fund.

**B. Basis of Presentation - Fund Accounting**

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting (Continued)**

For financial statement presentation purposes, the various funds of the City are grouped into the following generic fund types:

***Governmental Funds*** - Those funds through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary fund) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's major governmental funds:

**General Fund** - This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio, and the limitations of the City Charter.

**General Bond Retirement Fund** - This fund is used to account for payments of principal and interest on the City's general obligation bonds.

**TIF Carver Road Bond Retirement Fund** - This fund is used account for payments of principal and interest on the City's tax increment financing bonds issued in 2006.

**Summit Park Fund** - This fund is used to account for financial resources accumulated for the purchase of land at the Blue Ash Airport and the eventual development of a public park.

***Proprietary Funds***

The proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting** (Continued)

Enterprise Fund - This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's major enterprise fund is the Golf Course and Events Center fund which accounts for the City's operation of an events center, public golf course and a restaurant.

***Fiduciary Funds***

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The City's only fiduciary funds are agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The City's agency funds account for funds flowing through the Mayor's Court, building standards assessments, Arson Task Force, and employee benefits plan monies.

**C. Basis of Presentation – Financial Statements**

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Interfund receivables and payables between governmental and business-type activities have been eliminated in the government-wide Statement of Net Position. Transfers between governmental funds are eliminated on the government-wide Statement of Activities. These eliminations minimize the duplicating effect on assets, liabilities, revenues, and expenditures within the governmental and business-type activities total column. Interfund services provided and used are not eliminated in the process of consolidation.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements (Continued)**

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

**Fund Financial Statements** – Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus; agency funds however do not have a measurement focus.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Accounting**

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses in the accounts and reported in the financial statements and relates to the timing of the measurements made. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is considered to be 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Revenue considered susceptible to accrual at year end includes income taxes withheld by employers, interest on investments, and state levied locally shared taxes (including motor vehicle license fees, gasoline tax, and local government assistance). Other revenue, including licenses, permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenue, is recorded as revenue when received in cash because it is generally not measurable until actually received.

Property taxes measurable as of December 31, 2016 but which are not intended to finance 2016 operations and delinquent property taxes, whose availability is indeterminate, are recorded as a deferred inflow of resources. Property taxes are further described in Note 6.

The accrual basis of accounting is utilized for reporting purposes by the governmental activities, the proprietary fund and fiduciary funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process**

The annual budgetary process is prescribed by Charter and by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds, other than agency funds, are legally required to be budgeted and appropriated; however, only the general fund and major special revenue funds are required to be reported. The legal level of budgetary control is by fund at the major object level (personal services, materials and supplies, contractual services, capital outlay, and transfers) by department. Budgetary control is maintained by not permitting expenditures to exceed appropriations at the major object level for each department within each fund without the approval of City Council. Administrative control is maintained through the establishment of more detailed line-item budgets. Budgetary modifications above the major object level by fund may only be made by ordinance of the City Council. During 2016, all appropriations were approved as required and all funds and departments completed the year within their legally authorized appropriations.

**1. Tax Budget**

By July 15, the City Manager submits an annual tax budget for the following fiscal year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20th of each year, for the period January 1 to December 31 of the following year.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

2. Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Budget Commission then certifies its actions to the City by September 1st of each year. By October 1st of each year, the City accepts, by resolution, the tax rate as determined by the Budget Commission. As part of the certification process, the City receives an official certificate of estimated resources which states the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed or fall short of current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2016.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1st of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1st of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level, and may only be modified during the year by ordinance of the City Council. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the object level. During the year, several supplemental appropriations were necessary to budget contingency funds, bond proceeds and intergovernmental grants. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual (Non-GAAP Budgetary Basis)" for the General Fund and the Street Construction, Maintenance and Repair Fund are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

4. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**5. Budgetary Basis of Accounting**

The City's budgetary process accounts for certain transactions on a basis other than accounting principles generally accepted in the United States of America. The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on the cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Also under the budgetary basis, encumbrances are recognized as expenditures and debt proceeds are recognized as an other financing source. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual" for the General Fund:

	Net Change in Fund Balance
	<u>General Fund</u>
GAAP Basis (as reported)	(\$2,756,146)
Increase (Decrease):	
Accrued Revenues at December 31, 2016 received during 2017	(5,886,634)
Accrued Revenues at December 31, 2015 received during 2016	6,039,528
Accrued Expenditures at December 31, 2016 paid during 2017	1,110,486
Accrued Expenditures at December 31, 2015 paid during 2016	(2,232,326)
2016 Prepays for 2017	(53,925)
2015 Prepays for 2016	73,248
Outstanding Encumbrances	<u>(1,661,380)</u>
Budget Basis	<u><u>(\$5,367,149)</u></u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Cash and Cash Equivalents**

During fiscal year 2016, cash and cash equivalents included amounts in demand deposits and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio is a very liquid investment and is reported as a cash equivalent in the basic financial statements.

The City pools its cash for investment and resource management purposes. Each fund's equity in cash and cash equivalents represents the balance on hand as if each had maintained its own cash and cash investment account. For purposes of the statement of cash flows, the proprietary fund considers its share of equity in STAR Ohio to be cash equivalents. See Note 5, "Cash and Cash Equivalents."

**G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution, the Ohio Revised Code, and the City Charter. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City reports its investments at fair value. The City allocates interest among the various funds based upon applicable legal and administrative requirements. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 5, "Cash and Cash Equivalents."

The City invested funds in STAR Ohio during 2016. 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2016.

**H. Inventory**

Inventory is stated at cost (first-in, first-out) in the governmental funds and proprietary fund. The costs of inventory items are recorded as expenditures in governmental funds when purchased and expenses in the proprietary fund when used.

**I. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2016, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Capital Assets and Depreciation**

Capital assets are defined by the City as assets with an initial, individual cost of more than \$2,500 and an estimated useful life threshold of five or more years.

**1. Property, Plant and Equipment - Governmental Activities**

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at fair value at the date received. Capital assets include land, construction in progress, buildings, improvements other than buildings, infrastructure and machinery and equipment. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, curbs and gutters, streets and sidewalks, and drainage systems. Estimated historical costs for governmental activities capital asset values were initially determined at December 31, 1985 by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition or construction.

**2. Property, Plant and Equipment – Business Type Activities**

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at fair value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective funds.

**3. Depreciation**

All capital assets are depreciated, excluding land and construction in progress. Depreciation on newly acquired/constructed streets begins in the year of acquisition. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (in years)</u>
Buildings	15 - 25
Improvements other than Buildings	15 - 25
Machinery, Equipment, Furniture and Fixtures	3 - 10
Infrastructure	15 - 100

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Long-Term Obligations**

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	General Obligation Bond Retirement Fund, Summit Park Fund
OPWC Loan	General Obligation Bond Retirement Fund
Tax Increment Financing Bonds	TIF Carver Road Retirement Fund
Capital Leases	General Obligation Bond Retirement Fund, Golf Course and Events Center Fund
Compensated Absences	General Fund Street Construction, Maintenance and Repair Fund Park and Recreation Fund Golf Course and Events Center Fund

**L. Compensated Absences**

The City reports compensated absences in accordance with the provisions of GASB No. 16. "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at fiscal year end taking into consideration any limits specified in the City's personnel policies and ordinances.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absence payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. In the government wide statement of net position, "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**N. Pensions**

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

**O. Interfund Transactions**

During the course of normal operations, the City has numerous transactions between funds. Interfund transactions are generally classified as follows:

- Transfers are reported as "Other Financing Sources and Uses" in the governmental funds, as "Transfers In" by the recipient fund, and "Transfers Out" by the disbursing fund.

Transactions that would be treated as revenues and expenditures/expenses if they involved organizations external to the City are similarly treated when involving other funds of the City. The City also advances cash from one fund to another as necessary to meet current obligations.

**P. Intergovernmental Revenues**

In governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis, and shared revenues are recorded as intergovernmental receivables and revenues when measurable and available. Reimbursable grants are recorded as intergovernmental receivables and revenues when the related expenditures are made.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Q. Interfund Assets/Liabilities**

Receivables and payables arising between funds for goods provided or services rendered are classified as "Due From/To Other Funds" on the balance sheet. Short-term interfund loans are classified as "Interfund Loan Receivables/Payables," while long-term interfund loans are classified as "Advances to/from Other Funds."

**R. Fund Balance**

In the fund financial statements, 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 the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

*Nonspendable* – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

*Restricted* – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

*Committed* – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts.

*Assigned* – Assigned fund balance consists of amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Charter authorizes the Finance Director to assign fund balance. Assigned balances consist of encumbrances.

*Unassigned* – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**S. 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 the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**T. Restricted Assets**

Cash and cash equivalents being held for debt retirements are classified as restricted assets on the statement of net position and the governmental balance sheet because these funds are being held for specified purposes.

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported for pension amounts (See Note 10). The amounts are reported in the government-wide and proprietary statements of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide and proprietary funds statement of net position. See Note 10.

**V. Fair Market 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.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE**

For 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 72, “Fair Value Measurement and Application,” and GASB Statement No. 77 “Tax Abatement Disclosures.”

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes, for applying fair value to certain investments, and disclosures related to all fair value measurements. These changes were incorporated in the City’s 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. These changes were incorporated in the City’s 2016 financial statements; however, there was no effect on beginning net position/fund balance.

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 3 – 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 observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	General Bond Retirement	TIF Carver Road Bond Retirement	Summit Park	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid Items	\$53,925	\$0	\$1,392	\$0	\$3,973	\$59,290
Supplies Inventory	12,246	0	0	0	371,114	383,360
Total Nonspendable	<u>66,171</u>	<u>0</u>	<u>1,392</u>	<u>0</u>	<u>375,087</u>	<u>442,650</u>
Restricted:						
Transportation Projects	0	0	0	0	1,744,681	1,744,681
Debt Service	0	655,735	897,520	0	597	1,553,852
Law Enforcement	0	0	0	0	220,972	220,972
TIF Projects	0	0	0	0	692,431	692,431
Capital Improvements	0	0	0	11,563,816	165,234	11,729,050
Total Restricted	<u>0</u>	<u>655,735</u>	<u>897,520</u>	<u>11,563,816</u>	<u>2,823,915</u>	<u>15,940,986</u>
Committed:						
Leisure Time Activities	0	0	0	0	1,617,548	1,617,548
Total Committed	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,617,548</u>	<u>1,617,548</u>
Assigned:						
Goods and Services	1,321,173	0	0	0	0	1,321,173
Projected Budgetary Deficit	5,448,230	0	0	0	0	5,448,230
Total Assigned	<u>6,769,403</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,769,403</u>
Unassigned	<u>36,975,558</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(12,133)</u>	<u>36,963,425</u>
Total Fund Balances	<u>\$43,811,132</u>	<u>\$655,735</u>	<u>\$898,912</u>	<u>\$11,563,816</u>	<u>\$4,804,417</u>	<u>\$61,734,012</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**NOTE 4 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position of governmental activities as reported in the government-wide statement of net position. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

*Other long-term assets not available to pay for current-period expenditures:*

Deferred Tax Revenue	\$3,477,919
Charges for Services	157,740
Intergovernmental Revenue Receivable	<u>534,227</u>
	\$4,169,886

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government – wide statement of activities. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

*Governmental revenues not reported in the funds:*

Increase in Tax Revenue	\$74,643
Decrease in Intergovernmental Revenue Receivable	60,984
Decrease in Charges for Services	<u>(968,407)</u>
	(\$832,780)

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 5 - CASH AND CASH EQUIVALENTS**

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments.

Statutes require the classification of funds held by the City into three categories. Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)**

- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

**A. Deposits**

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of City cash and deposits is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. The City has no policy on custodial credit risk and is governed by Ohio Revised Code. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate fair value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end the carrying amount of the City's deposits was \$47,001,101 and the bank balance was \$47,623,088. Federal depository insurance covered \$751,435 of the bank balance and \$46,871,653 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>\$46,871,653</u>
Total Balance	<u><u>\$46,871,653</u></u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)**

**B. Investments**

The City's investments at December 31, 2016 were as follows:

	<u>Fair Value</u>	Credit <u>Rating</u>	<u>Investment Maturities (In Years)</u> less than 1
STAR Ohio	\$11,217,380	AAAm <sup>1</sup>	\$11,217,380
Total Investments	<u>\$11,217,380</u>		<u>\$11,217,380</u>

<sup>1</sup> Standard & Poor's

*Interest Rate Risk* – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date. The City has no policy on interest rate risk and is governed by Ohio Revised Code.

*Investment Credit Risk* – The City has no investment policy that limits its investment choices other than the limitation of State statute for “interim” funds described previously.

*Concentration of Credit Risk* – The City places no limit on the amount the City may invest in one issuer. The City placed all of its funds available for investment into STAR Ohio during 2016.

*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 City has no policy on custodial credit risk and is governed by Ohio Revised Code as described under Deposits.

**C. Reconciliation of Cash, Cash Equivalents and Investments**

The classification of cash, cash equivalents and investments on the financial statements is based on criteria set forth in GASB Statement No. 9. Certificates of deposit with an original maturity of three months or less are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Financial Statements	\$58,218,481	\$0
STAR Ohio	<u>(11,217,380)</u>	<u>11,217,380</u>
Per GASB Statement No. 3	<u>\$47,001,101</u>	<u>\$11,217,380</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 6 - TAXES**

**A. Property Taxes**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2016 were levied after October 1, 2015 on assessed values as of January 1, 2015, the lien date. Assessed values were established by the County Auditor at 35 percent of appraised fair value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last reappraisal was completed in 2007. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 88 percent of its true value. Public utility property taxes are payable on the same dates as the real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Blue Ash. The County Auditor periodically remits to the City its portion of the taxes collected.

The full tax rate for all City operations for the year ended December 31, 2016 was \$3.08 per \$1,000 of assessed value. The assessed value upon which the 2016 levy was based was \$725,001,910. This amount constitutes \$701,002,760 in real property assessed value and \$23,999,150 in public utility assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .308% (3.08 mills) of assessed value.

**B. Income Tax**

The City levies a tax of 1.25% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a full credit for taxes paid to another municipality up to 1.25% of those wages actually taxed by the other municipality.

Employers within the City are required to withhold income tax on employees' compensation and remit the tax to the City either monthly or quarterly, as required. Taxpayers are required to pay their estimated tax quarterly and file a declaration annually. All income tax proceeds are received by the General Fund.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2016 consisted of taxes, interest, accounts receivable, and intergovernmental receivables arising from shared revenues. All receivables are considered collectible in full. Those receivables that relate to amounts not intended to finance the current fiscal year are offset by deferred inflows of resources.

**NOTE 8 - TRANSFERS AND INTERFUND BALANCES**

**A. Transfers**

Following is a summary of transfers in and out for all funds for 2016:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General Fund	\$0	\$22,816,378
General Bond Retirement Fund	5,591,541	0
Summit Park Fund	7,413,000	0
Other Governmental Funds	9,662,713	104,000
Total Governmental Funds	<u>22,667,254</u>	<u>22,920,378</u>
Proprietary Funds:		
Golf Course and Events Center Fund	253,124	0
Total All Funds	<u>\$22,920,378</u>	<u>\$22,920,378</u>

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided, or to debt service if required, once a project is completed.

**B. Interfund Balances**

Individual interfund balances at December 31, 2016 are as follows:

<u>Fund</u>	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
General Fund	\$26,166	\$0
Other Governmental Funds	0	26,166
Totals	<u>\$26,166</u>	<u>\$26,166</u>

The interfund loan receivable/payable on the Governmental Balance Sheet are loans to the OVI Fund and the Law Enforcement Liaison Fund from the General Fund to assist with cash flow issues.



**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 9 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2016:

**Historical Cost:**

Class	December 31, 2015	Additions	Deletions	December 31, 2016
<b>Capital assets not being depreciated:</b>				
Land	\$40,357,247	\$0	(\$2,180,613)	\$38,176,634
Construction in Progress	28,310,989	10,937,682	(841,153)	38,407,518
Subtotal	68,668,236	10,937,682	(3,021,766)	76,584,152
<b>Capital assets being depreciated:</b>				
Buildings	45,524,968	169,082	(496,683)	45,197,367
Improvements Other than Buildings	6,489,934	0	0	6,489,934
Infrastructure	32,325,212	821,476	0	33,146,688
Machinery and Equipment	13,725,231	1,550,715	(621,788)	14,654,158
Subtotal	98,065,345	2,541,273	(1,118,471)	99,488,147
Total Cost	\$166,733,581	\$13,478,955	(\$4,140,237)	\$176,072,299

**Accumulated Depreciation:**

Class	December 31, 2015	Additions	Deletions	December 31, 2016
Buildings	(\$20,365,014)	(\$1,600,022)	\$218,541	(\$21,746,495)
Improvements Other than Buildings	(5,274,419)	(160,560)	0	(5,434,979)
Infrastructure	(9,519,446)	(749,588)	0	(10,269,034)
Machinery and Equipment	(9,230,339)	(962,841)	587,995	(9,605,185)
Total Depreciation	(\$44,389,218)	(\$3,473,011)	\$806,536	(\$47,055,693)
<b>Net Value:</b>	\$122,344,363			\$129,016,606

\* Depreciation expenses were charged to governmental functions as follows:

Leisure Time Activities	\$1,132,457
Transportation	1,055,824
General Government	1,284,730
Total Depreciation Expense	\$3,473,011

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 9 - CAPITAL ASSETS (Continued)**

**B. Business-Type Activities Capital Assets**

Summary by Category at December 31, 2016:

**Historical Cost:**

Class	December 31, 2015	Additions	Deletions	December 31, 2016
<b>Capital assets not being depreciated:</b>				
Land	\$1,124,764	\$0	\$0	\$1,124,764
Construction in Progress	285,572	6,275	(278,275)	13,572
Subtotal	1,410,336	6,275	(278,275)	1,138,336
<b>Capital assets being depreciated:</b>				
Buildings	9,683,474	23,260	0	9,706,734
Improvements Other than Buildings	3,769,603	347,650	0	4,117,253
Machinery and Equipment	1,589,493	85,500	(31,200)	1,643,793
Subtotal	15,042,570	456,410	(31,200)	15,467,780
Total Cost	\$16,452,906	\$462,685	(\$309,475)	\$16,606,116

**Accumulated Depreciation:**

Class	December 31, 2015	Additions	Deletions	December 31, 2016
Buildings	(\$1,429,048)	(\$377,163)	\$0	(\$1,806,211)
Improvements Other than Buildings	(1,731,402)	(120,463)	0	(1,851,865)
Machinery and Equipment	(1,089,287)	(163,576)	31,200	(1,221,663)
Total Depreciation	(\$4,249,737)	(\$661,202)	\$31,200	(\$4,879,739)
<b>Net Value:</b>	\$12,203,169			\$11,726,377

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

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

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

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

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

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

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

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<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>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>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>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

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

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

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

	<u>State and Local</u>
<b>2016 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2016 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	<u>2.0</u>
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 \$921,327 for 2016. Of this amount, \$127,352 is reported as an intergovernmental payable.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF 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 OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

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

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

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF 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.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

	<u>Police</u>	<u>Firefighters</u>
<b>2016 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %
<b>2016 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:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$1,182,940 for 2016. Of this amount, \$184,460 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$9,972,436	\$16,383,273	\$26,355,709
Proportion of the Net Pension Liability-2016	0.057573%	0.254673%	
Proportion of the Net Pension Liability-2015	<u>0.056005%</u>	<u>0.260731%</u>	
Percentage Change	<u>0.0015684%</u>	<u>(0.006059%)</u>	
Pension Expense	\$538,373	\$1,138,210	\$1,676,583

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$2,931,273	\$2,666,569	\$5,597,842
City contributions subsequent to the measurement date	<u>921,327</u>	<u>1,182,940</u>	<u>2,104,267</u>
Total Deferred Outflows of Resources	<u>\$3,852,600</u>	<u>\$3,849,509</u>	<u>\$7,702,109</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$189,364	\$46,004	\$235,368
Change in Proportionate Share	<u>3,323</u>	<u>0</u>	<u>3,323</u>
Total Deferred Inflows of Resources	<u>\$192,687</u>	<u>\$46,004</u>	<u>\$238,691</u>

\$2,104,267 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Year Ending December 31:			
2017	\$641,098	\$693,316	\$1,334,414
2018	687,969	693,316	1,381,285
2019	746,172	693,316	1,439,488
2020	663,347	551,164	1,214,511
2021	0	(8,864)	(8,864)
2022	<u>0</u>	<u>(1,683)</u>	<u>(1,683)</u>
Total	<u>\$2,738,586</u>	<u>\$2,620,565</u>	<u>\$5,359,151</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.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4 percent for 2015.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 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 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other investments	18.00	4.59
Total	100.00 %	5.27 %

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

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$15,888,528	\$9,972,436	\$4,982,401

In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8% to 7.5%. Although the exact amount of these changes is not known, the impact to the City’s net pension liability is expected to be significant.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

***Actuarial Assumptions – OPF***

OPF’s total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, 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, 2015, are presented below:

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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, 2015 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	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00 %</u>	

\* levered 2x

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 1.2 times due to the application of leverage in certain fixed income asset classes.

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

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City’s proportionate share of the net pension liability	\$21,607,343	\$16,383,273	\$11,957,972

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 11 - POSTEMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System (“OPERS”)**

Plan Description – 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.

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, 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. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2015 CAFR for details.

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the ORC.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2016, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)**

**A. Ohio Public Employees Retirement System (“OPERS”) (Continued)**

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the RMA for participants in the Member-Directed Plan for 2016 was 4.0%.

The City's contributions for health care to the OPERS for the years ending December 31, 2016, 2015, and 2014 were \$153,555, \$153,886 and \$150,101, respectively, which were equal to the required contributions for each year.

**B. Ohio Police and Fire Pension Fund (“OP&F”)**

Plan Description – The City contributes to the OP&F sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides health care 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 survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The ORC permits, but does not mandate, OP&F to provide OPEB benefits. Authority to establish and amend benefits is provided in Chapter 742 of the ORC.

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F’s website at [www.op-f.org](http://www.op-f.org).

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)**

**B. Ohio Police and Fire Pension Fund (“OP&F”) (Continued)**

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2016, the portion of employer contributions allocated to health care was 0.5% of covered payroll for both police officers and firefighters. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ending December 31, 2016, 2015, and 2014 were \$16,542, \$15,077 and \$15,430 for police and \$11,853, \$11,035 and \$10,515 for firefighters, respectively, which were equal to the required contributions for each year.

**CITY OF BLUE ASH, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 12 - LONG-TERM OBLIGATIONS**

Detail of the changes in the long-term obligations of the City for the year ended December 31, 2016 is as follows:

		Balance December 31, 2015	Issued	(Retired)	Balance December 31, 2016	Amount Due Within One Year
<b>Governmental Activities:</b>						
Bonds Payable:						
5.00% Carver Road Tax Increment Financing Bonds (\$9,790,000)	2006	\$8,315,000	\$0	(\$250,000)	\$8,065,000	\$265,000
4.00% Recreation Center Construction Bonds (\$9,975,000)	2007	4,970,000	0	(710,000)	4,260,000	710,000
5.0% Real Estate Acquisition Bonds (\$18,913,325)	2007	16,917,032	0	(154,148)	16,762,884	411,856
2.00 - 4.00% Golf Clubhouse Construction Bonds (\$9,775,000)	2010	5,325,000	0	(890,000)	4,435,000	890,000
Premium on Golf Clubhouse Bonds		266,307	0	(44,385)	221,922	0
1.00 - 4.00% Osborne/Access Road Bonds (\$3,125,000)	2011	2,850,000	0	(150,000)	2,700,000	150,000
1.00 - 3.00% Summit Park Phase I Bonds (\$9,705,000)	2014	8,800,000	0	(915,000)	7,885,000	925,000
Premium on Summit Park Phase I Bonds		179,228	0	(19,914)	159,314	0
2.00 - 3.50% Summit Park Phase II Bonds (\$9,800,000)	2014	9,230,000	0	(570,000)	8,660,000	580,000
Premium on Summit Park Phase II Bonds		182,685	0	(13,049)	169,636	0
2.00- 5.00% Income Tax Revenue Bonds (\$8,560,000)	2016	0	8,560,000	(420,000)	8,140,000	735,000
Premium on Income Tax Revenue Bonds	2016	0	1,436,587	(75,610)	1,360,977	0
<b>Total Bonds Payable</b>		<b>57,035,252</b>	<b>9,996,587</b>	<b>(4,212,106)</b>	<b>62,819,733</b>	<b>4,666,856</b>
0.0% OPWC Loan (\$1,445,000)	2008	505,750	0	(144,500)	361,250	144,500
0.0% OPWC Loan (\$1,027,339)	2009	486,634	0	(108,141)	378,493	108,141
0.0% OPWC Loan (\$1,309,116)	2013	1,243,660	0	(130,912)	1,112,748	130,912
<b>Total OPWC Loans</b>		<b>2,236,044</b>	<b>0</b>	<b>(383,553)</b>	<b>1,852,491</b>	<b>383,553</b>
Capital Lease (\$1,500,000)	2012	1,083,302	0	(144,621)	938,681	147,875
Net Pension Liability:						
Ohio Public Employees Retirement System		5,736,662	2,792,038	0	8,528,700	0
Ohio Police and Fire Pension		13,506,974	2,876,299	0	16,383,273	0
<b>Total Net Pension Liability</b>		<b>19,243,636</b>	<b>5,668,337</b>	<b>0</b>	<b>24,911,973</b>	<b>0</b>
Compensated Absences		1,544,358	1,735,684	(1,544,358)	1,735,684	468,635
<b>Total Governmental Activities</b>		<b>\$81,142,592</b>	<b>\$17,400,608</b>	<b>(\$6,284,638)</b>	<b>\$92,258,562</b>	<b>\$5,666,919</b>



**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 12 - LONG-TERM OBLIGATIONS (Continued)**

	Balance December 31, 2015	Additions	(Reductions)	Balance December 31, 2016	Due Within One Year
<b>Business-Type Activities</b>					
Capital Leases	\$184,037	\$0	(\$60,075)	\$123,962	\$61,337
Net Pension Liability:					
Ohio Public Employees Retirement System	1,018,167	425,569	0	1,443,736	0
Compensated Absences	92,553	82,741	(92,553)	82,741	22,340
Total Business-Type Activities	<u>\$1,294,757</u>	<u>\$508,310</u>	<u>(\$152,628)</u>	<u>\$1,650,439</u>	<u>\$83,677</u>

The Ohio Revised Code provides that the net debt of a municipal corporation, when 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 taxable value of property. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. The City has no debt within the 5.5% unvoted debt limitation or the 10.5% overall debt limitation. The City's total debt margin at December 31, 2016 was \$76,125,201.

**A. Principal and Interest Requirements**

Principal and interest requirements to retire long-term debt outstanding at December 31, 2016 are as follows:

Years	General Obligation Bonds		OPWC Loans	
	Principal	Interest	Principal	Interest
2017	\$4,666,856	\$2,415,467	\$383,553	\$0
2018	4,757,449	2,266,211	383,553	0
2019	4,829,071	2,113,526	311,303	0
2020	5,081,775	1,959,110	184,982	0
2021	5,185,613	1,789,085	130,912	0
2022-2026	16,729,516	6,483,534	458,188	0
2027-2031	10,798,387	3,651,088	0	0
2032-2036	8,859,217	1,308,536	0	0
Totals	<u>\$60,907,884</u>	<u>\$21,986,557</u>	<u>\$1,852,491</u>	<u>\$0</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 12 - LONG-TERM OBLIGATIONS (Continued)**

**B. Conduit Debt**

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, the liens are released. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2016, there was one Industrial Revenue Bond outstanding, with an original issue amount of \$15,475,000.

**C. Tax Increment Financing Bonds**

To encourage economic development, an agreement was crafted between the City, Duke Realty Ohio (the Developer), and the Sycamore Community School District to utilize Tax Increment Financing to construct two public parking garages associated with the 22 acre Landings Development on Carver Road. During 2006, Carver Road Tax Increment Financing Bonds in the principal amount of \$9,790,000 were issued to retire a construction related Bond Anticipation Note, to fund the project's completion, and also to provide funding for the cost of bond issuance, a debt reserve, and capitalized interest expense. The long term obligation of the Tax Increment Financing Bonds do not represent a claim against the full faith and credit of the issuer, the City of Blue Ash. The agreements in place, supported as required by Ordinances passed by City Council, provide for the Developer to make payments in lieu of property taxes (P.I.L.O.T.S.) over the life of the 30 year tax exemption, with those payments to be utilized as the primary source of funds for the retirement of the debt. The Developer is contractually obligated to make minimum service payments so that principal and interest are retired on a timely basis. Any surplus derived through payments in lieu of taxes not required for retirement of the TIF debt are to be paid to the Sycamore Community School District as defined in the Agreement. Upon completion of the two public parking garages, the TIF Construction Fund was closed, any remaining fund balance was deposited into the TIF Carver Road Bond Retirement Fund. All payments and disbursements relating to the retirement of debt will be via the TIF Carver Road Bond Retirement Fund.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 13 - CAPITAL LEASES**

The City is party to three leases accounted for as capital leases. The governmental activity lease is to finance energy saving facility improvements. The cost of the equipment obtained under this lease is valued at \$1.5 million. The Golf Course and Events Center entered into two leases, one for golf carts and the other for mowers. The cost of the equipment obtained under these leases are \$189,110 and \$58,866, respectively. All of the equipment is capitalized as machinery and equipment within capital assets. The liabilities for these leases are recorded on the Statement of Net Position as due within one year and due in more than one year. The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2016:

<u>Year Ending December 31,</u>	<u>Capital Leases</u>
2017	\$232,935
2018	232,935
2019	168,995
2020	168,995
2021	168,995
2022	<u>168,995</u>
Minimum Lease Payments	1,141,850
Less amount representing interest at the at the City's incremental borrow rate	<u>(79,207)</u>
Present value of minimum lease payments	<u><u>\$1,062,643</u></u>

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 14 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. In 1992 the City entered into a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) with other local cities. As of December 31, 2016, the pool has twenty members. The pool has been operational since December of 1988 and was formed in accordance with Section 2744 of the Ohio Revised Code. This jointly governed organization provides real and personal property, crime, surety, general liability, boiler and machinery, employment practices liability, police professional and public official liability coverage up to the limits stated below. Membership in MVRMA is intended to provide broad based coverage up to the limits stated below, with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate. MVRMA is a non-profit corporation governed by a twenty member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote.

Management is provided by an Executive Director, who is assisted by a Claims Manager, a full-time Loss Control Manager and office staff. The board is responsible for its own financial matters and the corporation maintains its own books of account. Budgeting and financing of MVRMA is subject to the approval of the board, and the organization is covered by policies, procedures, and formally adopted bylaws.

The individual MVRMA, Inc. members are not considered "participants having equity interest" as defined by GASB Statement No. 14 since members have no rights to any assets of MVRMA, Inc. other than possible residual claims upon dissolution. The risk of loss is transferred from the City to the pool. Therefore, MVRMA, Inc. is a multi-jurisdictional arrangement that has the characteristics of a joint venture but has additional features that distinguish it, for financial reporting purposes, from the traditional joint venture defined in GASB Statement No. 14.

The following is a summary of insurance coverages at year end:

Pollution Liability	\$1,000,000	per occurrence
Public Officials/Personal Injury	12,000,000	per occurrence
Property	1,000,000,000	per occurrence
Boiler and Machinery	100,000,000	per occurrence
Flood	25,000,000	per occurrence and aggregate
Cyber Liability	2,000,000	per occurrence and aggregate
Earthquake (Property)	25,000,000	per occurrence and aggregate

The member deductible per occurrence for all types of claims is \$2,500.

MVRMA issues a stand-alone financial report that includes financial statements and required supplementary information for MVRMA, Inc. Interested parties may obtain a copy by making a written request to 4625 Presidential Way, Kettering, Ohio 45429-5706.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**NOTE 14 - RISK MANAGEMENT (Continued)**

Workers' Compensation claims are covered under the State of Ohio Bureau of Workers' Compensation. The City participates in the Ohio Municipal League's Workers' Compensation Group Rating Program to benefit from the shared risk of a pooled group. The City pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on the group's accident history and administrative costs. The City also pays unemployment claims to the State of Ohio as incurred.

The City continues to carry commercial insurance for other risks of loss, including group employee health and life insurance. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

**NOTE 15 - CONSTRUCTION COMMITMENTS**

As of December 31, 2016, the City had the following commitments with respect to capital projects:

Project	Remaining Construction Commitment	Expected Date of Completion
Summit Park	\$9,275,016	Fall 2018 (Phase III)
Wading Pool Replacement	1,617,236	Summer 2017
Sidewalk Expansion and Replacement	746,319	Summer/Fall 2017
Golf Course Bridge (Business Type)	125,000	Spring 2017
Total	\$11,763,571	

**NOTE 16 - CONTINGENCIES**

The City is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

For the period January 1, 2016 to December 31, 2016, the City received federal and state grants for specific purposes that are subject to reviews and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**NOTE 17 – SIGNIFICANT ENCUMBRANCES**

At December 31, 2016 the City had the following significant encumbrances outstanding:

<u>Fund</u>	<u>Total Encumbrances</u>	<u>Significant Encumbrances</u>	<u>Explanation</u>
<b>Major Funds:</b>			
General Fund	\$ 814,151	\$ 688,033 126,118	New Tenant Improvements & Allowances at Summit Park Zoning Services
Summit Park Fund	8,256,512	1,556,277 657,000 2,367,680 833,831 2,290,451 551,273	Summit Park - Tower - Steel Summit Park - Tower - Electrical Summit Park - Tower - Glass, Metal Panels Summit Park - Tower - Masonry Summit Park - Tower - General Trades Summit Park - Construction Management
Other Governmental Funds	2,419,285	1,617,236 746,319 55,730	Wading Pool Replacement Sidewalk Expansion and Replacement Annual Street Paving Program
Business Type Funds	125,000	125,000	Golf Course Bridge

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**NOTE 18 – TAX ABATEMENT DISCLOSURES**

As of December 31, 2016, the City of Blue Ash provides tax incentives under a Residential Community Reinvestment Area (RCRA) program.

**Real Estate Tax Abatements**

Pursuant to Ohio Revised Code Chapter 3735.66, the City established a Residential Community Reinvestment Area in 2014. Various portions of the community are covered by this RCRA. The City authorizes incentives based upon each residence’s attributes, and through a contractual application process with each property owner, including proof that the improvements have been made. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient’s property tax bill. The establishment of the RCRA gave the City the ability to maintain and improve residences located in the City by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved real estate.

Below is the City portion of the real property taxes abated in 2016:

	Total Amount of Taxes Abated (Incentives Abated) For the Year 2016 (In Actual Dollars)
<u>Residential Community Reinvestment Area (RCRA)</u>	
Residential	\$4,450

*REQUIRED SUPPLEMENTAL INFORMATION*

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**CITY OF BLUE ASH, OHIO**

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***Schedule of City's Proportionate Share of the Net Pension Liability  
Last Three Years***

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**Ohio Public Employees Retirement System**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	0.056005%	0.056005%	0.057573%
City's proportionate share of the net pension liability (asset)	\$6,602,259	\$6,754,829	\$9,972,436
City's covered-employee payroll	\$7,100,669	\$6,982,792	\$7,160,250
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	92.98%	96.74%	139.27%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

**Ohio Police and Fire Pension Fund**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	0.2607314%	0.2607314%	0.2546727%
City's proportionate share of the net pension liability (asset)	\$12,698,438	\$13,506,974	\$16,383,273
City's covered-employee payroll	\$5,630,410	\$5,168,767	\$5,222,325
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	225.53%	261.32%	313.72%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2013 is not available.

**CITY OF BLUE ASH, OHIO**

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***Schedule of City Contributions  
Last Four Years***

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**Ohio Public Employees Retirement System**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$923,087	\$837,935	\$859,230	\$921,327
Contributions in relation to the contractually required contribution	<u>923,087</u>	<u>837,935</u>	<u>859,230</u>	<u>921,327</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$7,100,669	\$6,982,792	\$7,160,250	\$7,677,725
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%	12.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

**Ohio Police and Fire Pension Fund**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$961,674	\$1,052,361	\$1,091,554	\$1,182,940
Contributions in relation to the contractually required contribution	<u>961,674</u>	<u>1,052,361</u>	<u>1,091,554</u>	<u>1,182,940</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$5,630,410	\$5,168,767	\$5,222,325	\$5,667,309
Contributions as a percentage of covered-employee payroll	17.08%	20.36%	20.90%	20.87%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2013 is not available.

*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE  
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS, AND  
FIDUCIARY FUNDS.*

***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specified purposes.

**Street Construction, Maintenance and Repair Fund**

To account for state-levied and controlled gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

**Municipal Motor Vehicle License Tax Fund**

To account for county-levied motor vehicle registration fees designated for street construction, maintenance and repair.

**State Highway Fund**

To account for the portion of the state gasoline tax and motor vehicle registration fees designated for street maintenance and repair of state highways within the City.

**Park and Recreation Fund**

To account for the user charges collected from the operation of public recreational facilities and for the maintenance of same.

**Plainfield Road TIF Fund**

To account for resources related to the Tax Increment Financing area established along Plainfield Road.

**Osborne Area Improvement TIF Fund**

To account for resources related to the Tax Increment Financing area established along Osborne Boulevard.

**Forest TIF Fund**

To account for resources related to the Tax Increment Financing area established along Kenwood Road.

**Shell TIF Fund**

To account for resources related to the Tax Increment Financing area established at the corner of Plainfield Road and Hunt Road.

**Hills TIF Fund**

To account for resources related to the Tax Increment Financing area established along Hunt Road in Downtown Blue Ash.

**Michelman TIF Fund**

To account for resources related to the Tax Increment Financing area established for the Michelman Chemicals Inc. property.

**Law Enforcement Assistance Fund**

To account for the funds associated with the State mandated police officer annual training.

(Continued)

***Special Revenue Funds***

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**Federal Law Enforcement Fund**

To account for the proceeds from the confiscation of contraband - Federal fund.

**State Law Enforcement Fund**

To account for the proceeds from the confiscation of contraband - State fund.

**Operating a Vehicle Intoxicated (OVI) Task Force Fund**

To account for resources associated with administering the regional OVI task force.

**Drug Law Enforcement Fund**

To account for mandatory fines collected for drug offenses.

**Education Enforcement (DUI) Fund**

To account for financial resources used to educate and treat persons with alcohol related problems and to enhance law enforcement activities as a deterrent to the operation of motor vehicles while under the influence of alcohol.

**Law Enforcement Liaison Fund**

To account for resources associated with administering the State's Law Enforcement Liaison Program.

***Debt Service Fund***

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Debt Service Funds are used to account for retirement of the City's general obligation and special assessment bonds.

**TIF Reed Hartman Highway/Osborne Road Fund**

To account for payments of principal and interest on the City's tax increment financing bonds issued in 2011. Revenues for this purpose include payments in lieu of taxes and investment income.

***Capital Projects Funds***

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The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

**Summit Park Restaurant Pavilion Fund**

To account for the costs associated with the construction of the restaurant pavilion at Summit Park.

**CITY OF BLUE ASH, OHIO**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 4,572,088	\$ 597	\$ 188,185	\$ 4,760,870
Receivables:				
Taxes	844,000	300,000	0	1,144,000
Accounts	3,981	0	0	3,981
Intergovernmental	440,704	0	0	440,704
Interest	699	0	0	699
Inventory of Supplies, at Cost	371,114	0	0	371,114
Prepaid Items	3,973	0	0	3,973
<b>Total Assets</b>	<b>\$ 6,236,559</b>	<b>\$ 300,597</b>	<b>\$ 188,185</b>	<b>\$ 6,725,341</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 302,703	\$ 0	\$ 0	\$ 302,703
Accrued Wages and Benefits Payable	138,614	0	0	138,614
Intergovernmental Payable	14,814	0	0	14,814
Contracts Payable	0	0	22,951	22,951
Interfund Loans Payable	26,166	0	0	26,166
<b>Total Liabilities</b>	<b>482,297</b>	<b>0</b>	<b>22,951</b>	<b>505,248</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	271,676	0	0	271,676
Property Tax Levy for Next Fiscal Year	844,000	300,000	0	1,144,000
<b>Total Deferred Inflows of Resources</b>	<b>1,115,676</b>	<b>300,000</b>	<b>0</b>	<b>1,415,676</b>
<b>Fund Balances:</b>				
Nonspendable	375,087	0	0	375,087
Restricted	2,658,084	597	165,234	2,823,915
Committed	1,617,548	0	0	1,617,548
Unassigned	(12,133)	0	0	(12,133)
<b>Total Fund Balances</b>	<b>4,638,586</b>	<b>597</b>	<b>165,234</b>	<b>4,804,417</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 6,236,559</b>	<b>\$ 300,597</b>	<b>\$ 188,185</b>	<b>\$ 6,725,341</b>

**CITY OF BLUE ASH, OHIO**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2016***

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property Taxes	\$ 726,416	\$ 300,166	\$ 0	\$ 1,026,582
Intergovernmental Revenues	1,040,045	0	0	1,040,045
Charges for Services	1,079,904	0	0	1,079,904
Investment Earnings	3,425	0	0	3,425
Fines and Forfeitures	2,158	0	0	2,158
All Other Revenue	246,741	0	0	246,741
<b>Total Revenue</b>	<u>3,098,689</u>	<u>300,166</u>	<u>0</u>	<u>3,398,855</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	305,654	0	0	305,654
Leisure Time Activities	4,672,934	0	0	4,672,934
Transportation	4,911,807	0	0	4,911,807
General Government	487,976	196,260	0	684,236
Capital Outlay	0	0	1,105,337	1,105,337
<b>Total Expenditures</b>	<u>10,378,371</u>	<u>196,260</u>	<u>1,105,337</u>	<u>11,679,968</u>
Excess (Deficiency) of Revenues Over Expenditures	(7,279,682)	103,906	(1,105,337)	(8,281,113)
<b>Other Financing Sources (Uses):</b>				
Transfers In	9,582,713	0	80,000	9,662,713
Transfers Out	0	(104,000)	0	(104,000)
<b>Total Other Financing Sources (Uses)</b>	<u>9,582,713</u>	<u>(104,000)</u>	<u>80,000</u>	<u>9,558,713</u>
Net Change in Fund Balance	2,303,031	(94)	(1,025,337)	1,277,600
<b>Fund Balances at Beginning of Year</b>	2,334,768	691	1,190,571	3,526,030
Change in Inventory Reserve	787	0	0	787
<b>Fund Balances End of Year</b>	<u>\$ 4,638,586</u>	<u>\$ 597</u>	<u>\$ 165,234</u>	<u>\$ 4,804,417</u>

**CITY OF BLUE ASH, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2016**

	Street Construction, Maintenance and Repair Fund	Municipal Motor Vehicle License Tax Fund	State Highway Fund	Parks and Recreation Fund
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 1,209,737	\$ 185,642	\$ 441,520	\$ 1,828,215
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	3,981
Intergovernmental	306,735	58,440	24,831	222
Interest	348	104	247	0
Inventory of Supplies, at Cost	331,340	0	0	39,774
Prepaid Items	987	0	0	2,093
<b>Total Assets</b>	<b>\$ 1,849,147</b>	<b>\$ 244,186</b>	<b>\$ 466,598</b>	<b>\$ 1,874,285</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 150,379	\$ 0	\$ 0	\$ 146,888
Accrued Wages and Benefits Payable	71,674	0	0	66,940
Intergovernmental Payable	713	0	0	820
Interfund Loans Payable	0	0	0	0
<b>Total Liabilities</b>	<b>222,766</b>	<b>0</b>	<b>0</b>	<b>214,648</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	204,643	38,960	16,554	222
Property Tax Levy for Next Fiscal Year	0	0	0	0
<b>Total Deferred Inflows of Resources:</b>	<b>204,643</b>	<b>38,960</b>	<b>16,554</b>	<b>222</b>
<b>Fund Balances:</b>				
Nonspendable	332,327	0	0	41,867
Restricted	1,089,411	205,226	450,044	0
Committed	0	0	0	1,617,548
Unassigned	0	0	0	0
<b>Total Fund Balances</b>	<b>1,421,738</b>	<b>205,226</b>	<b>450,044</b>	<b>1,659,415</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,849,147</b>	<b>\$ 244,186</b>	<b>\$ 466,598</b>	<b>\$ 1,874,285</b>



**CITY OF BLUE ASH, OHIO**

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Plainfield Road TIF Fund	Osborne Area Improvement TIF Fund	Forest TIF Fund	Shell TIF Fund	Hills Development TIF Fund	Michelman TIF Fund
\$ 489,246	\$ 12,793	\$ 146,506	\$ 9,153	\$ 0	\$ 34,733
319,000	12,000	321,000	10,000	120,000	62,000
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 808,246</u>	<u>\$ 24,793</u>	<u>\$ 467,506</u>	<u>\$ 19,153</u>	<u>\$ 120,000</u>	<u>\$ 96,733</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
319,000	12,000	321,000	10,000	120,000	62,000
<u>319,000</u>	<u>12,000</u>	<u>321,000</u>	<u>10,000</u>	<u>120,000</u>	<u>62,000</u>
0	0	0	0	0	0
489,246	12,793	146,506	9,153	0	34,733
0	0	0	0	0	0
0	0	0	0	0	0
<u>489,246</u>	<u>12,793</u>	<u>146,506</u>	<u>9,153</u>	<u>0</u>	<u>34,733</u>
<u>\$ 808,246</u>	<u>\$ 24,793</u>	<u>\$ 467,506</u>	<u>\$ 19,153</u>	<u>\$ 120,000</u>	<u>\$ 96,733</u>

(Continued)

**CITY OF BLUE ASH, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2016**

	Law Enforcement Assistance Fund	Federal Law Enforcement Fund	State Law Enforcement Fund	OVI Task Force Fund
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 4,700	\$ 86,829	\$ 69,875	\$ 0
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	7,700	0	0	31,500
Interest	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Prepaid Items	0	893	0	0
<b>Total Assets</b>	<b>\$ 12,400</b>	<b>\$ 87,722</b>	<b>\$ 69,875</b>	<b>\$ 31,500</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 431	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	0	12,132
Interfund Loans Payable	0	0	0	20,203
<b>Total Liabilities</b>	<b>0</b>	<b>431</b>	<b>0</b>	<b>32,335</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	0	0	0	11,297
Property Tax Levy for Next Fiscal Year	0	0	0	0
<b>Total Deferred Inflows of Resources:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,297</b>
<b>Fund Balances:</b>				
Nonspendable	0	893	0	0
Restricted	12,400	86,398	69,875	0
Committed	0	0	0	0
Unassigned	0	0	0	(12,132)
<b>Total Fund Balances</b>	<b>12,400</b>	<b>87,291</b>	<b>69,875</b>	<b>(12,132)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 12,400</b>	<b>\$ 87,722</b>	<b>\$ 69,875</b>	<b>\$ 31,500</b>

**CITY OF BLUE ASH, OHIO**

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Drug Law Enforcement Fund	Education Enforcement (DUI) Fund	Law Enforcement Liaison Fund	Total Nonmajor Special Revenue Funds
\$ 43,403	\$ 9,736	\$ 0	\$ 4,572,088
0	0	0	844,000
0	0	0	3,981
0	135	11,141	440,704
0	0	0	699
0	0	0	371,114
0	0	0	3,973
<u>\$ 43,403</u>	<u>\$ 9,871</u>	<u>\$ 11,141</u>	<u>\$ 6,236,559</u>
\$ 0	\$ 0	\$ 5,005	\$ 302,703
0	0	0	138,614
975	0	174	14,814
0	0	5,963	26,166
<u>975</u>	<u>0</u>	<u>11,142</u>	<u>482,297</u>
0	0	0	271,676
0	0	0	844,000
0	0	0	1,115,676
0	0	0	375,087
42,428	9,871	0	2,658,084
0	0	0	1,617,548
0	0	(1)	(12,133)
<u>42,428</u>	<u>9,871</u>	<u>(1)</u>	<u>4,638,586</u>
<u>\$ 43,403</u>	<u>\$ 9,871</u>	<u>\$ 11,141</u>	<u>\$ 6,236,559</u>

**CITY OF BLUE ASH, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

	Street Construction, Maintenance and Repair Fund	Municipal Motor Vehicle License Tax Fund	State Highway Fund	Parks and Recreation Fund
<b>Revenues:</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	613,799	114,280	49,119	0
Charges for Services	47,363	0	0	1,032,541
Investment Earnings	664	947	1,814	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	1,889	0	0	244,852
<b>Total Revenue</b>	<u>663,715</u>	<u>115,227</u>	<u>50,933</u>	<u>1,277,393</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	0	0	0	0
Leisure Time Activities	0	0	0	4,672,934
Transportation	4,811,807	100,000	0	0
General Government	0	0	0	0
<b>Total Expenditures</b>	<u>4,811,807</u>	<u>100,000</u>	<u>0</u>	<u>4,672,934</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,148,092)	15,227	50,933	(3,395,541)
<b>Other Financing Sources (Uses):</b>				
Transfers In	4,672,776	0	0	4,909,937
<b>Total Other Financing Sources (Uses)</b>	<u>4,672,776</u>	<u>0</u>	<u>0</u>	<u>4,909,937</u>
Net Change in Fund Balance	524,684	15,227	50,933	1,514,396
<b>Fund Balances at Beginning of Year</b>	903,332	189,999	399,111	137,954
Change in Inventory Reserve	(6,278)	0	0	7,065
<b>Fund Balances End of Year</b>	<u>\$ 1,421,738</u>	<u>\$ 205,226</u>	<u>\$ 450,044</u>	<u>\$ 1,659,415</u>

**CITY OF BLUE ASH, OHIO**

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Plainfield Road TIF Fund	Osborne Area Improvement TIF Fund	Forest TIF Fund	Shell TIF Fund	Michelman TIF Fund	Law Enforcement Assistance Fund
\$ 319,590	\$ 12,424	\$ 321,782	\$ 10,091	\$ 62,529	\$ 0
0	0	0	0	0	7,700
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>319,590</u>	<u>12,424</u>	<u>321,782</u>	<u>10,091</u>	<u>62,529</u>	<u>7,700</u>
0	0	0	0	0	375
0	0	0	0	0	0
0	0	0	0	0	0
<u>208,518</u>	<u>8,106</u>	<u>221,389</u>	<u>6,943</u>	<u>43,020</u>	<u>0</u>
<u>208,518</u>	<u>8,106</u>	<u>221,389</u>	<u>6,943</u>	<u>43,020</u>	<u>375</u>
111,072	4,318	100,393	3,148	19,509	7,325
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
111,072	4,318	100,393	3,148	19,509	7,325
378,174	8,475	46,113	6,005	15,224	5,075
0	0	0	0	0	0
<u>\$ 489,246</u>	<u>\$ 12,793</u>	<u>\$ 146,506</u>	<u>\$ 9,153</u>	<u>\$ 34,733</u>	<u>\$ 12,400</u>

(Continued)

**CITY OF BLUE ASH, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

	Federal Law Enforcement Fund	State Law Enforcement Fund	OVI Task Force Fund	Drug Law Enforcement Fund
<b>Revenues:</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	197,174	0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	0	0	760
All Other Revenue	0	0	0	0
<b>Total Revenue</b>	<b>0</b>	<b>0</b>	<b>197,174</b>	<b>760</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	19,248	4,825	209,306	12,126
Leisure Time Activities	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
<b>Total Expenditures</b>	<b>19,248</b>	<b>4,825</b>	<b>209,306</b>	<b>12,126</b>
Excess (Deficiency) of Revenues Over Expenditures	(19,248)	(4,825)	(12,132)	(11,366)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balance	(19,248)	(4,825)	(12,132)	(11,366)
<b>Fund Balances at Beginning of Year</b>	<b>106,539</b>	<b>74,700</b>	<b>0</b>	<b>53,794</b>
Change in Inventory Reserve	0	0	0	0
<b>Fund Balances End of Year</b>	<b>\$ 87,291</b>	<b>\$ 69,875</b>	<b>\$ (12,132)</b>	<b>\$ 42,428</b>

**CITY OF BLUE ASH, OHIO**

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Education Enforcement (DUI) Fund	Law Enforcement Liaison Fund	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 726,416
0	57,973	1,040,045
0	0	1,079,904
0	0	3,425
1,398	0	2,158
0	0	246,741
<u>1,398</u>	<u>57,973</u>	<u>3,098,689</u>
1,800	57,974	305,654
0	0	4,672,934
0	0	4,911,807
0	0	487,976
<u>1,800</u>	<u>57,974</u>	<u>10,378,371</u>
(402)	(1)	(7,279,682)
0	0	9,582,713
<u>0</u>	<u>0</u>	<u>9,582,713</u>
(402)	(1)	2,303,031
10,273	0	2,334,768
0	0	787
<u>\$ 9,871</u>	<u>\$ (1)</u>	<u>\$ 4,638,586</u>

**CITY OF BLUE ASH, OHIO**

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**Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2016**

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	TIF Reed Hartman Highway Fund	Total Nonmajor Debt Service Fund
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 597	\$ 597
Receivables:		
Taxes	300,000	300,000
<b>Total Assets</b>	<u>\$ 300,597</u>	<u>\$ 300,597</u>
<b>Liabilities:</b>		
<b>Total Liabilities</b>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Deferred Inflows of Resources:</b>		
Property Tax Levy for Next Fiscal Year	300,000	300,000
<b>Total Deferred Inflows of Resources</b>	<u>300,000</u>	<u>300,000</u>
<b>Fund Balances:</b>		
Restricted	597	597
<b>Total Fund Balances</b>	<u>597</u>	<u>597</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 300,597</u>	<u>\$ 300,597</u>



**CITY OF BLUE ASH, OHIO**

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**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2016**

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	TIF Reed Hartman Highway Fund	Total Nonmajor Debt Service Fund
<b>Revenues:</b>		
Property Taxes	\$ 300,166	\$ 300,166
<b>Total Revenue</b>	<u>300,166</u>	<u>300,166</u>
<b>Expenditures:</b>		
Current:		
General Government	196,260	196,260
<b>Total Expenditures</b>	<u>196,260</u>	<u>196,260</u>
Excess (Deficiency) of Revenues Over Expenditures	103,906	103,906
<b>Other Financing Sources (Uses):</b>		
Transfers Out	(104,000)	(104,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(104,000)</u>	<u>(104,000)</u>
Net Change in Fund Balance	(94)	(94)
<b>Fund Balances at Beginning of Year</b>	691	691
<b>Fund Balances End of Year</b>	<u>\$ 597</u>	<u>\$ 597</u>

**CITY OF BLUE ASH, OHIO**

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***Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2016***

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	Summit Park Restaurant Pavilion Fund	Total Nonmajor Capital Projects Fund
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 188,185	\$ 188,185
<b>Total Assets</b>	<u>\$ 188,185</u>	<u>\$ 188,185</u>
<b>Liabilities:</b>		
Contracts Payable	\$ 22,951	22,951
<b>Total Liabilities</b>	<u>22,951</u>	<u>22,951</u>
<b>Fund Balances:</b>		
Restricted	165,234	165,234
<b>Total Fund Balances</b>	<u>165,234</u>	<u>165,234</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 188,185</u>	<u>\$ 188,185</u>

**CITY OF BLUE ASH, OHIO**

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**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2016**

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	Summit Park Restaurant Pavilion Fund	Total Nonmajor Capital Project Fund
<b>Revenues:</b>		
<b>Total Revenue</b>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>		
Capital Outlay	<u>1,105,337</u>	<u>1,105,337</u>
<b>Total Expenditures</b>	<u>1,105,337</u>	<u>1,105,337</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,105,337)	(1,105,337)
<b>Other Financing Sources (Uses):</b>		
Transfers In	<u>80,000</u>	<u>80,000</u>
<b>Total Other Financing Sources (Uses)</b>	<u>80,000</u>	<u>80,000</u>
Net Change in Fund Balance	(1,025,337)	(1,025,337)
<b>Fund Balances at Beginning of Year</b>	<u>1,190,571</u>	<u>1,190,571</u>
<b>Fund Balances End of Year</b>	<u>\$ 165,234</u>	<u>\$ 165,234</u>

**CITY OF BLUE ASH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Fund – General Fund  
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 1,911,409	\$ 1,911,409	\$ 1,896,330	\$ (15,079)
Municipal Income Taxes	34,150,000	33,975,000	34,487,362	512,362
Other Local Taxes	1,100,000	1,100,000	1,173,590	73,590
Intergovernmental Revenues	579,646	582,146	656,183	74,037
Charges for Services	1,232,670	1,232,670	1,707,316	474,646
Licenses and Permits	475,500	1,019,500	1,114,582	95,082
Investment Earnings	35,000	35,000	175,764	140,764
Fines and Forfeitures	82,500	82,500	81,439	(1,061)
All Other Revenues	300	300	361	61
Total Revenues	<u>39,567,025</u>	<u>39,938,525</u>	<u>41,292,927</u>	<u>1,354,402</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Police Division:				
Personal Services	5,600,000	5,600,000	5,417,531	182,469
Materials and Supplies	173,746	173,746	116,520	57,226
Contractual Services	486,682	486,682	363,268	123,414
Capital Outlay	347,889	347,889	298,923	48,966
Total Police Division	<u>6,608,317</u>	<u>6,608,317</u>	<u>6,196,242</u>	<u>412,075</u>
Fire Division:				
Personal Services	3,905,000	3,905,000	3,735,848	169,152
Materials and Supplies	141,420	141,420	95,902	45,518
Contractual Services	326,280	350,630	310,797	39,833
Capital Outlay	1,468,904	1,471,404	1,461,716	9,688
Total Fire Division	<u>5,841,604</u>	<u>5,868,454</u>	<u>5,604,263</u>	<u>264,191</u>
Total Security of Persons and Property	<u>12,449,921</u>	<u>12,476,771</u>	<u>11,800,505</u>	<u>676,266</u>
Community Development:				
Building Division:				
Personal Services	475,300	475,300	456,578	18,722
Materials and Supplies	3,173	3,173	1,016	2,157
Contractual Services	769,749	1,269,750	1,195,897	73,853
Capital Outlay	2,622,254	2,622,254	1,917,651	704,603
Total Community Development	<u>3,870,476</u>	<u>4,370,477</u>	<u>3,571,142</u>	<u>799,335</u>

(Continued)

**CITY OF BLUE ASH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Fund – General Fund  
For the Year Ended December 31, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
General Government:				
Legislative Services:				
Personal Services	132,300	132,300	129,368	2,932
Materials and Supplies	500	500	280	220
Contractual Services	530,827	530,827	490,276	40,551
Total Legislative Services	<u>663,627</u>	<u>663,627</u>	<u>619,924</u>	<u>43,703</u>
Judicial Services:				
Personal Services	119,300	119,300	102,606	16,694
Materials and Supplies	1,400	1,400	1,000	400
Contractual Services	9,600	9,600	6,643	2,957
Total Judicial Services	<u>130,300</u>	<u>130,300</u>	<u>110,249</u>	<u>20,051</u>
Tax and Finance Divisions:				
Personal Services	615,500	615,500	556,426	59,074
Materials and Supplies	4,000	4,000	3,899	101
Contractual Services	103,816	103,817	88,673	15,144
Capital Outlay	1,000	1,000	990	10
Total Tax and Finance Divisions	<u>724,316</u>	<u>724,317</u>	<u>649,988</u>	<u>74,329</u>
Administrative Services Division:				
Personal Services	1,331,000	1,331,000	1,305,057	25,943
Materials and Supplies	8,929	8,929	4,477	4,452
Contractual Services	36,059	36,059	28,063	7,996
Total Administrative Services Division	<u>1,375,988</u>	<u>1,375,988</u>	<u>1,337,597</u>	<u>38,391</u>
Facilities Maintenance Division:				
Personal Services	1,330,000	1,356,000	1,336,973	19,027
Materials and Supplies	332,107	332,107	316,693	15,414
Contractual Services	548,659	522,659	494,900	27,759
Capital Outlay	315,753	340,328	311,700	28,628
Total Facilities Maintenance Division	<u>2,526,519</u>	<u>2,551,094</u>	<u>2,460,266</u>	<u>90,828</u>
Insurance Services Division:				
Contractual Services	325,077	325,077	298,273	26,804
Total Insurance Services Division	<u>325,077</u>	<u>325,077</u>	<u>298,273</u>	<u>26,804</u>

(Continued)

**CITY OF BLUE ASH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Fund – General Fund  
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>General Government Services:</b>				
Personal Services	548,430	548,430	477,793	70,637
Materials and Supplies	57,586	57,586	27,739	29,847
Contractual Services	2,455,562	2,256,211	1,936,527	319,684
Capital Outlay	1,378,123	1,378,123	1,179,891	198,232
Total General Government Services	<u>4,439,701</u>	<u>4,240,350</u>	<u>3,621,950</u>	<u>618,400</u>
Total General Government	<u>10,185,528</u>	<u>10,010,753</u>	<u>9,098,247</u>	<u>912,506</u>
Total Expenditures	<u>26,505,925</u>	<u>26,858,001</u>	<u>24,469,894</u>	<u>2,388,107</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,061,100	13,080,524	16,823,033	3,742,509
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	600,000	600,000	626,905	26,905
Transfers Out	(21,431,646)	(26,768,471)	(22,816,777)	3,951,694
Advances In	0	24,970	24,970	0
Advances Out	0	(25,280)	(25,280)	0
Total Other Financing Sources (Uses)	<u>(20,831,646)</u>	<u>(26,168,781)</u>	<u>(22,190,182)</u>	<u>3,978,599</u>
Net Change in Fund Balance	(7,770,546)	(13,088,257)	(5,367,149)	7,721,108
Fund Balance at Beginning of Year	40,678,152	40,678,152	40,678,152	0
Prior Year Encumbrances	1,995,025	1,995,025	1,995,025	0
Fund Balance at End of Year	<u>\$ 34,902,631</u>	<u>\$ 29,584,920</u>	<u>\$ 37,306,028</u>	<u>\$ 7,721,108</u>

**CITY OF BLUE ASH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Fund – Debt Service Fund – General Bond Retirement Fund  
For the Year Ended December 31, 2016**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$ 77,490	\$ 76,878	\$ (612)
Intergovernmental Revenues	25,809	25,900	91
Investment Earnings	0	2,427	2,427
Total Revenues	<u>103,299</u>	<u>105,205</u>	<u>1,906</u>
<b>Expenditures:</b>			
Debt Service:			
Principal Retirement	5,207,548	5,207,548	0
Interest and Fiscal Charges	1,281,653	1,270,419	11,234
Total Expenditures	<u>6,489,201</u>	<u>6,477,967</u>	<u>11,234</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,385,902)	(6,372,762)	13,140
<b>Other Financing Sources (Uses):</b>			
Premiums on Debt Issuances	1,436,587	1,436,587	0
Transfers In	5,857,309	5,591,541	(265,768)
Total Other Financing Sources (Uses)	<u>7,293,896</u>	<u>7,028,128</u>	<u>(265,768)</u>
Net Change in Fund Balance	907,994	655,366	(252,628)
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 907,994</u>	<u>\$ 655,366</u>	<u>\$ (252,628)</u>

**CITY OF BLUE ASH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Fund – Debt Service Fund – TIF Carver Road Bond Retirement Fund  
For the Year Ended December 31, 2016**

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$ 1,170,000	\$ 1,161,906	\$ (8,094)
Investment Earnings	300	1,861	1,561
Total Revenues	<u>1,170,300</u>	<u>1,163,767</u>	<u>(6,533)</u>
<b>Expenditures:</b>			
General Government:			
Contractual Services	511,000	507,641	3,359
Total General Government	<u>511,000</u>	<u>507,641</u>	<u>3,359</u>
Debt Service:			
Principal Retirement	250,000	250,000	0
Interest and Fiscal Charges	415,750	415,750	0
Total Expenditures	<u>1,176,750</u>	<u>1,173,391</u>	<u>3,359</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,450)	(9,624)	(3,174)
Fund Balance at Beginning of Year	907,015	907,015	0
Fund Balance at End of Year	<u>\$ 900,565</u>	<u>\$ 897,391</u>	<u>\$ (3,174)</u>



**CITY OF BLUE ASH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Fund - Capital Projects Fund – Summit Park Fund  
For the Year Ended December 31, 2016***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 250,000	\$ 245,100	\$ (4,900)
Investment Earnings	0	39,410	39,410
Total Revenues	<u>250,000</u>	<u>284,510</u>	<u>34,510</u>
<b>Expenditures:</b>			
Capital Outlay	<u>20,688,374</u>	<u>19,412,269</u>	<u>1,276,105</u>
Total Expenditures	<u>20,688,374</u>	<u>19,412,269</u>	<u>1,276,105</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,438,374)	(19,127,759)	1,310,615
<b>Other Financing Sources (Uses):</b>			
General Obligation Bonds Issued	8,560,000	8,560,000	0
Transfers In	<u>7,413,000</u>	<u>7,413,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>15,973,000</u>	<u>15,973,000</u>	<u>0</u>
Net Changes in Fund Balance	(4,465,374)	(3,154,759)	1,310,615
Fund Balance at Beginning of Year	4,384,043	4,384,043	0
Prior Year Encumbrances	<u>331,331</u>	<u>331,331</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 250,000</u>	<u>\$ 1,560,615</u>	<u>\$ 1,310,615</u>

**CITY OF BLUE ASH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND</b>			
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 853,000	\$ 615,084	\$ (237,916)
Charges for Services	1,500	47,363	45,863
Investment Earnings	0	409	409
All Other Revenues	1,550	2,328	778
Total Revenues	<u>856,050</u>	<u>665,184</u>	<u>(190,866)</u>
<b>Expenditures:</b>			
Transportation:			
Street Division:			
Personal Services	1,660,000	1,583,829	76,171
Materials and Supplies	533,962	420,844	113,118
Contractual Services	586,611	535,139	51,472
Capital Outlay	6,484,665	3,580,446	2,904,219
Total Expenditures	<u>9,265,238</u>	<u>6,120,258</u>	<u>3,144,980</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,409,188)	(5,455,074)	2,954,114
<b>Other Financing Sources (Uses):</b>			
Transfers In	7,626,890	4,672,776	(2,954,114)
Total Other Financing Sources (Uses)	<u>7,626,890</u>	<u>4,672,776</u>	<u>(2,954,114)</u>
Net Changes in Fund Balance	(782,298)	(782,298)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	782,298	782,298	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CITY OF BLUE ASH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 106,000	\$ 113,493	\$ 7,493
Investment Earnings	0	878	878
Total Revenues	<u>106,000</u>	<u>114,371</u>	<u>8,371</u>
<b>Expenditures:</b>			
Transportation:			
Street Division:			
Personal Services	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,000	14,371	8,371
Fund Balance at Beginning of Year	<u>171,271</u>	<u>171,271</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 177,271</u>	<u>\$ 185,642</u>	<u>\$ 8,371</u>

**CITY OF BLUE ASH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 47,000	\$ 49,223	\$ 2,223
Investment Earnings	0	1,646	1,646
Total Revenues	<u>47,000</u>	<u>50,869</u>	<u>3,869</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	47,000	50,869	3,869
Fund Balance at Beginning of Year	<u>390,651</u>	<u>390,651</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 437,651</u>	<u>\$ 441,520</u>	<u>\$ 3,869</u>

**CITY OF BLUE ASH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

<b>PARK AND RECREATION FUND</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 1,055,279	\$ 1,055,279	\$ 1,032,833	\$ (22,446)
All Other Revenues	206,600	206,600	245,537	38,937
Total Revenues	<u>1,261,879</u>	<u>1,261,879</u>	<u>1,278,370</u>	<u>16,491</u>
<b>Expenditures:</b>				
Leisure Time Activities:				
Recreation Programming Division:				
Personal Services	1,153,000	1,153,000	1,081,032	71,968
Materials and Supplies	240,400	240,400	206,373	34,027
Contractual Services	1,429,860	1,405,284	1,277,531	127,753
Capital Outlay	1,639,712	1,899,712	1,892,509	7,203
Total Recreation Programming Division	<u>4,462,972</u>	<u>4,698,396</u>	<u>4,457,445</u>	<u>240,951</u>
Grounds Maintenance Division:				
Personal Services	1,010,000	1,010,000	954,665	55,335
Materials and Supplies	248,047	248,047	218,949	29,098
Contractual Services	488,358	518,358	508,457	9,901
Capital Outlay	407,048	407,048	366,895	40,153
Total Grounds Maintenance Division	<u>2,153,453</u>	<u>2,183,453</u>	<u>2,048,966</u>	<u>134,487</u>
Total Expenditures	<u>6,616,425</u>	<u>6,881,849</u>	<u>6,506,411</u>	<u>375,438</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,354,546)	(5,619,970)	(5,228,041)	391,929
<b>Other Financing Sources (Uses):</b>				
Transfers In	5,036,442	5,301,866	4,909,937	(391,929)
Total Other Financing Sources (Uses)	<u>5,036,442</u>	<u>5,301,866</u>	<u>4,909,937</u>	<u>(391,929)</u>
Net Change in Fund Balance	(318,104)	(318,104)	(318,104)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	318,104	318,104	318,104	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CITY OF BLUE ASH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$ 350,000	\$ 319,590	\$ (30,410)
Total Revenues	<u>350,000</u>	<u>319,590</u>	<u>(30,410)</u>
<b>Expenditures:</b>			
General Government:			
General Government Services:			
Contractual Services	<u>229,000</u>	<u>208,518</u>	<u>20,482</u>
Total Expenditures	<u>229,000</u>	<u>208,518</u>	<u>20,482</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	121,000	111,072	(9,928)
Fund Balance at Beginning of Year	<u>378,174</u>	<u>378,174</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 499,174</u>	<u>\$ 489,246</u>	<u>\$ (9,928)</u>

**CITY OF BLUE ASH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016***

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**OSBORNE AREA IMPROVEMENT TIF FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$ 15,000	\$ 12,424	\$ (2,576)
Total Revenues	<u>15,000</u>	<u>12,424</u>	<u>(2,576)</u>
<b>Expenditures:</b>			
General Government:			
General Government Services:			
Contractual Services	<u>9,900</u>	<u>8,106</u>	<u>1,794</u>
Total Expenditures	<u>9,900</u>	<u>8,106</u>	<u>1,794</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,100	4,318	(782)
Fund Balance at Beginning of Year	<u>8,475</u>	<u>8,475</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 13,575</u>	<u>\$ 12,793</u>	<u>\$ (782)</u>

**CITY OF BLUE ASH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016***

---

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$ 310,000	\$ 321,782	\$ 11,782
Total Revenues	<u>310,000</u>	<u>321,782</u>	<u>11,782</u>
<b>Expenditures:</b>			
General Government:			
General Government Services:			
Contractual Services	<u>221,600</u>	<u>221,389</u>	<u>211</u>
Total Expenditures	<u>221,600</u>	<u>221,389</u>	<u>211</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	88,400	100,393	11,993
Fund Balance at Beginning of Year	<u>46,113</u>	<u>46,113</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 134,513</u>	<u>\$ 146,506</u>	<u>\$ 11,993</u>



**CITY OF BLUE ASH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$ 11,000	\$ 10,091	\$ (909)
Total Revenues	<u>11,000</u>	<u>10,091</u>	<u>(909)</u>
<b>Expenditures:</b>			
General Government:			
General Government Services:			
Contractual Services	<u>7,650</u>	<u>6,943</u>	<u>707</u>
Total Expenditures	<u>7,650</u>	<u>6,943</u>	<u>707</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,350	3,148	(202)
Fund Balance at Beginning of Year	<u>6,005</u>	<u>6,005</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,355</u>	<u>\$ 9,153</u>	<u>\$ (202)</u>

**CITY OF BLUE ASH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$ 61,000	\$ 62,529	\$ 1,529
Total Revenues	<u>61,000</u>	<u>62,529</u>	<u>1,529</u>
<b>Expenditures:</b>			
General Government:			
General Government Services:			
Contractual Services	<u>44,000</u>	<u>43,020</u>	<u>980</u>
Total Expenditures	<u>44,000</u>	<u>43,020</u>	<u>980</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,000	19,509	2,509
Fund Balance at Beginning of Year	<u>15,224</u>	<u>15,224</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 32,224</u>	<u>\$ 34,733</u>	<u>\$ 2,509</u>

**CITY OF BLUE ASH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 0	\$ 2,640	\$ 2,640
Total Revenues	<u>0</u>	<u>2,640</u>	<u>2,640</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Police Division:			
Contractual Services	2,435	375	2,060
Total Expenditures	<u>2,435</u>	<u>375</u>	<u>2,060</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,435)	2,265	4,700
Fund Balance at Beginning of Year	2,435	2,435	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 4,700</u>	<u>\$ 4,700</u>

**CITY OF BLUE ASH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

---

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Total Revenues	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>			
Security of Persons and Property:			
Police Division:			
Materials and Supplies	20,000	0	20,000
Contractual Services	42,000	20,817	21,183
Capital Outlay	40,000	0	40,000
Total Expenditures	102,000	20,817	81,183
Excess (Deficiency) of Revenues Over (Under) Expenditures	(102,000)	(20,817)	81,183
Fund Balance at Beginning of Year	103,646	103,646	0
Prior Year Encumbrances	2,000	2,000	0
Fund Balance at End of Year	\$ 3,646	\$ 84,829	\$ 81,183

**CITY OF BLUE ASH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

---

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	\$ 5,000	\$ 0	\$ (5,000)
Total Revenues	<u>5,000</u>	<u>0</u>	<u>(5,000)</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Police Division:			
Materials and Supplies	5,000	0	5,000
Contractual Services	50,000	4,825	45,175
Capital Outlay	<u>14,333</u>	<u>0</u>	<u>14,333</u>
Total Expenditures	<u>69,333</u>	<u>4,825</u>	<u>64,508</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(64,333)	(4,825)	59,508
Fund Balance at Beginning of Year	<u>74,700</u>	<u>74,700</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 10,367</u>	<u>\$ 69,875</u>	<u>\$ 59,508</u>

**CITY OF BLUE ASH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

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	<b>OVI TASK FORCE FUND</b>		
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 275,000	\$ 207,906	\$ (67,094)
Total Revenues	<u>275,000</u>	<u>207,906</u>	<u>(67,094)</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Police Division:			
Contractual Services	256,380	209,489	46,891
Total Expenditures	<u>256,380</u>	<u>209,489</u>	<u>46,891</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,620	(1,583)	(20,203)
Fund Balance at Beginning of Year	<u>(18,620)</u>	<u>(18,620)</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ (20,203)</u>	<u>\$ (20,203)</u>

**CITY OF BLUE ASH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	\$ 0	\$ 840	\$ 840
Total Revenues	<u>0</u>	<u>840</u>	<u>840</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Police Division:			
Materials and Supplies	9,250	1,250	8,000
Contractual Services	36,854	12,546	24,308
Capital Outlay	<u>8,000</u>	<u>0</u>	<u>8,000</u>
Total Expenditures	<u>54,104</u>	<u>13,796</u>	<u>40,308</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(54,104)	(12,956)	41,148
Fund Balance at Beginning of Year	50,359	50,359	0
Prior Year Encumbrances	<u>3,745</u>	<u>3,745</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 41,148</u>	<u>\$ 41,148</u>

**CITY OF BLUE ASH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	<u>\$      500</u>	<u>\$     1,398</u>	<u>\$      898</u>
Total Revenues	<u>          500</u>	<u>         1,398</u>	<u>          898</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Police Division:			
Contractual Services	<u>         9,787</u>	<u>          1,800</u>	<u>         7,987</u>
Total Expenditures	<u>         9,787</u>	<u>          1,800</u>	<u>         7,987</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,287)	(402)	8,885
Fund Balance at Beginning of Year	<u>         10,138</u>	<u>         10,138</u>	<u>          0</u>
Fund Balance at End of Year	<u>\$          851</u>	<u>\$         9,736</u>	<u>\$         8,885</u>



**CITY OF BLUE ASH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

<b>LAW ENFORCEMENT LIAISON FUND</b>			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 112,222	\$ 61,057	\$ (51,165)
Total Revenues	<u>112,222</u>	<u>61,057</u>	<u>(51,165)</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Police Division:			
Contractual Services	104,883	59,681	45,202
Total Expenditures	<u>104,883</u>	<u>59,681</u>	<u>45,202</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,339	1,376	(5,963)
Fund Balance at Beginning of Year	<u>(7,339)</u>	<u>(7,339)</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ (5,963)</u>	<u>\$ (5,963)</u>

**CITY OF BLUE ASH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2016**

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$ 310,000	\$ 300,166	\$ (9,834)
Total Revenues	<u>310,000</u>	<u>300,166</u>	<u>(9,834)</u>
<b>Expenditures:</b>			
General Government:			
Contractual Services	<u>203,000</u>	<u>196,260</u>	<u>6,740</u>
Total Expenditures	<u>203,000</u>	<u>196,260</u>	<u>6,740</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	107,000	103,906	(3,094)
<b>Other Financing Sources (Uses):</b>			
Transfers Out	<u>(104,000)</u>	<u>(104,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(104,000)</u>	<u>(104,000)</u>	<u>0</u>
Net Change in Fund Balance	3,000	(94)	(3,094)
Fund Balance at Beginning of Year	<u>691</u>	<u>691</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,691</u>	<u>\$ 597</u>	<u>\$ (3,094)</u>

**CITY OF BLUE ASH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2016***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Total Revenues	<u>\$          0</u>	<u>\$          0</u>	<u>\$          0</u>
<b>Expenditures:</b>			
Capital Outlay	<u>1,602,121</u>	<u>1,562,269</u>	<u>39,852</u>
Total Expenditures	<u>1,602,121</u>	<u>1,562,269</u>	<u>39,852</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,602,121)	(1,562,269)	39,852
<b>Other Financing Sources (Uses):</b>			
Transfers In	<u>80,000</u>	<u>80,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>80,000</u>	<u>80,000</u>	<u>0</u>
Net Change in Fund Balance	(1,522,121)	(1,482,269)	39,852
Fund Balance at Beginning of Year	161,606	161,606	0
Prior Year Encumbrances	1,360,515	1,360,515	0
Fund Balance at End of Year	<u>\$          0</u>	<u>\$      39,852</u>	<u>\$      39,852</u>



***Fiduciary Funds***

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Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

***Agency Funds***

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**Mayor's Court Fund**

To account for funds that flow through the Mayor's Court.

**Ohio Board of Building Standards Assessment Fund**

To account for funds from fees as required by Ohio Revised Code.

**Arson Task Force Fund**

To account for the collection and disbursement of funds related to the Arson Task Force.

**Flex Spending Fund**

To account for funds related to the IRS 125 Employee Benefits Plan.

**CITY OF BLUE ASH, OHIO**

**Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2016**

	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
<b>Mayor's Court</b>				
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	\$0	\$129,816	(\$129,816)	\$0
Total Assets	<u>\$0</u>	<u>\$129,816</u>	<u>(\$129,816)</u>	<u>\$0</u>
Liabilities:				
Due to Others	\$0	\$129,816	(\$129,816)	\$0
Total Liabilities	<u>\$0</u>	<u>\$129,816</u>	<u>(\$129,816)</u>	<u>\$0</u>
<b>Ohio Board of Building Standards Assessments</b>				
Assets:				
Cash and Cash Equivalents	\$1,675	\$27,349	(\$27,828)	\$1,196
Total Assets	<u>\$1,675</u>	<u>\$27,349</u>	<u>(\$27,828)</u>	<u>\$1,196</u>
Liabilities:				
Intergovernmental Payables	\$1,675	\$27,349	(\$27,828)	\$1,196
Total Liabilities	<u>\$1,675</u>	<u>\$27,349</u>	<u>(\$27,828)</u>	<u>\$1,196</u>
<b>Arson Task Force</b>				
Assets:				
Cash and Cash Equivalents	\$109	\$0	(\$109)	\$0
Total Assets	<u>\$109</u>	<u>\$0</u>	<u>(\$109)</u>	<u>\$0</u>
Liabilities:				
Due to Others	\$109	\$0	(\$109)	\$0
Total Liabilities	<u>\$109</u>	<u>\$0</u>	<u>(\$109)</u>	<u>\$0</u>
<b>Flex Spending Fund</b>				
Assets:				
Cash and Cash Equivalents	\$36,410	\$65,810	(\$64,650)	\$37,570
Total Assets	<u>\$36,410</u>	<u>\$65,810</u>	<u>(\$64,650)</u>	<u>\$37,570</u>
Liabilities:				
Due to Others	\$36,410	\$65,810	(\$64,650)	\$37,570
Total Liabilities	<u>\$36,410</u>	<u>\$65,810</u>	<u>(\$64,650)</u>	<u>\$37,570</u>
<b>Totals - All Agency Funds</b>				
Assets:				
Cash and Cash Equivalents	\$38,194	\$93,159	(\$92,587)	\$38,766
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	129,816	(129,816)	0
Total Assets	<u>\$38,194</u>	<u>\$222,975</u>	<u>(\$222,403)</u>	<u>\$38,766</u>
Liabilities:				
Intergovernmental Payables	\$1,675	\$27,349	(\$27,828)	\$1,196
Due to Others	36,519	195,626	(194,575)	37,570
Total Liabilities	<u>\$38,194</u>	<u>\$222,975</u>	<u>(\$222,403)</u>	<u>\$38,766</u>



## Statistical Section





**On the Statistical Section Divider:**

Summit Park Aerial View, Summer 2016

Crowd at Taste of Blue Ash Concert

Fireworks at Red, White, and Blue Ash July 4th Event

Military Band in Memorial Day Parade



## ***STATISTICAL TABLES***

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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.

### ***Contents***

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<b>Financial Trends</b>	S 2 – S 13
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
<b>Revenue Capacity</b>	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the City's ability to generate its most significant local revenue source, income tax.	
<b>Debt Capacity</b>	S 18 – S 27
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b>	S 28 – S 31
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
<b>Operating Information</b>	S 32 – S 37
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.	

**Sources Note:**

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

## *City of Blue Ash*

*Net Position by Component  
Last Ten Years  
(accrual basis of accounting)*

	2007	2008	2009	2010
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$41,228,022	\$46,397,044	\$51,850,887	\$52,322,247
Restricted	2,657,256	6,177,078	3,617,547	3,887,408
Unrestricted	17,428,349	17,007,777	18,716,037	21,877,839
Total Governmental Activities Net Position	<u>\$61,313,627</u>	<u>\$69,581,899</u>	<u>\$74,184,471</u>	<u>\$78,087,494</u>
<b>Business-type Activities:</b>				
Net Investment in Capital Assets	\$2,663,932	\$2,529,047	\$2,523,039	\$4,363,628
Unrestricted (Deficit)	(26,609)	(37,114)	(77,742)	(60,056)
Total Business-type Activities Net Position	<u>\$2,637,323</u>	<u>\$2,491,933</u>	<u>\$2,445,297</u>	<u>\$4,303,572</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$43,891,954	\$48,926,091	\$54,373,926	\$56,685,875
Restricted	2,657,256	6,177,078	3,617,547	3,887,408
Unrestricted	17,401,740	16,970,663	18,638,295	21,817,783
Total Primary Government Net Position	<u>\$63,950,950</u>	<u>\$72,073,832</u>	<u>\$76,629,768</u>	<u>\$82,391,066</u>

Source: Finance Office

*City of Blue Ash*

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2011	2012	2013	2014	2015	2016
\$49,870,997	\$56,238,601	\$63,698,280	\$69,169,689	\$72,296,446	\$75,165,978
8,010,630	4,147,964	2,580,973	3,095,299	3,116,685	8,352,334
18,694,226	26,706,565	33,413,459	20,619,449	27,196,046	25,508,588
<u>\$76,575,853</u>	<u>\$87,093,130</u>	<u>\$99,692,712</u>	<u>\$92,884,437</u>	<u>\$102,609,177</u>	<u>\$109,026,900</u>
\$11,749,406	\$12,869,854	\$12,696,832	\$12,151,331	\$12,019,132	\$11,602,415
87,108	457	(37,321)	(869,231)	(672,719)	(477,608)
<u>\$11,836,514</u>	<u>\$12,870,311</u>	<u>\$12,659,511</u>	<u>\$11,282,100</u>	<u>\$11,346,413</u>	<u>\$11,124,807</u>
\$61,620,403	\$69,108,455	\$76,395,112	\$81,321,020	\$84,315,578	\$86,768,393
8,010,630	4,147,964	2,580,973	3,095,299	3,116,685	8,352,334
18,781,334	26,707,022	33,376,138	19,750,218	26,523,327	25,030,980
<u>\$88,412,367</u>	<u>\$99,963,441</u>	<u>\$112,352,223</u>	<u>\$104,166,537</u>	<u>\$113,955,590</u>	<u>\$120,151,707</u>

## City of Blue Ash

### Changes in Net Position Last Ten Years (accrual basis of accounting)

	2007	2008	2009	2010
<b>Expenses</b>				
Governmental Activities:				
Security of Persons and Property	\$10,583,392	\$10,808,527	\$10,971,088	\$10,200,445
Leisure Time Activities	4,942,967	5,463,869	5,262,217	3,965,278
Community Development	864,853	809,377	784,808	1,602,342
Basic Utility Services	2,092,167	1,864,013	2,401,524	79,730
Transportation	2,311,705	2,024,089	2,415,412	4,058,682
General Government	7,512,638	8,133,593	8,351,370	10,227,100
Interest and Fiscal Charges	1,559,980	2,299,658	2,099,365	1,999,212
<i>Total Governmental Activities Expenses</i>	<u>29,867,702</u>	<u>31,403,126</u>	<u>32,285,784</u>	<u>32,132,789</u>
Business-type Activities:				
Golf Course and Events Center	1,592,043	1,612,555	1,523,894	1,461,696
<i>Total Business-type Activities Expenses</i>	<u>1,592,043</u>	<u>1,612,555</u>	<u>1,523,894</u>	<u>1,461,696</u>
<i>Total Primary Government Expenses</i>	<u>\$31,459,745</u>	<u>\$33,015,681</u>	<u>\$33,809,678</u>	<u>\$33,594,485</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$93,483	\$96,637	\$46,524	\$39,045
Leisure Time Activities	704,280	633,303	773,855	844,815
Community Development	333,467	236,921	153,767	266,574
Transportation	900	7,117	1,977	1,977
General Government	268,784	276,842	305,634	188,747
Operating Grants and Contributions	823,631	875,492	1,183,899	1,037,723
Capital Grants and Contributions	50,000	1,011,720	639,330	65,390
<i>Total Governmental Activities Program Revenues</i>	<u>2,274,545</u>	<u>3,138,032</u>	<u>3,104,986</u>	<u>2,444,271</u>

*City of Blue Ash*

2011	2012	2013	2014	2015	2016
\$10,106,451	\$11,006,802	\$10,349,278	\$10,101,957	\$10,472,646	\$11,713,893
12,798,189	6,478,840	5,629,617	5,555,875	5,403,923	5,640,754
1,228,985	1,464,789	965,971	1,051,443	968,522	1,345,380
0	0	0	0	0	0
4,916,322	4,518,985	5,723,814	5,771,818	5,227,321	4,868,588
9,061,273	9,628,004	9,075,488	10,218,008	10,286,073	12,307,511
2,216,492	2,417,896	1,828,081	2,320,588	2,194,572	2,419,405
<u>40,327,712</u>	<u>35,515,316</u>	<u>33,572,249</u>	<u>35,019,689</u>	<u>34,553,057</u>	<u>38,295,531</u>
<u>1,678,250</u>	<u>3,225,981</u>	<u>3,836,350</u>	<u>4,246,858</u>	<u>4,580,478</u>	<u>4,732,241</u>
<u>1,678,250</u>	<u>3,225,981</u>	<u>3,836,350</u>	<u>4,246,858</u>	<u>4,580,478</u>	<u>4,732,241</u>
<u>\$42,005,962</u>	<u>\$38,741,297</u>	<u>\$37,408,599</u>	<u>\$39,266,547</u>	<u>\$39,133,535</u>	<u>\$43,027,772</u>
\$30,966	\$20,494	\$63,254	\$21,518	\$57,772	\$9,629
903,915	1,015,236	1,181,479	996,605	829,843	1,094,815
320,669	373,982	380,564	440,045	467,770	998,232
9,669	4,553	38,691	69,329	79,106	47,363
207,794	265,710	215,567	199,819	166,220	136,979
965,315	1,676,731	1,273,776	1,172,806	1,295,689	1,053,207
<u>668,490</u>	<u>3,955,031</u>	<u>2,595,936</u>	<u>1,726,881</u>	<u>0</u>	<u>245,100</u>
<u>3,106,818</u>	<u>7,311,737</u>	<u>5,749,267</u>	<u>4,627,003</u>	<u>2,896,400</u>	<u>3,585,325</u>

(continued)

## City of Blue Ash

### Changes in Net Position Last Ten Years (accrual basis of accounting)

	2007	2008	2009	2010
Business-type Activities:				
Charges for Services				
Golf Course and Events Center	1,153,749	1,084,768	1,076,427	1,001,624
Capital Grants and Contributions	0	0	0	0
<i>Total Business-type Activities Program Revenues</i>	1,153,749	1,084,768	1,076,427	1,001,624
<i>Total Primary Government Program Revenues</i>	3,428,294	4,222,800	4,181,413	3,445,895
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(27,593,157)	(28,265,094)	(29,180,798)	(29,688,518)
Business-type Activities	(438,294)	(527,787)	(447,467)	(460,072)
<i>Total Primary Government Net (Expense)/Revenue</i>	(\$28,031,451)	(\$28,792,881)	(\$29,628,265)	(\$30,148,590)
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$2,170,820	\$2,113,553	\$2,169,222	\$2,122,642
Debt Service	276,381	727,746	984,447	1,172,283
Municipal Income Taxes	26,914,805	29,147,868	27,251,070	27,380,888
Other Local Taxes	902,725	966,974	891,104	875,608
Grants and Entitlements not Restricted to Specific Programs	3,185,974	2,288,739	1,936,325	3,201,037
Investment Earnings	1,013,428	642,916	61,302	28,331
Miscellaneous	1,044,534	1,028,167	890,731	1,129,099
Transfers	(472,644)	(382,597)	(400,831)	(2,318,347)
<i>Total Governmental Activities</i>	35,036,023	36,533,366	33,783,370	33,591,541
Business-type Activities:				
Transfers	472,644	382,597	400,831	2,318,347
<i>Total Business-type Activities</i>	472,644	382,597	400,831	2,318,347
<i>Total Primary Government</i>	\$35,508,667	\$36,915,963	\$34,184,201	\$35,909,888
<b>Change in Net Position</b>				
Governmental Activities	\$7,442,866	\$8,268,272	\$4,602,572	\$3,903,023
Business-type Activities	34,350	(145,190)	(46,636)	1,858,275
<i>Total Primary Government Change in Net Position</i>	\$7,477,216	\$8,123,082	\$4,555,936	\$5,761,298

Source: Finance Office

*City of Blue Ash*

2011	2012	2013	2014	2015	2016
911,220	2,624,062	3,219,729	3,533,029	4,026,551	4,020,511
7,371,069	1,046,178	165,631	0	250,000	237,000
8,282,289	3,670,240	3,385,360	3,533,029	4,276,551	4,257,511
11,389,107	10,981,977	9,134,627	8,160,032	7,172,951	7,842,836
(37,220,894)	(28,203,579)	(27,822,982)	(30,392,686)	(31,656,657)	(34,710,206)
6,604,039	444,259	(450,990)	(713,829)	(303,927)	(474,730)
<u>(\$30,616,855)</u>	<u>(\$27,759,320)</u>	<u>(\$28,273,972)</u>	<u>(\$31,106,515)</u>	<u>(\$31,960,584)</u>	<u>(\$35,184,936)</u>
\$2,090,590	\$1,951,949	\$1,916,073	\$1,944,826	\$1,986,082	\$1,896,330
1,042,031	1,297,379	1,628,551	1,881,376	2,078,330	2,238,652
30,159,819	32,063,469	32,774,748	33,605,111	33,619,607	34,167,742
927,172	977,428	1,035,261	1,086,938	1,146,178	1,197,802
1,451,654	1,947,792	1,641,422	679,449	658,670	648,002
18,069	20,212	11,909	24,479	57,543	243,707
948,821	1,052,165	1,654,790	1,109,052	2,203,227	988,818
(928,903)	(589,538)	(240,190)	(200,821)	(368,240)	(253,124)
35,709,253	38,720,856	40,422,564	40,130,410	41,381,397	41,127,929
928,903	589,538	240,190	200,821	368,240	253,124
928,903	589,538	240,190	200,821	368,240	253,124
<u>\$36,638,156</u>	<u>\$39,310,394</u>	<u>\$40,662,754</u>	<u>\$40,331,231</u>	<u>\$41,749,637</u>	<u>\$41,381,053</u>
(\$1,511,641)	\$10,517,277	\$12,599,582	\$9,737,724	\$9,724,740	\$6,417,723
7,532,942	1,033,797	(210,800)	(513,008)	64,313	(221,606)
<u>\$6,021,301</u>	<u>\$11,551,074</u>	<u>\$12,388,782</u>	<u>\$9,224,716</u>	<u>\$9,789,053</u>	<u>\$6,196,117</u>

## City of Blue Ash

*Fund Balances, Governmental Funds  
Last Ten Years  
(modified accrual basis of accounting)*

	2007	2008	2009	2010	2011
<b>General Fund</b>					
Nonspendable	\$0	\$0	\$0	\$0	\$70,661
Assigned	0	0	0	0	692,613
Unassigned	0	0	0	0	25,714,464
Reserved	884,661	916,799	855,501	374,763	0
Unreserved	14,857,882	14,893,882	16,039,039	20,394,371	0
<b>Total General Fund</b>	<u>15,742,543</u>	<u>15,810,681</u>	<u>16,894,540</u>	<u>20,769,134</u>	<u>26,477,738</u>
<b>All Other Governmental Funds</b>					
Nonspendable	0	0	0	0	193,098
Restricted	0	0	0	0	8,397,036
Committed	0	0	0	0	0
Unassigned	0	0	0	0	(90,719)
Reserved	2,476,725	7,846,136	3,479,656	10,338,361	0
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	565,946	538,976	634,742	502,130	0
Capital Projects Funds	7,256,949	(1,149,195)	2,194	3,366,817	0
<b>Total All Other Governmental Funds</b>	<u>10,299,620</u>	<u>7,235,917</u>	<u>4,116,592</u>	<u>14,207,308</u>	<u>8,499,415</u>
<b>Total Governmental Funds</b>	<u>\$26,042,163</u>	<u>\$23,046,598</u>	<u>\$21,011,132</u>	<u>\$34,976,442</u>	<u>\$34,977,153</u>

Source: Finance Office

Note: The City implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.



*City of Blue Ash*

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2012	2013	2014	2015	2016
\$69,202	\$89,710	\$96,793	\$84,210	\$66,171
490,568	502,863	1,890,470	8,792,034	6,769,403
32,496,633	38,075,565	41,838,337	37,689,750	36,975,558
0	0	0	0	0
0	0	0	0	0
<u>33,056,403</u>	<u>38,668,138</u>	<u>43,825,600</u>	<u>46,565,994</u>	<u>43,811,132</u>
244,501	282,983	356,947	376,105	376,479
5,584,468	2,642,281	15,087,031	7,310,230	15,940,986
389,934	0	0	101,482	1,617,548
(31,182)	(1,655,346)	(30,571)	0	(12,133)
0	0	0	0	0
0	0	0	0	0
<u>6,187,721</u>	<u>1,269,918</u>	<u>15,413,407</u>	<u>7,787,817</u>	<u>17,922,880</u>
<u>\$39,244,124</u>	<u>\$39,938,056</u>	<u>\$59,239,007</u>	<u>\$54,353,811</u>	<u>\$61,734,012</u>

## *City of Blue Ash*

*Changes in Fund Balances, Governmental Funds  
Last Ten Years  
(modified accrual basis of accounting)*

	2007	2008	2009	2010
<b>Revenues:</b>				
Taxes				
Property	\$2,359,974	\$2,896,080	\$3,239,625	\$3,210,343
Municipal Income	27,037,678	28,934,385	27,084,620	27,411,890
Other Local	902,725	966,974	891,104	875,608
Intergovernmental Revenues	4,098,400	4,181,614	3,806,303	4,296,177
Charges for Services	1,417,539	1,355,985	1,450,662	1,568,165
Licenses and Permits	430,549	335,746	252,611	367,608
Investment Earnings	1,011,620	642,916	61,302	28,331
Fines and Forfeitures	172,999	174,305	133,095	114,812
All Other Revenue	424,361	412,951	336,120	419,672
<b>Total Revenue</b>	<b>37,855,845</b>	<b>39,900,956</b>	<b>37,255,442</b>	<b>38,292,606</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	11,260,376	11,064,811	10,873,558	10,230,976
Leisure Time Activities	4,413,957	5,034,298	4,248,364	3,823,146
Community Environment	944,529	910,816	782,176	1,601,674
Basic Utility Services	2,390,755	1,958,071	2,406,148	114,224
Transportation	2,167,150	2,323,589	2,073,586	3,500,677
General Government	5,700,274	7,860,934	6,566,020	7,846,087
Capital Outlay	26,962,418	9,059,084	7,325,932	2,689,388
Debt Service:				
Principal Retirement	3,830,000	3,034,334	3,826,800	2,588,598
Interest and Fiscal Charges	1,185,353	2,303,704	2,108,322	1,955,738
<b>Total Expenditures</b>	<b>58,854,812</b>	<b>43,549,641</b>	<b>40,210,906</b>	<b>34,350,508</b>
Excess (Deficiency) of Revenues Over Expenditures	(20,998,967)	(3,648,685)	(2,955,464)	3,942,098

*City of Blue Ash*

2011	2012	2013	2014	2015	2016
\$3,214,814	\$3,312,909	\$3,515,545	\$3,849,249	\$4,072,528	\$4,161,696
29,937,730	32,056,490	32,483,012	33,566,176	33,413,800	34,066,385
927,172	977,428	1,035,261	1,086,938	1,146,178	1,197,802
3,196,489	3,744,046	3,817,993	2,128,138	1,996,972	1,947,440
1,560,635	1,790,370	2,128,525	2,003,962	1,762,718	2,752,372
425,185	479,189	492,735	553,898	581,410	1,095,615
18,069	20,212	11,909	24,479	57,543	243,707
144,371	158,158	165,367	113,796	136,657	87,065
292,853	304,423	444,078	324,382	341,672	247,076
<u>39,717,318</u>	<u>42,843,225</u>	<u>44,094,425</u>	<u>43,651,018</u>	<u>43,509,478</u>	<u>45,799,158</u>
10,014,242	10,945,025	10,583,889	10,044,375	10,312,001	11,630,753
4,081,680	4,199,137	4,503,851	4,421,432	4,431,764	4,672,934
1,220,875	1,464,165	964,866	1,034,206	1,642,390	1,882,368
0	0	0	0	0	0
4,443,374	3,833,354	3,862,519	4,850,076	5,129,494	4,911,807
7,639,034	8,465,303	7,775,410	8,850,822	9,066,660	9,389,724
8,709,260	4,895,275	10,704,764	10,223,364	11,417,193	9,160,093
3,543,420	3,559,459	3,712,733	2,860,784	4,446,344	4,587,322
2,273,692	2,168,662	1,891,231	2,344,190	2,286,079	2,556,395
<u>41,925,577</u>	<u>39,530,380</u>	<u>43,999,263</u>	<u>44,629,249</u>	<u>48,731,925</u>	<u>48,791,396</u>
(2,208,259)	3,312,845	95,162	(978,231)	(5,222,447)	(2,992,238)

(continued)

## *City of Blue Ash*

*Changes in Fund Balances, Governmental Funds  
Last Ten Years  
(modified accrual basis of accounting)*

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	261,920	72,728	17,521	13,134
Ohio Public Works Commission Loan	0	1,147,701	1,218,401	160,307
General Obligation Bonds Issued	9,975,000	0	0	9,775,000
Property Acquisition Loan	18,913,325	0	0	0
Premium on General Obligation Bonds	1,808	0	0	488,232
Capital Lease Initiated	0	0	0	0
Transfers In	12,272,969	13,558,928	11,508,399	11,997,678
Transfers Out	(12,745,613)	(14,118,625)	(11,909,230)	(12,342,103)
<b>Total Other Financing Sources (Uses)</b>	<u>28,679,409</u>	<u>660,732</u>	<u>835,091</u>	<u>10,092,248</u>
<b>Net Change in Fund Balance</b>	<u>\$7,680,442</u>	<u>(\$2,987,953)</u>	<u>(\$2,120,373)</u>	<u>\$14,034,346</u>
 <b>Debt Service as a Percentage of Noncapital Expenditures</b>	 16.64%	 16.99%	 17.76%	 13.86%

Source: Finance Office

*City of Blue Ash*

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2011	2012	2013	2014	2015	2016
0	0	0	0	689,917	626,905
0	0	805,374	503,742	0	0
3,125,000	0	0	19,505,000	0	8,560,000
0	0	0	0	0	0
0	0	0	394,876	0	1,436,587
0	1,500,000	0	0	0	0
11,553,238	11,853,301	17,393,733	15,288,053	16,888,747	22,667,254
(12,482,141)	(12,442,839)	(17,633,923)	(15,488,874)	(17,256,987)	(22,920,378)
2,196,097	910,462	565,184	20,202,797	321,677	10,370,368
(\$12,162)	\$4,223,307	\$660,346	\$19,224,566	(\$4,900,770)	\$7,378,130
14.26%	17.84%	17.70%	15.83%	19.11%	19.76%

## *City of Blue Ash*

### *Income Tax Revenues by Source, Governmental Funds Last Ten Years*

<b>Tax year</b>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Income Tax Rate	1.25%	1.25%	1.25%	1.25%	1.25%
Total Tax Collected	\$27,564,397	\$30,119,007	\$28,314,411	\$28,704,462	\$30,833,752
Income Tax Receipts					
Withholding	22,528,565	23,432,765	22,543,295	22,849,499	24,030,052
Percentage	81.74%	77.80%	79.62%	79.60%	77.93%
Corporate	3,747,226	5,334,812	4,471,944	4,672,903	5,518,811
Percentage	13.59%	17.71%	15.79%	16.28%	17.90%
Individuals	1,288,606	1,351,430	1,299,172	1,182,060	1,284,889
Percentage	4.67%	4.49%	4.59%	4.12%	4.17%

Source: Finance Office

*City of Blue Ash*

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2012	2013	2014	2015	2016
1.25%	1.25%	1.25%	1.25%	1.25%
\$32,679,637	\$33,947,202	\$34,788,642	\$35,145,405	\$35,864,611
26,054,663	26,886,756	27,238,909	28,035,843	28,357,294
79.73%	79.20%	78.30%	79.77%	79.07%
5,352,319	5,574,177	5,987,402	5,542,715	5,882,277
16.38%	16.42%	17.21%	15.77%	16.40%
1,272,655	1,486,269	1,562,331	1,566,847	1,625,040
3.89%	4.38%	4.49%	4.46%	4.53%





## City of Blue Ash

### Income Tax Statistics Current Year and Nine Years Ago

#### Calendar Year 2016

<i>Withholding Tax</i>				
<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total Filers</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.37%	\$8,419,375	29.69%
All Others	2,658	99.63%	19,937,919	70.31%
Total	<u>2,668</u>	<u>100.00%</u>	<u>\$28,357,294</u>	<u>100.00%</u>
 <i>Net Profit Tax</i>				
<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total Filers</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.09%	\$2,356,361	31.39%
All Others	11,107	99.91%	5,150,956	68.61%
Total	<u>11,117</u>	<u>100.00%</u>	<u>\$7,507,317</u>	<u>100.00%</u>
<i>Total Income Tax Collections</i>			<u>\$35,864,611</u>	

#### Calendar Year 2007

<i>Withholding Tax</i>				
<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total Filers</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.38%	\$7,376,327	32.74%
All Others	2,591	99.62%	15,152,238	67.26%
Total	<u>2,601</u>	<u>100%</u>	<u>\$22,528,565</u>	<u>100.00%</u>
 <i>Net Profit Tax</i>				
<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total Filers</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.16%	\$1,268,093	25.18%
All Others	6,185	99.84%	3,767,738	74.82%
Total	<u>6,195</u>	<u>100.00%</u>	<u>\$5,035,831</u>	<u>100.00%</u>
<i>Total Income Tax Collections</i>			<u>\$27,564,396</u>	

Source: City Income Tax Department

## *City of Blue Ash*

### *Ratio of Outstanding Debt By Type Last Ten Years*

	2007	2008	2009	2010
<b>Governmental Activities</b> <sup>(1)</sup>				
General Obligation Bonds Payable	\$39,768,325	\$36,833,991	\$33,179,441	\$41,242,645
Tax Increment Financing Bonds	9,790,000	9,690,000	9,590,000	9,400,000
Income Tax Revenue Bonds Payable	0	0	0	0
Capital Leases	0	0	0	0
Ohio Public Works Commission Loan	0	1,147,701	2,293,852	2,255,589
Total Primary Government	<u>\$49,558,325</u>	<u>\$47,671,692</u>	<u>\$45,063,293</u>	<u>\$52,898,234</u>
 <b>Population</b> <sup>(2)</sup>				
City of Blue Ash	12,513	12,513	12,513	12,114
Outstanding Debt Per Capita	\$3,961	\$3,810	\$3,601	\$4,367
 <b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	519,002	534,680	534,680	532,023
Percentage of Personal Income	9.55%	8.92%	8.43%	9.94%

**Sources:**

- (1) Finance Office
- (2) US Bureau of Census, Population Division
- (3) US Department of Commerce, Bureau of Economic Analysis
  - (a) Per Capita Income is only available by County, Total Personal Income is a calculation

*City of Blue Ash*

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2011	2012	2013	2014	2015	2016
\$41,227,481	\$38,081,278	\$34,928,734	\$32,644,532	\$30,328,339	\$28,379,806
9,205,000	9,000,000	8,785,000	8,555,000	8,315,000	8,065,000
0	0	0	19,899,876	18,391,913	26,374,927
0	1,500,000	1,363,067	1,224,741	1,083,302	938,681
2,002,948	1,750,307	2,303,040	2,554,141	2,236,044	1,852,491
<u>\$52,435,429</u>	<u>\$50,331,585</u>	<u>\$47,379,841</u>	<u>\$64,878,290</u>	<u>\$60,354,598</u>	<u>\$65,610,905</u>
12,114	12,114	12,114	12,114	12,114	12,114
\$4,328	\$4,155	\$3,911	\$5,356	\$4,982	\$5,416
555,451	567,916	598,589	608,547	620,588	630,909
9.44%	8.86%	7.92%	10.66%	9.73%	10.40%

## *City of Blue Ash*

### *Ratios of General Bonded Debt Outstanding Last Ten Years*

Year	2007	2008	2009	2010
<b>Population</b> (1)	12,513	12,513	12,513	12,114
<b>Personal Income (in thousands)</b> (2)	\$519,002	\$534,680	\$534,680	\$532,023
<b>General Bonded Debt</b> (3)				
General Obligation Bonds	\$39,768,325	\$36,833,991	\$33,179,441	\$41,242,645
<b>Resources Available to Pay Principal</b> (4)	\$31,585	\$25,123	\$25,000	\$550,658
<b>Net General Bonded Debt</b>	\$39,736,740	\$36,808,868	\$33,154,441	\$40,691,987
<b>Ratio of Net Bonded Debt to Estimated Personal Income (in thousands)</b>	7.66%	6.88%	6.20%	7.65%
<b>Net Bonded Debt per Capita</b>	\$3,175.64	\$2,941.65	\$2,649.60	\$3,359.09

**Sources:**

- (1) U.S. Bureau of Census of Population
- (2) Hamilton County Auditor
- (3) Includes all general obligation bonded debt supported by income taxes
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

*City of Blue Ash*

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2011	2012	2013	2014	2015	2016
12,114	12,114	12,114	12,114	12,114	12,114
\$555,451	\$567,916	\$598,589	\$608,547	\$620,588	\$630,909
\$41,227,481	\$38,081,278	\$34,928,734	\$32,644,532	\$30,328,339	\$28,379,806
\$500,000	\$64,762	\$766,998	\$48,593	\$12	\$655,735
\$40,727,481	\$38,016,516	\$34,161,736	\$32,595,939	\$30,328,327	\$27,724,071
7.33%	6.69%	5.71%	5.36%	4.89%	4.39%
\$3,362.02	\$3,138.23	\$2,820.02	\$2,690.77	\$2,503.58	\$2,288.60



**City of Blue Ash**

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2016*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Blue Ash</u>	<u>Amount Applicable to the City of Blue Ash</u>
<b>Direct:</b>			
City of Blue Ash	\$65,610,905	100.00%	\$65,610,905
<b>Overlapping:</b>			
Sycamore Community School District	39,655,000	41.97%	16,643,204
Princeton City School District	168,510,137	0.72%	1,213,273
Great Oaks Joint Vocational School District	8,630,000	3.86%	333,118
Hamilton County	71,750,000	3.92%	<u>2,812,600</u>
		Subtotal	<u>21,002,195</u>
		Total	<u><u>\$86,613,100</u></u>

**Source:** Ohio Municipal Advisory Council

Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City

## *City of Blue Ash*

### *Debt Limitations Last Ten Years*

<b>Tax Year</b>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Total Debt</b>				
Net Assessed Valuation	\$744,215,915	\$769,438,003	\$774,127,710	\$758,327,730
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	78,142,671	80,790,990	81,283,410	79,624,412
City Debt Outstanding (2)	0	0	0	0
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Overall Legal Debt Margin	<u><u>\$78,142,671</u></u>	<u><u>\$80,790,990</u></u>	<u><u>\$81,283,410</u></u>	<u><u>\$79,624,412</u></u>
<b>Unvoted Debt</b>				
Net Assessed Valuation	\$744,215,915	\$769,438,003	\$774,127,710	\$758,327,730
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	40,931,875	42,319,090	42,577,024	41,708,025
City Debt Outstanding (2)	0	0	0	0
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Overall Legal Debt Margin	<u><u>\$40,931,875</u></u>	<u><u>\$42,319,090</u></u>	<u><u>\$42,577,024</u></u>	<u><u>\$41,708,025</u></u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) Debt Service payments on General Obligation Bonds are appropriated annually from lawfully available municipal income taxes.

Source: Finance Office



*City of Blue Ash*

2011	2012	2013	2014	2015	2016
\$706,449,050	\$704,468,110	\$705,662,090	\$712,604,150	\$718,600,920	\$725,001,910
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
74,177,150	73,969,152	74,094,519	74,823,436	75,453,097	76,125,201
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$74,177,150</u>	<u>\$73,969,152</u>	<u>\$74,094,519</u>	<u>\$74,823,436</u>	<u>\$75,453,097</u>	<u>\$76,125,201</u>
\$706,449,050	\$704,468,110	\$705,662,090	\$712,604,150	\$718,600,920	\$725,001,910
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
38,854,698	38,745,746	38,811,415	39,193,228	39,523,051	39,875,105
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$38,854,698</u>	<u>\$38,745,746</u>	<u>\$38,811,415</u>	<u>\$39,193,228</u>	<u>\$39,523,051</u>	<u>\$39,875,105</u>

***City of Blue Ash***

*Pledged Revenue Coverage  
Last Ten Years*

	2007	2008	2009	2010
<b>Tax Increment Financing Bonds (1)</b>				
Property Tax Collections	\$101,149	\$696,843	\$982,462	\$1,001,648
Debt Service				
Principal	0	100,000	100,000	190,000
Interest	512,246	489,500	484,500	486,963
Coverage	0.20	1.18	1.68	1.48

(1) In 2006 the City issued \$9,790,000 of Tax Increment Financing Bonds for the Carver Road Project.

Source: Finance Office

*City of Blue Ash*

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2011	2012	2013	2014	2015	2016
\$1,039,471	\$1,160,277	\$1,158,679	\$1,167,434	\$1,164,991	\$1,161,906
195,000	205,000	215,000	230,000	240,000	250,000
470,000	460,250	450,000	439,250	427,750	415,750
1.56	1.74	1.74	1.74	1.74	1.75

## *City of Blue Ash*

### *Demographic and Economic Statistics Last Ten Years*

Calendar Year	2007	2008	2009	2010	2011
<b>Population</b> (1)					
City of Blue Ash	12,513	12,513	12,513	12,114	12,114
Hamilton County	806,652	806,652	806,652	802,374	802,374
<b>Income</b> (2) (a)					
Total Personal (in thousands)	519,002	534,680	534,680	532,023	555,451
Per Capita	41,477	42,730	42,730	43,918	45,852
<b>Unemployment Rate</b> (3)					
Federal	4.6%	5.8%	10.0%	9.4%	8.9%
State	5.6%	6.6%	10.8%	9.6%	8.6%
Hamilton County	5.0%	5.6%	10.4%	8.5%	8.6%
<b>Civilian Work Force Estimates</b> (3)					
State	5,976,500	5,986,400	5,986,400	5,906,000	5,806,000
Hamilton County	431,200	432,400	432,400	434,700	406,900
<b>Daytime Population</b> (4)	58,000	58,000	55,000	53,000	53,000

**Sources:**

- (1) US Bureau of Census of Population
- (2) US Department of Commerce, Bureau of Economic Analysis
  - (a) Per Capita Income is only available by County, Total Personal Income is a calculation
- (3) State Department of Labor Statistics
- (4) Finance Office

*City of Blue Ash*

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2012	2013	2014	2015	2016
12,114	12,114	12,114	12,114	12,114
802,374	802,374	802,374	802,374	802,374
567,916	598,589	608,547	620,588	630,909
46,881	49,413	50,235	51,229	52,081
8.1%	7.4%	6.2%	5.3%	4.9%
7.2%	7.4%	5.7%	4.9%	4.9%
7.0%	7.1%	5.3%	4.5%	4.3%
5,747,900	5,765,700	5,719,500	5,700,000	5,713,100
400,000	403,300	404,100	402,700	404,200
53,000	53,000	53,000	53,000	53,000



## *City of Blue Ash*

### *Principal Employers Current Year and Nine Years Ago*

Employer	Nature of Business	Rank (1) 2016
Ethicon	Surgical Instruments Manufacturer	1
Kroger	Administrative Offices	2
Procter and Gamble	Technical Center - Home Product Division	3
Warner Cable	Cable Company	4
Schlage Lock Co. (Steelcraft)	Steel Products Manufacturer	5
LSI Industries	Lighting Manufacturer	6
AdvancePierre Foods	Pre-Packaged Food Manufacturer	7
Wornick	Pre-Packaged Food Manufacturer	8
Belcan Engineering Services	Engineering Services	9
Mercy Health Systems	Health Services	10

Employer	Nature of Business	Rank (1) 2007
Ethicon	Surgical Instruments Manufacturer	1
Procter and Gamble	Technical Center - Home Product Division	2
Kroger	Administrative Offices	3
Fidelity Investments	Investments	4
Ingersoll-Rand (Steelcraft)	Steel Products Manufacturer	5
Warner Cable	Cable Company	6
Wornick	Pre-Packaged Food Manufacturer	7
Mercy Health Systems	Health Services	8
Belcan Engineering Services	Engineering Services	9
Citicorp Credit Services	Financial Services	10

(2) Estimated Total Employment within the City	50,000
(2) Estimated Total Top Ten Employers Employment Count	8,500
Percent of Total Employment	17.00%

**Sources:**

- (1) Rankings provided by City Income Tax Department
- (2) Estimated number of current employees provided by Economic Development Department

## *City of Blue Ash*

### *Full Time Equivalent Employees by Function Last Ten Years*

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Governmental Activities</b>						
General Government						
Finance/Tax	7.00	7.00	8.00	7.00	7.00	6.50
Judicial	2.50	2.50	2.50	2.50	1.50	1.50
Administration/General Gov't	13.50	13.50	14.50	14.50	14.00	15.00
Facilities Maintenance	15.50	16.00	17.00	17.50	17.00	19.50
Security of Persons and Property						
Police	47.75	47.75	47.25	46.75	45.25	43.00
Fire	36.00	41.75	42.25	38.75	36.75	36.25
Basic Utility Services						
Public Service	9.00	7.25	10.50	(A) 0.00	0.00	0.00
Transportation						
Street	10.00	9.00	9.25	17.00	17.50	16.50
Leisure Time Activities						
Recreation	41.50	42.00	42.00	40.50	40.00	43.25
Parks and Grounds	16.00	17.75	15.75	15.00	16.00	16.00
Community Environment						
Community Development	4.50	4.25	4.50	4.50	4.25	4.00
<b>Business-Type Activities</b>						
Golf Course and Events Center	<u>22.50</u>	<u>24.25</u>	<u>22.75</u>	<u>22.25</u>	<u>24.25</u>	<u>33.25</u>
<i>Total Employees</i>	<u><u>225.75</u></u>	<u><u>233.00</u></u>	<u><u>236.25</u></u>	<u><u>226.25</u></u>	<u><u>223.50</u></u>	<u><u>234.75</u></u>

**Method:** 1.00 for each full-time, 0.50 for each part-time ( $\geq 700$  hours), 0.25 for each seasonal employee ( $< 700$  hours) and 0.0 for each seasonal employee ( $< 100$  hours)

Source: Finance Office

(A) In 2010 Basic Utility Service employees were combined and reported with Transportation employees



*City of Blue Ash*

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<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
7.00	7.00	7.00	7.00
1.50	1.50	1.50	1.50
13.00	13.75	13.50	15.75
20.25	22.75	22.50	23.75
43.00	40.00	40.50	41.75
35.75	35.00	37.00	36.00
0.00	0.00	0.00	
19.00	18.25	19.00	19.50
41.75	39.50	44.00	43.75
14.75	14.25	16.00	18.50
4.00	4.00	4.00	4.25
<u>35.75</u>	<u>41.00</u>	<u>43.25</u>	<u>46.75</u>
<u>235.75</u>	<u>237.00</u>	<u>248.25</u>	<u>258.50</u>

## *City of Blue Ash*

### *Operating Indicators by Function Last Ten Years*

	2007	2008	2009	2010	2011
<b>Governmental Activities</b>					
General Government					
<u>Court</u>					
Number of Citations Heard	1,929	1,960	1,439	1,942	2,148
<u>Community Development</u>					
Number of Residential Building Permits Issued	161	126	182	200	163
Number of Commercial Building Permits Issued	423	384	302	398	438
Security of Persons and Property					
<u>Police</u>					
Number of Offenses	1,326	1,340	1,171	1,298	1,333
Number of Arrests	4,091	3,869	3,660	4,045	3,863
Number of Accidents	648	655	620	579	697
Number of Service Calls/Details	13,840	15,210	19,183	17,440	17,588
<u>Fire</u>					
Number of Fire Runs	787	1,001	917	887	766
Number of EMS Runs	1,561	1,675	1,507	1,594	1,628
Transportation					
<u>Street</u>					
Miles of Streets Resurfaced	6	10	15	3	8
Feet of Walking/Biking Paths Maintained	120	209	178	755	570
Leisure Time Activities					
<u>Parks</u>					
Number of Active Recreation Center Memberships	3,677	3,511	4,543	4,944	4,970
<b>Business-Type Activities</b>					
<u>Golf Course</u>					
Number of Golf Rounds	37,684	35,600	35,532	32,328	31,799
<u>Events Center</u>					
Number of Events	n/a	n/a	n/a	n/a	n/a

Source: Finance Office

*City of Blue Ash*

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<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
1,962	1,548	1,351	1,063	1,136
198	247	248	236	313
474	419	435	443	497
1,163	1,014	1,024	1,021	1,036
3,320	2,988	2,811	2,410	2,408
709	766	663	678	713
19,762	20,654	19,526	17,212	24,848
838	812	907	727	812
1,779	1,644	1,646	1,592	1,670
2	2	2.47	10.00	6.90
516	266	549	6,004	5,550
4,629	4,659	4,673	4,674	4,482
39,940	41,471	38,314	43,800	43,936
207	282	313	305	290

## *City of Blue Ash*

### *Capital Asset Statistics by Function Last Ten Years*

	2007	2008	2009	2010	2011
<b>Governmental Activities</b>					
General Government					
Public Land and Buildings					
Land (acres)	131	132	132	132	132
Buildings	7	8	8	8	8
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	32	32	34	33	31
Fire					
Stations	2	2	2	2	2
Vehicles	14	14	14	14	13
Transportation					
Street					
Streets (lane miles)	160.9	163.4	167.3	167.3	167.3
Street Lights	1,053	1,055	1,055	1,055	1,055
Vehicles	31	31	29	28	29
Leisure Time Activities					
Parks					
Land (acres)	275	275	275	275	275
Buildings	17	17	17	17	17
Parks	9	9	9	9	9
Playgrounds	8	8	8	8	8
Swimming Pools	2	2	2	2	2
Tennis Courts	8	8	8	8	8
Baseball/Softball Diamonds	11	11	11	11	11
Soccer Fields	5	5	5	5	5
<b>Business-Type Activities</b>					
Golf Course					
Land (acres)	151	151	151	151	151
Buildings	7	7	7	6	7
Vehicles	5	4	6	5	6

Source: Finance Office

*City of Blue Ash*

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2012	2013	2014	2015	2016
132	132	132	132	132
8	8	8	8	8
1	1	1	1	1
35	33	33	30	30
2	2	2	2	2
14	14	14	14	14
167.3	167.3	167.3	167.3	167.3
1,055	1,294	1,294	1,294	1,294
30	31	27	29	28
275	275	275	275	275
17	17	17	17	17
10	10	10	10	10
8	8	8	8	8
2	2	2	2	2
8	8	8	8	8
11	11	11	11	11
5	5	5	5	5
151	151	151	151	151
7	7	7	7	7
6	5	5	6	9





# Dave Yost • Auditor of State

CITY OF BLUE ASH

HAMILTON COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
JULY 27, 2017