

**CITY OF BLUE ASH
HAMILTON COUNTY, OHIO**

Supplemental Report

DECEMBER 31, 2014

**AMY MOORE, FINANCE OFFICER/TAX COMMISSIONER
SHERRY POPPE, TREASURER/ADMINISTRATIVE SERVICES DIRECTOR**



Dave Yost • Auditor of State

City Council
City of Blue Ash
4343 Cooper Road
Blue Ash, Ohio 45242

We have reviewed the *Independent Auditor's Report* of the City of Blue Ash, Hamilton County, prepared by Julian & Grube, Inc., for the audit period January 1, 2014 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

September 8, 2015

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**CITY OF BLUE ASH
HAMILTON COUNTY, OHIO**

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Julian & Grube, Inc.
Serving Ohio Local Governments

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

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

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

To the Members of Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Blue Ash, Hamilton County, Ohio, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City of Blue Ash's basic financial statements and have issued our report thereon dated June 12, 2015.

Internal Control Over Financial Reporting

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

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

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

Members of Council and Mayor
City of Blue Ash

Compliance and Other Matters

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

Purpose of this Report

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

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

Julian & Grube, Inc.
June 12, 2015



Comprehensive Annual Financial Report



City of Blue Ash, Ohio
Fiscal Year Ended
December 31, 2014



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2014

Prepared by the Finance Department

Amy Moore
Finance Officer



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HAMILTON COUNTY, OHIO

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Introductory Section







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

June 12, 2015

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, 2014. 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 2014, 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 last amended in 2006 for the passage of an earnings tax rate increase intended for major capital improvements.

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. All seven members are elected on a partisan basis for two-year terms.

***Letter of Transmittal
For the Year Ended December 31, 2014***

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 events 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:

2010	28,704,462
2011	30,833,751
2013	32,679,637
2014	33,947,202
2014	34,788,642
2015	33,700,000 (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.

The 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, 2014***

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 accomplished during 2014 included:

- Continued investment in sidewalk and bike path construction, enhancing connectivity between neighborhoods and the City's primary destinations. A five-foot wide new path construction along Creek Road from McKinley Road to Whisper Way and an extensive sidewalk replacement project in the City's Downtown area are a few of the path improvements accomplished in 2014. Currently, approximately 31 miles of pathways connect the City's residential and business communities.
- Annual investment in improving roadway, curb, culvert, and gutter maintenance on many City streets and highways. In 2014, the City completed the reconstruction of Carver Road, which runs parallel with Reed Hartman Highway and provides easy access to many businesses located along this corridor. The project included the addition of new sidewalks and pedestrian bridges.
- In early 2014, the City began the process of updating its Land Use Plan, a guiding document that serves as the overall development/redevelopment plan for the City. The plan is being used to influence land use decisions and long-term planning for infrastructure improvements. The process involved a number of focus groups and extensive citizen participation.

In mid-2006, Council presented to its citizens a proposal, which included a change in the Charter-defined earnings tax rate from 1.0% to 1.25%, with a commitment that the revenues generated from the change would be used for certain major "quality of life" projects benefitting the entire community. Passage by voters affirmed the Council's path to address the following projects:

- Recreation Center - Full renovation and expansion of the Recreation Center on Cooper Road. This project was completed in 2009 and has been well received by the residents and businesses alike.
- Cooper Creek Event Center and Golf Course - Construction of a multi-purpose events center and golf course clubhouse. This project started in the fall of 2010 and was essentially complete in December 2011. The Event Center hosted its first corporate event and wedding in January 2012. Located in the lower level, the golf course clubhouse offers a golf merchandise shop, as well as a full service restaurant.
- Summit Park - Development of 130 acres of land for a new multi-use public park. Progress on the Master Plan for the park in 2012 included significant planning, design, and engineering efforts. The Park was officially open to the public in October 2012. Phase I of this multi-phase park construction is complete and includes extensive earthwork, utility infrastructure, water management, great lawn, one-acre playground, walking paths, and landscaping. Phase II construction began in the fall of 2014 and will include a community building, restaurant pavilion, glass canopy connecting the two structures and performance stage.

***Letter of Transmittal
For the Year Ended December 31, 2014***

THE FUTURE

The resources derived from the earnings tax change provide the City of Blue Ash with the opportunity to continue to invest in major quality of life improvements. Those resources also permit the repayment of debt issued for the Recreation Center Expansion, the Cooper Creek Event Center and Golf Course improvements as well as the construction of Summit Park. All projects have been well received by the community, and many look forward to the additional components of Summit Park. Phase II building construction and amenities previously mentioned are expected to be complete by the fall of 2015.

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

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.

***Letter of Transmittal
For the Year Ended December 31, 2014***

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, 2014 are reported as assigned fund balance in the General Fund.

INDEPENDENT AUDIT

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

***Letter of Transmittal
For the Year Ended December 31, 2014***

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, 2013. 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.

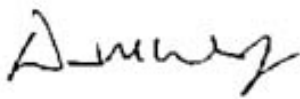
A Certificate of Achievement is valid for a period of one year only. The City of Blue Ash has received a Certificate of Achievement for the last twenty-seven consecutive years (fiscal years ended 1987-2013). We believe our current report will again meet the Certificate of Achievement program requirements, 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.

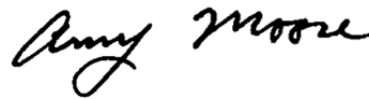
Respectfully submitted,



David M. Waltz
City Manager



Sherry L. Poppe, CPA
Treasurer/Administrative
Services Director



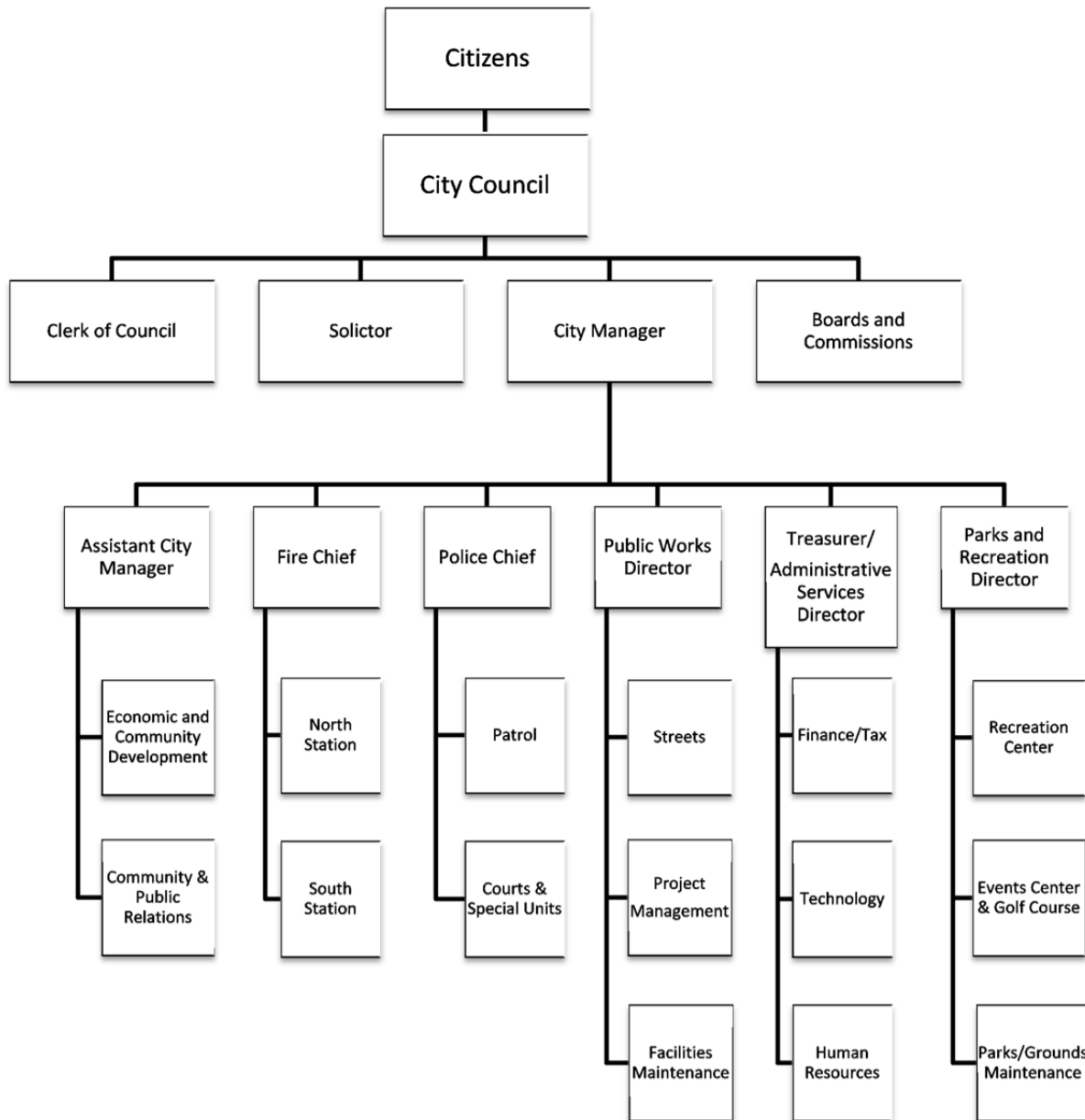
Amy Moore
Finance Officer

CITY OF BLUE ASH, OHIO

***List of Principal Officials
For the Year Ended December 31, 2014***

OFFICE HELD	NAME OF OFFICIAL
Administration:	
City Manager	David M. Waltz
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	James W. Sumner
Ward 2	Stephanie Stoller
Ward 3	Rick Bryan
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, 2014**



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*



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, 2013



Executive Director/CEO





Financial Section







Julian & Grube, Inc.

Serving Ohio Local Governments

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

Independent Auditor's Report

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

To the Members of Council and Mayor:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Blue Ash, Hamilton County, Ohio, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City of Blue Ash'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 of Blue Ash's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City of Blue Ash'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, 2014, and the respective changes in financial position and, where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Street Construction, Maintenance and Repair Major Special Revenue 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*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling these 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, and other additional procedures 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2015, on our consideration of the City of Blue Ash's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Blue Ash's internal control over financial reporting and compliance.

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

Julian & Grube, Inc.
June 12, 2015



***Management's Discussion and Analysis
For the Year Ended December 31, 2014 Unaudited***

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, 2014. 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 2014 are as follows:

- ❑ In total, net position increased \$9,224,716. Net position of governmental activities increased \$9,737,724, which represents a 9.8% increase from 2013. Net position of business-type activities decreased \$513,008 from 2013.
- ❑ General revenues accounted for \$40,331,231 in revenue or 83.2% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$8,160,032 or 16.8% of all revenues.
- ❑ The City had \$35,019,689 in expenses related to governmental activities; only \$4,627,003 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$40,331,231 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$38,937,584 in revenues and \$33,781,593 in expenditures and other financing uses. The balance of the General Fund increased \$5,157,462 to \$43,825,600.

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, 2014 Unaudited***

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 deteriorating, 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, public health and welfare services, 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 banquet 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.

CITY OF BLUE ASH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2014 Unaudited**

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

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, 2014 and 2013:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$71,257,710	\$60,813,499	\$386,853	\$341,598	\$71,644,563	\$61,155,097
Capital assets, Net	113,238,841	104,925,267	12,151,331	12,696,832	125,390,172	117,622,099
Total assets	184,496,551	165,738,766	12,538,184	13,038,430	197,034,735	178,777,196
Long-term debt outstanding	66,346,723	48,714,351	115,092	106,508	66,461,815	48,820,859
Other liabilities	4,788,004	13,584,557	276,589	201,015	5,064,593	13,785,572
Total liabilities	71,134,727	62,298,908	391,681	307,523	71,526,408	62,606,431
Deferred Inflows of Resources	3,931,388	3,747,146	0	71,396	3,931,388	3,818,542
Net position						
Net investment in capital assets	69,169,689	63,698,280	12,151,331	12,696,832	81,321,020	76,395,112
Restricted	3,095,299	2,580,973	0	0	3,095,299	2,580,973
Unrestricted	37,165,448	33,413,459	(4,828)	(37,321)	37,160,620	33,376,138
Total net position	\$109,430,436	\$99,692,712	\$12,146,503	\$12,659,511	\$121,576,939	\$112,352,223

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CITY OF BLUE ASH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2014 Unaudited**

Changes in Net position – The following table shows the changes in net position for fiscal year 2014 and 2013:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for Services and Sales	\$1,727,316	\$1,879,555	\$3,533,029	\$3,219,729	\$5,260,345	\$5,099,284
Operating Grants and Contributions	1,172,806	1,273,776	0	0	1,172,806	1,273,776
Capital Grants and Contributions	1,726,881	2,595,936	0	165,631	1,726,881	2,761,567
General revenues:						
Income Taxes	33,605,111	32,774,748	0	0	33,605,111	32,774,748
Property Taxes	3,826,202	3,544,624	0	0	3,826,202	3,544,624
Other Local Taxes	1,086,938	1,035,261	0	0	1,086,938	1,035,261
Grants and Entitlements not Restricted to Specific Programs	679,449	1,641,422	0	0	679,449	1,641,422
Investment Earnings	24,479	11,909	0	0	24,479	11,909
Miscellaneous	1,109,052	1,654,790	0	0	1,109,052	1,654,790
Total revenues	44,958,234	46,412,021	3,533,029	3,385,360	48,491,263	49,797,381
Program Expenses						
Security of Persons and Property	10,101,957	10,349,278	0	0	10,101,957	10,349,278
Leisure Time Activities	5,555,875	5,629,617	0	0	5,555,875	5,629,617
Community Development	1,051,443	965,971	0	0	1,051,443	965,971
Transportation	5,771,818	5,723,814	0	0	5,771,818	5,723,814
General Government	10,218,008	9,075,488	0	0	10,218,008	9,075,488
Debt Service:						
Interest and Fiscal Charges	2,320,588	1,828,081	0	0	2,320,588	1,828,081
Golf Course	0	0	4,246,858	3,836,350	4,246,858	3,836,350
Total expenses	35,019,689	33,572,249	4,246,858	3,836,350	39,266,547	37,408,599
Excess (deficiency) before Transfers	9,938,545	12,839,772	(713,829)	(450,990)	9,224,716	12,388,782
Transfers	(200,821)	(240,190)	200,821	240,190	0	0
Total Change in Net Position	9,737,724	12,599,582	(513,008)	(210,800)	9,224,716	12,388,782
Beginning Net Position	99,692,712	87,093,130	12,659,511	12,870,311	112,352,223	99,963,441
Ending Net Position	\$109,430,436	\$99,692,712	\$12,146,503	\$12,659,511	\$121,576,939	\$112,352,223

Governmental Activities

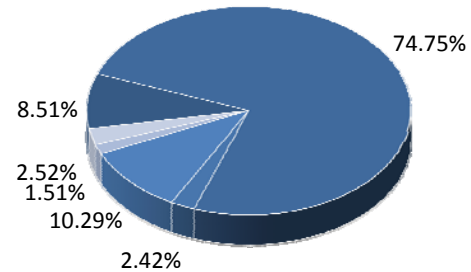
Net position of the City's governmental activities increased by \$9,737,724. Revenues decreased by \$1,453,787 and expenses increased \$1,447,440. The decrease in revenue is largely due to the elimination of the estate tax. In addition, there were fewer grants received for capital projects in 2014. The increase in expenses was related to capital projects, primarily Summit Park.

CITY OF BLUE ASH, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2014 Unaudited***

Property taxes and income taxes made up 8.51% and 74.75% respectively of revenues for governmental activities for the City in fiscal year 2014. The City's reliance upon tax revenues is demonstrated by the following graph indicating 85.68% of total revenues from general tax revenues:

Revenue Sources	2014	Percent of Total
Property Taxes	\$3,826,202	8.51%
Income Taxes	33,605,111	74.75%
Other Local Taxes	1,086,938	2.42%
Program Revenues	4,627,003	10.29%
Grants and Entitlements not Restricted to Specific Programs	679,449	1.51%
General Other	1,133,531	2.52%
Total Revenue	\$44,958,234	100.00%



Business-Type Activities

Net position of the business-type activities decreased by \$513,008. Expenses increased overall with the majority due to 2014 including the first full year of depreciation on the new building.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$59,239,007, which is an increase from last year's balance of \$39,938,056. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2014 and 2013:

	Fund Balance December 31, 2014	Fund Balance December 31, 2013	Increase (Decrease)
General	\$43,825,600	\$38,668,138	\$5,157,462
Street Construction, Maintenance & Repai	1,033,238	705,047	328,191
Summit Park	12,253,516	(1,517,329)	13,770,845
Other Governmental	2,126,653	2,082,200	44,453
Total	\$59,239,007	\$39,938,056	\$19,300,951

Of the City's \$59,239,007 year ended fund balances for governmental activities, 70.6% is unassigned, which allows it for spending at the government's discretion. Of the remaining 29.4%, \$15.1 million is restricted by sources outside of the City primarily for grants, debt and construction projects. \$453,740 is in nonspendable form (prepaid items and supplies inventory) and the balance of \$1,890,470 is assigned by City management to cover outstanding purchase orders as of December 31, 2014.

CITY OF BLUE ASH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2014 Unaudited**

General Fund – The City's General Fund balance increased due to a combination of a minor revenue increase and a decrease in overall expenditures. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2014	2013	Increase
	<u>Revenues</u>	<u>Revenues</u>	<u>(Decrease)</u>
Property Taxes	\$1,944,826	\$1,916,073	\$28,753
Municipal Income Tax	33,566,176	32,483,012	1,083,164
Other Local Taxes	1,086,938	1,035,261	51,677
Intergovernmental Revenues	692,788	1,587,707	(894,919)
Charges for Services	935,413	1,111,803	(176,390)
Licenses and Permits	553,898	492,635	61,263
Investment Earnings	20,869	10,862	10,007
Fines and Forfeitures	94,055	105,393	(11,338)
All Other Revenue	42,621	72,002	(29,381)
Total	<u>\$38,937,584</u>	<u>\$38,814,748</u>	<u>\$122,836</u>

General Fund revenues showed a slight increase in 2014 compared to 2013. Income tax increased for both net profit and withholdings collections. Intergovernmental revenues decreased primarily because of the elimination of the estate tax by the State of Ohio.

	2014	2013	Increase
	<u>Expenditures</u>	<u>Expenditures</u>	<u>(Decrease)</u>
Security of Persons and Property	\$9,695,825	\$10,251,504	(\$555,679)
Community Development	1,034,206	964,866	69,340
General Government	7,915,755	7,040,762	874,993
Total	<u>\$18,645,786</u>	<u>\$18,257,132</u>	<u>\$388,654</u>

General Fund expenditures increased by 2.1% or \$388,654 above 2013 expenditures. Additional capital spending occurred in 2014 continuing the "catch up" from the years in which capital was reduced for economic concerns. Some operational costs increased due to inflation.

Street Construction, Maintenance and Repair Fund – The fund increased in 2014 primarily due to General Fund transfers into the fund to cover year end encumbrances. The SCM&R Fund is partially supported by the General Fund each year through transfers.

Summit Park Fund – The fund increased due to the issuance of two bonds, one to replace the general obligation note (fund liability) used for phase 1 and one to be used for phase 2 construction of the park.

CITY OF BLUE ASH, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2014 Unaudited***

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 2014 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 \$37.6 million increased from the original budget estimates of \$37.2 million. The City budgets conservatively and actual revenues are typically higher than the budgeted figures as evident in the \$1.5 million positive variance. The expense budget increased \$3.7 million during 2014 primarily to allow for additional transfers to the Summit Park Fund. Actual expenditures of \$35.5 million were below the final budgeted number of \$39.3 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.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2014 the City had \$125,390,172 net of accumulated depreciation invested in land, construction in progress, buildings, improvements other than buildings, infrastructure and machinery and equipment. Of this total, \$113,238,841 was related to governmental activities and \$12,151,331 to the business-type activities. The following table shows fiscal year 2014 and 2013 balances:

	Governmental Activities		Increase (Decrease)
	2014	2013	
Land	\$40,512,226	\$40,512,226	\$0
Construction In Progress	16,469,550	10,309,200	6,160,350
Buildings	46,583,745	46,307,752	275,993
Improvements Other than Buildings	6,485,749	6,459,651	26,098
Infrastructure	31,582,570	27,372,293	4,210,277
Machinery and Equipment	13,262,745	13,050,362	212,383
Less: Accumulated Depreciation	(41,657,744)	(39,086,217)	(2,571,527)
Totals	<u>\$113,238,841</u>	<u>\$104,925,267</u>	<u>\$8,313,574</u>

	Business-Type Activities		Increase (Decrease)
	2014	2013	
Land	\$1,124,764	\$1,124,764	\$0
Construction In Progress	18,547	8,500	10,047
Buildings	9,683,474	9,674,974	8,500
Improvements Other than Buildings	3,761,250	3,777,000	(15,750)
Machinery and Equipment	1,371,550	1,349,460	22,090
Less: Accumulated Depreciation	(3,808,254)	(3,237,866)	(570,388)
Totals	<u>\$12,151,331</u>	<u>\$12,696,832</u>	<u>(\$545,501)</u>

CITY OF BLUE ASH, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2014 Unaudited

The most significant change in capital assets occurred in construction in progress (governmental activities) and in machinery and equipment (business-type activities). The major project in progress was construction at Summit Park. New mowers were purchased for the golf course.

As of December 31, 2014, the City has construction commitments of \$7,279,573 due to various projects taking place throughout the City. Detail on the construction commitments can be found in Note 16. Additional information on the City's capital assets can be found in Note 9.

Debt

At December 31, 2014, the City had \$61,099,408 in bonds outstanding, \$3,986,808 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Governmental Activities:		
General Obligation Bonds	\$61,099,408	\$43,713,734
OPWC Loan	2,554,141	2,303,040
Capital Lease	1,224,741	1,363,067
Compensated Absences	1,468,433	1,334,510
Total Governmental Activities	<u>\$66,346,723</u>	<u>\$48,714,351</u>
Business-Type Activities:		
Compensated Absences	\$115,092	\$106,508
Total Business-Type Activities	<u>115,092</u>	<u>106,508</u>
Totals	<u>\$66,461,815</u>	<u>\$48,820,859</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, 2014, 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 continuous establishment of new companies as well as expansion of existing companies occurred in 2014 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, 2014**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 57,743,917	\$ 291,236	\$ 58,035,153
Receivables:			
Taxes	10,854,878	0	10,854,878
Accounts	629,784	1,201	630,985
Intergovernmental	900,369	368	900,737
Interest	5,022	0	5,022
Inventory of Supplies at Cost	365,715	91,475	457,190
Prepaid Items	88,025	2,573	90,598
Restricted Assets:			
Cash and Cash Equivalents	670,000	0	670,000
Capital Assets:			
Capital Assets Not Being Depreciated	56,981,776	1,143,311	58,125,087
Capital Assets Being Depreciated, Net	56,257,065	11,008,020	67,265,085
Total Assets	184,496,551	12,538,184	197,034,735
Liabilities:			
Accounts Payable	985,732	73,239	1,058,971
Accrued Wages and Benefits	936,302	70,970	1,007,272
Intergovernmental Payable	268,229	11,594	279,823
Contracts Payable	2,030,945	0	2,030,945
Unearned Revenue	0	120,786	120,786
Accrued Interest Payable	566,796	0	566,796
Long-Term Liabilities:			
Due Within One Year	4,842,821	31,075	4,873,896
Due in More Than One Year	61,503,902	84,017	61,587,919
Total Liabilities	71,134,727	391,681	71,526,408
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	3,931,388	0	3,931,388
Net Position:			
Net Investment in Capital Assets	69,169,689	12,151,331	81,321,020
Restricted For:			
Debt Service	832,651	0	832,651
Streets and Highways	1,988,854	0	1,988,854
Security of Persons & Property	266,769	0	266,769
TIF Activities	7,025	0	7,025
Unrestricted (Deficit)	37,165,448	(4,828)	37,160,620
Total Net Position	\$ 109,430,436	\$ 12,146,503	\$ 121,576,939

See accompanying notes to the basic financial statements

CITY OF BLUE ASH, OHIO

**Statement of Activities
For the Year Ended December 31, 2014**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Current:				
Security of Persons and Property	\$ 10,101,957	\$ 21,518	\$ 236,505	\$ 0
Leisure Time Activities	5,555,875	996,605	0	0
Community Development	1,051,443	440,045	0	0
Transportation	5,771,818	69,329	936,301	1,726,881
General Government	10,218,008	199,819	0	0
Interest and Fiscal Charges	2,320,588	0	0	0
Total Governmental Activities	35,019,689	1,727,316	1,172,806	1,726,881
Business-Type Activities:				
Golf Course and Events Center	4,246,858	3,533,029	0	0
Total Business-Type Activities	4,246,858	3,533,029	0	0
Totals	\$ 39,266,547	\$ 5,260,345	\$ 1,172,806	\$ 1,726,881

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

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (9,843,934)	\$ 0	\$ (9,843,934)
(4,559,270)	0	(4,559,270)
(611,398)	0	(611,398)
(3,039,307)	0	(3,039,307)
(10,018,189)	0	(10,018,189)
(2,320,588)	0	(2,320,588)
<u>(30,392,686)</u>	<u>0</u>	<u>(30,392,686)</u>
0	(713,829)	(713,829)
0	(713,829)	(713,829)
<u>(30,392,686)</u>	<u>(713,829)</u>	<u>(31,106,515)</u>
1,944,826	0	1,944,826
1,881,376	0	1,881,376
33,605,111	0	33,605,111
1,086,938	0	1,086,938
679,449	0	679,449
24,479	0	24,479
1,109,052	0	1,109,052
(200,821)	200,821	0
<u>40,130,410</u>	<u>200,821</u>	<u>40,331,231</u>
9,737,724	(513,008)	9,224,716
<u>99,692,712</u>	<u>12,659,511</u>	<u>112,352,223</u>
<u>\$ 109,430,436</u>	<u>\$ 12,146,503</u>	<u>\$ 121,576,939</u>

CITY OF BLUE ASH, OHIO

**Balance Sheet
Governmental Funds
December 31, 2014**

	General	Street Construction, Maintenance and Repair	Summit Park
Assets:			
Cash and Cash Equivalents	\$ 40,950,407	\$ 902,959	\$ 14,283,446
Receivables:			
Taxes	8,817,570	0	0
Accounts	503,120	216	0
Intergovernmental	336,221	425,215	0
Interest	3,861	56	1,015
Interfund Loans Receivables	28,014	0	0
Inventory of Supplies, at Cost	15,688	316,578	0
Prepaid Items	81,105	180	0
Restricted Assets:			
Cash and Cash Equivalents	0	0	0
Total Assets	<u>\$ 50,735,986</u>	<u>\$ 1,645,204</u>	<u>\$ 14,284,461</u>
Liabilities:			
Accounts Payable	\$ 533,116	\$ 316,558	\$ 0
Accrued Wages and Benefits Payable	763,721	77,958	0
Intergovernmental Payable	258,164	470	0
Contracts Payable	0	0	2,030,945
Interfund Loans Payable	0	0	0
Total Liabilities	<u>1,555,001</u>	<u>394,986</u>	<u>2,030,945</u>
Deferred Inflows of Resources:			
Unavailable Amounts	3,458,298	216,980	0
Property Tax Levy for Next Fiscal Year	1,897,087	0	0
Total Deferred Inflows of Resources	<u>5,355,385</u>	<u>216,980</u>	<u>0</u>
Fund Balances:			
Nonspendable	96,793	316,758	0
Restricted	0	716,480	12,253,516
Assigned	1,890,470	0	0
Unassigned	41,838,337	0	0
Total Fund Balances	<u>43,825,600</u>	<u>1,033,238</u>	<u>12,253,516</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 50,735,986</u>	<u>\$ 1,645,204</u>	<u>\$ 14,284,461</u>

See accompanying notes to the basic financial statements

CITY OF BLUE ASH, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 1,607,105	\$ 57,743,917
2,037,308	10,854,878
126,448	629,784
138,933	900,369
90	5,022
0	28,014
33,449	365,715
6,740	88,025
<u>670,000</u>	<u>670,000</u>
<u>\$ 4,620,073</u>	<u>\$ 71,285,724</u>
\$ 136,058	\$ 985,732
94,623	936,302
9,595	268,229
0	2,030,945
<u>28,014</u>	<u>28,014</u>
<u>268,290</u>	<u>4,249,222</u>
190,829	3,866,107
<u>2,034,301</u>	<u>3,931,388</u>
<u>2,225,130</u>	<u>7,797,495</u>
40,189	453,740
2,117,035	15,087,031
0	1,890,470
<u>(30,571)</u>	<u>41,807,766</u>
<u>2,126,653</u>	<u>59,239,007</u>
<u>\$ 4,620,073</u>	<u>\$ 71,285,724</u>

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2014***

Total Governmental Fund Balances		\$	59,239,007
<i>Amounts reported for governmental activities in the statement of net position are different because</i>			
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.			113,238,841
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.			3,866,107
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	(61,099,408)		
Capital Lease Payable	(1,224,741)		
OPWC Loans	(2,554,141)		
Compensated Absences Payable	(1,468,433)		
Accrued Interest Payable	(566,796)		
			<u>(66,913,519)</u>
<i>Net Position of Governmental Activities</i>		\$	<u>109,430,436</u>

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, 2014**

	General	Street Construction, Maintenance and Repair	Summit Park
Revenues:			
Property Taxes	\$ 1,944,826	\$ 0	\$ 0
Municipal Income Tax	33,566,176	0	0
Other Local Taxes	1,086,938	0	0
Intergovernmental Revenues	692,788	747,652	147,750
Charges for Services	935,413	68,104	0
Licenses and Permits	553,898	0	0
Investment Earnings	20,869	71	2,911
Fines and Forfeitures	94,055	0	0
All Other Revenue	42,621	1,840	200
Total Revenue	38,937,584	817,667	150,861
Expenditures:			
Current:			
Security of Persons and Property	9,695,825	0	0
Leisure Time Activities	0	0	0
Community Development	1,034,206	0	0
Transportation	0	4,750,076	0
General Government	7,915,755	0	0
Capital Outlay	0	0	9,387,166
Debt Service:			
Principal Retirement	0	0	0
Interest & Fiscal Charges	0	0	91,575
Total Expenditures	18,645,786	4,750,076	9,478,741
Excess (Deficiency) of Revenues Over Expenditures	20,291,798	(3,932,409)	(9,327,880)
Other Financing Sources (Uses):			
Sale of Bonds	0	0	19,505,000
Premiums on Debt Issuance	0	0	0
Issuance of OPWC Loan	0	0	0
Transfers In	0	4,200,041	3,593,725
Transfers Out	(15,135,807)	0	0
Total Other Financing Sources (Uses)	(15,135,807)	4,200,041	23,098,725
Net Change in Fund Balances	5,155,991	267,632	13,770,845
Fund Balances (Deficits) at Beginning of Year	38,668,138	705,047	(1,517,329)
Increase in Inventory Reserve	1,471	60,559	0
Fund Balances End of Year	\$ 43,825,600	\$ 1,033,238	\$ 12,253,516

See accompanying notes to the basic financial statements

CITY OF BLUE ASH, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 1,904,423	\$ 3,849,249
0	33,566,176
0	1,086,938
539,948	2,128,138
1,000,445	2,003,962
0	553,898
628	24,479
19,741	113,796
279,721	324,382
<u>3,744,906</u>	<u>43,651,018</u>
348,550	10,044,375
4,421,432	4,421,432
0	1,034,206
100,000	4,850,076
935,067	8,850,822
836,198	10,223,364
2,860,784	2,860,784
2,252,615	2,344,190
<u>11,754,646</u>	<u>44,629,249</u>
(8,009,740)	(978,231)
0	19,505,000
394,876	394,876
503,742	503,742
7,494,287	15,288,053
(353,067)	(15,488,874)
<u>8,039,838</u>	<u>20,202,797</u>
30,098	19,224,566
2,082,200	39,938,056
14,355	76,385
<u>\$ 2,126,653</u>	<u>\$ 59,239,007</u>

CITY OF BLUE ASH, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2014***

Net Change in Fund Balances - Total Governmental Funds \$ 19,224,566

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Outlay	11,754,226	
Depreciation Expense	<u>(3,430,898)</u>	8,323,328

The statement of activities reports losses arising from the disposal of capital assets. (9,754)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (223,646)

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position.

General Obligation Bonds Issued	(19,505,000)	
Premium on General Obligation Bonds	(394,876)	
Issuance of OPWC Loans	<u>(503,742)</u>	(20,403,618)

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	2,469,817	
OPWC Loans Payment	252,641	
Capital Leases Principal Payment	138,326	
Amortization of Bond Premium	<u>44,385</u>	2,905,169

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (20,783)

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	(133,923)	
Change in Inventory	<u>76,385</u>	<u>(57,538)</u>

Change in Net Position of Governmental Activities \$ 9,737,724

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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 1,877,049	\$ 1,877,049	\$ 1,944,826	\$ 67,777
Municipal Income Tax	32,300,000	32,300,000	33,623,946	1,323,946
Other Local Taxes	950,000	950,000	1,075,874	125,874
Intergovernmental Revenue	758,640	761,140	819,040	57,900
Charges for Services	699,850	1,029,850	869,136	(160,714)
Licenses and Permits	435,500	435,500	553,908	118,408
Investment Earnings	10,000	10,000	17,582	7,582
Fines and Forfeitures	111,000	111,000	96,489	(14,511)
All Other Revenues	300	300	429	129
Total Revenues	<u>37,142,339</u>	<u>37,474,839</u>	<u>39,001,230</u>	<u>1,526,391</u>
Expenditures:				
Current:				
Security of Persons and Property	10,956,536	10,959,038	9,976,380	982,658
Community Development	1,780,071	1,780,071	1,688,474	91,597
General Government	9,286,513	9,576,511	8,656,895	919,616
Total Expenditures	<u>22,023,120</u>	<u>22,315,620</u>	<u>20,321,749</u>	<u>1,993,871</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,119,219	15,159,219	18,679,481	3,520,262
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	48,813	48,813
Transfers In	0	2,023	2,023	0
Transfers Out	(13,583,286)	(16,923,286)	(15,135,807)	1,787,479
Advances In	34,920	101,270	106,350	5,080
Advances Out	0	(43,970)	(43,970)	0
Total Other Financing Sources (Uses):	<u>(13,548,366)</u>	<u>(16,863,963)</u>	<u>(15,022,591)</u>	<u>1,841,372</u>
Net Change in Fund Balance	1,570,853	(1,704,744)	3,656,890	5,361,634
Fund Balance at Beginning of Year	34,790,310	34,790,310	34,790,310	0
Prior Year Encumbrances	881,179	881,179	881,179	0
Fund Balance at End of Year	<u>\$ 37,242,342</u>	<u>\$ 33,966,745</u>	<u>\$ 39,328,379</u>	<u>\$ 5,361,634</u>

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)
Special Revenue - Street Construction, Maintenance and Repair
For the Year Ended December 31, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenue	\$ 633,000	\$ 633,000	\$ 640,653	\$ 7,653
Charges for Services	222,000	69,000	69,329	329
Investment Earnings	50	50	20	(30)
All Other Revenues	1,550	1,550	1,856	306
Total Revenues	<u>856,600</u>	<u>703,600</u>	<u>711,858</u>	<u>8,258</u>
Expenditures:				
Current:				
Transportation	6,346,876	6,233,876	5,502,975	730,901
Total Expenditures	<u>6,346,876</u>	<u>6,233,876</u>	<u>5,502,975</u>	<u>730,901</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,490,276)	(5,530,276)	(4,791,117)	739,159
Other Financing Sources (Uses):				
Transfers In	4,899,200	4,939,200	4,200,041	(739,159)
Total Other Financing Sources (Uses):	<u>4,899,200</u>	<u>4,939,200</u>	<u>4,200,041</u>	<u>(739,159)</u>
Net Change in Fund Balance	(591,076)	(591,076)	(591,076)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	591,076	591,076	591,076	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

CITY OF BLUE ASH, OHIO

***Statement of Net Position
Proprietary Fund
December 31, 2014***

	Business-Type Activities Enterprise Fund Golf Course and Events Center
Assets:	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 291,236
Receivables:	
Accounts	1,201
Intergovernmental	368
Inventory of Supplies at Cost	91,475
Prepaid Items	2,573
<i>Total Current Assets</i>	<u>386,853</u>
<i>Non Current Assets:</i>	
Capital Assets:	
Capital Assets Not Being Depreciated	1,143,311
Capital Assets Being Depreciated, Net	11,008,020
Total Assets	<u>12,538,184</u>
Liabilities:	
<i>Current Liabilities:</i>	
Accounts Payable	73,239
Accrued Wages and Benefits	70,970
Intergovernmental Payable	11,594
Unearned Revenue	120,786
Compensated Absences - Current	31,075
<i>Total Current Liabilities</i>	<u>307,664</u>
<i>Long Term Liabilities:</i>	
Compensated Absences Payable	84,017
Total Liabilities	<u>391,681</u>
Net Position:	
Net Investment in Capital Assets	12,151,331
Unrestricted	(4,828)
Total Net Position	<u>\$ 12,146,503</u>

See accompanying notes to the basic financial statements

CITY OF BLUE ASH, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2014**

	Business-Type Activities <u>Enterprise Fund</u> Golf Course and Events Center
Operating Revenues:	
Charges for Services	\$ 3,325,718
Other Operating Revenue	<u>38</u>
Total Operating Revenues	<u>3,325,756</u>
Operating Expenses:	
Personal Services	1,455,532
Contractual Services	1,439,386
Materials and Supplies	554,983
Depreciation	<u>591,270</u>
Total Operating Expenses	<u>4,041,171</u>
Operating Loss	(715,415)
Nonoperating Revenue (Expenses):	
Loss on Disposal of Capital Assets	(2,464)
Other Nonoperating Revenue	207,273
Other Nonoperating Expense	<u>(203,223)</u>
Total Nonoperating Revenues (Expenses)	<u>1,586</u>
Loss Before Transfers	(713,829)
Transfers In	<u>200,821</u>
Change in Net Position	(513,008)
Net Position Beginning of Year	<u>12,659,511</u>
Net Position End of Year	<u>\$ 12,146,503</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, 2014**

	Business-Type Activities Enterprise Fund <u>Golf Course and Events Center</u>
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$3,374,029
Cash Payments for Goods and Services	(2,043,717)
Cash Payments to Employees	(1,436,707)
Other Operating Cash Receipts	38
Net Cash Used by Operating Activities	<u>(106,357)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>	
Transfers In from Other Funds	<u>200,821</u>
Net Cash Provided by Noncapital Financing Activities	<u>200,821</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Acquisition and Construction of Assets	<u>(50,727)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(50,727)</u>
Net Increase in Cash and Cash Equivalents	43,737
Cash and Cash Equivalents at Beginning of Year	<u>247,499</u>
Cash and Cash Equivalents at End of Year	<u>\$291,236</u>
<u>Reconciliation of Operating Loss to Net Cash</u>	
<u>Used by Operating Activities:</u>	
Operating Loss	(\$715,415)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	591,270
Miscellaneous Nonoperating Income	207,299
Miscellaneous Nonoperating Expense	(198,942)
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(1,079)
Increase in Inventory	(464)
Increase in Prepaid Items	(1)
Decrease in Accounts Payable	(50,211)
Increase in Accrued Wages and Benefits	10,438
Increase in Unearned Revenues	49,390
Decrease in Intergovernmental Payable	(7,226)
Increase in Compensated Absences	8,584
Total Adjustments	<u>609,058</u>
Net Cash Used by Operating Activities	<u>(\$106,357)</u>

See accompanying notes to the basic financial statements

CITY OF BLUE ASH, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2014***

	<u>Agency</u>
Assets:	
Cash and Cash Equivalents	\$ 50,681
Total Assets	<u>50,681</u>
Liabilities:	
Intergovernmental Payable	779
Due to Others	49,902
Total Liabilities	<u>\$ 50,681</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

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, 2014 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, 2014***

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.

Street Construction, Maintenance and Repair Fund – This fund is used to account for state-levied and controlled gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

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, 2014***

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, 2014***

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 and current liabilities, 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 all liabilities 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, 2014***

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, 2014 but which are not intended to finance 2015 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, 2014***

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 2014, 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, 2014***

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 2014.

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, 2014**

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 and the Street Construction, Maintenance and Repair Fund:

	<u>Net Change in Fund Balance</u>	
	<u>General Fund</u>	<u>Street Construction, Maintenance and Repair Fund</u>
GAAP Basis (as reported)	\$5,155,991	\$267,632
Increase (Decrease):		
Accrued Revenues at December 31, 2014 received during 2015	(4,305,387)	(208,507)
Accrued Revenues at December 31, 2013 received during 2014	4,267,846	102,698
Accrued Expenditures at December 31, 2014 paid during 2015	1,555,001	394,986
Accrued Expenditures at December 31, 2013 paid during 2014	(1,362,312)	(244,926)
2014 Prepays for 2015	(81,105)	(180)
2013 Prepays for 2014	75,493	180
Outstanding Encumbrances	<u>(1,648,637)</u>	<u>(902,959)</u>
Budget Basis	<u><u>\$3,656,890</u></u>	<u><u>(\$591,076)</u></u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

During fiscal year 2014, 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 2014. 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, 2014.

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, 2014, 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, 2014**

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	25
Machinery, Equipment, Furniture and Fixtures	5 - 10
Infrastructure	15 - 100

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

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 Lease	General Obligation Bond Retirement 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, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Position

Net position represents the difference between assets and liabilities. 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

The provision for pension costs are recorded when the related payroll is accrued and the obligation is incurred.

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.

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."

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Inflows of Resources

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. The governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. The governmental funds report unavailable amounts for delinquent 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.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 2 – 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	Street Construction, Maintenance and Repair	Summit Park	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid Items	\$81,105	\$180	\$0	\$6,740	\$88,025
Supplies Inventory	15,688	316,578	0	33,449	365,715
Total Nonspendable	<u>96,793</u>	<u>316,758</u>	<u>0</u>	<u>40,189</u>	<u>453,740</u>
Restricted:					
Transportation Projects	0	716,480	0	525,707	1,242,187
Debt Service	0	0	0	963,550	963,550
Law Enforcement	0	0	0	263,336	263,336
TIF Projects	0	0	0	274,288	274,288
Capital Improvements	0	0	12,253,516	90,154	12,343,670
Total Restricted	<u>0</u>	<u>716,480</u>	<u>12,253,516</u>	<u>2,117,035</u>	<u>15,087,031</u>
Assigned:					
Encumbrances	1,122,289	0	0	0	1,122,289
Projected Budgetary Deficit	768,181	0	0	0	768,181
Total Assigned	<u>1,890,470</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,890,470</u>
Unassigned	<u>41,838,337</u>	<u>0</u>	<u>0</u>	<u>(30,571)</u>	<u>41,807,766</u>
Total Fund Balances	<u>\$43,825,600</u>	<u>\$1,033,238</u>	<u>\$12,253,516</u>	<u>\$2,126,653</u>	<u>\$59,239,007</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 3 – 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	\$3,205,585
Charges for Services	143,970
Intergovernmental Revenue Receivable	<u>516,552</u>
	\$3,866,107

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	\$15,888
Decrease in Intergovernmental Revenue Receivable	(79,242)
Decrease in Charges for Services	<u>(160,292)</u>
	(\$223,646)

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equity - The fund deficit of \$1 in the OVI Task Force Fund (special revenue fund) arose from the recognition of liabilities under the modified accrual basis of accounting. Transfers are provided when cash is required, not when accruals occur.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

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, 2014**

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 \$57,618,659 and the bank balance was \$58,337,390. Federal depository insurance covered \$10,514,352 of the bank balance and \$47,823,038 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>\$47,823,038</u>
Total Balance	<u><u>\$47,823,038</u></u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)

B. Investments

The City's investments at December 31, 2014 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (In Years) less than 1</u>
STAR Ohio	\$1,137,175	AAAm ¹	\$1,137,175
Total Investments	<u>\$1,137,175</u>		<u>\$1,137,175</u>

¹ 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 2014.

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	\$58,755,834	\$0
STAR Ohio	<u>(1,137,175)</u>	<u>1,137,175</u>
Per GASB Statement No. 3	<u>\$57,618,659</u>	<u>\$1,137,175</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

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 2014 were levied after October 1, 2013 on assessed values as of January 1, 2013, 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, 2014 was \$3.08 per \$1,000 of assessed value. The assessed value upon which the 2014 levy was based was \$712,604,150. This amount constitutes \$690,198,660 in real property assessed value and \$22,405,490 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, 2014**

NOTE 7 - RECEIVABLES

Receivables at December 31, 2014 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 2014:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General Fund	\$0	\$15,135,807
Street Construction, Maintenance & Repair Fund	4,200,041	0
Summit Park Fund	3,593,725	0
Other Governmental Funds	<u>7,494,287</u>	<u>353,067</u>
Total Governmental Funds	<u>15,288,053</u>	<u>15,488,874</u>
Proprietary Funds:		
Golf Course Fund	<u>200,821</u>	<u>0</u>
Total All Funds	<u><u>\$15,488,874</u></u>	<u><u>\$15,488,874</u></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, 2014 are as follows:

<u>Fund</u>	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
General Fund	\$28,014	\$0
Other Governmental Funds	<u>0</u>	<u>28,014</u>
Totals	<u><u>\$28,014</u></u>	<u><u>\$28,014</u></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, 2014**

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2014:

Historical Cost:

Class	December 31, 2013	Additions	Deletions	December 31, 2014
<i>Capital assets not being depreciated:</i>				
Land	\$40,512,226	\$0	\$0	\$40,512,226
Construction in Progress	10,309,200	9,727,105	(3,566,755)	16,469,550
Subtotal	50,821,426	9,727,105	(3,566,755)	56,981,776
<i>Capital assets being depreciated:</i>				
Buildings	46,307,752	303,967	(27,974)	46,583,745
Improvements Other than Buildings	6,459,651	43,576	(17,478)	6,485,749
Infrastructure	27,372,293	4,210,277	0	31,582,570
Machinery and Equipment	13,050,362	1,036,056	(823,673)	13,262,745
Subtotal	93,190,058	5,593,876	(869,125)	97,914,809
Total Cost	\$144,011,484	\$15,320,981	(\$4,435,880)	\$154,896,585

Accumulated Depreciation:

Class	December 31, 2013	Additions	Deletions	December 31, 2014
Buildings	(\$17,273,641)	(\$1,727,319)	\$27,975	(\$18,972,985)
Improvements Other than Buildings	(4,943,775)	(173,865)	11,885	(5,105,755)
Infrastructure	(8,064,115)	(719,779)	0	(8,783,894)
Machinery and Equipment	(8,804,686)	(809,935)	819,511	(8,795,110)
Total Depreciation	(\$39,086,217)	(\$3,430,898)	\$859,371	(\$41,657,744)
<i>Net Value:</i>	\$104,925,267			\$113,238,841

* Depreciation expenses were charged to governmental functions as follows:

Leisure Time Activities	\$1,134,168
Transportation	974,978
General Government	1,321,752
Total Depreciation Expense	\$3,430,898

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 9 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2014:

Historical Cost:

Class	December 31, 2013	Additions	Deletions	December 31, 2014
Capital assets not being depreciated:				
Land	\$1,124,764	\$0	\$0	\$1,124,764
Construction in Progress	8,500	18,547	(8,500)	18,547
Subtotal	1,133,264	18,547	(8,500)	1,143,311
Capital assets being depreciated:				
Buildings	9,674,974	8,500	0	9,683,474
Improvements Other than Buildings	3,777,000	0	(15,750)	3,761,250
Machinery and Equipment	1,349,460	29,686	(7,596)	1,371,550
Subtotal	14,801,434	38,186	(23,346)	14,816,274
Total Cost	\$15,934,698	\$56,733	(\$31,846)	\$15,959,585

Accumulated Depreciation:

Class	December 31, 2013	Additions	Deletions	December 31, 2014
Buildings	(\$676,557)	(\$375,820)	\$0	(\$1,052,377)
Improvements Other than Buildings	(1,517,983)	(113,301)	13,286	(1,617,998)
Machinery and Equipment	(1,043,326)	(102,149)	7,596	(1,137,879)
Total Depreciation	(\$3,237,866)	(\$591,270)	\$20,882	(\$3,808,254)
Net Value:	\$12,696,832			\$12,151,331

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 10 – DEFINED BENEFIT PENSION PLANS

All of the City’s full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

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

The following information was provided by OPERS to assist the City in complying with GASB Statement No. 27, “*Accounting for Pensions by State and Local Government Employers.*”

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by OPERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, 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.

The ORC provides statutory authority for employee and employer contributions. For 2014, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2014 employer contribution rate for local government employer units was 14.00% of covered payroll, which is the maximum contribution rate set by State statutes. Employer contribution rates are actuarially determined. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits. The portion of employer contributions allocated to pension obligations for members in the Traditional and Combined Plans was 12.0% for calendar year 2014. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City’s contributions for pension obligations to OPERS for the years ending December 31, 2014, 2013, and 2012 were \$900,603, \$923,087 and \$712,976, respectively, which were equal to the required contributions for each year.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

All City full-time police officers and full-time firefighters participate in OP&F, a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the ORC. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements 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, by calling (614) 228-2975, or by visiting www.op-f.org.

From January 1, 2014 through July 1, 2014, plan members were required to contribute 10.75% of their annual covered salary. From July 2, 2014 through December 31, 2014, plan members were required to contribute 11.5% of their annual covered salary. Throughout 2014, employers were required to contribute 19.5% and 24.0% respectively for police officers and firefighters. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2014, 19.0% of annual covered salary for police and 23.5% of annual covered salary for firefighters, respectively, were the portions used to fund pension obligations. The City’s contributions for pension obligations to the OP&F Fund for the years ending December 31, 2014, 2013, and 2012 were \$586,328, \$511,517 and \$398,020 for police officers and \$504,702, \$450,157 and \$368,690 for firefighters, respectively, which were equal to the required contributions for each year.

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.

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

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

The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. OPERS’ eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 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/investments/cafr.shtml>, 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 2014, 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.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional and Combined Plans was 2.0% for calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to healthcare remains at 2% for both plans, as recommended by the OPERS actuary. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree 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 OPERS for the years ending December 31, 2014, 2013, and 2012 were \$150,101, \$71,007 and \$285,190, respectively, which were equal to the required contributions for each year.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

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.

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.

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 2014, 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, 2014, 2013, and 2012 were \$15,430, \$112,013 and \$210,717 for police and \$10,515, \$75,494 and \$154,957 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, 2014**

NOTE 12 - LONG-TERM OBLIGATIONS

Detail of the changes in the long-term obligations of the City for the year ended December 31, 2014 is as follows:

		Balance December 31, 2013	Issued	(Retired)	Balance December 31, 2014	Amount Due Within One Year
Governmental Activities:						
General Obligation Bonds:						
3.00- 3.85% Reed Hartmann Highway Improvement Bonds (\$3,700,000)	2005	\$740,000	\$0	(\$370,000)	\$370,000	\$370,000
5.00% Carver Road Tax Increment Financing Bonds (\$9,790,000)	2006	8,785,000	0	(230,000)	8,555,000	240,000
4.00% Recreation Center Construction Bonds (\$9,975,000)	2007	6,400,000	0	(715,000)	5,685,000	715,000
5.0% Real Estate Acquisition Bonds (\$18,913,325)	2007	17,203,657	0	(139,817)	17,063,840	146,808
2.00 - 4.00% Golf Clubhouse Construction Bonds (\$9,775,000)	2010	7,105,000	0	(890,000)	6,215,000	890,000
Premium on Golf Clubhouse Bonds		355,077	0	(44,385)	310,692	0
1.00 - 4.00% Osborne/Access Road Bonds (\$3,125,000)	2011	3,125,000	0	(125,000)	3,000,000	150,000
1.00 - 3.00% Summit Park Phase I Bonds (\$9,705,000)	2014	0	9,705,000	0	9,705,000	905,000
Premium on Summit Park Phase I Bonds		0	199,142	0	199,142	0
2.00 - 3.50% Summit Park Phase II Bonds (\$9,800,000)	2014	0	9,800,000	0	9,800,000	570,000
Premium on Summit Park Phase II Bonds		0	195,734	0	195,734	0
Total General Obligation Bonds		<u>43,713,734</u>	<u>19,899,876</u>	<u>(2,514,202)</u>	<u>61,099,408</u>	<u>3,986,808</u>
0.0% OPWC Loan (\$1,445,000)	2008	794,750	0	(144,500)	650,250	144,500
0.0% OPWC Loan (\$1,027,339)	2009	702,916	0	(108,141)	594,775	108,141
0.0% OPWC Loan (\$1,309,116)	2013	805,374	503,742	0	1,309,116	65,456
Total OPWC Loans		<u>2,303,040</u>	<u>503,742</u>	<u>(252,641)</u>	<u>2,554,141</u>	<u>318,097</u>
Capital Lease (\$1,500,000)	2012	1,363,067	0	(138,326)	1,224,741	141,439
Compensated Absences		1,334,510	1,468,433	(1,334,510)	1,468,433	396,477
Total Governmental Activities		<u>\$48,714,351</u>	<u>\$21,872,051</u>	<u>(\$4,239,679)</u>	<u>\$66,346,723</u>	<u>\$4,842,821</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 12 - LONG-TERM OBLIGATIONS (Continued)

	Balance December 31, 2013	Additions	(Reductions)	Balance December 31, 2014	Due Within One Year
Business-Type Activities					
Compensated Absences	\$106,508	\$115,092	(\$106,508)	\$115,092	\$31,075
Total Business-Type Activities	<u>\$106,508</u>	<u>\$115,092</u>	<u>(\$106,508)</u>	<u>\$115,092</u>	<u>\$31,075</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, 2014 was \$74,823,436.

A. Principal and Interest Requirements

Principal and interest requirements to retire long-term debt outstanding at December 31, 2014 are as follows:

Years	General Obligation Bonds		OPWC Loans	
	Principal	Interest	Principal	Interest
2015	\$3,986,808	\$2,256,269	\$318,097	\$0
2016	3,639,148	2,155,662	383,553	0
2017	3,931,856	2,055,916	383,553	0
2018	3,997,449	1,928,712	383,553	0
2019	4,049,071	1,798,826	311,303	0
2020-2024	17,314,481	7,105,384	708,630	0
2025-2029	10,950,465	4,595,222	65,452	0
2030-2034	9,100,444	2,221,611	0	0
2035-2036	3,424,118	242,634	0	0
Totals	<u>\$60,393,840</u>	<u>\$24,360,236</u>	<u>\$2,554,141</u>	<u>\$0</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

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, 2014, there was one Industrial Revenue Bonds 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, 2014**

NOTE 13 - CAPITAL LEASES

The City entered into a capital lease agreement with Fifth Third Bank in 2012 to finance energy saving facility improvements. The cost of the equipment obtained under the lease agreements (\$1,500,000) in the Governmental Activities is capitalized as machinery and equipment. The liability for this lease is 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, 2014:

<u>Year Ending December 31,</u>	<u>Capital Leases</u>
2015	\$168,995
2016	168,995
2017	168,995
2018	168,995
2019	168,995
2020-2022	<u>506,985</u>
Minimum Lease Payments	1,351,960
Less amount representing interest at the at the City's incremental borrow rate	<u>(127,219)</u>
Present value of minimum lease payments	<u><u>\$1,224,741</u></u>

NOTE 14 - NOTE PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to, and payable no later than, those principal maturities required if the bonds had been issued at the expiration of the initial five year period. Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes, or from available funds of the City or a combination of these sources.

<u>General Obligation Note:</u>	<u>Balance December 31, 2013</u>	<u>Issued</u>	<u>(Retired)</u>	<u>Balance December 31, 2014</u>
Summit Park Fund:				
1.00% Summit Park Note	<u>\$9,900,000</u>	<u>\$0</u>	<u>(\$9,900,000)</u>	<u>\$0</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 15 - 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, 2014, 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:

General/Automobile Liability	\$10,000,000	per occurrence
Public Officials Liability	10,000,000	per occurrence
Property	1,000,000,000	per occurrence
Boiler and Machinery	100,000,000	per occurrence
Flood (Property in Zone A &B)	25,000,000	aggregate
Earthquake (Property)	25,000,000	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, 2014**

NOTE 15 - 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 16 - CONSTRUCTION COMMITMENTS

As of December 31, 2014, the City had the following commitments with respect to capital projects:

Project	Remaining Construction Commitment	Expected Date of Completion
Summit Park	\$6,518,382	Phase II - Spring 2016
Downtown Streetscaping	373,129	Final Phase 2019
Creek Road Sidewalk	195,482	Summer 2015
Kenwood/Donjoy Culvert Repair	192,580	Summer 2015
Total	\$7,279,573	

NOTE 17 - 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, 2014 to December 31, 2014, 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, 2014**

NOTE 18 – SIGNIFICANT ENCUMBRANCES

At December 31, 2014 the City had the following significant encumbrances outstanding:

Fund	Total Encumbrances	Significant Encumbrances	Explanation
Major Funds:			
General Fund	\$ 1,648,641	\$ 323,129	Downtown Streetscape
		300,000	New Tenant Improvements & Allowances at Summit Park
		81,561	General Legal Services
		94,567	Solid Waste Collection & Recycling
Street Construction, Maintenance and Repair Fund	902,959	195,482	Creek Road Sidewalk Project
		192,580	Kenwood/Donjoy Culvert Repair
		141,146	Annual Street Paving Program
		50,000	Annual Crack & Seal Program
Summit Park Fund	7,178,964	1,067,312	Summit Park Construction - Community Building - General
		680,753	Summit Park Construction - Construction Management
		651,123	Summit Park Construction - Community Building - Masonry
		611,121	Summit Park Construction - Community Building - Steel
Other Governmental Funds	200,826	17,045	Basball Field Artificial Turf
		23,000	December Gas/Electric Estimate

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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.

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.

Law Enforcement Assistance Fund

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

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.

(Continued)

Special Revenue Funds

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 Funds

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

General Obligation Bond Retirement Fund

To account for payments of principal and interest on the City's general obligation bonds.

Tax Increment Financing (TIF) Carver Road Bond Retirement Fund

To account for payments of principal and interest on the City's tax increment financing bonds issued in 2006. Revenues for this purpose include payments in lieu of taxes and investment income.

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

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.

Plainfield Bikepath Construction Fund

To account for financial resources used to improve connectivity with the construction of a bike path between Cooper Road and Glendale-Milford Road.

Carver Road Fund

To account for financial resources used to rehabilitate Carver Road.

Reed Hartman Improvement Fund

To account for financial resources used to construct a connector road from Reed Hartman Highway to Osborne Boulevard.

Cooper Road Sidewalk Construction Fund

To account for financial resources used to construct sidewalks along Cooper Road.

CITY OF BLUE ASH, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 1,223,444	\$ 293,507	\$ 90,154	\$ 1,607,105
Receivables:				
Taxes	491,440	1,545,868	0	2,037,308
Accounts	126,448	0	0	126,448
Intergovernmental	136,145	2,788	0	138,933
Interest	47	43	0	90
Inventory of Supplies, at Cost	33,449	0	0	33,449
Prepaid Items	6,740	0	0	6,740
Restricted Assets:				
Cash and Cash Equivalents	0	670,000	0	670,000
Total Assets	\$ 2,017,713	\$ 2,512,206	\$ 90,154	\$ 4,620,073
Liabilities:				
Accounts Payable	\$ 136,058	\$ 0	\$ 0	\$ 136,058
Accrued Wages and Benefits Payable	94,623	0	0	94,623
Intergovernmental Payable	9,595	0	0	9,595
Interfund Loans Payable	28,014	0	0	28,014
Total Liabilities	268,290	0	0	268,290
Deferred Inflows of Resources:				
Unavailable Amounts	185,034	5,795	0	190,829
Property Tax Levy for Next Fiscal Year	491,440	1,542,861	0	2,034,301
Total Deferred Inflows of Resources	676,474	1,548,656	0	2,225,130
Fund Balances:				
Nonspendable	40,189	0	0	40,189
Restricted	1,063,331	963,550	90,154	2,117,035
Unassigned	(30,571)	0	0	(30,571)
Total Fund Balances	1,072,949	963,550	90,154	2,126,653
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,017,713	\$ 2,512,206	\$ 90,154	\$ 4,620,073

CITY OF BLUE ASH, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property Taxes	\$ 363,411	\$ 1,541,012	\$ 0	\$ 1,904,423
Intergovernmental Revenues	465,902	25,777	48,269	539,948
Charges for Services	1,000,445	0	0	1,000,445
Investment Earnings	262	366	0	628
Fines and Forfeitures	19,741	0	0	19,741
All Other Revenue	279,721	0	0	279,721
Total Revenue	2,129,482	1,567,155	48,269	3,744,906
Expenditures:				
Current:				
Security of Persons and Property	348,550	0	0	348,550
Leisure Time Activities	4,421,432	0	0	4,421,432
Transportation	100,000	0	0	100,000
General Government	237,753	697,314	0	935,067
Capital Outlay	0	0	836,198	836,198
Debt Service:				
Principal Retirement	0	2,860,784	0	2,860,784
Interest & Fiscal Charges	0	2,252,615	0	2,252,615
Total Expenditures	5,107,735	5,810,713	836,198	11,754,646
Excess (Deficiency) of Revenues Over Expenditures	(2,978,253)	(4,243,558)	(787,929)	(8,009,740)
Other Financing Sources (Uses):				
Premiums on Debt Issuances	0	394,876	0	394,876
Issuance of OPWC Loans	0	0	503,742	503,742
Transfers In	3,212,747	4,151,540	130,000	7,494,287
Transfers Out	(31,685)	(212,000)	(109,382)	(353,067)
Total Other Financing Sources (Uses)	3,181,062	4,334,416	524,360	8,039,838
Net Change in Fund Balance	202,809	90,858	(263,569)	30,098
Fund Balances at Beginning of Year	855,785	872,692	353,723	2,082,200
Increase in Inventory Reserve	14,355	0	0	14,355
Fund Balances End of Year	\$ 1,072,949	\$ 963,550	\$ 90,154	\$ 2,126,653

CITY OF BLUE ASH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014**

	Municipal Motor Vehicle License Tax Fund	State Highway Fund	Park and Recreation Fund	Plainfield Road TIF Fund
Assets:				
Cash and Cash Equivalents	\$ 156,474	\$ 339,222	\$ 185,477	\$ 267,263
Receivables:				
Taxes	0	0	0	320,438
Accounts	0	0	126,448	0
Intergovernmental	63,564	26,328	106	0
Interest	15	32	0	0
Inventory of Supplies, at Cost	0	0	33,449	0
Prepaid Items	0	0	3,306	0
Total Assets	<u>\$ 220,053</u>	<u>\$ 365,582</u>	<u>\$ 348,786</u>	<u>\$ 587,701</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 122,178	\$ 0
Accrued Wages and Benefits Payable	0	0	94,623	0
Intergovernmental Payable	0	0	694	0
Interfund Loans Payable	0	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>217,495</u>	<u>0</u>
Deferred Inflows of Resources:				
Unavailable Amounts	42,376	17,552	125,106	0
Property Tax Levy for Next Fiscal Year	0	0	0	320,438
Total Deferred Inflows of Resources:	<u>42,376</u>	<u>17,552</u>	<u>125,106</u>	<u>320,438</u>
Fund Balances:				
Nonspendable	0	0	36,755	0
Restricted	177,677	348,030	0	267,263
Unassigned	0	0	(30,570)	0
Total Fund Balances	<u>177,677</u>	<u>348,030</u>	<u>6,185</u>	<u>267,263</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 220,053</u>	<u>\$ 365,582</u>	<u>\$ 348,786</u>	<u>\$ 587,701</u>

CITY OF BLUE ASH, OHIO

Osborne Area Improvement TIF Fund	Forest TIF Fund	Shell TIF Fund	Law Enforcement Assistance Fund	Federal Law Enforcement Fund	State Law Enforcement Fund
\$ 4,163	\$ 0	\$ 2,862	\$ 1,375	\$ 145,900	\$ 44,052
12,456	148,428	10,118	0	0	0
0	0	0	0	0	0
0	0	0	2,800	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	3,434	0
<u>\$ 16,619</u>	<u>\$ 148,428</u>	<u>\$ 12,980</u>	<u>\$ 4,175</u>	<u>\$ 149,334</u>	<u>\$ 44,052</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,690	\$ 1,444
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,690</u>	<u>1,444</u>
0	0	0	0	0	0
12,456	148,428	10,118	0	0	0
<u>12,456</u>	<u>148,428</u>	<u>10,118</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	3,434	0
4,163	0	2,862	4,175	144,210	42,608
0	0	0	0	0	0
<u>4,163</u>	<u>0</u>	<u>2,862</u>	<u>4,175</u>	<u>147,644</u>	<u>42,608</u>
<u>\$ 16,619</u>	<u>\$ 148,428</u>	<u>\$ 12,980</u>	<u>\$ 4,175</u>	<u>\$ 149,334</u>	<u>\$ 44,052</u>

(Continued)

CITY OF BLUE ASH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014**

	OVI Task Force Fund	Drug Law Enforcement Fund	Education Enforcement (DUI) Fund	Law Enforcement Liaison Fund
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 59,970	\$ 16,686	\$ 0
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	32,571	0	85	10,691
Interest	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	<u>\$ 32,571</u>	<u>\$ 59,970</u>	<u>\$ 16,771</u>	<u>\$ 10,691</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 4,398	\$ 6,348
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	8,901	0	0	0
Interfund Loans Payable	23,671	0	0	4,343
Total Liabilities	<u>32,572</u>	<u>0</u>	<u>4,398</u>	<u>10,691</u>
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	0	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	0	59,970	12,373	0
Unassigned	(1)	0	0	0
Total Fund Balances	<u>(1)</u>	<u>59,970</u>	<u>12,373</u>	<u>0</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 32,571</u>	<u>\$ 59,970</u>	<u>\$ 16,771</u>	<u>\$ 10,691</u>

CITY OF BLUE ASH, OHIO

Total Nonmajor
Special Revenue
Funds

\$ 1,223,444

491,440

126,448

136,145

47

33,449

6,740

\$ 2,017,713

\$ 136,058

94,623

9,595

28,014

268,290

185,034

491,440

676,474

40,189

1,063,331

(30,571)

1,072,949

\$ 2,017,713

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, 2014**

	Municipal Motor Vehicle License Tax Fund	State Highway Fund	Park and Recreation Fund	Plainfield Road TIF Fund
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 342,273
Intergovernmental Revenues	114,738	51,865	0	0
Charges for Services	0	0	1,000,445	0
Investment Earnings	99	163	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	0	279,721	0
Total Revenue	<u>114,837</u>	<u>52,028</u>	<u>1,280,166</u>	<u>342,273</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Leisure Time Activities	0	0	4,421,432	0
Transportation	100,000	0	0	0
General Government	0	0	0	223,640
Total Expenditures	<u>100,000</u>	<u>0</u>	<u>4,421,432</u>	<u>223,640</u>
Excess (Deficiency) of Revenues Over Expenditures	14,837	52,028	(3,141,266)	118,633
Other Financing Sources (Uses):				
Transfers In	0	0	3,181,062	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>3,181,062</u>	<u>0</u>
Net Change in Fund Balance	14,837	52,028	39,796	118,633
Fund Balances at Beginning of Year	162,840	296,002	(47,966)	148,630
Increase in Inventory Reserve	0	0	14,355	0
Fund Balances End of Year	<u>\$ 177,677</u>	<u>\$ 348,030</u>	<u>\$ 6,185</u>	<u>\$ 267,263</u>

CITY OF BLUE ASH, OHIO

Osborne Area Improvement TIF Fund	Shell TIF Fund	Law Enforcement Assistance Fund	Federal Law Enforcement Fund	State Law Enforcement Fund	OVI Task Force Fund
\$ 11,982	\$ 9,156	\$ 0	\$ 0	\$ 0	\$ 0
0	0	2,800	0	0	207,174
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	18,111	0
0	0	0	0	0	0
<u>11,982</u>	<u>9,156</u>	<u>2,800</u>	<u>0</u>	<u>18,111</u>	<u>207,174</u>
0	0	3,974	50,160	7,188	196,452
0	0	0	0	0	0
0	0	0	0	0	0
7,819	6,294	0	0	0	0
<u>7,819</u>	<u>6,294</u>	<u>3,974</u>	<u>50,160</u>	<u>7,188</u>	<u>196,452</u>
4,163	2,862	(1,174)	(50,160)	10,923	10,722
0	0	0	0	31,685	0
0	0	0	(31,685)	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>(31,685)</u>	<u>31,685</u>	<u>0</u>
4,163	2,862	(1,174)	(81,845)	42,608	10,722
0	0	5,349	229,489	0	(10,723)
0	0	0	0	0	0
<u>\$ 4,163</u>	<u>\$ 2,862</u>	<u>\$ 4,175</u>	<u>\$ 147,644</u>	<u>\$ 42,608</u>	<u>\$ (1)</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, 2014***

	Drug Law Enforcement Fund	Education Enforcement (DUI) Fund	Law Enforcement Liaison Fund	Total Nonmajor Special Revenue Funds
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 363,411
Intergovernmental Revenues	0	0	89,325	465,902
Charges for Services	0	0	0	1,000,445
Investment Earnings	0	0	0	262
Fines and Forfeitures	795	835	0	19,741
All Other Revenue	0	0	0	279,721
Total Revenue	<u>795</u>	<u>835</u>	<u>89,325</u>	<u>2,129,482</u>
Expenditures:				
Current:				
Security of Persons and Property	3,787	4,398	82,591	348,550
Leisure Time Activities	0	0	0	4,421,432
Transportation	0	0	0	100,000
General Government	0	0	0	237,753
Total Expenditures	<u>3,787</u>	<u>4,398</u>	<u>82,591</u>	<u>5,107,735</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,992)	(3,563)	6,734	(2,978,253)
Other Financing Sources (Uses):				
Transfers In	0	0	0	3,212,747
Transfers Out	0	0	0	(31,685)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,181,062</u>
Net Change in Fund Balance	(2,992)	(3,563)	6,734	202,809
Fund Balances at Beginning of Year	62,962	15,936	(6,734)	855,785
Increase in Inventory Reserve	0	0	0	14,355
Fund Balances End of Year	<u>\$ 59,970</u>	<u>\$ 12,373</u>	<u>\$ 0</u>	<u>\$ 1,072,949</u>

CITY OF BLUE ASH, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2014**

	General Obligation Bond Retirement Fund	TIF Carver Road Bond Retirement Fund	TIF Reed Hartman Highway Fund	Total Nonmajor Debt Service Funds
Assets:				
Cash and Cash Equivalents	\$ 48,588	\$ 244,398	\$ 521	\$ 293,507
Receivables:				
Taxes	79,916	1,164,990	300,962	1,545,868
Intergovernmental	2,788	0	0	2,788
Interest	5	38	0	43
Restricted Assets:				
Cash and Cash Equivalents	0	670,000	0	670,000
Total Assets	<u>\$ 131,297</u>	<u>\$ 2,079,426</u>	<u>\$ 301,483</u>	<u>\$ 2,512,206</u>
Deferred Inflows of Resources:				
Unavailable Amounts	\$ 5,795	\$ 0	\$ 0	\$ 5,795
Property Tax Levy for Next Fiscal Year	76,909	1,164,990	300,962	1,542,861
Total Deferred Inflows of Resources	<u>82,704</u>	<u>1,164,990</u>	<u>300,962</u>	<u>1,548,656</u>
Fund Balances:				
Restricted	48,593	914,436	521	963,550
Total Fund Balances	<u>48,593</u>	<u>914,436</u>	<u>521</u>	<u>963,550</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 131,297</u>	<u>\$ 2,079,426</u>	<u>\$ 301,483</u>	<u>\$ 2,512,206</u>

CITY OF BLUE ASH, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2014**

	General Obligation Bond Retirement Fund	TIF Carver Road Bond Retirement Fund	TIF Reed Hartman Highway Fund	Total Nonmajor Debt Service Funds
Revenues:				
Property Taxes	\$ 78,845	\$ 1,167,434	\$ 294,733	\$ 1,541,012
Intergovernmental Revenues	25,777	0	0	25,777
Investment Earnings	14	352	0	366
Total Revenue	<u>104,636</u>	<u>1,167,786</u>	<u>294,733</u>	<u>1,567,155</u>
Expenditures:				
Current:				
General Government	0	504,973	192,341	697,314
Debt Service:				
Principal Retirement	2,630,784	230,000	0	2,860,784
Interest & Fiscal Charges	1,813,365	439,250	0	2,252,615
Total Expenditures	<u>4,444,149</u>	<u>1,174,223</u>	<u>192,341</u>	<u>5,810,713</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,339,513)	(6,437)	102,392	(4,243,558)
Other Financing Sources (Uses):				
Premiums on Debt Issuances	394,876	0	0	394,876
Transfers In	4,042,158	0	109,382	4,151,540
Transfers Out	0	0	(212,000)	(212,000)
Total Other Financing Sources (Uses)	<u>4,437,034</u>	<u>0</u>	<u>(102,618)</u>	<u>4,334,416</u>
Net Change in Fund Balance	97,521	(6,437)	(226)	90,858
Fund Balances at Beginning of Year	<u>(48,928)</u>	<u>920,873</u>	<u>747</u>	<u>872,692</u>
Fund Balances End of Year	<u>\$ 48,593</u>	<u>\$ 914,436</u>	<u>\$ 521</u>	<u>\$ 963,550</u>

CITY OF BLUE ASH, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2014**

	Plainfield Bikepath Construction Fund	Carver Road Fund	Cooper Road Sidewalk Construction Fund	Total Nonmajor Capital Projects Funds
Assets:				
Cash and Cash Equivalents	\$ 39,793	\$ 14,225	\$ 36,136	\$ 90,154
Total Assets	<u>\$ 39,793</u>	<u>\$ 14,225</u>	<u>\$ 36,136</u>	<u>\$ 90,154</u>
Liabilities:				
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances:				
Restricted	39,793	14,225	36,136	90,154
Total Fund Balances	<u>39,793</u>	<u>14,225</u>	<u>36,136</u>	<u>90,154</u>
Total Liabilities and Fund Balances	<u>\$ 39,793</u>	<u>\$ 14,225</u>	<u>\$ 36,136</u>	<u>\$ 90,154</u>

CITY OF BLUE ASH, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2014**

	Plainfield Bikepath Construction Fund	Carver Road Fund	Reed Hartman Improvement Fund
Revenues:			
Intergovernmental Revenues	\$ 0	\$ 0	\$ 0
Total Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Capital Outlay	38,898	692,474	0
Total Expenditures	<u>38,898</u>	<u>692,474</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(38,898)	(692,474)	0
Other Financing Sources (Uses):			
Issuance of OPWC Loans	0	503,742	0
Transfers In	0	50,000	0
Transfers Out	0	0	(109,382)
Total Other Financing Sources (Uses)	<u>0</u>	<u>553,742</u>	<u>(109,382)</u>
Net Change in Fund Balance	(38,898)	(138,732)	(109,382)
Fund Balances at Beginning of Year	78,691	152,957	109,382
Fund Balances End of Year	<u>\$ 39,793</u>	<u>\$ 14,225</u>	<u>\$ 0</u>

CITY OF BLUE ASH, OHIO

Cooper Road Sidewalk Construction Fund	Total Nonmajor Capital Project Funds
\$ 48,269	48,269
<u>48,269</u>	<u>48,269</u>
104,826	836,198
<u>104,826</u>	<u>836,198</u>
(56,557)	(787,929)
0	503,742
80,000	130,000
0	(109,382)
<u>80,000</u>	<u>524,360</u>
23,443	(263,569)
12,693	353,723
<u>\$ 36,136</u>	<u>\$ 90,154</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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 1,877,049	\$ 1,877,049	\$ 1,944,826	\$ 67,777
Municipal Income Taxes	32,300,000	32,300,000	33,623,946	1,323,946
Other Local Taxes	950,000	950,000	1,075,874	125,874
Intergovernmental Revenues	758,640	761,140	819,040	57,900
Charges for Services	699,850	1,029,850	869,136	(160,714)
Licenses and Permits	435,500	435,500	553,908	118,408
Investment Earnings	10,000	10,000	17,582	7,582
Fines and Forfeitures	111,000	111,000	96,489	(14,511)
All Other Revenues	300	300	429	129
Total Revenues	<u>37,142,339</u>	<u>37,474,839</u>	<u>39,001,230</u>	<u>1,526,391</u>
Expenditures:				
Security of Persons and Property:				
Police Division:				
Personal Services	5,442,000	5,442,000	5,058,154	383,846
Materials and Supplies	188,695	188,695	157,340	31,355
Contractual Services	413,783	439,283	396,586	42,697
Capital Outlay	365,048	339,548	243,671	95,877
Total Police Division	<u>6,409,526</u>	<u>6,409,526</u>	<u>5,855,751</u>	<u>553,775</u>
Fire Division:				
Personal Services	3,842,000	3,842,000	3,471,853	370,147
Materials and Supplies	120,769	120,769	117,166	3,603
Contractual Services	368,293	368,295	313,456	54,839
Capital Outlay	215,948	218,448	218,154	294
Total Fire Division	<u>4,547,010</u>	<u>4,549,512</u>	<u>4,120,629</u>	<u>428,883</u>
Total Security of Persons and Property	<u>10,956,536</u>	<u>10,959,038</u>	<u>9,976,380</u>	<u>982,658</u>
Community Development:				
Building Division:				
Personal Services	476,000	476,000	443,529	32,471
Materials and Supplies	1,782	1,782	1,670	112
Contractual Services	674,270	674,270	645,752	28,518
Capital Outlay	628,019	628,019	597,523	30,496
Total Community Development	<u>1,780,071</u>	<u>1,780,071</u>	<u>1,688,474</u>	<u>91,597</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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
General Government:				
Legislative Services:				
Personal Services	136,700	136,700	123,281	13,419
Materials and Supplies	500	500	152	348
Contractual Services	523,031	673,031	652,026	21,005
Total Legislative Services	<u>660,231</u>	<u>810,231</u>	<u>775,459</u>	<u>34,772</u>
Judicial Services:				
Personal Services	116,300	116,300	102,473	13,827
Materials and Supplies	577	577	554	23
Contractual Services	14,200	14,200	6,348	7,852
Total Judicial Services	<u>131,077</u>	<u>131,077</u>	<u>109,375</u>	<u>21,702</u>
Tax and Finance Divisions:				
Personal Services	573,500	573,500	551,952	21,548
Materials and Supplies	4,171	4,171	2,804	1,367
Contractual Services	112,768	112,768	87,903	24,865
Capital Outlay	1,000	1,000	1,000	0
Total Tax and Finance Divisions	<u>691,439</u>	<u>691,439</u>	<u>643,659</u>	<u>47,780</u>
Administrative Services Division:				
Personal Services	1,083,000	1,083,000	1,040,968	42,032
Materials and Supplies	9,258	9,258	4,582	4,676
Contractual Services	40,891	40,890	32,318	8,572
Capital Outlay	72,000	72,000	37,788	34,212
Total Administrative Services Division	<u>1,205,149</u>	<u>1,205,148</u>	<u>1,115,656</u>	<u>89,492</u>
Facilities Maintenance Division:				
Personal Services	1,229,000	1,229,000	1,213,102	15,898
Materials and Supplies	302,059	347,059	341,769	5,290
Contractual Services	552,034	552,034	513,002	39,032
Capital Outlay	309,249	264,248	227,769	36,479
Total Facilities Maintenance Division	<u>2,392,342</u>	<u>2,392,341</u>	<u>2,295,642</u>	<u>96,699</u>
Insurance Services Division:				
Contractual Services	324,564	324,564	293,896	30,668
Total Insurance Services Division	<u>324,564</u>	<u>324,564</u>	<u>293,896</u>	<u>30,668</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, 2014***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
General Government Services:				
Personal Services	566,038	566,038	465,158	100,880
Materials and Supplies	47,384	47,384	38,323	9,061
Contractual Services	2,427,117	2,567,117	2,272,030	295,087
Capital Outlay	841,172	841,172	647,697	193,475
Total General Government Services	<u>3,881,711</u>	<u>4,021,711</u>	<u>3,423,208</u>	<u>598,503</u>
Total General Government	<u>9,286,513</u>	<u>9,576,511</u>	<u>8,656,895</u>	<u>919,616</u>
Total Expenditures	<u>22,023,120</u>	<u>22,315,620</u>	<u>20,321,749</u>	<u>1,993,871</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,119,219	15,159,219	18,679,481	3,520,262
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	48,813	48,813
Transfers In	0	2,023	2,023	0
Transfers Out	(13,583,286)	(16,923,286)	(15,135,807)	1,787,479
Advances In	34,920	101,270	106,350	5,080
Advances Out	0	(43,970)	(43,970)	0
Total Other Financing Sources (Uses)	<u>(13,548,366)</u>	<u>(16,863,963)</u>	<u>(15,022,591)</u>	<u>1,841,372</u>
Net Change in Fund Balance	1,570,853	(1,704,744)	3,656,890	5,361,634
Fund Balance at Beginning of Year	34,790,310	34,790,310	34,790,310	0
Prior Year Encumbrances	881,179	881,179	881,179	0
Fund Balance at End of Year	<u>\$ 37,242,342</u>	<u>\$ 33,966,745</u>	<u>\$ 39,328,379</u>	<u>\$ 5,361,634</u>

CITY OF BLUE ASH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund - Special Revenue Fund
For the Year Ended December 31, 2014**

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 633,000	\$ 633,000	\$ 640,653	\$ 7,653
Charges for Services	222,000	69,000	69,329	329
Investment Earnings	50	50	20	(30)
All Other Revenues	1,550	1,550	1,856	306
Total Revenues	<u>856,600</u>	<u>703,600</u>	<u>711,858</u>	<u>8,258</u>
Expenditures:				
Transportation:				
Street Division:				
Personal Services	1,577,000	1,577,000	1,488,408	88,592
Materials and Supplies	617,839	657,839	642,850	14,989
Contractual Services	562,428	562,428	546,333	16,095
Capital Outlay	3,589,609	3,436,609	2,825,384	611,225
Total Expenditures	<u>6,346,876</u>	<u>6,233,876</u>	<u>5,502,975</u>	<u>730,901</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,490,276)	(5,530,276)	(4,791,117)	739,159
Other Financing Sources (Uses):				
Transfers In	4,899,200	4,939,200	4,200,041	(739,159)
Total Other Financing Sources (Uses)	<u>4,899,200</u>	<u>4,939,200</u>	<u>4,200,041</u>	<u>(739,159)</u>
Net Changes in Fund Balance	(591,076)	(591,076)	(591,076)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	591,076	591,076	591,076	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF BLUE ASH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund - Capital Project Fund
For the Year Ended December 31, 2014**

SUMMIT PARK FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 147,750	\$ 147,750	\$ 0
Investment Earnings	0	1,896	1,896
All Other Revenues	0	200	200
Total Revenues	<u>147,750</u>	<u>149,846</u>	<u>2,096</u>
Expenditures:			
Capital Outlay	22,510,029	15,307,642	7,202,387
Total Expenditures	<u>22,510,029</u>	<u>15,307,642</u>	<u>7,202,387</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,362,279)	(15,157,796)	7,204,483
Other Financing Sources (Uses):			
General Obligation Bonds Issued	9,900,000	9,800,000	(100,000)
Transfers In	3,300,000	3,300,000	0
Total Other Financing Sources (Uses)	<u>13,200,000</u>	<u>13,100,000</u>	<u>(100,000)</u>
Net Changes in Fund Balance	(9,162,279)	(2,057,796)	7,104,483
Fund Balance at Beginning of Year	4,737,815	4,737,815	0
Prior Year Encumbrances	4,424,464	4,424,464	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 7,104,483</u>	<u>\$ 7,104,483</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, 2014**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 106,000	\$ 111,226	\$ 5,226
Investment Earnings	50	86	36
Total Revenues	<u>106,050</u>	<u>111,312</u>	<u>5,262</u>
Expenditures:			
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	6,050	11,312	5,262
Fund Balance at Beginning of Year	<u>145,162</u>	<u>145,162</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 151,212</u>	<u>\$ 156,474</u>	<u>\$ 5,262</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, 2014***

	STATE HIGHWAY FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental Revenues	\$ 49,000	\$ 51,297	\$ 2,297
Investment Earnings	75	136	61
Total Revenues	<u>49,075</u>	<u>51,433</u>	<u>2,358</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	49,075	51,433	2,358
Fund Balance at Beginning of Year	<u>287,789</u>	<u>287,789</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 336,864</u>	<u>\$ 339,222</u>	<u>\$ 2,358</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, 2014***

PARK AND RECREATION FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 974,650	\$ 1,000,050	\$ 25,400
All Other Revenues	320,050	279,788	(40,262)
Total Revenues	<u>1,294,700</u>	<u>1,279,838</u>	<u>(14,862)</u>
Expenditures:			
Leisure Time Activities:			
Recreation Programming Division:			
Personal Services	1,300,000	1,247,643	52,357
Materials and Supplies	237,748	199,004	38,744
Contractual Services	1,382,017	1,321,616	60,401
Capital Outlay	213,400	148,231	65,169
Total Recreation Programming Division	<u>3,133,165</u>	<u>2,916,494</u>	<u>216,671</u>
Grounds Maintenance Division:			
Personal Services	901,000	804,676	96,324
Materials and Supplies	269,427	248,878	20,549
Contractual Services	413,914	343,056	70,858
Capital Outlay	411,116	306,268	104,848
Total Grounds Maintenance Division	<u>1,995,457</u>	<u>1,702,878</u>	<u>292,579</u>
Total Expenditures	<u>5,128,622</u>	<u>4,619,372</u>	<u>509,250</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,833,922)	(3,339,534)	494,388
Other Financing Sources (Uses):			
Transfers In	3,675,450	3,181,062	(494,388)
Total Other Financing Sources (Uses)	<u>3,675,450</u>	<u>3,181,062</u>	<u>(494,388)</u>
Net Change in Fund Balance	(158,472)	(158,472)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	158,472	158,472	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</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, 2014***

PLAINFIELD ROAD TIF FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	<u>\$ 329,440</u>	<u>\$ 342,273</u>	<u>\$ 12,833</u>
Total Revenues	<u>329,440</u>	<u>342,273</u>	<u>12,833</u>
Expenditures:			
General Government:			
General Government Services:			
Contractual Services	<u>223,640</u>	<u>223,640</u>	<u>0</u>
Total Expenditures	<u>223,640</u>	<u>223,640</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	105,800	118,633	12,833
Fund Balance at Beginning of Year	<u>148,630</u>	<u>148,630</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 254,430</u>	<u>\$ 267,263</u>	<u>\$ 12,833</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, 2014***

OSBORNE AREA IMPROVEMENT TIF FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$ 7,819	\$ 11,982	\$ 4,163
Total Revenues	<u>7,819</u>	<u>11,982</u>	<u>4,163</u>
Expenditures:			
General Government:			
General Government Services:			
Contractual Services	7,819	7,819	0
Total Expenditures	<u>7,819</u>	<u>7,819</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	4,163	4,163
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 4,163</u>	<u>\$ 4,163</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, 2014***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$ 9,200	\$ 9,156	\$ (44)
Total Revenues	<u>9,200</u>	<u>9,156</u>	<u>(44)</u>
Expenditures:			
General Government:			
General Government Services:			
Contractual Services	<u>6,400</u>	<u>6,294</u>	<u>106</u>
Total Expenditures	<u>6,400</u>	<u>6,294</u>	<u>106</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,800	2,862	62
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,800</u>	<u>\$ 2,862</u>	<u>\$ 62</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, 2014***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Security of Persons and Property:			
Police Division:			
Contractual Services	<u> 5,349</u>	<u> 3,974</u>	<u> 1,375</u>
Total Expenditures	<u> 5,349</u>	<u> 3,974</u>	<u> 1,375</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u> (5,349)</u>	<u> (3,974)</u>	<u> 1,375</u>
Fund Balance at Beginning of Year	<u> 5,349</u>	<u> 5,349</u>	<u> 0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 1,375</u></u>	<u><u>\$ 1,375</u></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, 2014***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Security of Persons and Property:			
Police Division:			
Materials and Supplies	20,000	0	20,000
Contractual Services	74,991	36,507	38,484
Capital Outlay	<u>100,000</u>	<u>26,175</u>	<u>73,825</u>
Total Expenditures	<u>194,991</u>	<u>62,682</u>	<u>132,309</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(194,991)	(62,682)	132,309
Other Financing Sources (Uses):			
Transfers Out	<u>(31,685)</u>	<u>(31,685)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(31,685)</u>	<u>(31,685)</u>	<u>0</u>
Net Changes in Fund Balance	(226,676)	(94,367)	132,309
Fund Balance at Beginning of Year	226,371	226,371	0
Prior Year Encumbrances	<u>305</u>	<u>305</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 132,309</u>	<u>\$ 132,309</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, 2014**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 8,000	\$ 18,111	\$ 10,111
Total Revenues	<u>8,000</u>	<u>18,111</u>	<u>10,111</u>
Expenditures:			
Security of Persons and Property:			
Police Division:			
Personal Services	8,000	0	8,000
Contractual Services	<u>31,685</u>	<u>5,744</u>	<u>25,941</u>
Total Expenditures	<u>39,685</u>	<u>5,744</u>	<u>33,941</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,685)	12,367	44,052
Other Financing Sources (Uses):			
Transfers In	<u>31,685</u>	<u>31,685</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>31,685</u>	<u>31,685</u>	<u>0</u>
Net Change in Fund Balance	0	44,052	44,052
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 44,052</u>	<u>\$ 44,052</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, 2014**

	OVI TASK FORCE FUND		
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 274,625	\$ 209,248	\$ (65,377)
Total Revenues	<u>274,625</u>	<u>209,248</u>	<u>(65,377)</u>
Expenditures:			
Security of Persons and Property:			
Police Division:			
Contractual Services	239,980	198,274	41,706
Total Expenditures	<u>239,980</u>	<u>198,274</u>	<u>41,706</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	34,645	10,974	(23,671)
Fund Balance at Beginning of Year	(34,645)	(34,645)	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ (23,671)</u>	<u>\$ (23,671)</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, 2014**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 0	\$ 795	\$ 795
Total Revenues	<u>0</u>	<u>795</u>	<u>795</u>
Expenditures:			
Security of Persons and Property:			
Police Division:			
Materials and Supplies	10,000	1,618	8,382
Contractual Services	40,000	2,169	37,831
Capital Outlay	<u>12,636</u>	<u>0</u>	<u>12,636</u>
Total Expenditures	<u>62,636</u>	<u>3,787</u>	<u>58,849</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(62,636)	(2,992)	59,644
Fund Balance at Beginning of Year	<u>62,962</u>	<u>62,962</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 326</u>	<u>\$ 59,970</u>	<u>\$ 59,644</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, 2014***

EDUCATION ENFORCEMENT (DUI) FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 500	\$ 750	\$ 250
Total Revenues	<u>500</u>	<u>750</u>	<u>250</u>
Expenditures:			
Security of Persons and Property:			
Police Division:			
Contractual Services	15,000	4,398	10,602
Total Expenditures	<u>15,000</u>	<u>4,398</u>	<u>10,602</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,500)	(3,648)	10,852
Fund Balance at Beginning of Year	15,936	15,936	0
Fund Balance at End of Year	<u>\$ 1,436</u>	<u>\$ 12,288</u>	<u>\$ 10,852</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, 2014**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 117,998	\$ 83,784	\$ (34,214)
Total Revenues	<u>117,998</u>	<u>83,784</u>	<u>(34,214)</u>
Expenditures:			
Security of Persons and Property:			
Police Division:			
Contractual Services	<u>112,848</u>	<u>82,977</u>	<u>29,871</u>
Total Expenditures	<u>112,848</u>	<u>82,977</u>	<u>29,871</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,150	807	(4,343)
Fund Balance at Beginning of Year	<u>(5,150)</u>	<u>(5,150)</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ (4,343)</u>	<u>\$ (4,343)</u>

CITY OF BLUE ASH, OHIO

***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, 2014***

GENERAL OBLIGATION BOND RETIREMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$ 76,097	\$ 78,845	\$ 2,748
Intergovernmental Revenues	25,619	25,777	158
Investment Earnings	0	9	9
Total Revenues	<u>101,716</u>	<u>104,631</u>	<u>2,915</u>
Expenditures:			
Debt Service:			
Principal Retirement	13,421,636	13,421,636	0
Interest and Fiscal Charges	<u>1,101,574</u>	<u>1,101,574</u>	<u>0</u>
Total Expenditures	<u>14,523,210</u>	<u>14,523,210</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,421,494)	(14,418,579)	2,915
Other Financing Sources (Uses):			
General Obligation Bonds Issued	9,705,000	9,705,000	0
Premiums on Debt Issuances	296,831	396,831	100,000
Transfers In	<u>4,497,451</u>	<u>4,335,883</u>	<u>(161,568)</u>
Total Other Financing Sources (Uses)	<u>14,499,282</u>	<u>14,437,714</u>	<u>(61,568)</u>
Net Change in Fund Balance	77,788	19,135	(58,653)
Fund Balance at Beginning of Year	29,453	29,453	0
Fund Balance at End of Year	<u>\$ 107,241</u>	<u>\$ 48,588</u>	<u>\$ (58,653)</u>

CITY OF BLUE ASH, OHIO

**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, 2014**

TIF CARVER ROAD BOND RETIREMENT FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$ 1,166,000	\$ 1,167,434	\$ 1,434
Investment Earnings	200	322	122
Total Revenues	<u>1,166,200</u>	<u>1,167,756</u>	<u>1,556</u>
Expenditures:			
General Government:			
Contractual Services	505,000	504,973	27
Total General Government	<u>505,000</u>	<u>504,973</u>	<u>27</u>
Debt Service:			
Principal Retirement	230,000	230,000	0
Interest and Fiscal Charges	439,250	439,250	0
Total Expenditures	<u>1,174,250</u>	<u>1,174,223</u>	<u>27</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,050)	(6,467)	1,583
Fund Balance at Beginning of Year	920,865	920,865	0
Fund Balance at End of Year	<u>\$ 912,815</u>	<u>\$ 914,398</u>	<u>\$ 1,583</u>

CITY OF BLUE ASH, OHIO

**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, 2014**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
TIF REED HARTMAN HIGHWAY/OSBORNE ROAD FUND			
Revenues:			
Property Taxes	\$ 307,507	\$ 294,733	\$ (12,774)
Total Revenues	<u>307,507</u>	<u>294,733</u>	<u>(12,774)</u>
Expenditures:			
General Government:			
Contractual Services	192,407	192,341	66
Total Expenditures	<u>192,407</u>	<u>192,341</u>	<u>66</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	115,100	102,392	(12,708)
Other Financing Sources (Uses):			
Transfers In	109,382	109,382	0
Transfers Out	(212,000)	(212,000)	0
Total Other Financing Sources (Uses)	<u>(102,618)</u>	<u>(102,618)</u>	<u>0</u>
Net Change in Fund Balance	12,482	(226)	(12,708)
Fund Balance at Beginning of Year	747	747	0
Fund Balance at End of Year	<u>\$ 13,229</u>	<u>\$ 521</u>	<u>\$ (12,708)</u>

CITY OF BLUE ASH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Fund
For the Year Ended December 31, 2014***

PLAINFIELD BIKEPATH CONSTRUCTION FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 19,786	\$ 19,786	\$ 0
Total Revenues	<u>19,786</u>	<u>19,786</u>	<u>0</u>
Expenditures:			
Capital Outlay	79,130	39,337	39,793
Total Expenditures	<u>79,130</u>	<u>39,337</u>	<u>39,793</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(59,344)	(19,551)	39,793
Fund Balance at Beginning of Year	(3,586)	(3,586)	0
Prior Year Encumbrances	62,930	62,930	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 39,793</u>	<u>\$ 39,793</u>

CITY OF BLUE ASH, OHIO

**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, 2014**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Capital Outlay	1,120,933	1,110,824	10,109
Total Expenditures	1,120,933	1,110,824	10,109
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,120,933)	(1,110,824)	10,109
Other Financing Sources (Uses):			
OPWC Loan Initiated	1,087,644	1,091,761	4,117
Transfers In	50,000	50,000	0
Total Other Financing Sources (Uses)	1,137,644	1,141,761	4,117
Net Change in Fund Balance	16,711	30,937	14,226
Fund Balance at Beginning of Year	(1,077,645)	(1,077,645)	0
Prior Year Encumbrances	1,060,933	1,060,933	0
Fund Balance at End of Year	\$ (1)	\$ 14,225	\$ 14,226

CITY OF BLUE ASH, OHIO

***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, 2014***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Other Financing Sources (Uses):			
Transfers Out	<u>(109,382)</u>	<u>(109,382)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(109,382)</u>	<u>(109,382)</u>	<u>0</u>
Net Change in Fund Balance	(109,382)	(109,382)	0
Fund Balance at Beginning of Year	109,382	109,382	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF BLUE ASH, OHIO

**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, 2014**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 131,658	\$ 143,546	\$ 11,888
Total Revenues	<u>131,658</u>	<u>143,546</u>	<u>11,888</u>
Expenditures:			
Capital Outlay	<u>131,976</u>	<u>107,728</u>	<u>24,248</u>
Total Expenditures	<u>131,976</u>	<u>107,728</u>	<u>24,248</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(318)	35,818	36,136
Other Financing Sources (Uses):			
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	79,682	115,818	36,136
Fund Balance at Beginning of Year	(151,658)	(151,658)	0
Prior Year Encumbrances	<u>71,976</u>	<u>71,976</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 36,136</u>	<u>\$ 36,136</u>

Fiduciary Funds

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

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 the three percent (3%) 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, 2014**

	Balance December 31, 2013	Additions	Deductions	Balance December 31, 2014
Mayor's Court				
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	\$0	\$147,409	(\$147,409)	\$0
Total Assets	<u>\$0</u>	<u>\$147,409</u>	<u>(\$147,409)</u>	<u>\$0</u>
Liabilities:				
Due to Others	\$0	\$147,409	(\$147,409)	\$0
Total Liabilities	<u>\$0</u>	<u>\$147,409</u>	<u>(\$147,409)</u>	<u>\$0</u>
Ohio Board of Building Standards Assessments				
Assets:				
Cash and Cash Equivalents	\$587	\$11,766	(\$11,574)	\$779
Total Assets	<u>\$587</u>	<u>\$11,766</u>	<u>(\$11,574)</u>	<u>\$779</u>
Liabilities:				
Intergovernmental Payables	\$587	\$11,766	(\$11,574)	\$779
Total Liabilities	<u>\$587</u>	<u>\$11,766</u>	<u>(\$11,574)</u>	<u>\$779</u>
Arson Task Force				
Assets:				
Cash and Cash Equivalents	\$2,788	\$0	(\$1,918)	\$870
Total Assets	<u>\$2,788</u>	<u>\$0</u>	<u>(\$1,918)</u>	<u>\$870</u>
Liabilities:				
Due to Others	\$2,788	\$0	(\$1,918)	\$870
Total Liabilities	<u>\$2,788</u>	<u>\$0</u>	<u>(\$1,918)</u>	<u>\$870</u>
Flex Spending Fund				
Assets:				
Cash and Cash Equivalents	\$113,579	\$89,001	(\$153,548)	\$49,032
Total Assets	<u>\$113,579</u>	<u>\$89,001</u>	<u>(\$153,548)</u>	<u>\$49,032</u>
Liabilities:				
Due to Others	\$113,579	\$89,001	(\$153,548)	\$49,032
Total Liabilities	<u>\$113,579</u>	<u>\$89,001</u>	<u>(\$153,548)</u>	<u>\$49,032</u>

(Continued)

CITY OF BLUE ASH, OHIO

	Balance December 31, 2013	Additions	Deductions	Balance December 31, 2014
Totals - All Agency Funds				
Assets:				
Cash and Cash Equivalents	\$116,954	\$100,767	(\$167,040)	\$50,681
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	147,409	(147,409)	0
Total Assets	<u>\$116,954</u>	<u>\$248,176</u>	<u>(\$314,449)</u>	<u>\$50,681</u>
Liabilities:				
Intergovernmental Payables	\$587	\$11,766	(\$11,574)	\$779
Due to Others	116,367	236,410	(302,875)	49,902
Total Liabilities	<u>\$116,954</u>	<u>\$248,176</u>	<u>(\$314,449)</u>	<u>\$50,681</u>



BLUEASH

ASPIRE. ACHIEVE. ADVANCE.

Statistical Section





STATISTICAL TABLES

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

Financial Trends	S 2 – S 13
These schedules contain trend information to help the reader understand how the city’s financial position has changed over time.	
Revenue Capacity	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.	
Debt Capacity	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.	
Economic and Demographic Information	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.	
Operating Information	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)*

	2005	2006	2007	2008
Governmental Activities:				
Net Investment in Capital Assets	\$34,426,061	\$34,881,463	\$41,228,022	\$46,397,044
Restricted	5,465,764	4,839,111	2,657,256	6,177,078
Unrestricted	11,353,572	14,150,187	17,428,349	17,007,777
Total Governmental Activities Net Position	<u>\$51,245,397</u>	<u>\$53,870,761</u>	<u>\$61,313,627</u>	<u>\$69,581,899</u>
Business-type Activities:				
Net Investment in Capital Assets	\$2,640,807	\$2,616,516	\$2,663,932	\$2,529,047
Unrestricted (Deficit)	(30,031)	(13,743)	(26,609)	(37,114)
Total Business-type Activities Net Position	<u>\$2,610,776</u>	<u>\$2,602,773</u>	<u>\$2,637,323</u>	<u>\$2,491,933</u>
Primary Government:				
Net Investment in Capital Assets	\$37,066,868	\$37,497,979	\$43,891,954	\$48,926,091
Restricted	5,465,764	4,839,111	2,657,256	6,177,078
Unrestricted	11,323,541	14,136,444	17,401,740	16,970,663
Total Primary Government Net Position	<u>\$53,856,173</u>	<u>\$56,473,534</u>	<u>\$63,950,950</u>	<u>\$72,073,832</u>

Source: Finance Office

City of Blue Ash

2009	2010	2011	2012	2013	2014
\$51,850,887	\$52,322,247	\$49,870,997	\$56,238,601	\$63,698,280	\$69,169,689
3,617,547	3,887,408	8,010,630	4,147,964	2,580,973	3,095,299
18,716,037	21,877,839	18,694,226	26,706,565	33,413,459	37,165,448
<u>\$74,184,471</u>	<u>\$78,087,494</u>	<u>\$76,575,853</u>	<u>\$87,093,130</u>	<u>\$99,692,712</u>	<u>\$109,430,436</u>
\$2,523,039	\$4,363,628	\$11,749,406	\$12,869,854	\$12,696,832	\$12,151,331
(77,742)	(60,056)	87,108	457	(37,321)	(4,828)
<u>\$2,445,297</u>	<u>\$4,303,572</u>	<u>\$11,836,514</u>	<u>\$12,870,311</u>	<u>\$12,659,511</u>	<u>\$12,146,503</u>
\$54,373,926	\$56,685,875	\$61,620,403	\$69,108,455	\$76,395,112	\$81,321,020
3,617,547	3,887,408	8,010,630	4,147,964	2,580,973	3,095,299
18,638,295	21,817,783	18,781,334	26,707,022	33,376,138	37,160,620
<u>\$76,629,768</u>	<u>\$82,391,066</u>	<u>\$88,412,367</u>	<u>\$99,963,441</u>	<u>\$112,352,223</u>	<u>\$121,576,939</u>

City of Blue Ash

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

	2005	2006	2007	2008
Expenses				
Governmental Activities:				
Security of Persons and Property	\$10,165,886	\$10,330,009	\$10,583,392	\$10,808,527
Leisure Time Activities	4,159,503	4,629,671	4,942,967	5,463,869
Community Development	880,545	1,128,585	864,853	809,377
Basic Utility Services	2,156,876	1,879,424	2,092,167	1,864,013
Transportation	1,855,044	1,919,917	2,311,705	2,024,089
General Government	6,306,580	7,401,144	7,512,638	8,133,593
Interest and Fiscal Charges	858,638	842,242	1,559,980	2,299,658
<i>Total Governmental Activities Expenses</i>	<u>26,383,072</u>	<u>28,130,992</u>	<u>29,867,702</u>	<u>31,403,126</u>
Business-type Activities:				
Golf Course and Events Center	1,318,708	1,482,474	1,592,043	1,612,555
<i>Total Business-type Activities Expenses</i>	<u>1,318,708</u>	<u>1,482,474</u>	<u>1,592,043</u>	<u>1,612,555</u>
<i>Total Primary Government Expenses</i>	<u>\$27,701,780</u>	<u>\$29,613,466</u>	<u>\$31,459,745</u>	<u>\$33,015,681</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$415,652	\$127,044	\$93,483	\$96,637
Leisure Time Activities	667,712	705,492	704,280	633,303
Community Development	346,095	523,062	333,467	236,921
Transportation	725	13,183	900	7,117
General Government	287,798	199,771	268,784	276,842
Operating Grants and Contributions	998,262	822,921	823,631	875,492
Capital Grants and Contributions	0	0	50,000	1,011,720
<i>Total Governmental Activities Program Revenues</i>	<u>2,716,244</u>	<u>2,391,473</u>	<u>2,274,545</u>	<u>3,138,032</u>

City of Blue Ash

2009	2010	2011	2012	2013	2014
\$10,971,088	\$10,200,445	\$10,106,451	\$11,006,802	\$10,349,278	\$10,101,957
5,262,217	3,965,278	12,798,189	6,478,840	5,629,617	5,555,875
784,808	1,602,342	1,228,985	1,464,789	965,971	1,051,443
2,401,524	79,730	0	0	0	0
2,415,412	4,058,682	4,916,322	4,518,985	5,723,814	5,771,818
8,351,370	10,227,100	9,061,273	9,628,004	9,075,488	10,218,008
2,099,365	1,999,212	2,216,492	2,417,896	1,828,081	2,320,588
<u>32,285,784</u>	<u>32,132,789</u>	<u>40,327,712</u>	<u>35,515,316</u>	<u>33,572,249</u>	<u>35,019,689</u>
<u>1,523,894</u>	<u>1,461,696</u>	<u>1,678,250</u>	<u>3,225,981</u>	<u>3,836,350</u>	<u>4,246,858</u>
<u>1,523,894</u>	<u>1,461,696</u>	<u>1,678,250</u>	<u>3,225,981</u>	<u>3,836,350</u>	<u>4,246,858</u>
<u>\$33,809,678</u>	<u>\$33,594,485</u>	<u>\$42,005,962</u>	<u>\$38,741,297</u>	<u>\$37,408,599</u>	<u>\$39,266,547</u>
\$46,524	\$39,045	\$30,966	\$20,494	\$63,254	\$21,518
773,855	844,815	903,915	1,015,236	1,181,479	996,605
153,767	266,574	320,669	373,982	380,564	440,045
1,977	1,977	9,669	4,553	38,691	69,329
305,634	188,747	207,794	265,710	215,567	199,819
1,183,899	1,037,723	965,315	1,676,731	1,273,776	1,172,806
639,330	65,390	668,490	3,955,031	2,595,936	1,726,881
<u>3,104,986</u>	<u>2,444,271</u>	<u>3,106,818</u>	<u>7,311,737</u>	<u>5,749,267</u>	<u>4,627,003</u>

(continued)

City of Blue Ash

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

	2005	2006	2007	2008
Business-type Activities:				
Charges for Services				
Golf Course and Events Center	1,093,114	1,122,849	1,153,749	1,084,768
Capital Grants and Contributions	0	0	0	0
<i>Total Business-type Activities Program Revenues</i>	1,093,114	1,122,849	1,153,749	1,084,768
<i>Total Primary Government Program Revenues</i>	3,809,358	3,514,322	3,428,294	4,222,800
Net (Expense)/Revenue				
Governmental Activities	(23,666,828)	(25,739,519)	(27,593,157)	(28,265,094)
Business-type Activities	(225,594)	(359,625)	(438,294)	(527,787)
<i>Total Primary Government Net (Expense)/Revenue</i>	(\$23,892,422)	(\$26,099,144)	(\$28,031,451)	(\$28,792,881)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$2,138,994	\$2,284,018	\$2,170,820	\$2,113,553
Debt Service	106,688	108,801	276,381	727,746
Municipal Income Taxes	22,628,464	22,145,729	26,914,805	29,147,868
Other Local Taxes	782,470	869,253	902,725	966,974
Grants and Entitlements not				
Restricted to Specific Programs	1,778,951	1,726,738	3,185,974	2,288,739
Investment Earnings	357,462	720,964	1,013,428	642,916
Miscellaneous	868,214	861,002	1,044,534	1,028,167
Transfers	(145,043)	(351,622)	(472,644)	(382,597)
<i>Total Governmental Activities</i>	28,516,200	28,364,883	35,036,023	36,533,366
Business-type Activities:				
Transfers	145,043	351,622	472,644	382,597
<i>Total Business-type Activities</i>	145,043	351,622	472,644	382,597
<i>Total Primary Government</i>	\$28,661,243	\$28,716,505	\$35,508,667	\$36,915,963
Change in Net Position				
Governmental Activities	\$4,849,372	\$2,625,364	\$7,442,866	\$8,268,272
Business-type Activities	(80,551)	(8,003)	34,350	(145,190)
<i>Total Primary Government Change in Net Position</i>	\$4,768,821	\$2,617,361	\$7,477,216	\$8,123,082

Source: Finance Office

City of Blue Ash

2009	2010	2011	2012	2013	2014
1,076,427	1,001,624	911,220	2,624,062	3,219,729	3,533,029
0	0	7,371,069	1,046,178	165,631	0
1,076,427	1,001,624	8,282,289	3,670,240	3,385,360	3,533,029
4,181,413	3,445,895	11,389,107	10,981,977	9,134,627	8,160,032
(29,180,798)	(29,688,518)	(37,220,894)	(28,203,579)	(27,822,982)	(30,392,686)
(447,467)	(460,072)	6,604,039	444,259	(450,990)	(713,829)
<u>(\$29,628,265)</u>	<u>(\$30,148,590)</u>	<u>(\$30,616,855)</u>	<u>(\$27,759,320)</u>	<u>(\$28,273,972)</u>	<u>(\$31,106,515)</u>
\$2,169,222	\$2,122,642	\$2,090,590	\$1,951,949	\$1,916,073	\$1,944,826
984,447	1,172,283	1,042,031	1,297,379	1,628,551	1,881,376
27,251,070	27,380,888	30,159,819	32,063,469	32,774,748	33,605,111
891,104	875,608	927,172	977,428	1,035,261	1,086,938
1,936,325	3,201,037	1,451,654	1,947,792	1,641,422	679,449
61,302	28,331	18,069	20,212	11,909	24,479
890,731	1,129,099	948,821	1,052,165	1,654,790	1,109,052
(400,831)	(2,318,347)	(928,903)	(589,538)	(240,190)	(200,821)
<u>33,783,370</u>	<u>33,591,541</u>	<u>35,709,253</u>	<u>38,720,856</u>	<u>40,422,564</u>	<u>40,130,410</u>
400,831	2,318,347	928,903	589,538	240,190	200,821
400,831	2,318,347	928,903	589,538	240,190	200,821
<u>\$34,184,201</u>	<u>\$35,909,888</u>	<u>\$36,638,156</u>	<u>\$39,310,394</u>	<u>\$40,662,754</u>	<u>\$40,331,231</u>
\$4,602,572	\$3,903,023	(\$1,511,641)	\$10,517,277	\$12,599,582	\$9,737,724
(46,636)	1,858,275	7,532,942	1,033,797	(210,800)	(513,008)
<u>\$4,555,936</u>	<u>\$5,761,298</u>	<u>\$6,021,301</u>	<u>\$11,551,074</u>	<u>\$12,388,782</u>	<u>\$9,224,716</u>

City of Blue Ash

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

	2005	2006	2007	2008	2009
General Fund					
Nonspendable	\$0	\$0	\$0	\$0	\$0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Reserved	510,338	1,614,323	884,661	916,799	855,501
Unreserved	9,181,613	9,684,919	14,857,882	14,893,882	16,039,039
<i>Total General Fund</i>	<u>9,691,951</u>	<u>11,299,242</u>	<u>15,742,543</u>	<u>15,810,681</u>	<u>16,894,540</u>
All Other Governmental Funds					
Nonspendable	0	0	0	0	0
Restricted	0	0	0	0	0
Committed	0	0	0	0	0
Unassigned	0	0	0	0	0
Reserved	4,077,834	6,852,199	2,476,725	7,846,136	3,479,656
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	918,193	595,933	565,946	538,976	634,742
Capital Projects Funds	(4,282,921)	(351,904)	7,256,949	(1,149,195)	2,194
<i>Total All Other Governmental Funds</i>	<u>713,106</u>	<u>7,096,228</u>	<u>10,299,620</u>	<u>7,235,917</u>	<u>4,116,592</u>
<i>Total Governmental Funds</i>	<u><u>\$10,405,057</u></u>	<u><u>\$18,395,470</u></u>	<u><u>\$26,042,163</u></u>	<u><u>\$23,046,598</u></u>	<u><u>\$21,011,132</u></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

2010	2011	2012	2013	2014
\$0	\$70,661	\$69,202	\$89,710	\$96,793
0	692,613	490,568	502,863	1,890,470
0	25,714,464	32,496,633	38,075,565	41,838,337
374,763	0	0	0	0
20,394,371	0	0	0	0
<u>20,769,134</u>	<u>26,477,738</u>	<u>33,056,403</u>	<u>38,668,138</u>	<u>43,825,600</u>
0	193,098	244,501	282,983	356,947
0	8,397,036	5,584,468	2,642,281	15,087,031
0	0	389,934	0	0
0	(90,719)	(31,182)	(1,655,346)	(30,571)
10,338,361	0	0	0	0
502,130	0	0	0	0
3,366,817	0	0	0	0
<u>14,207,308</u>	<u>8,499,415</u>	<u>6,187,721</u>	<u>1,269,918</u>	<u>15,413,407</u>
<u>\$34,976,442</u>	<u>\$34,977,153</u>	<u>\$39,244,124</u>	<u>\$39,938,056</u>	<u>\$59,239,007</u>

City of Blue Ash

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

	2005	2006	2007	2008
Revenues:				
Taxes				
Property	\$2,225,710	\$2,376,614	\$2,359,974	\$2,896,080
Municipal Income	21,780,007	22,053,892	27,037,678	28,934,385
Other Local	782,470	869,253	902,725	966,974
Intergovernmental Revenues	3,661,407	2,843,102	4,098,400	4,181,614
Charges for Services	1,170,430	1,259,704	1,417,539	1,355,985
Licenses and Permits	437,106	619,984	430,549	335,746
Investment Earnings	357,462	648,480	1,011,620	642,916
Fines and Forfeitures	659,328	254,781	172,999	174,305
All Other Revenue	319,332	295,085	424,361	412,951
Total Revenue	<u>31,393,252</u>	<u>31,220,895</u>	<u>37,855,845</u>	<u>39,900,956</u>
Expenditures:				
Current:				
Security of Persons and Property	10,111,541	10,595,745	11,260,376	11,064,811
Leisure Time Activities	3,885,242	4,310,565	4,413,957	5,034,298
Community Environment	882,499	1,360,707	944,529	910,816
Basic Utility Services	2,144,168	1,912,102	2,390,755	1,958,071
Transportation	1,755,940	2,017,696	2,167,150	2,323,589
General Government	5,669,339	5,580,307	5,700,274	7,860,934
Capital Outlay	1,737,644	3,447,714	26,962,418	9,059,084
Debt Service:				
Principal Retirement	2,463,503	2,830,000	3,830,000	3,034,334
Interest and Fiscal Charges	850,590	1,065,088	1,185,353	2,303,704
Total Expenditures	<u>29,500,466</u>	<u>33,119,924</u>	<u>58,854,812</u>	<u>43,549,641</u>
Excess (Deficiency) of Revenues Over Expenditures	1,892,786	(1,899,029)	(20,998,967)	(3,648,685)

City of Blue Ash

2009	2010	2011	2012	2013	2014
\$3,239,625	\$3,210,343	\$3,214,814	\$3,312,909	\$3,515,545	\$3,849,249
27,084,620	27,411,890	29,937,730	32,056,490	32,483,012	33,566,176
891,104	875,608	927,172	977,428	1,035,261	1,086,938
3,806,303	4,296,177	3,196,489	3,744,046	3,817,993	2,128,138
1,450,662	1,568,165	1,560,635	1,790,370	2,128,525	2,003,962
252,611	367,608	425,185	479,189	492,735	553,898
61,302	28,331	18,069	20,212	11,909	24,479
133,095	114,812	144,371	158,158	165,367	113,796
336,120	419,672	292,853	304,423	444,078	324,382
<u>37,255,442</u>	<u>38,292,606</u>	<u>39,717,318</u>	<u>42,843,225</u>	<u>44,094,425</u>	<u>43,651,018</u>
10,873,558	10,230,976	10,014,242	10,945,025	10,583,889	10,044,375
4,248,364	3,823,146	4,081,680	4,199,137	4,503,851	4,421,432
782,176	1,601,674	1,220,875	1,464,165	964,866	1,034,206
2,406,148	114,224	0	0	0	0
2,073,586	3,500,677	4,443,374	3,833,354	3,862,519	4,850,076
6,566,020	7,846,087	7,639,034	8,465,303	7,775,410	8,850,822
7,325,932	2,689,388	8,709,260	4,895,275	10,704,764	10,223,364
3,826,800	2,588,598	3,543,420	3,559,459	3,712,733	2,860,784
2,108,322	1,955,738	2,273,692	2,168,662	1,891,231	2,344,190
<u>40,210,906</u>	<u>34,350,508</u>	<u>41,925,577</u>	<u>39,530,380</u>	<u>43,999,263</u>	<u>44,629,249</u>
(2,955,464)	3,942,098	(2,208,259)	3,312,845	95,162	(978,231)

(continued)

City of Blue Ash

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	2,520	305,145	261,920	72,728
Ohio Public Works Commission Loan	0	0	0	1,147,701
General Obligation Bonds Issued	3,700,000	9,790,000	9,975,000	0
Property Acquisition Loan	0	0	18,913,325	0
Premium on General Obligation Bonds	0	72,484	1,808	0
Capital Lease Initiated	0	0	0	0
Transfers In	18,233,922	12,067,135	12,272,969	13,558,928
Transfers Out	(18,378,965)	(12,418,757)	(12,745,613)	(14,118,625)
Total Other Financing Sources (Uses)	<u>3,557,477</u>	<u>9,816,007</u>	<u>28,679,409</u>	<u>660,732</u>
Net Change in Fund Balance	<u>\$5,450,263</u>	<u>\$7,916,978</u>	<u>\$7,680,442</u>	<u>(\$2,987,953)</u>
 Debt Service as a Percentage of Noncapital Expenditures	 12.69%	 13.89%	 16.64%	 16.99%

Source: Finance Office

City of Blue Ash

2009	2010	2011	2012	2013	2014
17,521	13,134	0	0	0	0
1,218,401	160,307	0	0	805,374	503,742
0	9,775,000	3,125,000	0	0	19,505,000
0	0	0	0	0	0
0	488,232	0	0	0	394,876
0	0	0	1,500,000	0	0
11,508,399	11,997,678	11,553,238	11,853,301	17,393,733	15,288,053
(11,909,230)	(12,342,103)	(12,482,141)	(12,442,839)	(17,633,923)	(15,488,874)
835,091	10,092,248	2,196,097	910,462	565,184	20,202,797
(\$2,120,373)	\$14,034,346	(\$12,162)	\$4,223,307	\$660,346	\$19,224,566
17.76%	13.86%	14.26%	17.84%	17.70%	15.83%

City of Blue Ash

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Income Tax Rate	1.00%	1.00%	1.25%	1.25%	1.25%
Total Tax Collected	\$22,419,840	\$23,127,864	\$27,564,397	\$30,119,007	\$28,314,411
Income Tax Receipts					
Withholding	16,295,486	16,969,100	22,528,565	23,432,765	22,543,295
Percentage	72.68%	73.37%	81.74%	77.80%	79.62%
Corporate	5,061,717	5,124,123	3,747,226	5,334,812	4,471,944
Percentage	22.58%	22.16%	13.59%	17.71%	15.79%
Individuals	1,062,637	1,034,641	1,288,606	1,351,430	1,299,172
Percentage	4.74%	4.47%	4.67%	4.49%	4.59%

Source: Finance Office

City of Blue Ash

2010	2011	2012	2013	2014
1.25%	1.25%	1.25%	1.25%	1.25%
\$28,704,462	\$30,833,752	\$32,679,637	\$33,947,202	\$34,788,642
22,849,499	24,030,052	26,054,663	26,886,756	27,238,909
79.60%	77.93%	79.73%	79.20%	78.30%
4,672,903	5,518,811	5,352,319	5,574,177	5,987,402
16.28%	17.90%	16.38%	16.42%	17.21%
1,182,060	1,284,889	1,272,655	1,486,269	1,562,331
4.12%	4.17%	3.89%	4.38%	4.49%



City of Blue Ash

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2014				
<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	0.35%	\$7,912,540	29.05%
All Others	2,832	99.65%	19,326,369	70.95%
Total	<u>2,842</u>	<u>100.00%</u>	<u>\$27,238,909</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	0.14%	\$2,821,808	37.38%
All Others	6,987	99.86%	4,727,925	62.62%
Total	<u>6,997</u>	<u>100.00%</u>	<u>\$7,549,733</u>	<u>100.00%</u>
<i>Total Income Tax Collections</i>			<u>\$34,788,642</u>	

Calendar Year 2005				
<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	0.41%	\$5,129,116	31.48%
All Others	2,448	99.59%	11,166,371	68.52%
Total	<u>2,458</u>	<u>100.00%</u>	<u>\$16,295,487</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	0.17%	\$3,331,729	54.40%
All Others	5,814	99.83%	2,792,625	45.60%
Total	<u>5,824</u>	<u>100.00%</u>	<u>\$6,124,354</u>	<u>100.00%</u>
<i>Total Income Tax Collections</i>			<u>\$22,419,841</u>	

Source: City Income Tax Department

City of Blue Ash

Ratio of Outstanding Debt By Type Last Ten Years

	2005	2006	2007	2008
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$17,540,000	\$14,710,000	\$39,768,325	\$36,833,991
Tax Increment Financing Bonds	0	9,790,000	9,790,000	9,690,000
Capital Leases	0	0	0	0
Ohio Public Works Commission Loan	0	0	0	1,147,701
Total Primary Government	<u>\$17,540,000</u>	<u>\$24,500,000</u>	<u>\$49,558,325</u>	<u>\$47,671,692</u>
 Population ⁽²⁾				
City of Blue Ash	12,513	12,513	12,513	12,513
Outstanding Debt Per Capita	\$1,402	\$1,958	\$3,961	\$3,810
 Income ⁽³⁾				
Personal (in thousands)	499,732	519,002	519,002	534,680
Percentage of Personal Income	3.51%	4.72%	9.55%	8.92%

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

2009	2010	2011	2012	2013	2014
\$33,179,441	\$41,242,645	\$41,227,481	\$38,081,278	\$34,928,734	\$52,544,408
9,590,000	9,400,000	9,205,000	9,000,000	8,785,000	8,555,000
0	0	0	1,500,000	1,363,067	1,224,741
2,293,852	2,255,589	2,002,948	1,750,307	2,303,040	2,554,141
<u>\$45,063,293</u>	<u>\$52,898,234</u>	<u>\$52,435,429</u>	<u>\$50,331,585</u>	<u>\$47,379,841</u>	<u>\$64,878,290</u>
12,513	12,114	12,114	12,114	12,114	12,114
\$3,601	\$4,367	\$4,328	\$4,155	\$3,911	\$5,356
534,680	532,023	555,451	567,916	598,589	608,547
8.43%	9.94%	9.44%	8.86%	7.92%	10.66%

City of Blue Ash

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2005	2006	2007	2008
Population (1)	12,513	12,513	12,513	12,513
Personal Income (2)	\$499,732	\$519,002	\$519,002	\$534,680
General Bonded Debt (3)				
General Obligation Bonds	\$17,540,000	\$14,710,000	\$39,768,325	\$36,833,991
Resources Available to Pay Principal (4)	\$26,082	\$28,878	\$31,585	\$25,123
Net General Bonded Debt	\$17,513,918	\$14,681,122	\$39,736,740	\$36,808,868
Ratio of Net Bonded Debt to Estimated Personal Income (in thousands)	3.50%	2.83%	7.66%	6.88%
Net Bonded Debt per Capita	\$1,399.66	\$1,173.27	\$3,175.64	\$2,941.65

Source:

- (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

2009	2010	2011	2012	2013	2014
12,513	12,114	12,114	12,114	12,114	12,114
\$534,680	\$532,023	\$555,451	\$567,916	\$598,589	\$608,547
\$33,179,441	\$41,242,645	\$41,227,481	\$38,081,278	\$34,928,734	\$52,544,408
\$25,000	\$550,658	\$500,000	\$64,762	\$766,998	\$48,593
\$33,154,441	\$40,691,987	\$40,727,481	\$38,016,516	\$34,161,736	\$52,495,815
6.20%	7.65%	7.33%	6.69%	5.71%	8.63%
\$2,649.60	\$3,359.09	\$3,362.02	\$3,138.23	\$2,820.02	\$4,333.48



City of Blue Ash

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2014*

<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>
Direct:			
City of Blue Ash	\$64,878,290	100.00%	\$64,878,290
Overlapping:			
Sycamore Community School District	48,531,952	41.89%	20,330,035
Princeton City School District	178,976,355	0.72%	1,288,630
Great Oaks Joint Vocational School District	12,985,000	3.91%	507,714
Hamilton County	72,460,000	3.90%	<u>2,825,940</u>
		Subtotal	<u>24,952,319</u>
		Total	<u><u>\$89,830,609</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

Tax Year	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Total Debt				
Net Assessed Valuation	\$803,638,420	\$751,507,450	\$744,215,915	\$769,438,003
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	84,382,034	78,908,282	78,142,671	80,790,990
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>\$84,382,034</u></u>	<u><u>\$78,908,282</u></u>	<u><u>\$78,142,671</u></u>	<u><u>\$80,790,990</u></u>
Unvoted Debt				
Net Assessed Valuation	\$803,638,420	\$751,507,450	\$744,215,915	\$769,438,003
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	44,200,113	41,332,910	40,931,875	42,319,090
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>\$44,200,113</u></u>	<u><u>\$41,332,910</u></u>	<u><u>\$40,931,875</u></u>	<u><u>\$42,319,090</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

2009	2010	2011	2012	2013	2014
\$774,127,710	\$758,327,730	\$706,449,050	\$704,468,110	\$705,662,090	\$712,604,150
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
81,283,410	79,624,412	74,177,150	73,969,152	74,094,519	74,823,436
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$81,283,410</u>	<u>\$79,624,412</u>	<u>\$74,177,150</u>	<u>\$73,969,152</u>	<u>\$74,094,519</u>	<u>\$74,823,436</u>
\$774,127,710	\$758,327,730	\$706,449,050	\$704,468,110	\$705,662,090	\$712,604,150
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
42,577,024	41,708,025	38,854,698	38,745,746	38,811,415	39,193,228
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$42,577,024</u>	<u>\$41,708,025</u>	<u>\$38,854,698</u>	<u>\$38,745,746</u>	<u>\$38,811,415</u>	<u>\$39,193,228</u>

City of Blue Ash

Pledged Revenue Coverage Last Nine Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Tax Increment Financing Bonds (1)				
Property Tax Collections	\$0	\$101,149	\$696,843	\$982,462
Debt Service				
Principal	0	0	100,000	100,000
Interest	0	512,246	489,500	484,500
Coverage	0.00	0.20	1.18	1.68

(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

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$1,001,648	\$1,039,471	\$1,160,277	\$1,158,679	\$1,167,434
190,000	195,000	205,000	215,000	230,000
486,963	470,000	460,250	450,000	439,250
1.48	1.56	1.74	1.74	1.74

City of Blue Ash

Demographic and Economic Statistics Last Ten Years

Calendar Year	2005	2006	2007	2008	2009
Population ⁽¹⁾					
City of Blue Ash	12,513	12,513	12,513	12,513	12,513
Hamilton County	806,652	806,652	806,652	806,652	806,652
Income ^{(2) (a)}					
Total Personal (in thousands)	499,732	519,002	519,002	534,680	534,680
Per Capita	39,937	41,477	41,477	42,730	42,730
Unemployment Rate ⁽³⁾					
Federal	5.5%	5.0%	4.6%	5.8%	10.0%
State	6.0%	5.9%	5.6%	6.6%	10.8%
Hamilton County	5.6%	5.0%	5.0%	5.6%	10.4%
Civilian Work Force Estimates ⁽³⁾					
State	5,900,400	5,934,000	5,976,500	5,986,400	5,986,400
Hamilton County	426,800	423,500	431,200	432,400	432,400
Daytime Population ⁽⁴⁾	55,000	56,700	58,000	58,000	55,000

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

2010	2011	2012	2013	2014
12,114	12,114	12,114	12,114	12,114
802,374	802,374	802,374	802,374	802,374
532,023	555,451	567,916	598,589	608,547
43,918	45,852	46,881	49,413	50,235
9.4%	8.9%	8.1%	7.4%	6.2%
9.6%	8.6%	7.2%	7.4%	5.7%
8.5%	8.6%	7.0%	7.1%	5.3%
5,906,000	5,806,000	5,747,900	5,765,700	5,719,500
434,700	406,900	400,000	403,300	404,100
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) 2014
Procter and Gamble	Technical Center - Home Product Division	1
Ethicon	Surgical Instruments Manufacturer	2
Kroger	Administrative Offices	3
Warner Cable	Cable Company	4
Wornick	Pre-Packaged Food Manufacturer	5
Belcan Engineering Services	Engineering Services	6
Schlage Lock Co. (Steelcraft)	Steel Products Manufacturer	7
Construction Software Technology	Technology	8
Mercy Health (Catholic Health)	Healthcare Services	9
LSI Industries	Lighting Manufacturer	10

Employer	Nature of Business	Rank (1) 2005
Procter and Gamble	Technical Center - Home Product Division	1
Ethicon	Surgical Instruments Manufacturer	2
Fidelity Investments	Investments	3
Sara Lee Foods	Headquarters	4
Ingersoll-Rand (Steelcraft)	Steel Products Manufacturer	5
Mercy Health Systems	Home Health Services	6
Warner Cable	Cable Company	7
Belcan Engineering Services	Engineering Services	8
Kroger	Administrative Offices	9
Wornick	Pre-Packaged Food Manufacturer	10

Estimated Total Employment within the City	48,000
Estimated Total Top Ten Employers Employment Count	7,200
Percent of Total Employment	15.00%

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental Activities						
General Government						
Finance/Tax	7.50	7.50	7.00	7.00	8.00	7.00
Judicial	3.50	3.50	2.50	2.50	2.50	2.50
Administration/General Gov't	12.25	12.25	13.50	13.50	14.50	14.50
Facilities Maintenance	14.00	14.75	15.50	16.00	17.00	17.50
Security of Persons and Property						
Police	52.75	49.00	47.75	47.75	47.25	46.75
Fire	39.75	41.50	36.00	41.75	42.25	38.75
Basic Utility Services						
Public Service	10.50	10.50	9.00	7.25	10.50	(A) 0.00
Transportation						
Street	12.50	12.00	10.00	9.00	9.25	17.00
Leisure Time Activities						
Recreation	40.50	41.25	41.50	42.00	42.00	40.50
Parks and Grounds	13.50	14.50	16.00	17.75	15.75	15.00
Community Environment						
Community Development	3.50	3.50	4.50	4.25	4.50	4.50
Business-Type Activities						
Golf Course and Events Center	<u>23.25</u>	<u>23.75</u>	<u>22.50</u>	<u>24.25</u>	<u>22.75</u>	<u>22.25</u>
<i>Total Employees</i>	<u><u>233.50</u></u>	<u><u>234.00</u></u>	<u><u>225.75</u></u>	<u><u>233.00</u></u>	<u><u>236.25</u></u>	<u><u>226.25</u></u>

Method: 1.00 for each full-time, 0.50 for each part-time (≥ 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

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
7.00	6.50	7.00	7.00
1.50	1.50	1.50	1.50
14.00	15.00	13.00	13.75
17.00	19.50	20.25	22.75
45.25	43.00	43.00	40.00
36.75	36.25	35.75	35.00
0.00	0.00	0.00	
17.50	16.50	19.00	18.25
40.00	43.25	41.75	39.50
16.00	16.00	14.75	14.25
4.25	4.00	4.00	4.00
<u>24.25</u>	<u>33.25</u>	<u>35.75</u>	<u>41.00</u>
<u>223.50</u>	<u>234.75</u>	<u>235.75</u>	<u>237.00</u>

City of Blue Ash

Operating Indicators by Function Last Ten Years

	2005	2006	2007	2008	2009
Governmental Activities					
General Government					
<u>Court</u>					
Number of Citations Heard	3,588	2,385	1,929	1,960	1,439
<u>Community Development</u>					
Number of Residential Building Permits Issued	108	177	161	126	182
Number of Commercial Building Permits Issued	399	435	423	384	302
Security of Persons and Property					
<u>Police</u>					
Number of Offenses	1,763	1,744	1,326	1,340	1,171
Number of Arrests	6,135	4,700	4,091	3,869	3,660
Number of Accidents	636	620	648	655	620
Number of Service Calls/Details	15,915	16,177	13,840	15,210	19,183
<u>Fire</u>					
Number of Fire Runs	739	674	787	1,001	917
Number of EMS Runs	1,434	1,545	1,561	1,675	1,507
Transportation					
<u>Street</u>					
Miles of Streets Resurfaced	15	4	6	10	15
Feet of Walking/Biking Paths Maintained	580	555	120	209	178
Leisure Time Activities					
<u>Parks</u>					
Number of Active Recreation Center Memberships	3,438	3,671	3,677	3,511	4,543
Business-Type Activities					
<u>Golf Course</u>					
Number of Golf Rounds	37,237	37,314	37,684	35,600	35,532
<u>Events Center</u>					
Number of Events	n/a	n/a	n/a	n/a	n/a

Source: Finance Office

City of Blue Ash

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
1,942	2,148	1,962	1,548	1,351
200	163	198	247	248
398	438	474	419	435
1,298	1,333	1,163	1,014	1,024
4,045	3,863	3,320	2,988	2,811
579	697	709	766	663
17,440	17,588	19,762	20,654	19,526
887	766	838	812	907
1,594	1,628	1,779	1,644	1,646
3	8	2	2	2.47
755	570	516	266	549
4,944	4,970	4,629	4,659	4,673
32,328	31,799	39,940	41,471	38,314
n/a	n/a	207	282	313

City of Blue Ash

Capital Asset Statistics by Function Last Ten Years

	2005	2006	2007	2008	2009
Governmental Activities					
General Government					
Public Land and Buildings					
Land (acres)	132	131	131	132	132
Buildings	7	7	7	8	8
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	32	31	32	32	34
Fire					
Stations	2	2	2	2	2
Vehicles	14	14	14	14	14
Transportation					
Street					
Streets (lane miles)	160.9	160.9	160.9	163.4	167.3
Street Lights	1,049	1,049	1,053	1,055	1,055
Vehicles	31	31	31	31	29
Leisure Time Activities					
Parks					
Land (acres)	146	146	275	275	275
Buildings	16	17	17	17	17
Parks	10	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
Business-Type Activities					
Golf Course					
Land (acres)	151	151	151	151	151
Buildings	7	7	7	7	7
Vehicles	5	5	5	4	6

Source: Finance Office

City of Blue Ash

2010	2011	2012	2013	2014
132	132	132	132	132
8	8	8	8	8
1	1	1	1	1
33	31	35	33	33
2	2	2	2	2
14	13	14	14	14
167.3	167.3	167.3	167.3	167.3
1,055	1,055	1,055	1,294	1,294
28	29	30	31	27
275	275	275	275	275
17	17	17	17	17
9	9	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
6	7	7	7	7
5	6	6	5	5





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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
SEPTEMBER 24, 2015**