



Comprehensive Annual Financial Report



City of Blue Ash, Ohio
Fiscal Year Ended
December 31, 2013



Dave Yost • Auditor of State

Members of 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, 2013 through December 31, 2013. 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 black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 21, 2014

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2013

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 18, 2014

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, 2013. 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 2013, approximately 2,000 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, with the terms of current Council members expiring November 30, 2013.

***Letter of Transmittal
For the Year Ended December 31, 2013***

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:

2009	\$28,314,411
2010	28,704,462
2011	30,833,751
2012	32,679,637
2013	33,947,202
2014	33,600,000 (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, 2013***

MAJOR INITIATIVES

The City's annual objectives and initiatives for any given year are carefully planned with consideration given to the changing economic conditions, proposed operational outcomes, intent to preserve fund balance, and the overall value added to the wide array of government services already offered to Blue Ash residents and businesses. Major projects or initiatives accomplished during 2013 included:

- Continued investment in sidewalk and bike path construction enhancing connectivity between neighborhoods and the City's primary destinations – Construction was in full swing in 2013 to complete over 2 miles of new path construction along Reed Hartman Highway, Cooper Road, and Plainfield Road. Currently, approximately 31 miles of pathways connect the City's residential and business communities.
- Continued investment in improving roadway, curb, culvert, and gutter maintenance on many City streets and highways – In 2013, efforts began on 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 includes the addition of new sidewalks and is expected to be completed in early summer.
- Energy improvements to City facilities through an energy audit that identified energy management recommendations and building related capital improvements were completed in 2013. The City anticipates an annual saving of approximately \$100,000 from the reduction in utility and other operating costs.

In addition to improvements listed above, the City continued its effort towards the "Issue 15" commitments made to the citizenry in 2006. In mid-2006, Council presented to its citizens a proposal called Issue 15, 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 dedicated to certain major "quality of life" projects benefitting the entire community. Passage by voters of Issue 15 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. With several rustic trails throughout the park completed, the Park was officially open to the public in October 2012. Phase I of this multi-phase park construction began in June 2013 and includes extensive earthwork, utility infrastructure, water management, walking paths, and landscaping.

***Letter of Transmittal
For the Year Ended December 31, 2013***

THE FUTURE

The resources derived from the earnings tax change under Issue 15 provide the City of Blue Ash with the opportunity to continue to invest in major recreational/quality of life projects. Those resources also permit the repayment of debt issued for the Recreation Center Expansion, the Cooper Creek Events Center and Golf Course improvements, as well as the construction of Summit Park. All of the Issue 15 projects have been well received by the community, and many look forward to the additional components of Summit Park. Future amenities of Summit Park include a community building, stage, glass canopy, play structures, and restaurants.

The outlook for the future of the City, external to the Issue 15 projects, remains favorable as well. Although economic factors may change, earnings tax collections are stable, and investment continues in economic development in 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.

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.

***Letter of Transmittal
For the Year Ended December 31, 2013***

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, 2013 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.

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, 2012. 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-six consecutive years (fiscal years ended 1987-2012). We believe our current report will again meet the Certificate of Achievement program requirements, and it will be submitted to GFOA for consideration.

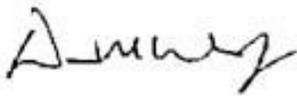
***Letter of Transmittal
For the Year Ended December 31, 2013***

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.

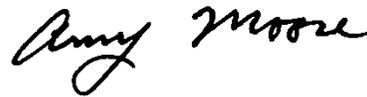
Respectfully submitted,



David M. Waltz
City Manager



Sherry L. Poppe, CPA
Treasurer/Administrative
Services Director



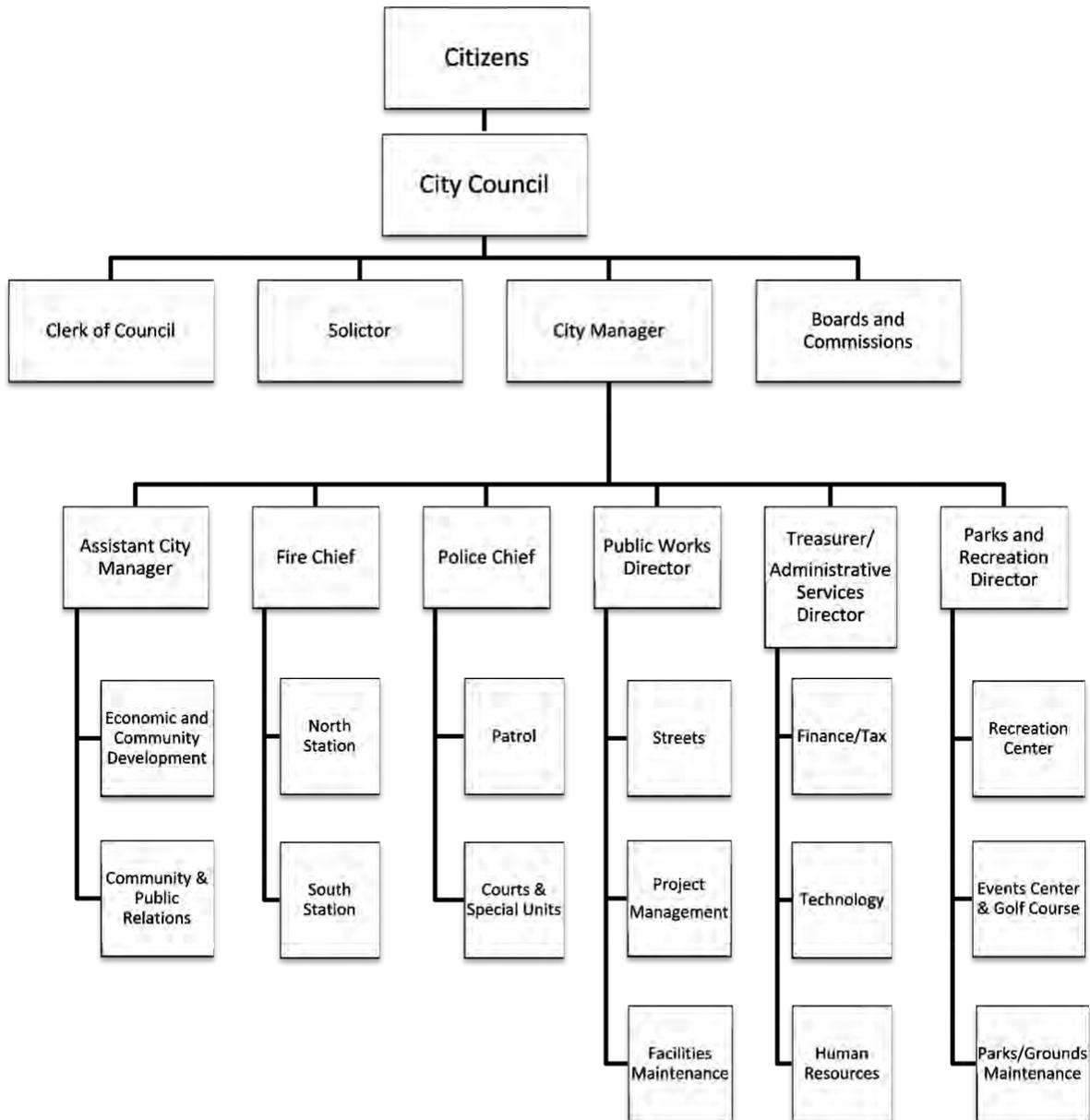
Amy Moore
Finance Officer

CITY OF BLUE ASH, OHIO

***List of Principal Officials
For the Year Ended December 31, 2013***

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 F. Weber
Solicitor	Bryan E. Pacheco
Clerk of Council	Jamie K. Eifert

**City Organizational Chart
For the Year Ended December 31, 2013**



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

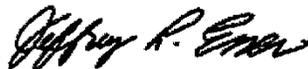
**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Blue Ash
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012



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, 2013, 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, 2013, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Park and Recreation 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 18, 2014, 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." The signature is written in dark ink on a light-colored background.

Julian & Grube, Inc.
June 18, 2014



***Management's Discussion and Analysis
For the Year Ended December 31, 2013 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, 2013. 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 2013 are as follows:

- ❑ In total, net position increased \$12,388,782. Net position of governmental activities increased \$12,599,582, which represents a 14.5% increase from 2012. Net position of business-type activities decreased \$210,800 from 2012.
- ❑ General revenues accounted for \$40,662,754 in revenue or 81.7% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$9,134,627 or 18.3% of all revenues.
- ❑ The City had \$33,572,249 in expenses related to governmental activities; only \$5,749,267 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$40,662,754 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$40,149,669 in revenues and other financing sources and \$34,536,134 in expenditures and other financing uses. The balance of the General Fund increased \$5,611,735 to \$38,668,138.

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, 2013 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, 2013 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, 2013 and 2012:

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$60,813,499	\$48,064,738	\$341,598	\$370,152	\$61,155,097	\$48,434,890
Capital assets, Net	104,925,267	96,862,813	12,696,832	12,869,854	117,622,099	109,732,667
Total assets	165,738,766	144,927,551	13,038,430	13,240,006	178,777,196	158,167,557
Long-term debt outstanding	48,714,351	52,071,339	106,508	96,049	48,820,859	52,167,388
Other liabilities	13,584,557	2,815,155	201,015	210,286	13,785,572	3,025,441
Total liabilities	62,298,908	54,886,494	307,523	306,335	62,606,431	55,192,829
Deferred Inflows of Resources	3,747,146	2,947,927	71,396	63,360	3,818,542	3,011,287
Net position						
Net investment in capital assets	63,698,280	56,238,601	12,696,832	12,869,854	76,395,112	69,108,455
Restricted	2,580,973	4,147,964	0	0	2,580,973	4,147,964
Unrestricted	33,413,459	26,706,565	(37,321)	457	33,376,138	26,707,022
Total net position	\$99,692,712	\$87,093,130	\$12,659,511	\$12,870,311	\$112,352,223	\$99,963,441

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CITY OF BLUE ASH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2013 Unaudited**

Changes in Net position – The following table shows the changes in net position for fiscal year 2013 and 2012:

	Governmental Activities		Business-type Activities		Total	
	2103	2012	2013	2012	2013	2012
Revenues						
Program revenues:						
Charges for Services and Sales	\$1,879,555	\$1,679,975	\$3,219,729	\$2,624,062	\$5,099,284	\$4,304,037
Operating Grants and Contributions	1,273,776	1,676,731	0	0	1,273,776	1,676,731
Capital Grants and Contributions	2,595,936	3,955,031	165,631	1,046,178	2,761,567	5,001,209
General revenues:						
Income Taxes	32,774,748	32,063,469	0	0	32,774,748	32,063,469
Property Taxes	3,544,624	3,249,328	0	0	3,544,624	3,249,328
Other Local Taxes	1,035,261	977,428	0	0	1,035,261	977,428
Grants and Entitlements not Restricted to Specific Programs	1,641,422	1,947,792	0	0	1,641,422	1,947,792
Investment Earnings	11,909	20,212	0	0	11,909	20,212
Miscellaneous	1,654,790	1,052,165	0	0	1,654,790	1,052,165
Total revenues	46,412,021	46,622,131	3,385,360	3,670,240	49,797,381	50,292,371
Program Expenses						
Security of Persons and Property	10,349,278	11,006,802	0	0	10,349,278	11,006,802
Leisure Time Activities	5,629,617	6,478,840	0	0	5,629,617	6,478,840
Community Development	965,971	1,464,789	0	0	965,971	1,464,789
Transportation	5,723,814	4,518,985	0	0	5,723,814	4,518,985
General Government	9,075,488	9,628,004	0	0	9,075,488	9,628,004
Debt Service:						
Interest and Fiscal Charges	1,828,081	2,417,896	0	0	1,828,081	2,417,896
Golf Course	0	0	3,836,350	3,225,981	3,836,350	3,225,981
Total expenses	33,572,249	35,515,316	3,836,350	3,225,981	37,408,599	38,741,297
Excess (deficiency) before Transfers	12,839,772	11,106,815	(450,990)	444,259	12,388,782	11,551,074
Transfers	(240,190)	(589,538)	240,190	589,538	0	0
Total Change in Net Position	12,599,582	10,517,277	(210,800)	1,033,797	12,388,782	11,551,074
Beginning Net Position	87,093,130	76,575,853	12,870,311	11,836,514	99,963,441	88,412,367
Ending Net Position	\$99,692,712	\$87,093,130	\$12,659,511	\$12,870,311	\$112,352,223	\$99,963,441

Governmental Activities

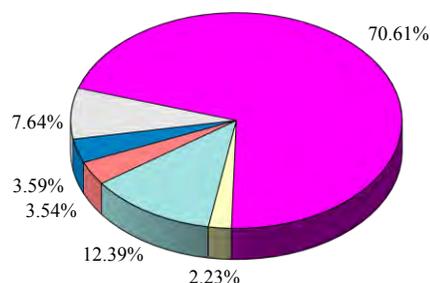
Net position of the City's governmental activities increased by \$12,599,582. Revenues decreased by \$210,110 and expenses decreased \$1.9 million. The decrease in expenses was related to a few major one-time capital purchases in 2012. Those purchases included a fire truck for the security of persons and property function, a property purchase for possible infrastructure improvements which impacted both the community development and the general government functions, and a turf soccer field project which affected the leisure time activities function. Other minor decreases in expenses occurred throughout the City because of careful spending as well as reorganization as a fair number of employees retired at the end of 2012. The transportation expenses increased by \$1.2 million largely because of a major sidewalk project on Reed Hartman Highway.

CITY OF BLUE ASH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2013 Unaudited**

Property taxes and income taxes made up 7.64% and 70.61% respectively of revenues for governmental activities for the City in fiscal year 2013. The City's reliance upon tax revenues is demonstrated by the following graph indicating 80.48% of total revenues from general tax revenues:

Revenue Sources	2013	Percent of Total
Property Taxes	\$3,544,624	7.64%
Income Taxes	32,774,748	70.61%
Other Local Taxes	1,035,261	2.23%
Program Revenues	5,749,267	12.39%
Grants and Entitlements not Restricted to Specific Programs	1,641,422	3.54%
General Other	1,666,699	3.59%
Total Revenue	\$46,412,021	100.00%



Business-Type Activities

Net position of the business-type activities decreased by \$210,800. The Cooper Creek Event Center had the first full year of operations in 2013. Revenues and expenses both increased in 2013 because of full operations and a very healthy event year. As operational revenues increased, the General Fund contributed less to the fund in the form of transfers as compared to 2012.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$39,938,056, which is an increase from last year's balance of \$39,244,124. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2013 and 2012:

	Fund Balance December 31, 2013	Fund Balance December 31, 2012	Increase (Decrease)
General	\$38,668,138	\$33,056,403	\$5,611,735
Park and Recreation	(47,966)	416,207	(464,173)
Summit Park	(1,517,329)	398,630	(1,915,959)
Other Governmental	2,835,213	5,372,884	(2,537,671)
Total	\$39,938,056	\$39,244,124	\$693,932

Of the City's \$39,938,056 year ended fund balances for governmental activities, 91.2% is unassigned, which allows it for spending at the government's discretion. Of the remaining 8.8%, \$2.6 million is restricted by sources outside of the City primarily for grants and debt. \$372,693 is in nonspendable form (prepaid items and supplies inventory) and the balance of \$502,863 is assigned by City management to cover outstanding purchase orders as of December 31, 2013.

CITY OF BLUE ASH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2013 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:

	2013	2012	Increase
	Revenues	Revenues	(Decrease)
Property Taxes	\$1,916,073	\$1,951,949	(\$35,876)
Municipal Income Tax	32,483,012	32,056,490	426,522
Other Local Taxes	1,035,261	977,428	57,833
Intergovernmental Revenues	1,587,707	1,852,010	(264,303)
Charges for Services	1,111,803	698,632	413,171
Licenses and Permits	492,635	479,189	13,446
Investment Earnings	10,862	17,492	(6,630)
Fines and Forfeitures	105,393	140,271	(34,878)
All Other Revenue	72,002	76,070	(4,068)
Total	<u>\$38,814,748</u>	<u>\$38,249,531</u>	<u>\$565,217</u>

General Fund revenues showed a slight increase in 2013 compared to 2012. Income tax increased for both net profit and withholdings collections. Charges for services increased because of two one-time receipts that are not expected to be repeated in the future. Intergovernmental revenues decreased primarily because 2012 figures included a large refund to the City of property taxes previously paid.

	2013	2012	Increase
	Expenditures	Expenditures	(Decrease)
Security of Persons and Property	\$10,251,504	\$10,648,855	(\$397,351)
Community Development	964,866	1,464,165	(499,299)
General Government	7,040,762	8,116,216	(1,075,454)
Total	<u>\$18,257,132</u>	<u>\$20,229,236</u>	<u>(\$1,972,104)</u>

General Fund expenditures decreased by 9.7% or \$1,972,104 below 2012 expenditures. As mentioned previously, the most significant portion of the decrease was due to large capital purchases in 2012 versus a more typical level in 2013. The 2012 figures included a large property purchase and a new fire truck. Otherwise, costs generally decreased in the administrative functions because of retirements and prudent spending.

Park and Recreation Fund – The fund decreased in 2013 primarily due to less General Fund transfers into the Park fund. The Park and Recreation Fund is partially supported by the General Fund each year through transfers. Transfers are made throughout the year with the final transfer(s) allowing for the year-end cash fund balance to reflect the amount of encumbrances outstanding at year-end. The Parks fund had a project encumbered at the end of 2012 to upgrade a soccer field to a turf surface. No major projects were encumbered at the end of 2013; therefore the fund balance was lower.

Summit Park Fund – The fund decreased due to additional spending on the park construction project. Phase I of constructing the new park began in 2013 and included earthwork, utilities, walking paths.

CITY OF BLUE ASH, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2013 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 2013 the City amended its General Fund budget several times, as approved by City Council.

For the General Fund, final budget basis revenue of \$38.1 million increased from the original budget estimates of \$36.7 million. The principal change was to account for transfers coming back to the General Fund from project funds initially supported by the General Fund which were completed and closed. The City budgets conservatively and actual revenues are typically higher than the budgeted figures as evident in the \$2.5 million positive variance. The expense budget increased \$2 million during 2013 primarily to allow for additional transfers to the Summit Park Fund. Actual expenditures of \$35.6 million were below the final budgeted number of \$40.1 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 2013 the City had \$117,622,099 net of accumulated depreciation invested in land, construction in progress, buildings, improvements other than buildings, infrastructure and machinery and equipment. Of this total, \$104,925,267 was related to governmental activities and \$12,696,832 to the business-type activities. The following table shows fiscal year 2013 and 2012 balances:

	Governmental Activities		Increase (Decrease)
	2013	2012	
Land	\$40,512,226	\$40,512,226	\$0
Construction In Progress	10,309,200	1,433,190	8,876,010
Buildings	46,307,752	45,735,748	572,004
Improvements Other than Buildings	6,459,651	6,459,651	0
Infrastructure	27,372,293	26,932,071	440,222
Machinery and Equipment	13,050,362	11,907,085	1,143,277
Less: Accumulated Depreciation	(39,086,217)	(36,117,158)	(2,969,059)
Totals	<u>\$104,925,267</u>	<u>\$96,862,813</u>	<u>\$8,062,454</u>

	Business-Type Activities		Increase (Decrease)
	2013	2012	
Land	\$1,124,764	\$1,124,764	\$0
Construction In Progress	8,500	8,881,643	(8,873,143)
Buildings	9,674,974	691,751	8,983,223
Improvements Other than Buildings	3,777,000	3,671,737	105,263
Machinery and Equipment	1,349,460	1,322,083	27,377
Less: Accumulated Depreciation	(3,237,866)	(2,822,124)	(415,742)
Totals	<u>\$12,696,832</u>	<u>\$12,869,854</u>	<u>(\$173,022)</u>

CITY OF BLUE ASH, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2013 Unaudited

The most significant change in capital assets occurred in construction in progress (governmental activities) and in buildings (business-type activities). The major projects in progress were construction at Summit Park, the Carver Road Rehabilitation Project, and construction of new sidewalks on Plainfield and Cooper Roads. Final touches were complete in 2013 for the Cooper Creek Event Center which moved the building from business-type construction in progress to buildings.

As of December 31, 2013, the City has construction commitments of \$5,305,902 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, 2013, the City had \$43,713,734 in bonds outstanding, \$2,469,817 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Governmental Activities:		
General Obligation Bonds	\$43,713,734	\$47,081,278
OPWC Loan	2,303,040	1,750,307
Capital Lease	1,363,067	1,500,000
Compensated Absences	1,334,510	1,739,754
Total Governmental Activities	<u>\$48,714,351</u>	<u>\$52,071,339</u>
Business-Type Activities:		
Compensated Absences	\$106,508	\$96,049
Total Business-Type Activities	<u>106,508</u>	<u>96,049</u>
Totals	<u>\$48,820,859</u>	<u>\$52,167,388</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, 2013, 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 since the economic downturn in the late 2000's. The focus has been on controlling costs, defining priorities, forecasting, and encouraging economic development. The commitment of maintaining and improving a solid business base is evident with the establishment or expansion of multiple companies in 2013 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, 2013**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 46,793,467	\$ 247,499	\$ 47,040,966
Receivables:			
Taxes	10,701,454	0	10,701,454
Accounts	566,285	46	566,331
Intergovernmental	1,709,006	470	1,709,476
Interest	594	0	594
Inventory of Supplies at Cost	289,330	91,011	380,341
Prepaid Items	83,363	2,572	85,935
Restricted Assets:			
Cash and Cash Equivalents	670,000	0	670,000
Capital Assets:			
Capital Assets Not Being Depreciated	50,821,426	1,133,264	51,954,690
Capital Assets Being Depreciated, Net	54,103,841	11,563,568	65,667,409
Total Assets	165,738,766	13,038,430	178,777,196
Liabilities:			
Accounts Payable	801,293	132,973	934,266
Accrued Wages and Benefits	852,898	60,532	913,430
Intergovernmental Payable	283,054	7,510	290,564
Contracts Payable	1,194,149	0	1,194,149
Accrued Interest Payable	553,163	0	553,163
General Obligation Notes Payable	9,900,000	0	9,900,000
Long-Term Liabilities:			
Due Within One Year	3,221,102	28,757	3,249,859
Due in More Than One Year	45,493,249	77,751	45,571,000
Total Liabilities	62,298,908	307,523	62,606,431
Deferred Inflows of Resources:			
Unavailable Amounts	0	71,396	71,396
Property Tax Levy for Next Fiscal Year	3,747,146	0	3,747,146
Total Deferred Inflows of Resources	3,747,146	71,396	3,818,542
Net Position:			
Net Investment in Capital Assets	63,698,280	12,696,832	76,395,112
Restricted For:			
Debt Service	766,998	0	766,998
Streets and Highways	1,460,443	0	1,460,443
Security of Persons & Property	353,532	0	353,532
Unrestricted (Deficit)	33,413,459	(37,321)	33,376,138
Total Net Position	\$ 99,692,712	\$ 12,659,511	\$ 112,352,223

See accompanying notes to the basic financial statements

CITY OF BLUE ASH, OHIO

**Statement of Activities
For the Year Ended December 31, 2013**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 10,349,278	\$ 63,254	\$ 356,570	\$ 0
Leisure Time Activities	5,629,617	1,181,479	0	0
Community Development	965,971	380,564	0	0
Transportation	5,723,814	38,691	917,206	1,901,937
General Government	9,075,488	215,567	0	693,999
Interest and Fiscal Charges	1,828,081	0	0	0
Total Governmental Activities	33,572,249	1,879,555	1,273,776	2,595,936
Business-Type Activities:				
Golf Course and Events Center	3,836,350	3,219,729	0	165,631
Total Business-Type Activities	3,836,350	3,219,729	0	165,631
Totals	\$ 37,408,599	\$ 5,099,284	\$ 1,273,776	\$ 2,761,567

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
\$ (9,929,454)	\$ 0	\$ (9,929,454)
(4,448,138)	0	(4,448,138)
(585,407)	0	(585,407)
(2,865,980)	0	(2,865,980)
(8,165,922)	0	(8,165,922)
(1,828,081)	0	(1,828,081)
<u>(27,822,982)</u>	<u>0</u>	<u>(27,822,982)</u>
0	(450,990)	(450,990)
<u>0</u>	<u>(450,990)</u>	<u>(450,990)</u>
<u>(27,822,982)</u>	<u>(450,990)</u>	<u>(28,273,972)</u>
1,916,073	0	1,916,073
1,628,551	0	1,628,551
32,774,748	0	32,774,748
1,035,261	0	1,035,261
1,641,422	0	1,641,422
11,909	0	11,909
1,654,790	0	1,654,790
(240,190)	240,190	0
<u>40,422,564</u>	<u>240,190</u>	<u>40,662,754</u>
12,599,582	(210,800)	12,388,782
<u>87,093,130</u>	<u>12,870,311</u>	<u>99,963,441</u>
<u>\$ 99,692,712</u>	<u>\$ 12,659,511</u>	<u>\$ 112,352,223</u>

CITY OF BLUE ASH, OHIO

**Balance Sheet
Governmental Funds
December 31, 2013**

	General	Park and Recreation	Summit Park
Assets:			
Cash and Cash Equivalents	\$ 35,536,705	\$ 161,112	\$ 9,162,279
Receivables:			
Taxes	8,827,452	0	0
Accounts	435,208	129,620	0
Intergovernmental	524,055	51	0
Interest	574	0	0
Interfund Loans Receivables	136,189	0	0
Inventory of Supplies, at Cost	14,217	19,094	0
Prepaid Items	75,493	4,572	0
Restricted Assets:			
Cash and Cash Equivalents	0	0	0
Total Assets	\$ 45,549,893	\$ 314,449	\$ 9,162,279
Liabilities:			
Accounts Payable	\$ 402,151	\$ 146,723	\$ 0
Accrued Wages and Benefits Payable	690,498	84,963	0
Intergovernmental Payable	269,663	2,178	0
Contracts Payable	0	0	772,458
Interfund Loans Payable	0	0	0
Accrued Interest Payable	0	0	7,150
General Obligation Notes Payable	0	0	9,900,000
Total Liabilities	1,362,312	233,864	10,679,608
Deferred Inflows of Resources:			
Unavailable Amounts	3,642,394	128,551	0
Property Tax Levy for Next Fiscal Year	1,877,049	0	0
Total Deferred Inflows of Resources	5,519,443	128,551	0
Fund Balances:			
Nonspendable	89,710	23,666	0
Restricted	0	0	0
Assigned	502,863	0	0
Unassigned	38,075,565	(71,632)	(1,517,329)
Total Fund Balances	38,668,138	(47,966)	(1,517,329)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 45,549,893	\$ 314,449	\$ 9,162,279

See accompanying notes to the basic financial statements

CITY OF BLUE ASH, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 1,933,371	\$ 46,793,467
1,874,002	10,701,454
1,457	566,285
1,184,900	1,709,006
20	594
0	136,189
256,019	289,330
3,298	83,363
<u>670,000</u>	<u>670,000</u>
<u>\$ 5,923,067</u>	<u>\$ 60,949,688</u>
\$ 252,419	\$ 801,293
77,437	852,898
11,213	283,054
421,691	1,194,149
136,189	136,189
0	7,150
0	9,900,000
<u>898,949</u>	<u>13,174,733</u>
318,808	4,089,753
<u>1,870,097</u>	<u>3,747,146</u>
<u>2,188,905</u>	<u>7,836,899</u>
259,317	372,693
2,642,281	2,642,281
0	502,863
<u>(66,385)</u>	<u>36,420,219</u>
<u>2,835,213</u>	<u>39,938,056</u>
<u>\$ 5,923,067</u>	<u>\$ 60,949,688</u>

CITY OF BLUE ASH, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2013***

Total Governmental Fund Balances		\$	39,938,056
<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.			104,925,267
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds.			4,089,753
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	(43,713,734)		
Capital Lease Payable	(1,363,067)		
OPWC Loans	(2,303,040)		
Compensated Absences Payable	(1,334,510)		
Accrued Interest Payable	(546,013)		
			<u>(49,260,364)</u>
<i>Net Position of Governmental Activities</i>		\$	<u>99,692,712</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, 2013**

	General	Park and Recreation	Summit Park
Revenues:			
Property Taxes	\$ 1,916,073	\$ 0	\$ 0
Municipal Income Tax	32,483,012	0	0
Other Local Taxes	1,035,261	0	0
Intergovernmental Revenues	1,587,707	0	0
Charges for Services	1,111,803	976,703	0
Licenses and Permits	492,635	0	0
Investment Earnings	10,862	0	0
Fines and Forfeitures	105,393	0	0
All Other Revenue	72,002	339,171	0
Total Revenue	38,814,748	1,315,874	0
Expenditures:			
Current:			
Security of Persons and Property	10,251,504	0	0
Leisure Time Activities	0	4,503,851	0
Community Development	964,866	0	0
Transportation	0	0	0
General Government	7,040,762	0	0
Capital Outlay	0	0	6,008,809
Debt Service:			
Principal Retirement	0	0	133,159
Interest & Fiscal Charges	0	0	623,991
Total Expenditures	18,257,132	4,503,851	6,765,959
Excess (Deficiency) of Revenues Over Expenditures	20,557,616	(3,187,977)	(6,765,959)
Other Financing Sources (Uses):			
Issuance of OPWC Loan	0	0	0
Transfers In	1,334,921	2,726,389	4,850,000
Transfers Out	(16,279,002)	0	0
Total Other Financing Sources (Uses)	(14,944,081)	2,726,389	4,850,000
Net Change in Fund Balances	5,613,535	(461,588)	(1,915,959)
Fund Balances (Deficits) at Beginning of Year	33,056,403	416,207	398,630
Increase (Decrease) in Inventory Reserve	(1,800)	(2,585)	0
Fund Balances (Deficits) End of Year	\$ 38,668,138	\$ (47,966)	\$ (1,517,329)

See accompanying notes to the basic financial statements

CITY OF BLUE ASH, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 1,599,472	\$ 3,515,545
0	32,483,012
0	1,035,261
2,230,286	3,817,993
40,019	2,128,525
100	492,735
1,047	11,909
59,974	165,367
32,905	444,078
<u>3,963,803</u>	<u>44,094,425</u>
332,385	10,583,889
0	4,503,851
0	964,866
3,862,519	3,862,519
734,648	7,775,410
4,695,955	10,704,764
3,579,574	3,712,733
1,267,240	1,891,231
<u>14,472,321</u>	<u>43,999,263</u>
(10,508,518)	95,162
805,374	805,374
8,482,423	17,393,733
(1,354,921)	(17,633,923)
<u>7,932,876</u>	<u>565,184</u>
(2,575,642)	660,346
5,372,884	39,244,124
37,971	33,586
<u>\$ 2,835,213</u>	<u>\$ 39,938,056</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, 2013***

Net Change in Fund Balances - Total Governmental Funds \$ 660,346

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	12,334,475	
Depreciation Expense	(3,228,384)	9,106,091

The statement of activities reports losses arising from the disposal of capital assets. (1,043,637)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 687,885

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position.
OPWC Loan Initiated (805,374)

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	3,323,159	
OPWC Loans Payment	252,641	
Capital Leases Principal Payment	136,933	
Amortization of Bond Premium	44,385	3,757,118

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 18,765

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	184,802	
Change in Inventory	33,586	218,388

Change in Net Position of Governmental Activities **\$ 12,599,582**

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, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 2,003,227	\$ 2,003,227	\$ 1,916,073	\$ (87,154)
Municipal Income Tax	31,075,800	31,075,800	32,726,542	1,650,742
Other Local Taxes	900,000	900,000	1,052,270	152,270
Intergovernmental Revenue	1,004,728	1,041,105	1,569,604	528,499
Charges for Services	600,750	600,750	958,557	357,807
Licenses and Permits	435,500	435,500	491,402	55,902
Investment Earnings	15,000	15,000	12,155	(2,845)
Fines and Forfeitures	121,000	121,000	103,107	(17,893)
All Other Revenues	300	300	438	138
Total Revenues	<u>36,156,305</u>	<u>36,192,682</u>	<u>38,830,148</u>	<u>2,637,466</u>
Expenditures:				
Current:				
Security of Persons and Property	11,329,625	11,366,002	10,608,626	757,376
Community Development	1,809,387	1,809,387	1,000,968	808,419
General Government	8,792,791	8,792,791	7,624,194	1,168,597
Total Expenditures	<u>21,931,803</u>	<u>21,968,180</u>	<u>19,233,788</u>	<u>2,734,392</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,224,502	14,224,502	19,596,360	5,371,858
Other Financing Sources (Uses):				
Sale of Capital Assets	50,000	50,000	67,284	17,284
Transfers In	0	1,338,073	1,338,073	0
Transfers Out	(16,118,822)	(18,113,822)	(16,279,002)	1,834,820
Advances In	529,350	537,550	463,000	(74,550)
Advances Out	0	(43,120)	(43,120)	0
Total Other Financing Sources (Uses):	<u>(15,539,472)</u>	<u>(16,231,319)</u>	<u>(14,453,765)</u>	<u>1,777,554</u>
Net Change in Fund Balance	(1,314,970)	(2,006,817)	5,142,595	7,149,412
Fund Balance at Beginning of Year	28,826,792	28,826,792	28,826,792	0
Prior Year Encumbrances	820,923	820,923	820,923	0
Fund Balance at End of Year	<u>\$ 28,332,745</u>	<u>\$ 27,640,898</u>	<u>\$ 34,790,310</u>	<u>\$ 7,149,412</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 Fund - Park and Recreation Fund
For the Year Ended December 31, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 980,650	\$ 987,450	\$ 1,052,928	\$ 65,478
All Other Revenues	272,000	272,000	341,610	69,610
Total Revenues	<u>1,252,650</u>	<u>1,259,450</u>	<u>1,394,538</u>	<u>135,088</u>
Expenditures:				
Current:				
Leisure Time Activities	5,322,548	5,329,348	4,780,075	549,273
Total Expenditures	<u>5,322,548</u>	<u>5,329,348</u>	<u>4,780,075</u>	<u>549,273</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,069,898)	(4,069,898)	(3,385,537)	684,361
Other Financing Sources (Uses):				
Transfers In	3,410,750	3,410,750	2,726,389	(684,361)
Total Other Financing Sources (Uses):	<u>3,410,750</u>	<u>3,410,750</u>	<u>2,726,389</u>	<u>(684,361)</u>
Net Change in Fund Balance	(659,148)	(659,148)	(659,148)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	659,148	659,148	659,148	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, 2013**

	Business-Type Activities <u>Enterprise Fund</u> <u>Golf Course and</u> <u>Events Center</u>
Assets:	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 247,499
Receivables:	
Accounts	46
Intergovernmental	470
Inventory of Supplies at Cost	91,011
Prepaid Items	<u>2,572</u>
<i>Total Current Assets</i>	<u>341,598</u>
<i>Non Current Assets:</i>	
Capital Assets:	
Capital Assets Not Being Depreciated	1,133,264
Capital Assets Being Depreciated, Net	<u>11,563,568</u>
Total Assets	<u>13,038,430</u>
Liabilities:	
<i>Current Liabilities:</i>	
Accounts Payable	132,973
Accrued Wages and Benefits	60,532
Intergovernmental Payable	7,510
Compensated Absences - Current	<u>28,757</u>
<i>Total Current Liabilities</i>	<u>229,772</u>
<i>Long Term Liabilities:</i>	
Compensated Absences Payable	<u>77,751</u>
Total Liabilities	<u>307,523</u>
Deferred Inflows of Resources:	
Unavailable Amounts	<u>71,396</u>
Net Position:	
Net Investment in Capital Assets	12,696,832
Unrestricted	<u>(37,321)</u>
Total Net Position	<u>\$ 12,659,511</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, 2013**

	Business-Type Activities <u>Enterprise Fund</u> Golf Course and Events Center
Operating Revenues:	
Charges for Services	\$ 3,039,080
Other Operating Revenue	2,870
Total Operating Revenues	<u>3,041,950</u>
Operating Expenses:	
Personal Services	1,387,486
Contractual Services	1,366,889
Materials and Supplies	462,338
Depreciation	436,922
Total Operating Expenses	<u>3,653,635</u>
Operating Loss	(611,685)
Nonoperating Revenue (Expenses):	
Other Nonoperating Revenue	177,779
Other Nonoperating Expense	(182,715)
Total Nonoperating Revenues (Expenses)	<u>(4,936)</u>
Loss Before Transfers and Contributions	(616,621)
Transfers In	240,190
Capital Contributions	165,631
Change in Net Position	(210,800)
Net Position Beginning of Year	<u>12,870,311</u>
Net Position End of Year	<u>\$ 12,659,511</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, 2013**

	Business-Type Activities Enterprise Fund <u>Golf Course and Events Center</u>
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$3,047,070
Cash Payments for Goods and Services	(1,852,051)
Cash Payments to Employees	(1,369,200)
Other Operating Cash Receipts	2,941
Net Cash Used by Operating Activities	<u>(171,240)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>	
Transfers In from Other Funds	240,190
Net Cash Provided by Noncapital Financing Activities	<u>240,190</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Acquisition and Construction of Assets	(103,641)
Net Cash Used for Capital and Related Financing Activities	<u>(103,641)</u>
Net Decrease in Cash and Cash Equivalents	(34,691)
Cash and Cash Equivalents at Beginning of Year	282,190
Cash and Cash Equivalents at End of Year	<u>\$247,499</u>
<u>Reconciliation of Operating Loss to Net Cash</u>	
<u>Used by Operating Activities:</u>	
Operating Loss	(\$611,685)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	436,922
Miscellaneous Nonoperating Income	178,326
Miscellaneous Nonoperating Expense	(175,686)
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	25
Increase in Inventory	(7,519)
Decrease in Prepaid Items	810
Decrease in Accounts Payable	(19,464)
Increase in Accrued Wages and Benefits	7,492
Increase in Deferred Inflows of Resources	8,036
Increase in Intergovernmental Payable	1,044
Increase in Compensated Absences	10,459
Total Adjustments	<u>440,445</u>
Net Cash Used by Operating Activities	<u>(\$171,240)</u>

Schedule of Noncash Investing, Capital and Financing Activities:

For the year ended December 31, 2013, the Golf Course Fund received \$165,631 in contributed capital from the Golf Course Construction Fund. The Golf Course Fund had outstanding liabilities of \$2,494 for the purchase of certain capital assets at December 31, 2013.

See accompanying notes to the basic financial statements

CITY OF BLUE ASH, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2013***

	<u>Agency</u>
Assets:	
Cash and Cash Equivalents	\$ 116,954
Total Assets	<u>116,954</u>
Liabilities:	
Intergovernmental Payable	587
Due to Others	<u>116,367</u>
Total Liabilities	<u>\$ 116,954</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

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, 2013 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, 2013***

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.

Park and Recreation Fund - This fund is used to account for the user charges collected from the operation of public recreational facilities and for the maintenance of same.

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, 2013***

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, 2013***

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, 2013***

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, 2013 but which are not intended to finance 2013 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, 2013***

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 2013, 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, 2013***

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 2013.

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 Park and Recreation 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, 2013**

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 Park and Recreation Fund:

	<u>Net Change in Fund Balance</u>	
	<u>General Fund</u>	<u>Park and Recreation Fund</u>
GAAP Basis (as reported)	\$5,613,535	(\$461,588)
Increase (Decrease):		
Accrued Revenues at December 31, 2013 received during 2014	(4,267,846)	(1,290)
Accrued Revenues at December 31, 2012 received during 2013	4,813,530	79,954
Accrued Expenditures at December 31, 2013 paid during 2014	1,362,312	233,864
Accrued Expenditures at December 31, 2012 paid during 2013	(1,475,449)	(351,638)
2012 Prepays for 2013	53,185	4,594
2013 Prepays for 2014	(75,493)	(4,572)
Outstanding Encumbrances	(881,179)	(158,472)
Budget Basis	<u>\$5,142,595</u>	<u>(\$659,148)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

During fiscal year 2013, 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 2013. 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, 2013.

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, 2013, 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, 2013**

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, 2013**

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, 2013***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Position

Net position represents the difference between assets and liabilities. Net invested 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, 2013***

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, 2013***

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. On the government-wide statement of net position and the proprietary statement of net position, unearned banquet deposits, that will be earned upon completion of the scheduled event, are reported as unavailable amounts. 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.

CITY OF BLUE ASH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2013**

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:

<u>Fund Balances</u>	<u>General</u>	<u>Park and Recreation</u>	<u>Summit Park</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Prepaid Items	\$75,493	\$4,572	\$0	\$3,298	\$83,363
Supplies Inventory	14,217	19,094	0	256,019	289,330
Total Nonspendable	<u>89,710</u>	<u>23,666</u>	<u>0</u>	<u>259,317</u>	<u>372,693</u>
Restricted:					
Transportation Projects	0	0	0	1,056,320	1,056,320
Debt Service	0	0	0	921,620	921,620
Law Enforcement	0	0	0	310,618	310,618
Capital Improvements	0	0	0	353,723	353,723
Total Restricted	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,642,281</u>	<u>2,642,281</u>
Assigned:					
Encumbrances	502,863	0	0	0	502,863
Unassigned	<u>38,075,565</u>	<u>(71,632)</u>	<u>(1,517,329)</u>	<u>(66,385)</u>	<u>36,420,219</u>
Total Fund Balances	<u>\$38,668,138</u>	<u>(\$47,966)</u>	<u>(\$1,517,329)</u>	<u>\$2,835,213</u>	<u>\$39,938,056</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2013**

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	\$3,189,697
Charges for Services	304,262
Intergovernmental Revenue Receivable	595,794
	<hr/>
	\$4,089,753

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:

Decrease in Tax Revenue	\$320,815
Increase in Intergovernmental Revenue Receivable	62,808
Increase in Charges for Services	304,262
	<hr/>
	\$687,885

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equities - The fund deficits of \$47,966 in the Parks and Recreation Fund, of \$10,723 in the OVI Task Force Fund and of \$6,734 in the Law Enforcement Liaison Fund (special revenue funds), of \$48,928 in the General Bond Retirement Fund (debt service fund) and of \$1,517,329 in the Summit Park Fund (capital projects 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, 2013***

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, 2013**

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 \$36,691,688 and the bank balance was \$37,101,579. Federal depository insurance covered \$500,000 of the bank balance and \$36,601,579 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>\$36,601,579</u>
Total Balance	<u><u>\$36,601,579</u></u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2013**

NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)

B. Investments

The City's investments at December 31, 2013 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (In Years) less than 1</u>
STAR Ohio	\$11,136,232	AAAm ¹	\$11,136,232
Total Investments	<u>\$11,136,232</u>		<u>\$11,136,232</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 2013.

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	\$47,827,920	\$0
STAR Ohio	<u>(11,136,232)</u>	<u>11,136,232</u>
Per GASB Statement No. 3	<u>\$36,691,688</u>	<u>\$11,136,232</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

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 2013 were levied after October 1, 2012 on assessed values as of January 1, 2012, 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, 2013 was \$3.08 per \$1,000 of assessed value. The assessed value upon which the 2013 levy was based was \$705,662,090. This amount constitutes \$684,622,180 in real property assessed value and \$21,039,910 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, 2013**

NOTE 7 - RECEIVABLES

Receivables at December 31, 2013 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 2013:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General Fund	\$1,334,921	\$16,279,002
Park and Recreation Fund	2,726,389	0
Summit Park Fund	4,850,000	0
Other Governmental Funds	8,482,423	1,354,921
Total Governmental Funds	<u>17,393,733</u>	<u>17,633,923</u>
Proprietary Funds:		
Golf Course Fund	240,190	0
Total All Funds	<u>\$17,633,923</u>	<u>\$17,633,923</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, 2013 are as follows:

<u>Fund</u>	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
General Fund	\$136,189	\$0
Other Governmental Funds	0	136,189
Totals	<u>\$136,189</u>	<u>\$136,189</u>

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2013**

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2013:

Historical Cost:

Class	December 31, 2012	Additions	Deletions	December 31, 2013
Capital assets not being depreciated:				
Land	\$40,512,226	\$0	\$0	\$40,512,226
Construction in Progress	1,433,190	9,111,603	(235,593)	10,309,200
Subtotal	41,945,416	9,111,603	(235,593)	50,821,426
Capital assets being depreciated:				
Buildings	45,735,748	1,637,248	(1,065,244)	46,307,752
Improvements Other than Buildings	6,459,651	0	0	6,459,651
Infrastructure	26,932,071	440,222	0	27,372,293
Machinery and Equipment	11,907,085	1,380,995	(237,718)	13,050,362
Subtotal	91,034,555	3,458,465	(1,302,962)	93,190,058
Total Cost	\$132,979,971	\$12,570,068	(\$1,538,555)	\$144,011,484

Accumulated Depreciation:

Class	December 31, 2012	Additions	Deletions	December 31, 2013
Buildings	(\$15,613,320)	(\$1,692,517)	\$32,196	(\$17,273,641)
Improvements Other than Buildings	(4,767,016)	(176,759)	0	(4,943,775)
Infrastructure	(7,445,886)	(618,229)	0	(8,064,115)
Machinery and Equipment	(8,290,936)	(740,879)	227,129	(8,804,686)
Total Depreciation	(\$36,117,158)	(\$3,228,384)	\$259,325	(\$39,086,217)
Net Value:	\$96,862,813			\$104,925,267

* Depreciation expenses were charged to governmental functions as follows:

Leisure Time Activities	\$1,102,813
Transportation	841,330
General Government	1,284,241
Total Depreciation Expense	\$3,228,384

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2013**

NOTE 9 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2013:

Historical Cost:

Class	December 31, 2012	Additions	Deletions	December 31, 2013
<i>Capital assets not being depreciated:</i>				
Land	\$1,124,764	\$0	\$0	\$1,124,764
Construction in Progress	8,881,643	8,500	(8,881,643)	8,500
Subtotal	10,006,407	8,500	(8,881,643)	1,133,264
<i>Capital assets being depreciated:</i>				
Buildings	691,751	8,983,223	0	9,674,974
Improvements Other than Buildings	3,671,737	105,263	0	3,777,000
Machinery and Equipment	1,322,083	48,557	(21,180)	1,349,460
Subtotal	5,685,571	9,137,043	(21,180)	14,801,434
Total Cost	\$15,691,978	\$9,145,543	(\$8,902,823)	\$15,934,698

Accumulated Depreciation:

Class	December 31, 2012	Additions	Deletions	December 31, 2013
Buildings	(\$479,434)	(\$197,123)	\$0	(\$676,557)
Improvements Other than Buildings	(1,404,505)	(113,478)	0	(1,517,983)
Machinery and Equipment	(938,185)	(126,321)	21,180	(1,043,326)
Total Depreciation	(\$2,822,124)	(\$436,922)	\$21,180	(\$3,237,866)
<i>Net Value:</i>	\$12,869,854			\$12,696,832

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.”

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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 2013, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2013 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 13.0% for calendar year 2013. 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, 2013, 2012, and 2011 were \$923,087, \$712,976 and \$675,984, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

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, 2013 through July 1, 2013, plan members were required to contribute 10.0% of their annual covered salary. From July 2, 2013 through December 31, 2013, plan members were required to contribute 10.75% of their annual covered salary. Throughout 2013, 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. The portion of employer contributions used to fund pension obligations from January 1, 2013 through May 31, 2013 was 14.81% for police officers and 19.31% for firefighters. The portion of employer contributions used to fund pension obligations from June 1, 2013 through December 31, 2013 was 16.65% for police officers and 21.15% for firefighters. The City's contributions for pension obligations to the OP&F Fund for the years ending December 31, 2013, 2012, and 2011 were \$511,517, \$398,020 and \$402,932 for police officers and \$450,157, \$368,690 and \$380,837 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

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

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. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

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 2013, 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 1.0% for calendar year 2013. 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, 2013, 2012, and 2011 were \$71,007, \$285,190 and \$270,393, 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, 2013***

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 2013, the portion of employer contributions allocated to health care was 4.69% of covered payroll from January 1, 2013 through May 31, 2013 and 2.85% of covered payroll from June 1, 2013 through December 31, 2013 for both police officers and firefighters.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

B. Ohio Police and Fire Pension Fund ("OP&F") (Continued)

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, 2013, 2012, and 2011 were \$112,013, \$210,717 and \$213,317 for police and \$75,494, \$154,957 and \$145,982 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, 2013**

NOTE 12 - LONG-TERM OBLIGATIONS

Detail of the changes in the long-term obligations of the City for the year ended December 31, 2013 is as follows:

		Balance December 31, 2012	Issued	(Retired)	Balance December 31, 2013	Amount Due Within One Year
Governmental Activities:						
General Obligation Bonds:						
2.53 - 3.13% Service Garage and Firehouse Bond (\$10,000,000)	2003	\$1,000,000	\$0	(\$1,000,000)	\$0	\$0
3.00- 3.85% Reed Hartmann Highway Improvement Bonds (\$3,700,000)	2005	1,110,000	0	(370,000)	740,000	370,000
5.00% Carver Road Tax Increment Financing Bonds (\$9,790,000)	2006	9,000,000	0	(215,000)	8,785,000	230,000
4.00% Recreation Center Construction Bonds (\$9,975,000)	2007	7,115,000	0	(715,000)	6,400,000	715,000
5.0% Real Estate Acquisition Bonds (\$18,913,325)	2007	17,336,816	0	(133,159)	17,203,657	139,817
2.00 - 4.00% Golf Clubhouse Construction Bonds (\$9,775,000)	2010	7,995,000	0	(890,000)	7,105,000	890,000
Premium on Golf Clubhouse Bonds		399,462	0	(44,385)	355,077	0
1.00 - 4.00% Osborne/Access Road Bonds (\$3,125,000)	2011	3,125,000	0	0	3,125,000	125,000
Total General Obligation Bonds		<u>47,081,278</u>	<u>0</u>	<u>(3,367,544)</u>	<u>43,713,734</u>	<u>2,469,817</u>
0.0% OPWC Loan (\$1,445,000)	2008	939,250	0	(144,500)	794,750	144,500
0.0% OPWC Loan (\$1,027,339)	2009	811,057	0	(108,141)	702,916	108,141
0.0% OPWC Loan	2013	0	805,374	0	805,374	0
Total OPWC Loans		<u>1,750,307</u>	<u>805,374</u>	<u>(252,641)</u>	<u>2,303,040</u>	<u>252,641</u>
Capital Lease (\$1,500,000)	2012	1,500,000	0	(136,933)	1,363,067	138,326
Compensated Absences		1,739,754	1,334,510	(1,739,754)	1,334,510	360,318
Total Governmental Activities		<u>\$52,071,339</u>	<u>\$2,139,884</u>	<u>(\$5,496,872)</u>	<u>\$48,714,351</u>	<u>\$3,221,102</u>

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CITY OF BLUE ASH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2013**

NOTE 12 - LONG-TERM OBLIGATIONS (Continued)

	Balance December 31, 2012	Additions	(Reductions)	Balance December 31, 2013	Due Within One Year
Business-Type Activities					
Compensated Absences	\$96,049	\$106,508	(\$96,049)	\$106,508	\$28,757
Total Business-Type Activities	<u>\$96,049</u>	<u>\$106,508</u>	<u>(\$96,049)</u>	<u>\$106,508</u>	<u>\$28,757</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, 2013 was \$74,094,519.

A. Principal and Interest Requirements

Principal and interest requirements to retire long-term debt outstanding at December 31, 2013 are as follows:

Years	General Obligation Bonds		OPWC Loans *	
	Principal	Interest	Principal	Interest
2014	\$2,469,817	\$1,917,417	\$252,641	\$0
2015	2,511,808	1,828,315	252,641	0
2016	2,154,148	1,736,662	252,641	0
2017	2,426,856	1,657,466	252,641	0
2018	2,462,449	1,555,736	252,641	0
2019-2023	10,399,029	6,293,302	234,461	0
2024-2028	6,709,729	4,555,390	0	0
2029-2033	8,899,947	2,659,733	0	0
2034-2036	5,324,874	508,876	0	0
Totals	<u>\$43,358,657</u>	<u>\$22,712,897</u>	<u>\$1,497,666</u>	<u>\$0</u>

* - The amortization schedule for the 2013 OPWC Loan has not been finalized because the entire loan has not yet been received.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

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, 2013, 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.

CITY OF BLUE ASH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2013**

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, 2013:

<u>Year Ending December 31,</u>	<u>Capital Leases</u>
2014	\$168,995
2015	168,995
2016	168,995
2017	168,995
2018	168,995
2019-2022	<u>675,980</u>
Minimum Lease Payments	1,520,955
Less amount representing interest at the at the City's incremental borrow rate	<u>(157,888)</u>
Present value of minimum lease payments	<u><u>\$1,363,067</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, 2012</u>	<u>Issued</u>	<u>(Retired)</u>	<u>Balance December 31, 2013</u>
Summit Park Fund:				
1.00% Summit Park Note	<u>\$0</u>	<u>\$9,900,000</u>	<u>\$0</u>	<u>\$9,900,000</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2013**

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, 2013, the pool has twenty one 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 one 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 twenty one participating entities and their respective pool contribution factors for the loss year ended December 31, 2013 are:

<u>Entity</u>	<u>Percentage</u>	<u>Entity</u>	<u>Percentage</u>
Beavercreek	5.80 %	Montgomery	3.08 %
Bellbrook	1.21 %	NAWA	0.30 %
Blue Ash	6.84 %	Piqua	6.11 %
Centerville	4.50 %	Sidney	6.71 %
Englewood	3.41 %	Springdale	3.95 %
Indian Hill	3.35 %	Tipp City	2.79 %
Kettering	11.80 %	Troy	7.09 %
Madeira	1.89 %	Vandalia	4.67 %
Mason	6.64 %	West Carrollton	3.21 %
Miamisburg	8.22 %	Wilmington	5.68 %
Subtotal	<u>53.66 %</u>	Wyoming	2.75 %
		Subtotal	<u>46.34 %</u>
		Total	<u><u>100.00 %</u></u>

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2013***

NOTE 15 - RISK MANAGEMENT (Continued)

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 most types of claims is \$2,500. The pool's self insured retention (SIR) for property claims is \$250,000 per occurrence except Boiler and Machinery which is \$10,000 - \$350,000 per occurrence. The pool's SIR for liability claims is \$500,000 per occurrence. Excess insurance coverage, provided by commercial companies and an excess insurance pool is \$9,500,000 to the limits stated above. The City pays an annual premium to MVRMA which is intended to cover administrative expenses and any claims covered by the pool. The MVRMA Board of Trustees has the ability to require the member cities to make supplemental payments in the event reserves are not adequate to cover claims in a particular loss year. The City was not required to make any supplemental payments as of December 31, 2013, because an actuarial opinion issued as of that date (the latest information available) reported actual MVRMA loss reserves of \$3,609,448, which is a reasonable provision for all repaid losses and loss adjustment expenses as delivered by the actuarial

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.

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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2013**

NOTE 16 - CONSTRUCTION COMMITMENTS

As of December 31, 2013, the City had the following commitments with respect to capital projects:

Project	Remaining Construction Commitment	Expected Date of Completion
Summit Park	\$4,042,734	Phase I - Fall 2014
Carver Road Rehabilitation	1,045,748	Summer 2014
Underground Tank Replacement	102,648	Summer 2014
Cooper Road Sidewalk	58,744	Spring 2014
Plainfield Road Sidewalk/Bikepath	56,028	Spring 2014
Total	\$5,305,902	

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, 2013 to December 31, 2013, 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.



*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.

Street Construction Maintenance and Repair Fund

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

Municipal Motor Vehicle License Tax Fund

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

State Highway Fund

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

Plainfield Road TIF Fund

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

Law Enforcement Assistance Fund

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

Law Enforcement Fund

To account for the proceeds from the confiscation of contraband.

Operating a Vehicle Intoxicated (OVI) Task Force Fund

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

Drug Law Enforcement Fund

To account for mandatory fines collected for drug offenses.

Education Enforcement (DUI) Fund

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

Law Enforcement Liaison Fund

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

Debt Service 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.

Energy Saving Facility Improvement Fund

To account for financial resources used to improve the energy efficiency of all City owned facilities.

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.

Golf Course Construction Fund

To account for financial resources used for the construction and improvement of the golf course clubhouse, upgraded irrigation and banquet facility.

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, 2013**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 1,483,580	\$ 281,065	\$ 168,726	\$ 1,933,371
Receivables:				
Taxes	304,000	1,570,002	0	1,874,002
Accounts	1,457	0	0	1,457
Intergovernmental	479,030	2,788	703,082	1,184,900
Interest	12	8	0	20
Inventory of Supplies, at Cost	256,019	0	0	256,019
Prepaid Items	3,298	0	0	3,298
Restricted Assets:				
Cash and Cash Equivalents	0	670,000	0	670,000
Total Assets	\$ 2,527,396	\$ 2,523,863	\$ 871,808	\$ 5,923,067
Liabilities:				
Accounts Payable	\$ 174,038	\$ 78,381	\$ 0	\$ 252,419
Accrued Wages and Benefits Payable	77,437	0	0	77,437
Intergovernmental Payable	11,213	0	0	11,213
Contracts Payable	0	0	421,691	421,691
Interfund Loans Payable	39,795	0	96,394	136,189
Total Liabilities	302,483	78,381	518,085	898,949
Deferred Inflows of Resources:				
Unavailable Amounts	312,115	6,693	0	318,808
Property Tax Levy for Next Fiscal Year	304,000	1,566,097	0	1,870,097
Total Deferred Inflows of Resources	616,115	1,572,790	0	2,188,905
Fund Balances:				
Nonspendable	259,317	0	0	259,317
Restricted	1,366,938	921,620	353,723	2,642,281
Unassigned	(17,457)	(48,928)	0	(66,385)
Total Fund Balances	1,608,798	872,692	353,723	2,835,213
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,527,396	\$ 2,523,863	\$ 871,808	\$ 5,923,067

CITY OF BLUE ASH, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2013**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property Taxes	\$ 303,567	\$ 1,295,905	\$ 0	\$ 1,599,472
Intergovernmental Revenues	1,238,290	25,771	966,225	2,230,286
Charges for Services	40,019	0	0	40,019
Licenses and Permits	100	0	0	100
Investment Earnings	173	167	707	1,047
Fines and Forfeitures	59,974	0	0	59,974
All Other Revenue	1,371	0	31,534	32,905
Total Revenue	1,643,494	1,321,843	998,466	3,963,803
Expenditures:				
Current:				
Security of Persons and Property	332,385	0	0	332,385
Transportation	3,862,519	0	0	3,862,519
General Government	197,802	536,846	0	734,648
Capital Outlay	0	0	4,695,955	4,695,955
Debt Service:				
Principal Retirement	0	3,579,574	0	3,579,574
Interest & Fiscal Charges	0	1,267,240	0	1,267,240
Total Expenditures	4,392,706	5,383,660	4,695,955	14,472,321
Excess (Deficiency) of Revenues Over Expenditures	(2,749,212)	(4,061,817)	(3,697,489)	(10,508,518)
Other Financing Sources (Uses):				
Issuance of OPWC Loans	0	0	805,374	805,374
Transfers In	3,092,748	3,964,675	1,425,000	8,482,423
Transfers Out	0	(20,000)	(1,334,921)	(1,354,921)
Total Other Financing Sources (Uses)	3,092,748	3,944,675	895,453	7,932,876
Net Change in Fund Balance	343,536	(117,142)	(2,802,036)	(2,575,642)
Fund Balances at Beginning of Year	1,227,291	989,834	3,155,759	5,372,884
Increase in Inventory Reserve	37,971	0	0	37,971
Fund Balances End of Year	\$ 1,608,798	\$ 872,692	\$ 353,723	\$ 2,835,213

CITY OF BLUE ASH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013**

	Street Construction, Maintenance and Repair Fund	Municipal Motor Vehicle License Tax Fund	State Highway Fund	Plainfield Road TIF Fund
Assets:				
Cash and Cash Equivalents	\$ 591,076	\$ 145,162	\$ 287,789	\$ 148,630
Receivables:				
Taxes	0	0	0	304,000
Accounts	1,457	0	0	0
Intergovernmental	304,330	53,028	24,624	0
Interest	5	2	5	0
Inventory of Supplies, at Cost	256,019	0	0	0
Prepaid Items	180	0	0	0
Total Assets	\$ 1,153,067	\$ 198,192	\$ 312,418	\$ 452,630
Liabilities:				
Accounts Payable	\$ 166,999	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	77,437	0	0	0
Intergovernmental Payable	490	0	0	0
Interfund Loans Payable	0	0	0	0
Total Liabilities	244,926	0	0	0
Deferred Inflows of Resources:				
Unavailable Amounts	203,094	35,352	16,416	0
Property Tax Levy for Next Fiscal Year	0	0	0	304,000
Total Deferred Inflows of Resources:	203,094	35,352	16,416	304,000
Fund Balances:				
Nonspendable	256,199	0	0	0
Restricted	448,848	162,840	296,002	148,630
Unassigned	0	0	0	0
Total Fund Balances	705,047	162,840	296,002	148,630
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,153,067	\$ 198,192	\$ 312,418	\$ 452,630

CITY OF BLUE ASH, OHIO

Law Enforcement Assistance Fund	Law Enforcement Fund	OVI Task Force Fund	Drug Law Enforcement Fund	Education Enforcement (DUI) Fund	Law Enforcement Liaison Fund	Total Nonmajor Special Revenue Funds
\$ 5,349	\$ 226,676	\$ 0	\$ 62,962	\$ 15,936	\$ 0	\$ 1,483,580
0	0	0	0	0	0	304,000
0	0	0	0	0	0	1,457
0	0	80,013	0	0	17,035	479,030
0	0	0	0	0	0	12
0	0	0	0	0	0	256,019
0	3,118	0	0	0	0	3,298
<u>\$ 5,349</u>	<u>\$ 229,794</u>	<u>\$ 80,013</u>	<u>\$ 62,962</u>	<u>\$ 15,936</u>	<u>\$ 17,035</u>	<u>\$ 2,527,396</u>
\$ 0	\$ 305	\$ 0	\$ 0	\$ 0	\$ 6,734	\$ 174,038
0	0	0	0	0	0	77,437
0	0	10,723	0	0	0	11,213
0	0	34,645	0	0	5,150	39,795
<u>0</u>	<u>305</u>	<u>45,368</u>	<u>0</u>	<u>0</u>	<u>11,884</u>	<u>302,483</u>
0	0	45,368	0	0	11,885	312,115
0	0	0	0	0	0	304,000
0	0	45,368	0	0	11,885	616,115
0	3,118	0	0	0	0	259,317
5,349	226,371	0	62,962	15,936	0	1,366,938
0	0	(10,723)	0	0	(6,734)	(17,457)
<u>5,349</u>	<u>229,489</u>	<u>(10,723)</u>	<u>62,962</u>	<u>15,936</u>	<u>(6,734)</u>	<u>1,608,798</u>
<u>\$ 5,349</u>	<u>\$ 229,794</u>	<u>\$ 80,013</u>	<u>\$ 62,962</u>	<u>\$ 15,936</u>	<u>\$ 17,035</u>	<u>\$ 2,527,396</u>

CITY OF BLUE ASH, OHIO**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013**

	Street Construction, Maintenance and Repair Fund	Municipal Motor Vehicle License Tax Fund	State Highway Fund	Plainfield Road TIF Fund
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 303,567
Intergovernmental Revenues	760,870	111,409	51,637	0
Charges for Services	40,019	0	0	0
Licenses and Permits	100	0	0	0
Investment Earnings	42	51	80	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	1,371	0	0	0
Total Revenue	<u>802,402</u>	<u>111,460</u>	<u>51,717</u>	<u>303,567</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Transportation	3,762,519	100,000	0	0
General Government	0	0	0	197,802
Total Expenditures	<u>3,762,519</u>	<u>100,000</u>	<u>0</u>	<u>197,802</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,960,117)	11,460	51,717	105,765
Other Financing Sources (Uses):				
Transfers In	3,092,748	0	0	0
Total Other Financing Sources (Uses)	<u>3,092,748</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	132,631	11,460	51,717	105,765
Fund Balances at Beginning of Year	534,445	151,380	244,285	42,865
Increase in Inventory Reserve	37,971	0	0	0
Fund Balances End of Year	<u>\$ 705,047</u>	<u>\$ 162,840</u>	<u>\$ 296,002</u>	<u>\$ 148,630</u>

CITY OF BLUE ASH, OHIO

Law Enforcement Assistance Fund	Law Enforcement Fund	OVI Task Force Fund	Drug Law Enforcement Fund	Education Enforcement (DUI) Fund	Law Enforcement Liaison Fund	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 303,567
0	0	242,311	0	0	72,063	1,238,290
0	0	0	0	0	0	40,019
0	0	0	0	0	0	100
0	0	0	0	0	0	173
0	59,128	0	200	646	0	59,974
0	0	0	0	0	0	1,371
<u>0</u>	<u>59,128</u>	<u>242,311</u>	<u>200</u>	<u>646</u>	<u>72,063</u>	<u>1,643,494</u>
1,501	28,977	221,852	848	410	78,797	332,385
0	0	0	0	0	0	3,862,519
0	0	0	0	0	0	197,802
<u>1,501</u>	<u>28,977</u>	<u>221,852</u>	<u>848</u>	<u>410</u>	<u>78,797</u>	<u>4,392,706</u>
(1,501)	30,151	20,459	(648)	236	(6,734)	(2,749,212)
0	0	0	0	0	0	3,092,748
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,092,748</u>
(1,501)	30,151	20,459	(648)	236	(6,734)	343,536
6,850	199,338	(31,182)	63,610	15,700	0	1,227,291
0	0	0	0	0	0	37,971
<u>\$ 5,349</u>	<u>\$ 229,489</u>	<u>\$ (10,723)</u>	<u>\$ 62,962</u>	<u>\$ 15,936</u>	<u>\$ (6,734)</u>	<u>\$ 1,608,798</u>

CITY OF BLUE ASH, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2013**

	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	\$ 29,453	\$ 250,865	\$ 747	\$ 281,065
Receivables:				
Taxes	80,002	1,160,000	330,000	1,570,002
Intergovernmental	2,788	0	0	2,788
Interest	0	8	0	8
Restricted Assets:				
Cash and Cash Equivalents	0	670,000	0	670,000
Total Assets	\$ 112,243	\$ 2,080,873	\$ 330,747	\$ 2,523,863
Liabilities:				
Accounts Payable	\$ 78,381	\$ 0	\$ 0	\$ 78,381
Total Liabilities	78,381	0	0	78,381
Deferred Inflows of Resources:				
Unavailable Amounts	6,693	0	0	6,693
Property Tax Levy for Next Fiscal Year	76,097	1,160,000	330,000	1,566,097
Total Deferred Inflows of Resources	82,790	1,160,000	330,000	1,572,790
Fund Balances:				
Restricted	0	920,873	747	921,620
Unassigned	(48,928)	0	0	(48,928)
Total Fund Balances	(48,928)	920,873	747	872,692
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 112,243	\$ 2,080,873	\$ 330,747	\$ 2,523,863

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, 2013**

	General Obligation Bond Retirement Fund	TIF Carver Road Bond Retirement Fund	TIF Reed Hartman Highway Fund	Total Nonmajor Debt Service Funds
Revenues:				
Property Taxes	\$ 77,678	\$ 1,158,679	\$ 59,548	\$ 1,295,905
Intergovernmental Revenues	25,771	0	0	25,771
Investment Earnings	0	167	0	167
Total Revenue	<u>103,449</u>	<u>1,158,846</u>	<u>59,548</u>	<u>1,321,843</u>
Expenditures:				
Current:				
General Government	0	498,045	38,801	536,846
Debt Service:				
Principal Retirement	3,364,574	215,000	0	3,579,574
Interest & Fiscal Charges	817,240	450,000	0	1,267,240
Total Expenditures	<u>4,181,814</u>	<u>1,163,045</u>	<u>38,801</u>	<u>5,383,660</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,078,365)	(4,199)	20,747	(4,061,817)
Other Financing Sources (Uses):				
Transfers In	3,964,675	0	0	3,964,675
Transfers Out	0	0	(20,000)	(20,000)
Total Other Financing Sources (Uses)	<u>3,964,675</u>	<u>0</u>	<u>(20,000)</u>	<u>3,944,675</u>
Net Change in Fund Balance	(113,690)	(4,199)	747	(117,142)
Fund Balances at Beginning of Year	<u>64,762</u>	<u>925,072</u>	<u>0</u>	<u>989,834</u>
Fund Balances End of Year	<u>\$ (48,928)</u>	<u>\$ 920,873</u>	<u>\$ 747</u>	<u>\$ 872,692</u>

CITY OF BLUE ASH, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2013**

	Plainfield Bikepath Construction Fund	Carver Road Fund	Reed Hartman Improvement Fund
Assets:			
Cash and Cash Equivalents	\$ 59,344	\$ 0	\$ 109,382
Receivables:			
Intergovernmental	19,786	588,019	0
Total Assets	<u>\$ 79,130</u>	<u>\$ 588,019</u>	<u>\$ 109,382</u>
Liabilities:			
Contracts Payable	439	418,350	0
Interfund Loans Payable	0	16,712	0
Total Liabilities	<u>439</u>	<u>435,062</u>	<u>0</u>
Fund Balances:			
Restricted	78,691	152,957	109,382
Total Fund Balances	<u>78,691</u>	<u>152,957</u>	<u>109,382</u>
Total Liabilities and Fund Balances	<u>\$ 79,130</u>	<u>\$ 588,019</u>	<u>\$ 109,382</u>

CITY OF BLUE ASH, OHIO

Cooper Road Sidewalk Construction Fund	Total Nonmajor Capital Projects Funds
\$ 0	\$ 168,726
<u>95,277</u>	<u>703,082</u>
<u>\$ 95,277</u>	<u>\$ 871,808</u>
2,902	421,691
<u>79,682</u>	<u>96,394</u>
<u>82,584</u>	<u>518,085</u>
<u>12,693</u>	<u>353,723</u>
<u>12,693</u>	<u>353,723</u>
<u>\$ 95,277</u>	<u>\$ 871,808</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, 2013**

	Energy Saving Facilities Improvement Fund	Plainfield Bikepath Construction Fund	Carver Road Fund	Golf Course Construction Fund
Revenues:				
Intergovernmental Revenues	\$ 169,000	\$ 524,999	\$ 0	\$ 0
Investment Earnings	261	0	0	336
All Other Revenue	31,534	0	0	0
Total Revenue	<u>200,795</u>	<u>524,999</u>	<u>0</u>	<u>336</u>
Expenditures:				
Capital Outlay	1,496,344	1,036,943	1,207,417	214,943
Total Expenditures	<u>1,496,344</u>	<u>1,036,943</u>	<u>1,207,417</u>	<u>214,943</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,295,549)	(511,944)	(1,207,417)	(214,607)
Other Financing Sources (Uses):				
Issuance of OPWC Loans	0	0	805,374	0
Transfers In	0	480,000	555,000	0
Transfers Out	(13,974)	0	0	(1,070,947)
Total Other Financing Sources (Uses)	<u>(13,974)</u>	<u>480,000</u>	<u>1,360,374</u>	<u>(1,070,947)</u>
Net Change in Fund Balance	(1,309,523)	(31,944)	152,957	(1,285,554)
Fund Balances at Beginning of Year	<u>1,309,523</u>	<u>110,635</u>	<u>0</u>	<u>1,285,554</u>
Fund Balances End of Year	<u>\$ 0</u>	<u>\$ 78,691</u>	<u>\$ 152,957</u>	<u>\$ 0</u>

CITY OF BLUE ASH, OHIO

Reed Hartman Improvement Fund	Cooper Road Sidewalk Construction Fund	Total Nonmajor Capital Project Funds
\$ 0	\$ 272,226	966,225
110	0	707
<u>0</u>	<u>0</u>	<u>31,534</u>
<u>110</u>	<u>272,226</u>	<u>998,466</u>
<u>36,081</u>	<u>704,227</u>	<u>4,695,955</u>
<u>36,081</u>	<u>704,227</u>	<u>4,695,955</u>
(35,971)	(432,001)	(3,697,489)
0	0	805,374
0	390,000	1,425,000
<u>(250,000)</u>	<u>0</u>	<u>(1,334,921)</u>
<u>(250,000)</u>	<u>390,000</u>	<u>895,453</u>
(285,971)	(42,001)	(2,802,036)
<u>395,353</u>	<u>54,694</u>	<u>3,155,759</u>
<u>\$ 109,382</u>	<u>\$ 12,693</u>	<u>\$ 353,723</u>

CITY OF BLUE ASH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 2,003,227	\$ 2,003,227	\$ 1,916,073	\$ (87,154)
Municipal Income Taxes	31,075,800	31,075,800	32,726,542	1,650,742
Other Local Taxes	900,000	900,000	1,052,270	152,270
Intergovernmental Revenues	1,004,728	1,041,105	1,569,604	528,499
Charges for Services	600,750	600,750	958,557	357,807
Licenses and Permits	435,500	435,500	491,402	55,902
Investment Earnings	15,000	15,000	12,155	(2,845)
Fines and Forfeitures	121,000	121,000	103,107	(17,893)
All Other Revenues	300	300	438	138
Total Revenues	36,156,305	36,192,682	38,830,148	2,637,466
Expenditures:				
Security of Persons and Property:				
Police Division:				
Personal Services	5,736,423	5,736,423	5,518,155	218,268
Materials and Supplies	180,798	180,798	154,427	26,371
Contractual Services	417,836	417,836	359,540	58,296
Capital Outlay	297,505	297,505	286,294	11,211
Total Police Division	6,632,562	6,632,562	6,318,416	314,146
Fire Division:				
Personal Services	4,075,297	4,075,297	3,713,832	361,465
Materials and Supplies	114,046	114,046	102,354	11,692
Contractual Services	322,156	322,156	278,016	44,140
Capital Outlay	185,564	221,941	196,008	25,933
Total Fire Division	4,697,063	4,733,440	4,290,210	443,230
Total Security of Persons and Property	11,329,625	11,366,002	10,608,626	757,376
Community Development:				
Building Division:				
Personal Services	470,000	470,000	433,152	36,848
Materials and Supplies	1,640	1,640	1,638	2
Contractual Services	723,625	723,625	487,056	236,569
Capital Outlay	614,122	614,122	79,122	535,000
Total Community Development	1,809,387	1,809,387	1,000,968	808,419

(Continued)

CITY OF BLUE ASH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
General Government:				
Legislative Services:				
Personal Services	142,000	142,000	123,395	18,605
Materials and Supplies	500	800	745	55
Contractual Services	539,122	538,822	494,508	44,314
Total Legislative Services	<u>681,622</u>	<u>681,622</u>	<u>618,648</u>	<u>62,974</u>
Judicial Services:				
Personal Services	126,500	126,500	100,800	25,700
Materials and Supplies	523	523	456	67
Contractual Services	14,964	14,964	5,008	9,956
Total Judicial Services	<u>141,987</u>	<u>141,987</u>	<u>106,264</u>	<u>35,723</u>
Tax and Finance Divisions:				
Personal Services	667,118	667,118	560,912	106,206
Materials and Supplies	4,489	4,489	3,123	1,366
Contractual Services	119,733	119,733	88,231	31,502
Capital Outlay	1,000	1,000	430	570
Total Tax and Finance Divisions	<u>792,340</u>	<u>792,340</u>	<u>652,696</u>	<u>139,644</u>
Administrative Services Division:				
Personal Services	1,313,250	1,313,250	1,114,006	199,244
Materials and Supplies	9,446	9,446	5,402	4,044
Contractual Services	37,050	37,050	29,830	7,220
Capital Outlay	3,000	3,000	0	3,000
Total Administrative Services Division	<u>1,362,746</u>	<u>1,362,746</u>	<u>1,149,238</u>	<u>213,508</u>
Facilities Maintenance Division:				
Personal Services	1,178,000	1,178,000	1,138,477	39,523
Materials and Supplies	278,414	293,414	287,931	5,483
Contractual Services	440,337	425,337	406,319	19,018
Capital Outlay	283,835	283,835	273,444	10,391
Total Facilities Maintenance Division	<u>2,180,586</u>	<u>2,180,586</u>	<u>2,106,171</u>	<u>74,415</u>
Insurance Services Division:				
Contractual Services	308,235	308,235	284,030	24,205
Total Insurance Services Division	<u>308,235</u>	<u>308,235</u>	<u>284,030</u>	<u>24,205</u>

(Continued)

CITY OF BLUE ASH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General Government Services:				
Personal Services	578,619	578,619	489,211	89,408
Materials and Supplies	50,723	50,723	45,320	5,403
Contractual Services	2,336,684	2,336,684	1,872,947	463,737
Capital Outlay	359,249	359,249	299,669	59,580
Total General Government Services	<u>3,325,275</u>	<u>3,325,275</u>	<u>2,707,147</u>	<u>618,128</u>
Total General Government	<u>8,792,791</u>	<u>8,792,791</u>	<u>7,624,194</u>	<u>1,168,597</u>
Total Expenditures	<u>21,931,803</u>	<u>21,968,180</u>	<u>19,233,788</u>	<u>2,734,392</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,224,502	14,224,502	19,596,360	5,371,858
Other Financing Sources (Uses):				
Sale of Capital Assets	50,000	50,000	67,284	17,284
Transfers In	0	1,338,073	1,338,073	0
Transfers Out	(16,118,822)	(18,113,822)	(16,279,002)	1,834,820
Advances In	529,350	537,550	463,000	(74,550)
Advances Out	0	(43,120)	(43,120)	0
Total Other Financing Sources (Uses)	<u>(15,539,472)</u>	<u>(16,231,319)</u>	<u>(14,453,765)</u>	<u>1,777,554</u>
Net Change in Fund Balance	(1,314,970)	(2,006,817)	5,142,595	7,149,412
Fund Balance at Beginning of Year	28,826,792	28,826,792	28,826,792	0
Prior Year Encumbrances	820,923	820,923	820,923	0
Fund Balance at End of Year	<u>\$ 28,332,745</u>	<u>\$ 27,640,898</u>	<u>\$ 34,790,310</u>	<u>\$ 7,149,412</u>

CITY OF BLUE ASH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund
For the Year Ended December 31, 2013**

PARK AND RECREATION FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 980,650	\$ 987,450	\$ 1,052,928	\$ 65,478
All Other Revenues	272,000	272,000	341,610	69,610
Total Revenues	<u>1,252,650</u>	<u>1,259,450</u>	<u>1,394,538</u>	<u>135,088</u>
Expenditures:				
Leisure Time Activities:				
Recreation Programming Division:				
Personal Services	1,288,000	1,288,000	1,178,197	109,803
Materials and Supplies	196,674	208,474	205,638	2,836
Contractual Services	1,314,198	1,309,198	1,216,268	92,930
Capital Outlay	128,555	128,555	77,813	50,742
Total Recreation Programming Division	<u>2,927,427</u>	<u>2,934,227</u>	<u>2,677,916</u>	<u>256,311</u>
Grounds Maintenance Division:				
Personal Services	961,000	961,000	823,199	137,801
Materials and Supplies	235,121	235,121	209,270	25,851
Contractual Services	372,609	372,609	281,820	90,789
Capital Outlay	826,391	826,391	787,870	38,521
Total Grounds Maintenance Division	<u>2,395,121</u>	<u>2,395,121</u>	<u>2,102,159</u>	<u>292,962</u>
Total Expenditures	<u>5,322,548</u>	<u>5,329,348</u>	<u>4,780,075</u>	<u>549,273</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,069,898)	(4,069,898)	(3,385,537)	684,361
Other Financing Sources (Uses):				
Transfers In	3,410,750	3,410,750	2,726,389	(684,361)
Total Other Financing Sources (Uses)	<u>3,410,750</u>	<u>3,410,750</u>	<u>2,726,389</u>	<u>(684,361)</u>
Net Change in Fund Balance	(659,148)	(659,148)	(659,148)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	659,148	659,148	659,148	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 Funds – Capital Project Fund
For the Year Ended December 31, 2013**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Capital Outlay	13,419,502	10,581,687	2,837,815
Total Expenditures	13,419,502	10,581,687	2,837,815
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,419,502)	(10,581,687)	2,837,815
Other Financing Sources (Uses):			
General Obligation Notes Issued	9,900,000	9,900,000	0
Transfers In	4,850,000	4,850,000	0
Total Other Financing Sources (Uses)	14,750,000	14,750,000	0
Net Changes in Fund Balance	1,330,498	4,168,313	2,837,815
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	569,502	569,502	0
Fund Balance at End of Year	\$ 1,900,000	\$ 4,737,815	\$ 2,837,815

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, 2013**

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 646,000	\$ 646,000	\$ 763,016	\$ 117,016
Charges for Services	2,000	2,000	38,591	36,591
Licenses and Permits	0	0	100	100
Investment Earnings	100	100	61	(39)
All Other Revenues	1,550	1,550	2,357	807
Total Revenues	649,650	649,650	804,125	154,475
Expenditures:				
Transportation:				
Street Division:				
Personal Services	1,664,500	1,664,500	1,363,784	300,716
Materials and Supplies	466,314	466,314	443,586	22,728
Contractual Services	543,969	543,968	483,240	60,728
Capital Outlay	2,223,756	2,223,757	2,173,602	50,155
Total Expenditures	4,898,539	4,898,539	4,464,212	434,327
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,248,889)	(4,248,889)	(3,660,087)	588,802
Other Financing Sources (Uses):				
Transfers In	3,681,550	3,681,550	3,092,748	(588,802)
Total Other Financing Sources (Uses)	3,681,550	3,681,550	3,092,748	(588,802)
Net Changes in Fund Balance	(567,339)	(567,339)	(567,339)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	567,339	567,339	567,339	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

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, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 106,000	\$ 112,754	\$ 6,754
Investment Earnings	100	57	(43)
Total Revenues	<u>106,100</u>	<u>112,811</u>	<u>6,711</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	6,100	12,811	6,711
Fund Balance at Beginning of Year	<u>132,351</u>	<u>132,351</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 138,451</u>	<u>\$ 145,162</u>	<u>\$ 6,711</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, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 51,000	\$ 51,812	\$ 812
Investment Earnings	100	89	(11)
Total Revenues	<u>51,100</u>	<u>51,901</u>	<u>801</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	51,100	51,901	801
Fund Balance at Beginning of Year	<u>235,888</u>	<u>235,888</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 286,988</u>	<u>\$ 287,789</u>	<u>\$ 801</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, 2013**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$ 304,000	\$ 303,567	\$ (433)
Total Revenues	<u>304,000</u>	<u>303,567</u>	<u>(433)</u>
Expenditures:			
General Government:			
General Government Services:			
Contractual Services	<u>198,050</u>	<u>197,802</u>	<u>248</u>
Total Expenditures	<u>198,050</u>	<u>197,802</u>	<u>248</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	105,950	105,765	(185)
Fund Balance at Beginning of Year	<u>42,865</u>	<u>42,865</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 148,815</u>	<u>\$ 148,630</u>	<u>\$ (185)</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, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Security of Persons and Property:			
Police Division:			
Contractual Services	6,850	1,501	5,349
Total Expenditures	6,850	1,501	5,349
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,850)	(1,501)	5,349
Fund Balance at Beginning of Year	6,850	6,850	0
Fund Balance at End of Year	\$ 0	\$ 5,349	\$ 5,349

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, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 8,000	\$ 59,128	\$ 51,128
Total Revenues	8,000	59,128	51,128
Expenditures:			
Security of Persons and Property:			
Police Division:			
Materials and Supplies	16,000	0	16,000
Contractual Services	57,338	30,406	26,932
Capital Outlay	122,673	3,027	119,646
Total Expenditures	196,011	33,433	162,578
Excess (Deficiency) of Revenues Over (Under) Expenditures	(188,011)	25,695	213,706
Fund Balance at Beginning of Year	196,665	196,665	0
Prior Year Encumbrances	4,011	4,011	0
Fund Balance at End of Year	\$ 12,665	\$ 226,371	\$ 213,706

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, 2013***

	OVI TASK FORCE FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental Revenues	\$ 311,185	\$ 261,110	\$ (50,075)
Total Revenues	<u>311,185</u>	<u>261,110</u>	<u>(50,075)</u>
Expenditures:			
Security of Persons and Property:			
Police Division:			
Contractual Services	<u>231,480</u>	<u>216,051</u>	<u>15,429</u>
Total Expenditures	<u>231,480</u>	<u>216,051</u>	<u>15,429</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	79,705	45,059	(34,646)
Fund Balance at Beginning of Year	(80,054)	(80,054)	0
Prior Year Encumbrances	350	350	0
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ (34,645)</u>	<u>\$ (34,646)</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, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 500	\$ 200	\$ (300)
Total Revenues	<u>500</u>	<u>200</u>	<u>(300)</u>
Expenditures:			
Security of Persons and Property:			
Police Division:			
Materials and Supplies	10,000	0	10,000
Contractual Services	26,000	848	25,152
Capital Outlay	<u>16,000</u>	<u>0</u>	<u>16,000</u>
Total Expenditures	<u>52,000</u>	<u>848</u>	<u>51,152</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(51,500)	(648)	50,852
Fund Balance at Beginning of Year	<u>63,610</u>	<u>63,610</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 12,110</u>	<u>\$ 62,962</u>	<u>\$ 50,852</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, 2013**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 1,000	\$ 681	\$ (319)
Total Revenues	<u>1,000</u>	<u>681</u>	<u>(319)</u>
Expenditures:			
Security of Persons and Property:			
Police Division:			
Contractual Services	<u>14,000</u>	<u>410</u>	<u>13,590</u>
Total Expenditures	<u>14,000</u>	<u>410</u>	<u>13,590</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,000)	271	13,271
Fund Balance at Beginning of Year	<u>15,665</u>	<u>15,665</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,665</u>	<u>\$ 15,936</u>	<u>\$ 13,271</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, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 115,701	\$ 88,189	\$ (27,512)
Total Revenues	<u>115,701</u>	<u>88,189</u>	<u>(27,512)</u>
Expenditures:			
Security of Persons and Property:			
Police Division:			
Contractual Services	<u>101,993</u>	<u>79,631</u>	<u>22,362</u>
Total Expenditures	<u>101,993</u>	<u>79,631</u>	<u>22,362</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,708	8,558	(5,150)
Fund Balance at Beginning of Year	(13,708)	(13,708)	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ (5,150)</u>	<u>\$ (5,150)</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, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$ 78,000	\$ 77,678	\$ (322)
Intergovernmental Revenues	25,710	25,771	61
Total Revenues	<u>103,710</u>	<u>103,449</u>	<u>(261)</u>
Expenditures:			
Debt Service:			
Principal Retirement	3,396,636	3,396,636	0
Interest and Fiscal Charges	782,481	781,641	840
Total Expenditures	<u>4,179,117</u>	<u>4,178,277</u>	<u>840</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,075,407)	(4,074,828)	579
Other Financing Sources (Uses):			
Premiums on Debt Issuances	74,844	74,844	0
Transfers In	3,968,574	3,964,675	(3,899)
Total Other Financing Sources (Uses)	<u>4,043,418</u>	<u>4,039,519</u>	<u>(3,899)</u>
Net Change in Fund Balance	(31,989)	(35,309)	(3,320)
Fund Balance at Beginning of Year	64,762	64,762	0
Fund Balance at End of Year	<u>\$ 32,773</u>	<u>\$ 29,453</u>	<u>\$ (3,320)</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, 2013**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$ 1,160,000	\$ 1,158,679	\$ (1,321)
Investment Earnings	100	183	83
Total Revenues	<u>1,160,100</u>	<u>1,158,862</u>	<u>(1,238)</u>
Expenditures:			
General Government:			
Contractual Services	500,000	498,045	1,955
Total General Government	<u>500,000</u>	<u>498,045</u>	<u>1,955</u>
Debt Service:			
Principal Retirement	215,000	215,000	0
Interest and Fiscal Charges	450,000	450,000	0
Total Expenditures	<u>1,165,000</u>	<u>1,163,045</u>	<u>1,955</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,900)	(4,183)	717
Fund Balance at Beginning of Year	925,048	925,048	0
Fund Balance at End of Year	<u>\$ 920,148</u>	<u>\$ 920,865</u>	<u>\$ 717</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, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$ 60,000	\$ 59,548	\$ (452)
Total Revenues	<u>60,000</u>	<u>59,548</u>	<u>(452)</u>
Expenditures:			
General Government:			
Contractual Services	<u>40,000</u>	<u>38,801</u>	<u>1,199</u>
Total Expenditures	<u>40,000</u>	<u>38,801</u>	<u>1,199</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,000	20,747	747
Other Financing Sources (Uses):			
Transfers Out	<u>(20,000)</u>	<u>(20,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(20,000)</u>	<u>(20,000)</u>	<u>0</u>
Net Change in Fund Balance	0	747	747
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>\$ 747</u>	<u>\$ 747</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, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 200,000	\$ 200,000	\$ 0
Investment Earnings	0	443	443
All Other Revenues	28,974	31,534	2,560
Total Revenues	<u>228,974</u>	<u>231,977</u>	<u>3,003</u>
Expenditures:			
Capital Outlay	1,582,298	1,582,298	0
Total Expenditures	<u>1,582,298</u>	<u>1,582,298</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,353,324)	(1,350,321)	3,003
Other Financing Sources (Uses):			
Transfers In	3,003	0	(3,003)
Transfers Out	(13,974)	(13,974)	0
Advances Out	(463,000)	(463,000)	0
Total Other Financing Sources (Uses)	<u>(473,971)</u>	<u>(476,974)</u>	<u>(3,003)</u>
Net Change in Fund Balance	(1,827,295)	(1,827,295)	0
Fund Balance at Beginning of Year	244,997	244,997	0
Prior Year Encumbrances	1,582,298	1,582,298	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, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 525,000	\$ 505,213	\$ (19,787)
Total Revenues	<u>525,000</u>	<u>505,213</u>	<u>(19,787)</u>
Expenditures:			
Capital Outlay	1,115,635	1,099,434	16,201
Total Expenditures	<u>1,115,635</u>	<u>1,099,434</u>	<u>16,201</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(590,635)	(594,221)	(3,586)
Other Financing Sources (Uses):			
Transfers In	480,000	480,000	0
Total Other Financing Sources (Uses)	<u>480,000</u>	<u>480,000</u>	<u>0</u>
Net Change in Fund Balance	(110,635)	(114,221)	(3,586)
Fund Balance at Beginning of Year	60,635	60,635	0
Prior Year Encumbrances	50,000	50,000	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ (3,586)</u>	<u>\$ (3,586)</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, 2013**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Capital Outlay	1,850,000	1,850,000	0
Total Expenditures	1,850,000	1,850,000	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,850,000)	(1,850,000)	0
Other Financing Sources (Uses):			
Issuance of OPWC Loan	1,295,000	217,355	(1,077,645)
Transfers In	555,000	555,000	0
Total Other Financing Sources (Uses)	1,850,000	772,355	(1,077,645)
Net Change in Fund Balance	0	(1,077,645)	(1,077,645)
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$ 0	\$ (1,077,645)	\$ (1,077,645)

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, 2013**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 417	\$ 417	\$ 0
Total Revenues	<u>417</u>	<u>417</u>	<u>0</u>
Expenditures:			
Capital Outlay	<u>228,286</u>	<u>228,286</u>	<u>0</u>
Total Expenditures	<u>228,286</u>	<u>228,286</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(227,869)	(227,869)	0
Other Financing Sources (Uses):			
Transfers Out	<u>(1,070,947)</u>	<u>(1,070,947)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(1,070,947)</u>	<u>(1,070,947)</u>	<u>0</u>
Net Change in Fund Balance	(1,298,816)	(1,298,816)	0
Fund Balance at Beginning of Year	1,153,340	1,153,340	0
Prior Year Encumbrances	<u>145,476</u>	<u>145,476</u>	<u>0</u>
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, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 0	\$ 135	\$ 135
Total Revenues	<u>0</u>	<u>135</u>	<u>135</u>
Expenditures:			
Capital Outlay	<u>41,817</u>	<u>36,757</u>	<u>5,060</u>
Total Expenditures	<u>41,817</u>	<u>36,757</u>	<u>5,060</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,817)	(36,622)	5,195
Other Financing Sources (Uses):			
Transfers Out	<u>(250,000)</u>	<u>(250,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(250,000)</u>	<u>(250,000)</u>	<u>0</u>
Net Change in Fund Balance	(291,817)	(286,622)	5,195
Fund Balance at Beginning of Year	354,187	354,187	0
Prior Year Encumbrances	<u>41,817</u>	<u>41,817</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 104,187</u>	<u>\$ 109,382</u>	<u>\$ 5,195</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, 2013***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 500,000	\$ 176,949	\$ (323,051)
Total Revenues	<u>500,000</u>	<u>176,949</u>	<u>(323,051)</u>
Expenditures:			
Capital Outlay	948,210	776,817	171,393
Total Expenditures	<u>948,210</u>	<u>776,817</u>	<u>171,393</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(448,210)	(599,868)	(151,658)
Other Financing Sources (Uses):			
Transfers In	390,000	390,000	0
Total Other Financing Sources (Uses)	<u>390,000</u>	<u>390,000</u>	<u>0</u>
Net Change in Fund Balance	(58,210)	(209,868)	(151,658)
Fund Balance at Beginning of Year	58,210	58,210	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ (151,658)</u>	<u>\$ (151,658)</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, 2013**

	Balance December 31, 2012	Additions	Deductions	Balance December 31, 2013
Mayor's Court				
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	\$0	\$168,491	(\$168,491)	\$0
Total Assets	\$0	\$168,491	(\$168,491)	\$0
Liabilities:				
Due to Others	\$0	\$168,491	(\$168,491)	\$0
Total Liabilities	\$0	\$168,491	(\$168,491)	\$0
Ohio Board of Building Standards Assessments				
Assets:				
Cash and Cash Equivalents	\$1,021	\$11,120	(\$11,554)	\$587
Total Assets	\$1,021	\$11,120	(\$11,554)	\$587
Liabilities:				
Intergovernmental Payables	\$1,021	\$11,120	(\$11,554)	\$587
Total Liabilities	\$1,021	\$11,120	(\$11,554)	\$587
Arson Task Force				
Assets:				
Cash and Cash Equivalents	\$3,505	\$301	(\$1,018)	\$2,788
Total Assets	\$3,505	\$301	(\$1,018)	\$2,788
Liabilities:				
Due to Others	\$3,505	\$301	(\$1,018)	\$2,788
Total Liabilities	\$3,505	\$301	(\$1,018)	\$2,788
Flex Spending Fund				
Assets:				
Cash and Cash Equivalents	\$73,278	\$116,538	(\$76,237)	\$113,579
Total Assets	\$73,278	\$116,538	(\$76,237)	\$113,579
Liabilities:				
Due to Others	\$73,278	\$116,538	(\$76,237)	\$113,579
Total Liabilities	\$73,278	\$116,538	(\$76,237)	\$113,579

(Continued)

CITY OF BLUE ASH, OHIO

	Balance December 31, 2012	Additions	Deductions	Balance December 31, 2013
<i>Totals - All Agency Funds</i>				
Assets:				
Cash and Cash Equivalents	\$77,804	\$127,959	(\$88,809)	\$116,954
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	168,491	(168,491)	0
Total Assets	<u>\$77,804</u>	<u>\$296,450</u>	<u>(\$257,300)</u>	<u>\$116,954</u>
Liabilities:				
Intergovernmental Payables	\$1,021	\$11,120	(\$11,554)	\$587
Due to Others	76,783	285,330	(245,746)	116,367
Total Liabilities	<u>\$77,804</u>	<u>\$296,450</u>	<u>(\$257,300)</u>	<u>\$116,954</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)*

	2004	2005	2006
Governmental Activities:			
Net Investment in Capital Assets	\$28,207,806	\$34,426,061	\$34,881,463
Restricted	9,637,231	5,465,764	4,839,111
Unrestricted	7,349,937	11,353,572	14,150,187
Total Governmental Activities Net Position	<u>\$45,194,974</u>	<u>\$51,245,397</u>	<u>\$53,870,761</u>
Business-type Activities:			
Net Investment in Capital Assets	\$2,712,921	\$2,640,807	\$2,616,516
Unrestricted (Deficit)	(21,594)	(30,031)	(13,743)
Total Business-type Activities Net Position	<u>\$2,691,327</u>	<u>\$2,610,776</u>	<u>\$2,602,773</u>
Primary Government:			
Net Investment in Capital Assets	\$30,920,727	\$37,066,868	\$37,497,979
Restricted	9,637,231	5,465,764	4,839,111
Unrestricted	7,328,343	11,323,541	14,136,444
Total Primary Government Net Position	<u>\$47,886,301</u>	<u>\$53,856,173</u>	<u>\$56,473,534</u>

Source: Finance Office

City of Blue Ash

2007	2008	2009	2010	2011	2012	2013
\$41,228,022	\$46,397,044	\$51,850,887	\$52,322,247	\$49,870,997	\$56,238,601	\$63,698,280
2,657,256	6,177,078	3,617,547	3,887,408	8,010,630	4,147,964	2,580,973
17,428,349	17,007,777	18,716,037	21,877,839	18,694,226	26,706,565	33,413,459
<u>\$61,313,627</u>	<u>\$69,581,899</u>	<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>
\$2,663,932	\$2,529,047	\$2,523,039	\$4,363,628	\$11,749,406	\$12,869,854	\$12,696,832
(26,609)	(37,114)	(77,742)	(60,056)	87,108	457	(37,321)
<u>\$2,637,323</u>	<u>\$2,491,933</u>	<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>
\$43,891,954	\$48,926,091	\$54,373,926	\$56,685,875	\$61,620,403	\$69,108,455	\$76,395,112
2,657,256	6,177,078	3,617,547	3,887,408	8,010,630	4,147,964	2,580,973
17,401,740	16,970,663	18,638,295	21,817,783	18,781,334	26,707,022	33,376,138
<u>\$63,950,950</u>	<u>\$72,073,832</u>	<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>

City of Blue Ash

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

	2004	2005	2006	2007
Expenses				
Governmental Activities:				
Security of Persons and Property	\$10,022,125	\$10,165,886	\$10,330,009	\$10,583,392
Leisure Time Activities	4,695,425	4,159,503	4,629,671	4,942,967
Community Development	627,530	880,545	1,128,585	864,853
Basic Utility Services	2,497,941	2,156,876	1,879,424	2,092,167
Transportation	2,248,461	1,855,044	1,919,917	2,311,705
General Government	6,132,078	6,306,580	7,401,144	7,512,638
Interest and Fiscal Charges	785,134	858,638	842,242	1,559,980
<i>Total Governmental Activities Expenses</i>	<u>27,008,694</u>	<u>26,383,072</u>	<u>28,130,992</u>	<u>29,867,702</u>
Business-type Activities:				
Golf Course and Events Center	1,314,862	1,318,708	1,482,474	1,592,043
<i>Total Business-type Activities Expenses</i>	<u>1,314,862</u>	<u>1,318,708</u>	<u>1,482,474</u>	<u>1,592,043</u>
<i>Total Primary Government Expenses</i>	<u>\$28,323,556</u>	<u>\$27,701,780</u>	<u>\$29,613,466</u>	<u>\$31,459,745</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$218,704	\$415,652	\$127,044	\$93,483
Leisure Time Activities	641,986	667,712	705,492	704,280
Community Development	195,256	346,095	523,062	333,467
Transportation	2,584	725	13,183	900
General Government	390,473	287,798	199,771	268,784
Operating Grants and Contributions	1,801,713	998,262	822,921	823,631
Capital Grants and Contributions	1,717,293	0	0	50,000
<i>Total Governmental Activities Program Revenues</i>	<u>4,968,009</u>	<u>2,716,244</u>	<u>2,391,473</u>	<u>2,274,545</u>

City of Blue Ash

2008	2009	2010	2011	2012	2013
\$10,808,527	\$10,971,088	\$10,200,445	\$10,106,451	\$11,006,802	\$10,349,278
5,463,869	5,262,217	3,965,278	12,798,189	6,478,840	5,629,617
809,377	784,808	1,602,342	1,228,985	1,464,789	965,971
1,864,013	2,401,524	79,730	0	0	0
2,024,089	2,415,412	4,058,682	4,916,322	4,518,985	5,723,814
8,133,593	8,351,370	10,227,100	9,061,273	9,628,004	9,075,488
2,299,658	2,099,365	1,999,212	2,216,492	2,417,896	1,828,081
<u>31,403,126</u>	<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>1,612,555</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>1,612,555</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>\$33,015,681</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>
\$96,637	\$46,524	\$39,045	\$30,966	\$20,494	\$63,254
633,303	773,855	844,815	903,915	1,015,236	1,181,479
236,921	153,767	266,574	320,669	373,982	380,564
7,117	1,977	1,977	9,669	4,553	38,691
276,842	305,634	188,747	207,794	265,710	215,567
875,492	1,183,899	1,037,723	965,315	1,676,731	1,273,776
<u>1,011,720</u>	<u>639,330</u>	<u>65,390</u>	<u>668,490</u>	<u>3,955,031</u>	<u>2,595,936</u>
<u>3,138,032</u>	<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>

(continued)

City of Blue Ash

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

	2004	2005	2006	2007
Business-type Activities:				
Charges for Services				
Golf Course and Events Center	1,105,883	1,093,114	1,122,849	1,153,749
Capital Grants and Contributions	0	0	0	0
<i>Total Business-type Activities Program Revenues</i>	1,105,883	1,093,114	1,122,849	1,153,749
<i>Total Primary Government Program Revenues</i>	6,073,892	3,809,358	3,514,322	3,428,294
Net (Expense)/Revenue				
Governmental Activities	(22,040,685)	(23,666,828)	(25,739,519)	(27,593,157)
Business-type Activities	(208,979)	(225,594)	(359,625)	(438,294)
<i>Total Primary Government Net (Expense)/Revenue</i>	(\$22,249,664)	(\$23,892,422)	(\$26,099,144)	(\$28,031,451)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$2,179,195	\$2,138,994	\$2,284,018	\$2,170,820
Debt Service	69,076	106,688	108,801	276,381
Municipal Income Taxes	19,644,642	22,628,464	22,145,729	26,914,805
Other Local Taxes	699,467	782,470	869,253	902,725
Grants and Entitlements not				
Restricted to Specific Programs	1,690,766	1,778,951	1,726,738	3,185,974
Investment Earnings	128,697	357,462	720,964	1,013,428
Miscellaneous	549,369	868,214	861,002	1,044,534
Transfers	(228,943)	(145,043)	(351,622)	(472,644)
<i>Total Governmental Activities</i>	24,732,269	28,516,200	28,364,883	35,036,023
Business-type Activities:				
Transfers	228,943	145,043	351,622	472,644
<i>Total Business-type Activities</i>	228,943	145,043	351,622	472,644
<i>Total Primary Government</i>	\$24,961,212	\$28,661,243	\$28,716,505	\$35,508,667
Change in Net Position				
Governmental Activities	\$2,691,584	\$4,849,372	\$2,625,364	\$7,442,866
Business-type Activities	19,964	(80,551)	(8,003)	34,350
<i>Total Primary Government Change in Net Position</i>	\$2,711,548	\$4,768,821	\$2,617,361	\$7,477,216

Source: Finance Office

City of Blue Ash

2008	2009	2010	2011	2012	2013
1,084,768	1,076,427	1,001,624	911,220	2,624,062	3,219,729
0	0	0	7,371,069	1,046,178	165,631
<u>1,084,768</u>	<u>1,076,427</u>	<u>1,001,624</u>	<u>8,282,289</u>	<u>3,670,240</u>	<u>3,385,360</u>
<u>4,222,800</u>	<u>4,181,413</u>	<u>3,445,895</u>	<u>11,389,107</u>	<u>10,981,977</u>	<u>9,134,627</u>
(28,265,094)	(29,180,798)	(29,688,518)	(37,220,894)	(28,203,579)	(27,822,982)
(527,787)	(447,467)	(460,072)	6,604,039	444,259	(450,990)
<u>(\$28,792,881)</u>	<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>
\$2,113,553	\$2,169,222	\$2,122,642	\$2,090,590	\$1,951,949	\$1,916,073
727,746	984,447	1,172,283	1,042,031	1,297,379	1,628,551
29,147,868	27,251,070	27,380,888	30,159,819	32,063,469	32,774,748
966,974	891,104	875,608	927,172	977,428	1,035,261
2,288,739	1,936,325	3,201,037	1,451,654	1,947,792	1,641,422
642,916	61,302	28,331	18,069	20,212	11,909
1,028,167	890,731	1,129,099	948,821	1,052,165	1,654,790
(382,597)	(400,831)	(2,318,347)	(928,903)	(589,538)	(240,190)
<u>36,533,366</u>	<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>
382,597	400,831	2,318,347	928,903	589,538	240,190
<u>382,597</u>	<u>400,831</u>	<u>2,318,347</u>	<u>928,903</u>	<u>589,538</u>	<u>240,190</u>
<u>\$36,915,963</u>	<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>
\$8,268,272	\$4,602,572	\$3,903,023	(\$1,511,641)	\$10,517,277	\$12,599,582
(145,190)	(46,636)	1,858,275	7,532,942	1,033,797	(210,800)
<u>\$8,123,082</u>	<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>

City of Blue Ash

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

	2004	2005	2006	2007	2008
General Fund					
Nonspendable	\$0	\$0	\$0	\$0	\$0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Reserved	336,403	510,338	1,614,323	884,661	916,799
Unreserved	<u>7,344,816</u>	<u>9,181,613</u>	<u>9,684,919</u>	<u>14,857,882</u>	<u>14,893,882</u>
<i>Total General Fund</i>	<u>7,681,219</u>	<u>9,691,951</u>	<u>11,299,242</u>	<u>15,742,543</u>	<u>15,810,681</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	6,537,653	4,077,834	6,852,199	2,476,725	7,846,136
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	626,637	918,193	595,933	565,946	538,976
Capital Projects Funds	<u>(9,888,439)</u>	<u>(4,282,921)</u>	<u>(351,904)</u>	<u>7,256,949</u>	<u>(1,149,195)</u>
<i>Total All Other Governmental Funds</i>	<u>(2,724,149)</u>	<u>713,106</u>	<u>7,096,228</u>	<u>10,299,620</u>	<u>7,235,917</u>
<i>Total Governmental Funds</i>	<u>\$4,957,070</u>	<u>\$10,405,057</u>	<u>\$18,395,470</u>	<u>\$26,042,163</u>	<u>\$23,046,598</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

2009	2010	2011	2012	2013
\$0	\$0	\$70,661	\$69,202	\$89,710
0	0	692,613	490,568	502,863
0	0	25,714,464	32,496,633	38,075,565
855,501	374,763	0	0	0
16,039,039	20,394,371	0	0	0
<u>16,894,540</u>	<u>20,769,134</u>	<u>26,477,738</u>	<u>33,056,403</u>	<u>38,668,138</u>
0	0	193,098	244,501	282,983
0	0	8,397,036	5,584,468	2,642,281
0	0	0	389,934	0
0	0	(90,719)	(31,182)	(1,655,346)
3,479,656	10,338,361	0	0	0
634,742	502,130	0	0	0
2,194	3,366,817	0	0	0
<u>4,116,592</u>	<u>14,207,308</u>	<u>8,499,415</u>	<u>6,187,721</u>	<u>1,269,918</u>
<u>\$21,011,132</u>	<u>\$34,976,442</u>	<u>\$34,977,153</u>	<u>\$39,244,124</u>	<u>\$39,938,056</u>

City of Blue Ash

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

	2004	2005	2006	2007
Revenues:				
Taxes				
Property	\$2,259,907	\$2,225,710	\$2,376,614	\$2,359,974
Municipal Income	19,482,112	21,780,007	22,053,892	27,037,678
Other Local	699,467	782,470	869,253	902,725
Intergovernmental Revenues	3,976,014	3,661,407	2,843,102	4,098,400
Charges for Services	995,850	1,170,430	1,259,704	1,417,539
Licenses and Permits	281,498	437,106	619,984	430,549
Investment Earnings	128,697	357,462	648,480	1,011,620
Fines and Forfeitures	378,006	659,328	254,781	172,999
All Other Revenue	343,018	319,332	295,085	424,361
Total Revenue	<u>28,544,569</u>	<u>31,393,252</u>	<u>31,220,895</u>	<u>37,855,845</u>
Expenditures:				
Current:				
Security of Persons and Property	9,972,468	10,111,541	10,595,745	11,260,376
Leisure Time Activities	3,837,782	3,885,242	4,310,565	4,413,957
Community Environment	657,461	882,499	1,360,707	944,529
Basic Utility Services	2,498,477	2,144,168	1,912,102	2,390,755
Transportation	1,876,750	1,755,940	2,017,696	2,167,150
General Government	5,766,124	5,669,339	5,580,307	5,700,274
Capital Outlay	3,238,694	1,737,644	3,447,714	26,962,418
Debt Service:				
Principal Retirement	2,463,216	2,463,503	2,830,000	3,830,000
Interest and Fiscal Charges	800,502	850,590	1,065,088	1,185,353
Total Expenditures	<u>31,111,474</u>	<u>29,500,466</u>	<u>33,119,924</u>	<u>58,854,812</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,566,905)	1,892,786	(1,899,029)	(20,998,967)

City of Blue Ash

2008	2009	2010	2011	2012	2013
\$2,896,080	\$3,239,625	\$3,210,343	\$3,214,814	\$3,312,909	\$3,515,545
28,934,385	27,084,620	27,411,890	29,937,730	32,056,490	32,483,012
966,974	891,104	875,608	927,172	977,428	1,035,261
4,181,614	3,806,303	4,296,177	3,196,489	3,744,046	3,817,993
1,355,985	1,450,662	1,568,165	1,560,635	1,790,370	2,128,525
335,746	252,611	367,608	425,185	479,189	492,735
642,916	61,302	28,331	18,069	20,212	11,909
174,305	133,095	114,812	144,371	158,158	165,367
412,951	336,120	419,672	292,853	304,423	444,078
<u>39,900,956</u>	<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>
11,064,811	10,873,558	10,230,976	10,014,242	10,945,025	10,583,889
5,034,298	4,248,364	3,823,146	4,081,680	4,199,137	4,503,851
910,816	782,176	1,601,674	1,220,875	1,464,165	964,866
1,958,071	2,406,148	114,224	0	0	0
2,323,589	2,073,586	3,500,677	4,443,374	3,833,354	3,862,519
7,860,934	6,566,020	7,846,087	7,639,034	8,465,303	7,775,410
9,059,084	7,325,932	2,689,388	8,709,260	4,895,275	10,704,764
3,034,334	3,826,800	2,588,598	3,543,420	3,559,459	3,712,733
2,303,704	2,108,322	1,955,738	2,273,692	2,168,662	1,891,231
<u>43,549,641</u>	<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>
(3,648,685)	(2,955,464)	3,942,098	(2,208,259)	3,312,845	95,162

(continued)

City of Blue Ash

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	616	2,520	305,145	261,920
Ohio Public Works Commission Loan	0	0	0	0
General Obligation Bonds Issued	0	3,700,000	9,790,000	9,975,000
Property Acquisition Loan	0	0	0	18,913,325
Premium on General Obligation Bonds	0	0	72,484	1,808
Capital Lease Initiated	0	0	0	0
Transfers In	12,040,770	18,233,922	12,067,135	12,272,969
Transfers Out	(12,269,713)	(18,378,965)	(12,418,757)	(12,745,613)
Total Other Financing Sources (Uses)	<u>(228,327)</u>	<u>3,557,477</u>	<u>9,816,007</u>	<u>28,679,409</u>
Net Change in Fund Balance	<u>(\$2,795,232)</u>	<u>\$5,450,263</u>	<u>\$7,916,978</u>	<u>\$7,680,442</u>
 Debt Service as a Percentage of Noncapital Expenditures	 12.13%	 12.69%	 13.89%	 16.64%

Source: Finance Office

City of Blue Ash

2008	2009	2010	2011	2012	2013
72,728	17,521	13,134	0	0	0
1,147,701	1,218,401	160,307	0	0	805,374
0	0	9,775,000	3,125,000	0	0
0	0	0	0	0	0
0	0	488,232	0	0	0
0	0	0	0	1,500,000	0
13,558,928	11,508,399	11,997,678	11,553,238	11,853,301	17,393,733
(14,118,625)	(11,909,230)	(12,342,103)	(12,482,141)	(12,442,839)	(17,633,923)
660,732	835,091	10,092,248	2,196,097	910,462	565,184
(\$2,987,953)	(\$2,120,373)	\$14,034,346	(\$12,162)	\$4,223,307	\$660,346
16.99%	17.76%	13.86%	14.26%	17.84%	17.70%

City of Blue Ash

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Income Tax Rate	1.00%	1.00%	1.00%	1.25%	1.25%
Total Tax Collected	\$20,483,282	\$22,419,840	\$23,127,864	\$27,564,397	\$30,119,007
Income Tax Receipts					
Withholding	16,209,336	16,295,486	16,969,100	22,528,565	23,432,765
Percentage	79.14%	72.68%	73.37%	81.74%	77.80%
Corporate	3,308,918	5,061,717	5,124,123	3,747,226	5,334,812
Percentage	16.15%	22.58%	22.16%	13.59%	17.71%
Individuals	965,028	1,062,637	1,034,641	1,288,606	1,351,430
Percentage	4.71%	4.74%	4.47%	4.67%	4.49%

Source: Finance Office

City of Blue Ash

2009	2010	2011	2012	2013
1.25%	1.25%	1.25%	1.25%	1.25%
\$28,314,411	\$28,704,462	\$30,833,752	\$32,679,637	\$33,947,202
22,543,295	22,849,499	24,030,052	26,054,663	26,886,756
79.62%	79.60%	77.93%	79.73%	79.20%
4,471,944	4,672,903	5,518,811	5,352,319	5,574,177
15.79%	16.28%	17.90%	16.38%	16.42%
1,299,172	1,182,060	1,284,889	1,272,655	1,486,269
4.59%	4.12%	4.17%	3.89%	4.38%



City of Blue Ash

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2013				
<i>Withholding Tax</i>	Number of Filers	Percent of Total Filers	Income Tax Collections	Percent of Income
Income Tax Filers				
Top Ten	10	0.36%	\$8,037,720	29.89%
All Others	2,773	99.64%	18,849,036	70.11%
Total	<u>2,783</u>	<u>100.00%</u>	<u>\$26,886,756</u>	<u>100.00%</u>
 <i>Net Profit Tax</i>				
Income Tax Filers	Number of Filers	Percent of Total Filers	Income Tax Collections	Percent of Income
Top Ten	10	0.15%	\$2,302,452	32.61%
All Others	6,623	99.85%	4,757,995	67.39%
Total	<u>6,633</u>	<u>100.00%</u>	<u>\$7,060,446</u>	<u>100.00%</u>
<i>Total Income Tax Collections</i>			<u>\$33,947,202</u>	
 Calendar Year 2004				
<i>Withholding Tax</i>				
Income Tax Filers	Number of Filers	Percent of Total Filers	Income Tax Collections	Percent of Income
Top Ten	10	0.41%	\$5,487,019	33.85%
All Others	2,432	99.59%	10,722,317	66.15%
Total	<u>2,442</u>	<u>100.00%</u>	<u>\$16,209,336</u>	<u>100.00%</u>
 <i>Net Profit Tax</i>				
Income Tax Filers	Number of Filers	Percent of Total Filers	Income Tax Collections	Percent of Income
Top Ten	10	0.17%	\$1,905,550	44.59%
All Others	5,896	99.83%	2,368,396	55.41%
Total	<u>5,906</u>	<u>100.00%</u>	<u>\$4,273,946</u>	<u>100.00%</u>
<i>Total Income Tax Collections</i>			<u>\$20,483,282</u>	

Source: City Income Tax Department

City of Blue Ash

Ratio of Outstanding Debt By Type Last Ten Years

	2004	2005	2006	2007
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$16,300,000	\$17,540,000	\$14,710,000	\$39,768,325
Tax Increment Financing Bonds	0	0	9,790,000	9,790,000
Capital Leases	3,503	0	0	0
Ohio Public Works Commission Loan	0	0	0	0
Total Primary Government	<u>\$16,303,503</u>	<u>\$17,540,000</u>	<u>\$24,500,000</u>	<u>\$49,558,325</u>
 Population ⁽²⁾				
City of Blue Ash	12,513	12,513	12,513	12,513
Outstanding Debt Per Capita	\$1,303	\$1,402	\$1,958	\$3,961
 Income ⁽³⁾				
Personal (in thousands)	493,851	499,732	519,002	519,002
Percentage of Personal Income	3.30%	3.51%	4.72%	9.55%

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

2008	2009	2010	2011	2012	2013
\$36,833,991	\$33,179,441	\$41,242,645	\$41,227,481	\$38,081,278	\$34,928,734
9,690,000	9,590,000	9,400,000	9,205,000	9,000,000	8,785,000
0	0	0	0	1,500,000	1,363,067
1,147,701	2,293,852	2,255,589	2,002,948	1,750,307	2,303,040
<u>\$47,671,692</u>	<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>

12,513	12,513	12,114	12,114	12,114	12,114
\$3,810	\$3,601	\$4,367	\$4,328	\$4,155	\$3,911

534,680	534,680	532,023	555,451	567,916	598,589
8.92%	8.43%	9.94%	9.44%	8.86%	7.92%

City of Blue Ash

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2004	2005	2006	2007
Population (1)	12,513	12,513	12,513	12,513
Personal Income (2)	\$493,851	\$499,732	\$519,002	\$519,002
General Bonded Debt (3)				
General Obligation Bonds	\$16,300,000	\$17,540,000	\$14,710,000	\$39,768,325
Resources Available to Pay Principal (4)	\$5,131,585	\$26,082	\$28,878	\$31,585
Net General Bonded Debt	\$11,168,415	\$17,513,918	\$14,681,122	\$39,736,740
Ratio of Net Bonded Debt to Estimated Personal Income (in thousands)	2.26%	3.50%	2.83%	7.66%
Net Bonded Debt per Capita	\$892.54	\$1,399.66	\$1,173.27	\$3,175.64

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

2008	2009	2010	2011	2012	2013
12,513	12,513	12,114	12,114	12,114	12,114
\$534,680	\$534,680	\$532,023	\$555,451	\$567,916	\$598,589
\$36,833,991	\$33,179,441	\$41,242,645	\$41,227,481	\$38,081,278	\$34,928,734
\$25,123	\$25,000	\$550,658	\$500,000	\$64,762	\$766,998
\$36,808,868	\$33,154,441	\$40,691,987	\$40,727,481	\$38,016,516	\$34,161,736
6.88%	6.20%	7.65%	7.33%	6.69%	5.71%
\$2,941.65	\$2,649.60	\$3,359.09	\$3,362.02	\$3,138.23	\$2,820.02



City of Blue Ash

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2013*

<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	\$47,379,841	100.00%	\$47,379,841
Overlapping:			
Sycamore Community School District	52,574,985	42.77%	22,486,321
Princeton City School District	188,739,930	0.75%	1,415,549
Great Oaks Joint Vocational School District	14,695,000	3.94%	578,983
Hamilton County	64,345,000	3.88%	<u>2,496,586</u>
		Subtotal	<u>26,977,439</u>
		Total	<u><u>\$74,357,280</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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Total Debt				
Net Assessed Valuation	\$799,130,325	\$803,638,420	\$751,507,450	\$744,215,915
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	83,908,684	84,382,034	78,908,282	78,142,671
City Debt Outstanding (2)	0	0	0	0
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Overall Legal Debt Margin	<u><u>\$83,908,684</u></u>	<u><u>\$84,382,034</u></u>	<u><u>\$78,908,282</u></u>	<u><u>\$78,142,671</u></u>
Unvoted Debt				
Net Assessed Valuation	\$799,130,325	\$803,638,420	\$751,507,450	\$744,215,915
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	43,952,168	44,200,113	41,332,910	40,931,875
City Debt Outstanding (2)	0	0	0	0
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Overall Legal Debt Margin	<u><u>\$43,952,168</u></u>	<u><u>\$44,200,113</u></u>	<u><u>\$41,332,910</u></u>	<u><u>\$40,931,875</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

2008	2009	2010	2011	2012	2013
\$769,438,003	\$774,127,710	\$758,327,730	\$706,449,050	\$704,468,110	\$705,662,090
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
80,790,990	81,283,410	79,624,412	74,177,150	73,969,152	74,094,519
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$80,790,990</u>	<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>
\$769,438,003	\$774,127,710	\$758,327,730	\$706,449,050	\$704,468,110	\$705,662,090
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
42,319,090	42,577,024	41,708,025	38,854,698	38,745,746	38,811,415
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$42,319,090</u>	<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>

City of Blue Ash

*Pledged Revenue Coverage
Last Eight 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>
\$1,001,648	\$1,039,471	\$1,160,277	\$1,158,679
190,000	195,000	205,000	215,000
486,963	470,000	460,250	450,000
1.48	1.56	1.74	1.74

City of Blue Ash

Demographic and Economic Statistics Last Ten Years

Calendar Year	2004	2005	2006	2007	2008
Population (1)					
City of Blue Ash	12,513	12,513	12,513	12,513	12,513
Hamilton County	845,303	806,652	806,652	806,652	806,652
Income (2) (a)					
Total Personal (in thousands)	493,851	499,732	519,002	519,002	534,680
Per Capita	39,467	39,937	41,477	41,477	42,730
Unemployment Rate (3)					
Federal	6.0%	5.5%	5.0%	4.6%	5.8%
State	6.1%	6.0%	5.9%	5.6%	6.6%
Hamilton County	5.1%	5.6%	5.0%	5.0%	5.6%
Civilian Work Force Estimates (3)					
State	5,875,300	5,900,400	5,934,000	5,976,500	5,986,400
Hamilton County	422,200	426,800	423,500	431,200	432,400
Daytime Population (4)	54,600	55,000	56,700	58,000	58,000

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

2009	2010	2011	2012	2013
12,513	12,114	12,114	12,114	12,114
806,652	802,374	802,374	802,374	802,374
534,680	532,023	555,451	567,916	598,589
42,730	43,918	45,852	46,881	49,413
10.0%	9.4%	8.9%	8.1%	7.4%
10.8%	9.6%	8.6%	7.2%	7.4%
10.4%	8.5%	8.6%	7.0%	7.1%
5,986,400	5,906,000	5,806,000	5,747,900	5,765,700
432,400	434,700	406,900	400,000	403,300
55,000	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) 2013
Ethicon	Surgical Instruments Manufacturer	1
Procter and Gamble	Technical Center - Home Product Division	2
Kroger	Administrative Offices	3
Warner Cable	Cable Company	4
Belcan Engineering Services	Engineering Services	5
Citigroup	Financial Services	6
Ingersoll-Rand (Steelcraft)	Steel Products Manufacturer	7
Mercy Health Systems	Home Health Services	8
Wornick	Pre-Packaged Food Manufacturer	9
LSI Industries	Lighting Manufacturer	10

Employer	Nature of Business	Rank (1) 2004
Procter and Gamble	Technical Center - Home Product Division	1
Ethicon	Surgical Instruments Manufacturer	2
Sara Lee Foods	Headquarters	3
Fidelity Investments	Investments	4
Ingersoll-Rand (Steelcraft)	Steel Products Manufacturer	5
Warner Cable	Cable Company	6
Mercy Health Systems	Home Health Services	7
Belcan Engineering Services	Engineering Services	8
Kroger	Administrative Offices	9
University of Cincinnati - Blue Ash	Education - Branch of University of Cincinnati	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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities						
General Government						
Finance/Tax	9.25	7.50	7.50	7.00	7.00	8.00
Judicial	3.50	3.50	3.50	2.50	2.50	2.50
Administration/General Gov't	14.75	12.25	12.25	13.50	13.50	14.50
Facilities Maintenance	14.00	14.00	14.75	15.50	16.00	17.00
Security of Persons and Property						
Police	55.25	52.75	49.00	47.75	47.75	47.25
Fire	38.00	39.75	41.50	36.00	41.75	42.25
Basic Utility Services						
Public Service	11.50	10.50	10.50	9.00	7.25	10.50
Transportation						
Street	12.50	12.50	12.00	10.00	9.00	9.25
Leisure Time Activities						
Recreation	48.00	40.50	41.25	41.50	42.00	42.00
Parks and Grounds	18.00	13.50	14.50	16.00	17.75	15.75
Community Environment						
Community Development	4.50	3.50	3.50	4.50	4.25	4.50
Business-Type Activities						
Golf Course and Events Center	<u>27.50</u>	<u>23.25</u>	<u>23.75</u>	<u>22.50</u>	<u>24.25</u>	<u>22.75</u>
<i>Total Employees</i>	<u><u>256.75</u></u>	<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>

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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
7.00	7.00	6.50	7.00
2.50	1.50	1.50	1.50
14.50	14.00	15.00	13.00
17.50	17.00	19.50	20.25
46.75	45.25	43.00	43.00
38.75	36.75	36.25	35.75
(A) 0.00	0.00	0.00	0.00
17.00	17.50	16.50	19.00
40.50	40.00	43.25	41.75
15.00	16.00	16.00	14.75
4.50	4.25	4.00	4.00
<u>22.25</u>	<u>24.25</u>	<u>33.25</u>	<u>35.75</u>
<u>226.25</u>	<u>223.50</u>	<u>234.75</u>	<u>235.75</u>

City of Blue Ash

Operating Indicators by Function Last Ten Years

	2004	2005	2006	2007	2008
Governmental Activities					
General Government					
<u>Court</u>					
Number of Citations Heard	3,866	3,588	2,385	1,929	1,960
<u>Community Development</u>					
Number of Residential Building Permits Issued	191	108	177	161	126
Number of Commercial Building Permits Issued	319	399	435	423	384
Security of Persons and Property					
<u>Police</u>					
Number of Offenses	1,683	1,763	1,744	1,326	1,340
Number of Arrests	5,270	6,135	4,700	4,091	3,869
Number of Accidents	564	636	620	648	655
Number of Service Calls/Details	18,710	15,915	16,177	13,840	15,210
<u>Fire</u>					
Number of Fire Runs	679	739	674	787	1,001
Number of EMS Runs	1,283	1,434	1,545	1,561	1,675
Transportation					
<u>Street</u>					
Miles of Streets Resurfaced	8	15	4	6	10
Feet of Walking/Biking Paths Maintained	1,290	580	555	120	209
Leisure Time Activities					
<u>Parks</u>					
Number of Active Recreation Center Memberships	3,612	3,438	3,671	3,677	3,511
Business-Type Activities					
<u>Golf Course</u>					
Number of Golf Rounds	38,409	37,237	37,314	37,684	35,600
<u>Events Center</u>					
Number of Events	n/a	n/a	n/a	n/a	n/a

Source: Finance Office

City of Blue Ash

2009	2010	2011	2012	2013
1,439	1,942	2,148	1,962	1,548
182	200	163	198	247
302	398	438	474	419
1,171	1,298	1,333	1,163	1,014
3,660	4,045	3,863	3,320	2,988
620	579	697	709	766
19,183	17,440	17,588	19,762	20,654
917	887	766	838	812
1,507	1,594	1,628	1,779	1,644
15	3	8	2	2
178	755	570	516	266
4,543	4,944	4,970	4,629	4,659
35,532	32,328	31,799	39,940	41,471
n/a	n/a	n/a	207	282

City of Blue Ash

Capital Asset Statistics by Function Last Ten Years

	2004	2005	2006	2007	2008
Governmental Activities					
General Government					
Public Land and Buildings					
Land (acres)	131	132	131	131	132
Buildings	7	7	7	7	8
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	33	32	31	32	32
Fire					
Stations	2	2	2	2	2
Vehicles	14	14	14	14	14
Transportation					
Street					
Streets (lane miles)	155.1	160.9	160.9	160.9	163.4
Street Lights	1,049	1,049	1,049	1,053	1,055
Vehicles	31	31	31	31	31
Leisure Time Activities					
Parks					
Land (acres)	146	146	146	275	275
Buildings	15	16	17	17	17
Parks	10	10	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	6	5	5	5	4

Source: Finance Office

City of Blue Ash

2009	2010	2011	2012	2013
132	132	132	132	132
8	8	8	8	8
1	1	1	1	1
34	33	31	35	33
2	2	2	2	2
14	14	13	14	14
167.3	167.3	167.3	167.3	167.3
1,055	1,055	1,055	1,055	1,294
29	28	29	30	31
275	275	275	275	275
17	17	17	17	17
9	9	9	10	10
8	8	8	8	8
2	2	2	2	2
8	8	8	8	8
11	11	11	11	11
5	5	5	5	5
151	151	151	151	151
7	6	7	7	7
6	5	6	6	5



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

Supplemental Reports

DECEMBER 31, 2013

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

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

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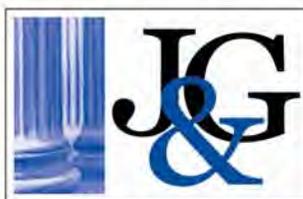
**CITY OF BLUE ASH
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(A),(B) CASH DISBURSEMENTS
U. S. DEPARTMENT OF TRANSPORTATION PASSED THROUGH THE OHIO DEPARTMENT OF TRANSPORTATION			
Highway Planning and Construction	20.205	86633	\$ 525,000
Highway Planning and Construction	20.205	88828	272,225
Total Highway Planning and Construction			<u>797,225</u>
PASSED THROUGH THE OHIO DEPARTMENT OF PUBLIC SAFETY			
State and Community Highway Safety	20.600	GG-2013-31-00-00-00273-00	8,000
State and Community Highway Safety	20.600	GG-2014-31-00-00-00316-00	19,772
State and Community Highway Safety	20.600	GG-2013-31-00-00-00273-00	52,056
Total State and Community Highway Safety			<u>79,828</u>
Minimal Penalties for Repeat Offenders for Driving While Intoxicated	20.608	OVITF-2013-31-00-00-00311-00	176,835
Minimal Penalties for Repeat Offenders for Driving While Intoxicated	20.608	OVITF-2014-31-00-00-00424-00	45,368
Total Minimal Penalties for Repeat Offenders for Driving While Intoxicated			<u>222,203</u>
Total U.S. Department of Transportation			<u>1,099,256</u>
U. S. DEPARTMENT OF ENERGY PASSED THROUGH HAMILTON COUNTY			
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	EE0000710	82,384
PASSED THROUGH THE GREATER CINCINNATI ENERGY ALLIANCE			
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	21379	169,000
Total U.S. Department of Energy			<u>251,384</u>
Total Federal Financial Assistance			<u>\$ 1,350,640</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

(A) The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes activity of the City's federal award programs. The schedule has been prepared on the cash basis of accounting.

(B) Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditures of non-Federal matching funds is not included on the Schedule.



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, 2013, 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 18, 2014.

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

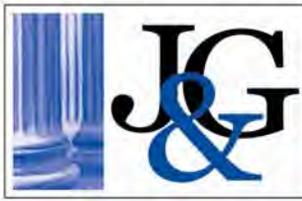
As part of reasonably assuring whether the City of Blue Ash's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination 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." The signature is written in black ink on a white background.

Julian & Grube, Inc.
June 18, 2014



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 Compliance With Requirements Applicable
to The Major Federal Program and on Internal Control Over Compliance
Required by OMB Circular A-133 and the Schedule of
Federal Awards Expenditures**

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

To the Members of Council and Mayor:

Report on Compliance for Each Major Federal Program

We have audited the City of Blue Ash's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the City of Blue Ash's major federal program for the year ended December 31, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the City of Blue Ash's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

Members of Council and Mayor
City of Blue Ash

Opinion on The Major Federal Program

In our opinion, the City of Blue Ash complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2013.

Report on Internal Control over Compliance

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

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

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

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

Members of Council and Mayor
City of Blue Ash

Report on Schedule of Federal Award Expenditures Required by OMB Circular A-133

We have also audited 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, 2013, and the related notes to the financial statements, which collectively comprise the City of Blue Ash's basic financial statements. We issued our unmodified report thereon dated June 18, 2014. We conducted our audit to opine on the City of Blue Ash's basic financial statements. The accompanying schedule of federal awards expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.
June 18, 2014

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2013**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under §.510(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Highway Planning and Construction: CFDA #20.205
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None

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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
JULY 31, 2014**