

City of Blue Ash, Ohio

Independent Auditors' Report on
Internal Controls and Compliance

Year ended December 31, 2010



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the City of Blue Ash, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2010 through December 31, 2010. 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 26, 2011

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To City Council
City of Blue Ash, Ohio:

We have 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, Ohio (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 7, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and responses as item 2010-1 that we consider to be a significant deficiency in internal control over financial reporting. 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.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

one east fourth street, ste. 1200
cincinnati, oh 45202

www.cshco.com
p. 513.241.3111
f. 513.241.1212

We noted certain matters that we reported to management of the City in a separate letter dated June 7, 2011.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, City Council, the Ohio Auditor of State and other within the entity, and is not intended to be and should not be used by anyone other than those specified parties.

Clark, Schaefer, Haskett & Co.

Cincinnati, Ohio
June 7, 2011

CITY OF BLUE ASH, OHIO
Schedule of Findings and Responses
Year Ended December 31, 2010

Finding 2010-1 – Audit Adjustments

During the course of our audit, we identified misstatements in the financial statements for the year under audit that was not initially identified by the City's internal control. Throughout the year, the City maintains its books and records on the cash-basis of accounting and converts its financial statements at year-end to generally accepted accounting principles. Audit adjustments were necessary to correct errors in the City's conversion process. A description of each adjustment follows:

- **Taxes Receivable:** An audit adjustment was necessary to correct an overstatement of \$300,000 in the TIF Carver Road Bond Retirement Fund at December 31, 2010. The City reported the tax increment financing (TIF) receivable at the gross receivable amount without taking into consideration the portion the City will pay to the school district in 2011 in accordance with their contractual agreement.
- **Capital Assets:** An audit adjustment was necessary to correct an overstatement of \$274,200 in the capital assets of the Golf Fund and Business-Type Activities at December 31, 2010. The City incorrectly capitalized expenditures in its calculation of construction in progress which related to construction which occurred in 2011.

We recommend the City implement financial reporting procedures to ensure all accounts are properly reporting in the financial statements.

Management Response: *No response provided.*

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



**City of Blue Ash, Ohio
Fiscal Year Ended
December 31, 2010**





COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2010

Prepared by the Finance Department

Sherry L. Poppe, CPA



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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

fax (513)-745-8594

www.blueash.com

June 7, 2011

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, 2010. 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 generally accepted accounting principles established by statements of the Governmental Accounting Standards Board (GASB) and other authoritative pronouncements.

This letter should be read in conjunction with the Management Discussion and Analysis (MD&A) that can be found immediately following the Independent Auditors' 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 2010, 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, 2011.

***Letter of Transmittal
For the Year Ended December 31, 2010***

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, parks and a 37 acre sports complex.

ECONOMIC CONDITIONS AND OUTLOOK

City Council recognized the importance of investment in local and regional efforts to retain a strong business base, and provided expanded funding to the Economic Development Group based upon the need for new incentives, outreach programs, and a continuation of the City's existing business networking programs. Businesses operating within the City's corporate limits include a number of large "anchors" such as Procter & Gamble, Ethicon (a division of Johnson & Johnson), and the Kroger Company.

Although the City receives recurring operating revenues other than the local earnings tax, the 1.25% earnings tax generates a majority of the City's annual revenue. On a cash basis, gross earnings tax collections during 2010 increased 1.38% from 2009 levels. Net profit collections, which represented 20% of overall earnings tax collections in 2010, were up 1.45% from 2009 levels. Withholding collections reflected a similar increase of 1.36%. Considering the intensity of the recession, such an accomplishment would reflect positively upon the mix of businesses operating within the city.

The Management Team and Council are focused on monitoring the overall impact of the local (and regional) economic situation upon the City's maintenance of reserves, the provision of services, and planning for longer term accommodations should the economy weaken. Accomplishing this goal will involve a prioritization of the City's services, further efficiency and reductions in operating cost, capital prioritization, and a continued investment in local business retention and attraction through economic development efforts.

MAJOR INITIATIVES

Providing an environment that is business friendly and supportive to promote business retention and economic development was a focus of Council and the City's Economic and Community Development Department. In 2010, a combination of current business expansions and new business relocations promises a growth in the City's employment base of approximately 500 new employees over the next three years. Residential and commercial building permits issued increased 33% in 2010 with an estimated \$52M in additional construction value.

During 2010 the majority of the City's efforts were concentrated on capital improvements including:

- Continued efforts for improving connectivity between neighborhoods and businesses by constructing sidewalks and multi-use paths. Paths were constructed on sections of Reed Hartman Highway, Mohler Road, Cooper Road and Creek Road.

Letter of Transmittal

For the Year Ended December 31, 2010

- Downtown Improvements – Blue Ash received a Congestion Mitigation & Air Quality grant for its downtown area improvements. This project will provide new energy efficient traffic signals and controls, new poles, new pedestrian signals and ADA compliant accommodations at all crossings. Improvements began in late 2010 and are expected to be completed in 2011.
- Significant paving/resurfacing investment based on priority of each roadway’s condition.

City Council presented to its citizens a proposal in 2006, called Issue 15, which included a change in the earnings tax rate from 1% to 1.25%, and committed the revenues from that change to major quality of life improvements for the entire community. Passage of Issue 15 affirmed Council’s commitment for a number of major capital improvements including:

- Full renovation and expansion of the Recreation Center – This project, one of the primary components of the Issue 15 initiative, represented an investment of approximately \$15,000,000 and involved nearly a doubling of the size of the facility. This project was completed in July 2009.
- New Golf Course Clubhouse and Banquet facility – This new two-level facility will accommodate up to 300 people indoors for events or business/conference functions. The new clubhouse will provide an expanded pro shop and enhanced casual dining options. Construction on this project began in the October 2010 with an estimated cost of \$7,800,000 and plans to open in the fall of 2011.
- Acquisition of 130 acres of land for the future phased construction of a “signature” public park- Blue Ash has acquired the land for this project and is cooperatively working on securing grant funding toward the reconfiguration of the existing airport onto adjacent property. Several designs have been prepared, reviewed by all parties and the FAA, and grant applications are pending that would assist with the financing of the airport reconfiguration, thus freeing up the 130 acres for more detailed park design, layout, and a construction timetable.

THE FUTURE

Given the maturing status of the community, the reduction in operational revenue and the most recent economic recession, it has been a challenge to more closely align operational costs with the new level of operational revenues. Although progress has been made in efficiencies, and stream lined operations, the need exists for further reductions in operational cost to assure the protection of reserves, sufficient capability to purchase routine capital, and to also fund debt retirement related to necessary non-Issue 15 capital improvements and projects.

In the fall of 2009, the City Council & Management Team adopted a plan that identified the priorities of the City which included direct input from residents, Council, staff and the business and educational community. This comprehensive plan provided a prioritization or ranking and related costs of the services provided by the City. These results were then compared to the expectations, needs, and wants of those who rely upon the City for the delivery of those services. Council and the Management Team will continue to evaluate and revise the plan to create further recommendations for offering services in a manner that is equally efficient and effective.

***Letter of Transmittal
For the Year Ended December 31, 2010***

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

FINANCIAL INFORMATION

Internal and Budgetary Controls

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, 2010 are reported as reservations of fund balances within this report.

INDEPENDENT AUDIT

The Auditor of the State of Ohio contracted with Clark, Schaefer, Hackett & Co. to audit the basic financial statements of the City of Blue Ash. Their unqualified 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, 2009. 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 generally accepted accounting principles 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-three consecutive years (fiscal years ended 1987-2009). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

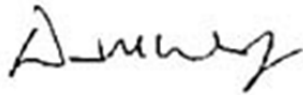
***Letter of Transmittal
For the Year Ended December 31, 2010***

ACKNOWLEDGMENTS

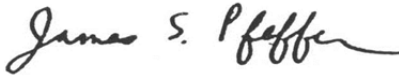
Sincere appreciation is extended to the many individuals who have worked diligently and contributed much time and effort in making this report possible.

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



James S. Pfeffer
Treasurer/Administrative
Services Director



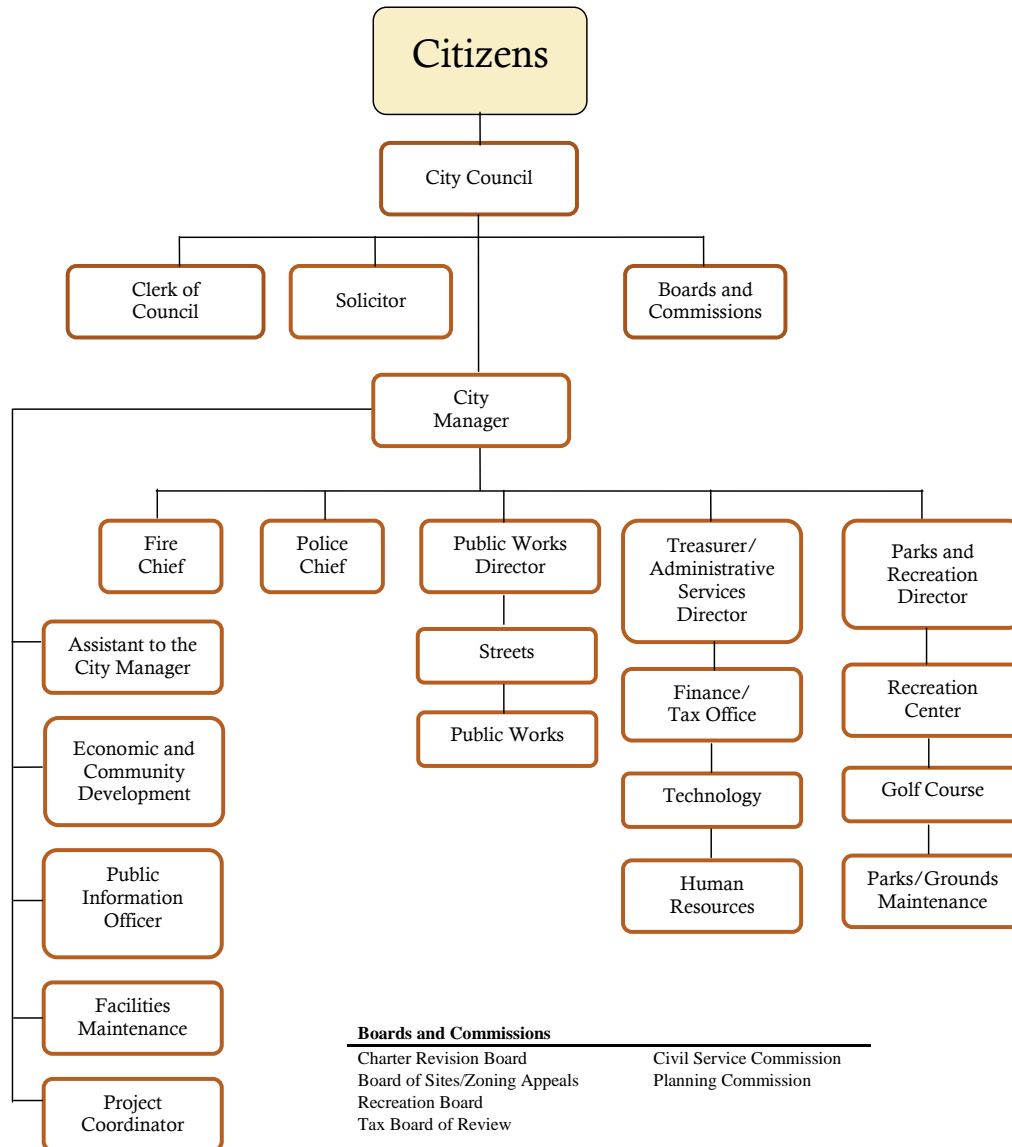
Sherry L. Poppe, CPA
Deputy Treasurer/
Tax Commissioner

CITY OF BLUE ASH, OHIO

***List of Principal Officials
For the Year Ended December 31, 2010***

| OFFICE HELD | NAME OF OFFICIAL |
|--|-------------------------|
| Administration: | |
| City Manager | David M. Waltz |
| Treasurer/Administrative Services Director | James S. Pfeffer |
| Parks and Recreation Director | Charles D. Funk |
| Public Works Director | William M. Duncan |
| Fire Chief | Richard R. Brown |
| Police Chief | Chris D. Wallace |
| City Council: | |
| Mayor, Ward 5 | Mark F. Weber |
| Vice Mayor, At Large | Lee Czerwonka |
| Ward 1 | James W. Sumner |
| Ward 2 | Stephanie Stoller |
| Ward 3 | Rick Bryan |
| Ward 4 | Robert J. Buckman, Jr. |
| At Large | Thomas C. Adamec |
| Solicitor | Mark A. Vander Laan |
| Clerk of Council | Jamie K. Eifert |
| Deputy Clerk of Council | Susan K. Bennett |

**City Organizational Chart
For the Year Ended December 31, 2010**



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

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, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To City Council
City of Blue Ash, Ohio:

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, Ohio (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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, Ohio as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparisons for the General Fund and Park and Recreation Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 10 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

one east fourth street, ste. 1200
cincinnati, oh 45202

www.cshco.com
p. 513.241.3111
f. 513.241.1212

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Blue Ash, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
June 7, 2011

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, 2010. 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 2010 are as follows:

- ❑ In total, net assets increased \$5,761,298. Net assets of governmental activities increased \$3,903,023, which represents a 5.3% increase from 2009. Net assets of business-type activities increased \$1,858,275 from 2009.
- ❑ General revenues accounted for \$35,909,888 in revenue or 91.2% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$3,445,895 or 8.8% of all revenues.
- ❑ The City had \$32,132,789 in expenses related to governmental activities; only \$2,444,271 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$35,909,888 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$34,906,719 in revenues and \$18,857,932 in expenditures. The balance of the General Fund increased \$3,874,594 to \$20,769,134.
- ❑ Net assets for the enterprise fund increased. The increase is directly related to the capital contributions in the form of Construction in Progress from the Golf Course Construction capital projects fund to the golf course fund. A new Golf Clubhouse and Banquet Facility is under construction.

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.

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 assets 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 assets and how they have changed. Net-assets (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 assets 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 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 Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Management's Discussion and Analysis
For the Year Ended December 31, 2010**

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 assets as of December 31, 2010 and 2009:

| | Governmental Activities | | Business-type Activities | | Total | |
|--|----------------------------|--------------|-----------------------------|-------------|--------------|--------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Current and other assets | \$44,435,580 | \$29,514,042 | \$97,532 | \$183,807 | \$44,533,112 | \$29,697,849 |
| Capital assets, Net | 94,634,964 | 96,914,180 | 4,363,628 | 2,523,039 | 98,998,592 | 99,437,219 |
| Total assets | 139,070,544 | 126,428,222 | 4,461,160 | 2,706,846 | 143,531,704 | 129,135,068 |
| Long-term debt outstanding | 54,636,632 | 46,756,811 | 79,807 | 80,936 | 54,716,439 | 46,837,747 |
| Other liabilities | 6,346,418 | 5,486,940 | 77,781 | 180,613 | 6,424,199 | 5,667,553 |
| Total liabilities | 60,983,050 | 52,243,751 | 157,588 | 261,549 | 61,140,638 | 52,505,300 |
| Net assets | | | | | | |
| Invested in capital assets, net of related debt | 52,322,247 | 51,850,887 | 4,363,628 | 2,523,039 | 56,685,875 | 54,373,926 |
| Restricted | 3,887,408 | 3,617,547 | 0 | 0 | 3,887,408 | 3,617,547 |
| Unrestricted | 21,877,839 | 18,716,037 | (60,056) | (77,742) | 21,817,783 | 18,638,295 |
| Total net assets | \$78,087,494 | \$74,184,471 | \$4,303,572 | \$2,445,297 | \$82,391,066 | \$76,629,768 |

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CITY OF BLUE ASH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2010**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for fiscal year 2010 and 2009:

| | Governmental Activities | | Business-type Activities | | Total | |
|--|----------------------------|--------------|-----------------------------|-------------|--------------|--------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for Services and Sales | \$1,341,158 | \$1,281,757 | \$1,001,624 | \$1,076,427 | \$2,342,782 | \$2,358,184 |
| Operating Grants and Contributions | 1,037,723 | 1,183,899 | 0 | 0 | 1,037,723 | 1,183,899 |
| Capital Grants and Contributions | 65,390 | 639,330 | 0 | 0 | 65,390 | 639,330 |
| General revenues: | | | | | | |
| Income Taxes | 27,380,888 | 27,251,070 | 0 | 0 | 27,380,888 | 27,251,070 |
| Property Taxes | 3,294,925 | 3,153,669 | 0 | 0 | 3,294,925 | 3,153,669 |
| Other Local Taxes | 875,608 | 891,104 | 0 | 0 | 875,608 | 891,104 |
| Grants and Entitlements not Restricted to Specific Programs | 3,201,037 | 1,936,325 | 0 | 0 | 3,201,037 | 1,936,325 |
| Investment Earnings | 28,331 | 61,302 | 0 | 0 | 28,331 | 61,302 |
| Miscellaneous | 1,129,099 | 890,731 | 0 | 0 | 1,129,099 | 890,731 |
| Total revenues | 38,354,159 | 37,289,187 | 1,001,624 | 1,076,427 | 39,355,783 | 38,365,614 |
| Program Expenses | | | | | | |
| Security of Persons and Property | 10,200,445 | 10,971,088 | 0 | 0 | 10,200,445 | 10,971,088 |
| Leisure Time Activities | 3,965,278 | 5,262,217 | 0 | 0 | 3,965,278 | 5,262,217 |
| Community Development | 1,602,342 | 784,808 | 0 | 0 | 1,602,342 | 784,808 |
| Basic Utility Services | 79,730 | 2,401,524 | 0 | 0 | 79,730 | 2,401,524 |
| Transportation | 4,058,682 | 2,415,412 | 0 | 0 | 4,058,682 | 2,415,412 |
| General Government | 10,227,100 | 8,351,370 | 0 | 0 | 10,227,100 | 8,351,370 |
| Debt Service: | | | | | | |
| Interest and Fiscal Charges | 1,999,212 | 2,099,365 | 0 | 0 | 1,999,212 | 2,099,365 |
| Golf Course | 0 | 0 | 1,461,696 | 1,523,894 | 1,461,696 | 1,523,894 |
| Total expenses | 32,132,789 | 32,285,784 | 1,461,696 | 1,523,894 | 33,594,485 | 33,809,678 |
| Excess (deficiency) before Transfers | 6,221,370 | 5,003,403 | (460,072) | (447,467) | 5,761,298 | 4,555,936 |
| Transfers | (2,318,347) | (400,831) | 2,318,347 | 400,831 | 0 | 0 |
| Total Change in Net Assets | 3,903,023 | 4,602,572 | 1,858,275 | (46,636) | 5,761,298 | 4,555,936 |
| Beginning Net Assets | 74,184,471 | 69,581,899 | 2,445,297 | 2,491,933 | 76,629,768 | 72,073,832 |
| Ending Net Assets | \$78,087,494 | \$74,184,471 | \$4,303,572 | \$2,445,297 | \$82,391,066 | \$76,629,768 |

Governmental Activities

Net assets of the City's governmental activities increased by \$3,903,023. Virtually all of the increase in governmental activities was contained in the General Fund. Intergovernmental revenues increased due to the receipt of a large refund from the County associated with property taxes previously paid. The remainder of the increase can be traced to overall budget constraint exercised by the City. Attrition, a hiring freeze and contract concessions have enabled the City to save substantial personnel costs throughout all departments in the General Fund.

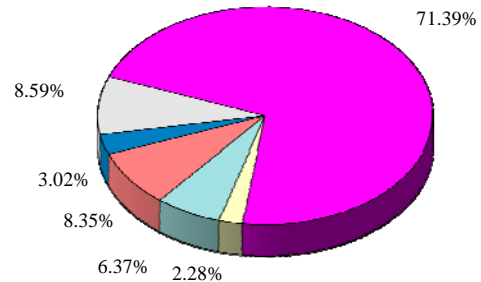
CITY OF BLUE ASH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2010**

Unaudited

Property taxes and income taxes made up 8.59% and 71.39% respectively of revenues for governmental activities for the City in fiscal year 2010. The City's reliance upon tax revenues is demonstrated by the following graph indicating 79.98% of total revenues from general tax revenues:

| Revenue Sources | 2010 | Percent of Total |
|---|---------------------|------------------|
| Property Taxes | \$3,294,925 | 8.59% |
| Income Taxes | 27,380,888 | 71.39% |
| Other Local Taxes | 875,608 | 2.28% |
| Program Revenues | 2,444,271 | 6.37% |
| Grants and Entitlements not Restricted to Specific Programs | 3,201,037 | 8.35% |
| General Other | 1,157,430 | 3.02% |
| Total Revenue | \$38,354,159 | 100.00% |



Business-Type Activities

Net assets of the business-type activities increased by \$1,858,275. Capital contributions from the Golf Course Construction capital projects fund to the Golf Course Fund accounted for the increase in net assets for 2010.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$34,976,442, which is an increase from last year's balance of \$21,011,132. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2010 and 2009:

| | Fund Balance December 31, 2010 | Fund Balance December 31, 2009 | Increase (Decrease) |
|--------------------------|-----------------------------------|-----------------------------------|------------------------|
| General | \$20,769,134 | \$16,894,540 | \$3,874,594 |
| Park and Recreation | 42,212 | 50,636 | (8,424) |
| TIF Carver Road | | | |
| Bond Retirement | 1,473,448 | 1,858,559 | (385,111) |
| Golf Course Construction | 9,762,984 | 0 | 9,762,984 |
| Other Governmental | 2,928,664 | 2,207,397 | 721,267 |
| Total | \$34,976,442 | \$21,011,132 | \$13,965,310 |

Of the City's \$34,976,442 year ended fund balances for governmental activities, 69.4% is unreserved, which allows it for spending at the government's discretion. The remaining 30.6% is reserved for several purposes, \$8,405,831 is reserved to pay encumbered amounts still open at year end, \$2,024,106 has been reserved for the retirement of the City's long-term debt, and the remaining \$283,187 is applied to other reserved purposes.

CITY OF BLUE ASH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2010**

Unaudited

General Fund – The City's General Fund balance increase is due to many factors. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

| | 2010 | 2009 | Increase |
|----------------------------|---------------------|---------------------|--------------------|
| | Revenues | Revenues | (Decrease) |
| Property Taxes | \$2,122,642 | \$2,169,222 | (\$46,580) |
| Municipal Income Tax | 27,411,890 | 27,084,620 | 327,270 |
| Other Local Taxes | 875,608 | 891,104 | (15,496) |
| Intergovernmental Revenues | 3,165,614 | 1,953,745 | 1,211,869 |
| Charges for Services | 721,373 | 674,830 | 46,543 |
| Licenses and Permits | 367,608 | 252,611 | 114,997 |
| Investment Earnings | 22,437 | 46,403 | (23,966) |
| Fines and Forfeitures | 99,687 | 115,694 | (16,007) |
| All Other Revenue | 119,860 | 27,574 | 92,286 |
| Total | <u>\$34,906,719</u> | <u>\$33,215,803</u> | <u>\$1,690,916</u> |

General Fund revenues in 2010 increased in comparison to fiscal year 2009. Increased intergovernmental revenues accounted for the majority of the increase. In 2010 a large real estate tax refund was received relating to the State of Ohio's final determination of exemption on City owned property.

| | 2010 | 2009 | Increase |
|----------------------------------|---------------------|---------------------|----------------------|
| | Expenditures | Expenditures | (Decrease) |
| Security of Persons and Property | \$10,007,571 | \$10,686,972 | (\$679,401) |
| Community Development | 1,601,674 | 782,176 | 819,498 |
| Basic Utility Services | 114,224 | 2,406,148 | (2,291,924) |
| General Government | 7,134,463 | 6,566,020 | 568,443 |
| Total | <u>\$18,857,932</u> | <u>\$20,441,316</u> | <u>(\$1,583,384)</u> |

General Fund expenditures decreased by 7.7% or \$1,583,384 below 2009 expenditures. Primarily the decrease was due to measures taken to control costs and the shift of Basic Public Services operations which is now presented in a non-major special revenue fund.

Park and Recreation Fund – The fund balance of the Park and Recreation Fund, a major governmental fund decreased during 2010. The decrease was due to lower transfer balances in 2010.

TIF Carver Road Bond Retirement Fund - The fund balance decreased by \$385,111. In 2010 the first TIF payment was made to the related school district.

Golf Course Construction Fund – The fund issued bonds in 2010 and began construction on the new clubhouse facilities for the Golf Course.

**Management's Discussion and Analysis
For the Year Ended December 31, 2010**

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 2010 the City amended its General Fund budget several times, as approved by City Council.

For the General Fund, final budget basis revenue of \$32.5 million did not significantly change from the original budget estimates of \$32.3 million. Actual expenditures of \$20.1 million were below the final budgeted number of \$21.9 million primarily due to salary and benefits cost saving measures. The General Fund maintained an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2010 the City had \$98,998,592 net of accumulated depreciation invested in land, buildings, infrastructure, equipment and vehicles. Of this total, \$94,634,964 was related to governmental activities and \$4,363,628 to the business-type activities. The following table shows fiscal year 2010 and 2009 balances:

| | Governmental Activities | | Increase (Decrease) |
|-----------------------------------|----------------------------|---------------------|------------------------|
| | 2010 | 2009 | |
| Land | \$39,361,332 | \$39,219,302 | \$142,030 |
| Construction In Progress | 749,712 | 18,493,614 | (17,743,902) |
| Buildings | 44,652,324 | 32,300,411 | 12,351,913 |
| Improvements Other than Buildings | 6,466,002 | 6,466,002 | 0 |
| Infrastructure | 22,995,965 | 19,313,671 | 3,682,294 |
| Machinery and Equipment | 11,517,329 | 11,240,544 | 276,785 |
| Less: Accumulated Depreciation | (31,107,700) | (30,119,364) | (988,336) |
| Totals | <u>\$94,634,964</u> | <u>\$96,914,180</u> | <u>(\$2,279,216)</u> |

| | Business-Type Activities | | Increase (Decrease) |
|-----------------------------------|-----------------------------|--------------------|------------------------|
| | 2010 | 2009 | |
| Land | \$1,124,764 | \$1,124,764 | \$0 |
| Construction In Progress | 2,124,690 | 187,502 | 1,937,188 |
| Buildings | 685,292 | 1,190,581 | (505,289) |
| Improvements Other than Buildings | 1,904,398 | 1,983,139 | (78,741) |
| Machinery and Equipment | 1,242,924 | 1,285,572 | (42,648) |
| Less: Accumulated Depreciation | (2,718,440) | (3,248,519) | 530,079 |
| Totals | <u>\$4,363,628</u> | <u>\$2,523,039</u> | <u>\$1,840,589</u> |

The most significant change in capital assets occurred in construction in progress, mostly related to completion of the new recreational facilities (a governmental activity) and contributed capital for the new Golf Clubhouse and Banquet Facility construction (a business-type activity).

***Management's Discussion and Analysis
For the Year Ended December 31, 2010***

Unaudited

As of December 31, 2010, the City has contractual commitments of \$10,076,000 due to the downtown traffic signal project and the golf course clubhouse and irrigation project. Additional information on the City's capital assets can be found in Note 8.

Debt

At December 31, 2010, the City had \$33,058,232 in bonds outstanding, \$3,170,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2010 and 2009:

| | <u>2010</u> | <u>2009</u> |
|--------------------------------|---------------------|---------------------|
| Governmental Activities: | | |
| General Obligation Bonds | \$33,058,232 | \$25,070,000 |
| Property Acquisition Loan | 17,584,413 | 17,699,441 |
| OPWC Loan | 2,255,589 | 2,293,852 |
| Compensated Absences | <u>1,738,398</u> | <u>1,693,518</u> |
| Total Governmental Activities | <u>\$54,636,632</u> | <u>\$46,756,811</u> |
| Business-Type Activities: | | |
| Compensated Absences | <u>\$79,807</u> | <u>\$80,936</u> |
| Total Business-Type Activities | <u>79,807</u> | <u>80,936</u> |
| Totals | <u>\$54,716,439</u> | <u>\$46,837,747</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, 2010, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 11.

ECONOMIC FACTORS

The Blue Ash City Council and Management Team have been monitoring reserves, operational revenues and costs, and capital planning very closely since the economic downturn. They targeted controlling costs, defining priorities, long term planning and encouraging economic development. The commitment of maintaining a diverse business base is evident with the relocation or expansion of several businesses expecting to provide approximately 500 new employees over the next three years.

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 Sherry Poppe, CPA, Deputy Treasurer of the City of Blue Ash.

CITY OF BLUE ASH, OHIO

**Statement of Net Assets
December 31, 2010**

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|----------------------|
| Assets: | | | |
| Cash and Cash Equivalents | \$ 32,869,196 | \$ 54,556 | \$ 32,923,752 |
| Receivables: | | | |
| Taxes | 9,259,714 | 0 | 9,259,714 |
| Accounts | 127,902 | 3 | 127,905 |
| Intergovernmental | 899,871 | 676 | 900,547 |
| Interest | 3,425 | 0 | 3,425 |
| Inventory of Supplies at Cost | 199,207 | 41,391 | 240,598 |
| Prepaid Items | 83,980 | 906 | 84,886 |
| Restricted Assets: | | | |
| Investments | 670,000 | 0 | 670,000 |
| Unamortized Bond Issuance Costs | 322,285 | 0 | 322,285 |
| Capital Assets: | | | |
| Capital Assets Not Being Depreciated | 40,111,044 | 3,249,454 | 43,360,498 |
| Capital Assets Being Depreciated, Net | <u>54,523,920</u> | <u>1,114,174</u> | <u>55,638,094</u> |
| Total Assets | <u>139,070,544</u> | <u>4,461,160</u> | <u>143,531,704</u> |
| Liabilities: | | | |
| Accounts Payable | 497,781 | 37,362 | 535,143 |
| Accrued Wages and Benefits | 1,107,355 | 38,805 | 1,146,160 |
| Intergovernmental Payable | 803,637 | 1,614 | 805,251 |
| Contracts Payable | 354,785 | 0 | 354,785 |
| Unearned Revenue | 2,976,601 | 0 | 2,976,601 |
| Accrued Interest Payable | 606,259 | 0 | 606,259 |
| Long-Term Liabilities: | | | |
| Due Within One Year | 4,104,298 | 11,971 | 4,116,269 |
| Due in More Than One Year | <u>50,532,334</u> | <u>67,836</u> | <u>50,600,170</u> |
| Total Liabilities | <u>60,983,050</u> | <u>157,588</u> | <u>61,140,638</u> |
| Net Assets: | | | |
| Invested in Capital Assets, Net of Related Debt | 52,322,247 | 4,363,628 | 56,685,875 |
| Restricted For: | | | |
| Capital Projects | 541,800 | 0 | 541,800 |
| Debt Service | 1,872,522 | 0 | 1,872,522 |
| Streets and Highways | 1,182,577 | 0 | 1,182,577 |
| Security of Persons & Property | 290,509 | 0 | 290,509 |
| Unrestricted (Deficit) | <u>21,877,839</u> | <u>(60,056)</u> | <u>21,817,783</u> |
| Total Net Assets | <u>\$ 78,087,494</u> | <u>\$ 4,303,572</u> | <u>\$ 82,391,066</u> |

See accompanying notes to the basic financial statements

CITY OF BLUE ASH, OHIO

**Statement of Activities
For the Year Ended December 31, 2010**

| | Expenses | Program Revenues | | |
|---------------------------------------|----------------------|--------------------------------|------------------------------------|----------------------------------|
| | | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities: | | | | |
| Security of Persons and Property | \$ 10,200,445 | \$ 39,045 | \$ 231,472 | \$ 29,598 |
| Leisure Time Activities | 3,965,278 | 844,815 | 0 | 0 |
| Community Development | 1,602,342 | 266,574 | 0 | 0 |
| Basic Utility Services | 79,730 | 0 | 0 | 0 |
| Transportation | 4,058,682 | 1,977 | 806,251 | 35,792 |
| General Government | 10,227,100 | 188,747 | 0 | 0 |
| Interest and Fiscal Charges | 1,999,212 | 0 | 0 | 0 |
| Total Governmental Activities | 32,132,789 | 1,341,158 | 1,037,723 | 65,390 |
| Business-Type Activities: | | | | |
| Golf Course | 1,461,696 | 1,001,624 | 0 | 0 |
| Total Business-Type Activities | 1,461,696 | 1,001,624 | 0 | 0 |
| Totals | \$ 33,594,485 | \$ 2,342,782 | \$ 1,037,723 | \$ 65,390 |

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 Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

CITY OF BLUE ASH, OHIO

Net (Expense) Revenue
and Changes in Net Assets

| Governmental Activities | Business-Type Activities | Total |
|----------------------------|-----------------------------|----------------------|
| \$ (9,900,330) | \$ 0 | \$ (9,900,330) |
| (3,120,463) | 0 | (3,120,463) |
| (1,335,768) | 0 | (1,335,768) |
| (79,730) | 0 | (79,730) |
| (3,214,662) | 0 | (3,214,662) |
| (10,038,353) | 0 | (10,038,353) |
| (1,999,212) | 0 | (1,999,212) |
| <u>(29,688,518)</u> | <u>0</u> | <u>(29,688,518)</u> |
| 0 | (460,072) | (460,072) |
| 0 | (460,072) | (460,072) |
| <u>(29,688,518)</u> | <u>(460,072)</u> | <u>(30,148,590)</u> |
| 2,122,642 | 0 | 2,122,642 |
| 1,172,283 | 0 | 1,172,283 |
| 27,380,888 | 0 | 27,380,888 |
| 875,608 | 0 | 875,608 |
| 3,201,037 | 0 | 3,201,037 |
| 28,331 | 0 | 28,331 |
| 1,129,099 | 0 | 1,129,099 |
| (2,318,347) | 2,318,347 | 0 |
| <u>33,591,541</u> | <u>2,318,347</u> | <u>35,909,888</u> |
| 3,903,023 | 1,858,275 | 5,761,298 |
| <u>74,184,471</u> | <u>2,445,297</u> | <u>76,629,768</u> |
| <u>\$ 78,087,494</u> | <u>\$ 4,303,572</u> | <u>\$ 82,391,066</u> |

CITY OF BLUE ASH, OHIO

**Balance Sheet
Governmental Funds
December 31, 2010**

| | General | Park and Recreation | TIF Carver Road Bond Retirement | Golf Course Construction |
|--|----------------------|------------------------|---------------------------------------|-----------------------------|
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 18,227,449 | \$ 220,256 | \$ 1,503,284 | \$ 10,115,759 |
| Receivables: | | | | |
| Taxes | 8,510,616 | 0 | 650,000 | 0 |
| Accounts | 127,844 | 49 | 0 | 0 |
| Intergovernmental | 464,317 | 0 | 0 | 0 |
| Interest | 2,049 | 0 | 164 | 1,125 |
| Interfund Loans Receivables | 11,623 | 0 | 0 | 0 |
| Inventory of Supplies, at Cost | 22,149 | 20,180 | 0 | 0 |
| Prepaid Items | 76,464 | 7,516 | 0 | 0 |
| Restricted Assets: | | | | |
| Investments | 0 | 0 | 670,000 | 0 |
| Total Assets | \$ 27,442,511 | \$ 248,001 | \$ 2,823,448 | \$ 10,116,884 |
| Liabilities: | | | | |
| Accounts Payable | \$ 252,120 | \$ 114,416 | \$ 0 | \$ 0 |
| Accrued Wages and Benefits Payable | 952,555 | 87,130 | 0 | 0 |
| Intergovernmental Payable | 98,943 | 4,243 | 700,000 | 0 |
| Contracts Payable | 0 | 0 | 0 | 353,900 |
| Interfund Loans Payable | 0 | 0 | 0 | 0 |
| Deferred Revenue | 5,244,402 | 0 | 650,000 | 0 |
| Compensated Absences Payable | 125,357 | 0 | 0 | 0 |
| Total Liabilities | 6,673,377 | 205,789 | 1,350,000 | 353,900 |
| Fund Balances: | | | | |
| Reserved for Encumbrances | 276,150 | 104,275 | 0 | 6,458,927 |
| Reserved for Prepaid Items | 76,464 | 7,516 | 0 | 0 |
| Reserved for Supplies Inventory | 22,149 | 20,180 | 0 | 0 |
| Reserved for Debt Service | 0 | 0 | 1,473,448 | 0 |
| General Fund | 20,394,371 | 0 | 0 | 0 |
| Special Revenue Funds | 0 | (89,759) | 0 | 0 |
| Capital Projects Funds | 0 | 0 | 0 | 3,304,057 |
| Total Fund Balances | 20,769,134 | 42,212 | 1,473,448 | 9,762,984 |
| Total Liabilities and Fund Balances | \$ 27,442,511 | \$ 248,001 | \$ 2,823,448 | \$ 10,116,884 |

See accompanying notes to the basic financial statements

CITY OF BLUE ASH, OHIO

| <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|---|
| \$ 2,802,448 | \$ 32,869,196 |
| 99,098 | 9,259,714 |
| 9 | 127,902 |
| 435,554 | 899,871 |
| 87 | 3,425 |
| 0 | 11,623 |
| 156,878 | 199,207 |
| 0 | 83,980 |
| <u>0</u> | <u>670,000</u> |
| <u>\$ 3,494,074</u> | <u>\$ 44,124,918</u> |
| | |
| \$ 131,245 | \$ 497,781 |
| 67,670 | 1,107,355 |
| 451 | 803,637 |
| 885 | 354,785 |
| 11,623 | 11,623 |
| 353,536 | 6,247,938 |
| <u>0</u> | <u>125,357</u> |
| <u>565,410</u> | <u>9,148,476</u> |
| | |
| 1,566,479 | 8,405,831 |
| 0 | 83,980 |
| 156,878 | 199,207 |
| 550,658 | 2,024,106 |
| 0 | 20,394,371 |
| 591,889 | 502,130 |
| <u>62,760</u> | <u>3,366,817</u> |
| <u>2,928,664</u> | <u>34,976,442</u> |
| <u>\$ 3,494,074</u> | <u>\$ 44,124,918</u> |

CITY OF BLUE ASH, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2010***

| | | | |
|--|--------------|----|--------------------------|
| Total Governmental Fund Balances | | \$ | 34,976,442 |
| <i>Amounts reported for governmental activities in the statement of net assets are different because</i> | | | |
| Capital Assets used in governmental activities are not resources and therefore are not reported in the funds. | | | 94,634,964 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. | | | 3,271,337 |
| 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 | (33,058,232) | | |
| Unamortized Bond Issuance Costs | 322,285 | | |
| Property Acquisition Loan | (17,584,413) | | |
| OPWC Loan | (2,255,589) | | |
| Compensated Absences Payable | (1,613,041) | | |
| Accrued Interest Payable | (606,259) | | |
| | | | <u>(54,795,249)</u> |
| <i>Net Assets of Governmental Activities</i> | | \$ | <u><u>78,087,494</u></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, 2010**

| | General | Park and Recreation | TIF Carver Road Bond Retirement | Golf Course Construction |
|--|----------------------|------------------------|---------------------------------------|-----------------------------|
| Revenues: | | | | |
| Property Taxes | \$ 2,122,642 | \$ 0 | \$ 1,001,648 | \$ 0 |
| Municipal Income Tax | 27,411,890 | 0 | 0 | 0 |
| Other Local Taxes | 875,608 | 0 | 0 | 0 |
| Intergovernmental Revenues | 3,165,614 | 0 | 0 | 0 |
| Charges for Services | 721,373 | 844,815 | 0 | 0 |
| Licenses and Permits | 367,608 | 0 | 0 | 0 |
| Investment Earnings | 22,437 | 0 | 1,828 | 3,149 |
| Fines and Forfeitures | 99,687 | 0 | 0 | 0 |
| All Other Revenue | 119,860 | 282,445 | 0 | 7,139 |
| Total Revenue | 34,906,719 | 1,127,260 | 1,003,476 | 10,288 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 10,007,571 | 0 | 0 | 0 |
| Leisure Time Activities | 0 | 3,823,146 | 0 | 0 |
| Community Development | 1,601,674 | 0 | 0 | 0 |
| Basic Utility Services | 114,224 | 0 | 0 | 0 |
| Transportation | 0 | 0 | 0 | 0 |
| General Government | 7,134,463 | 0 | 711,624 | 0 |
| Capital Outlay | 0 | 0 | 0 | 2,042,404 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 0 | 190,000 | 0 |
| Interest & Fiscal Charges | 0 | 0 | 486,963 | 0 |
| Total Expenditures | 18,857,932 | 3,823,146 | 1,388,587 | 2,042,404 |
| Excess (Deficiency) of Revenues Over Expenditures | 16,048,787 | (2,695,886) | (385,111) | (2,032,116) |
| Other Financing Sources (Uses): | | | | |
| Sale of Capital Assets | 13,134 | 0 | 0 | 0 |
| Sale of Bonds | 0 | 0 | 0 | 9,775,000 |
| Premiums on Debt Issuance | 0 | 0 | 0 | 70,100 |
| Issuance of OPWC Loan | 0 | 0 | 0 | 0 |
| Transfers In | 36,734 | 2,696,333 | 0 | 1,950,000 |
| Transfers Out | (12,215,913) | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | (12,166,045) | 2,696,333 | 0 | 11,795,100 |
| Net Change in Fund Balances | 3,882,742 | 447 | (385,111) | 9,762,984 |
| Fund Balances at Beginning of Year | 16,894,540 | 50,636 | 1,858,559 | 0 |
| Decrease in Inventory Reserve | (8,148) | (8,871) | 0 | 0 |
| Fund Balances End of Year | \$ 20,769,134 | \$ 42,212 | \$ 1,473,448 | \$ 9,762,984 |

See accompanying notes to the basic financial statements

CITY OF BLUE ASH, OHIO

| Other Governmental Funds | Total Governmental Funds |
|--------------------------------|--------------------------------|
| \$ 86,053 | \$ 3,210,343 |
| 0 | 27,411,890 |
| 0 | 875,608 |
| 1,130,563 | 4,296,177 |
| 1,977 | 1,568,165 |
| 0 | 367,608 |
| 917 | 28,331 |
| 15,125 | 114,812 |
| 10,228 | 419,672 |
| <u>1,244,863</u> | <u>38,292,606</u> |
| 223,405 | 10,230,976 |
| 0 | 3,823,146 |
| 0 | 1,601,674 |
| 0 | 114,224 |
| 3,500,677 | 3,500,677 |
| 0 | 7,846,087 |
| 646,984 | 2,689,388 |
| 2,398,598 | 2,588,598 |
| 1,468,775 | 1,955,738 |
| <u>8,238,439</u> | <u>34,350,508</u> |
| (6,993,576) | 3,942,098 |
| 0 | 13,134 |
| 0 | 9,775,000 |
| 418,132 | 488,232 |
| 160,307 | 160,307 |
| 7,314,611 | 11,997,678 |
| <u>(126,190)</u> | <u>(12,342,103)</u> |
| <u>7,766,860</u> | <u>10,092,248</u> |
| 773,284 | 14,034,346 |
| 2,207,397 | 21,011,132 |
| <u>(52,017)</u> | <u>(69,036)</u> |
| <u>\$ 2,928,664</u> | <u>\$ 34,976,442</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, 2010***

Net Change in Fund Balances - Total Governmental Funds \$ 14,034,346

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 depreciation exceeded capital outlay in the current period.

| | | |
|----------------------|-------------|-------------|
| Capital Outlay | 1,568,735 | |
| Depreciation Expense | (2,858,013) | (1,289,278) |
| | | |

The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds report only proceeds received. (989,938)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 61,553

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

| | | |
|--------------------------------------|-------------|--------------|
| Issuance of General Obligation Bonds | (9,775,000) | |
| Premium on General Obligation Bonds | (488,232) | |
| Issuance of OPWC Loans | (160,307) | (10,423,539) |
| | | |

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 assets.

| | | |
|---|-----------|-----------|
| General Obligation Bond Principal Payment | 2,275,000 | |
| Property Acquisition Loan Principal Payment | 115,028 | |
| OPWC Loans Payment | 198,570 | |
| Amortization of Bond Issuance Costs | (16,939) | 2,571,659 |
| | | |

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (26,535)

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 | 80,477 | |
| Change in Inventory | (69,036) | 11,441 |
| | | |

The internal service funds, which are used by management to charge the costs of services to individual funds, are not included in the statement of activities.

Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities. (46,686)

Change in Net Assets of Governmental Activities **\$ 3,903,023**

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, 2010**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|----------------------|----------------------|----------------------|---|
| Revenues: | | | | |
| Property Taxes | \$ 2,235,954 | \$ 2,114,522 | \$ 2,122,642 | \$ 8,120 |
| Municipal Income Tax | 25,853,000 | 25,853,000 | 27,598,796 | 1,745,796 |
| Other Local Taxes | 935,000 | 935,000 | 883,724 | (51,276) |
| Intergovernmental Revenue | 2,096,264 | 2,397,151 | 3,129,364 | 732,213 |
| Charges for Services | 612,050 | 619,946 | 698,863 | 78,917 |
| Licenses and Permits | 249,400 | 349,400 | 367,575 | 18,175 |
| Investment Earnings | 75,000 | 17,545 | 22,486 | 4,941 |
| Fines and Forfeitures | 119,300 | 119,300 | 99,687 | (19,613) |
| All Other Revenues | 85,599 | 124,128 | 122,836 | (1,292) |
| Total Revenues | <u>32,261,567</u> | <u>32,529,992</u> | <u>35,045,973</u> | <u>2,515,981</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 10,982,137 | 11,000,033 | 10,329,564 | 670,469 |
| Community Development | 1,002,939 | 1,772,939 | 1,728,983 | 43,956 |
| Basic Utility Services | 617,736 | 617,736 | 516,868 | 100,868 |
| General Government | 8,378,519 | 8,455,049 | 7,579,317 | 875,732 |
| Total Expenditures | <u>20,981,331</u> | <u>21,845,757</u> | <u>20,154,732</u> | <u>1,691,025</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 11,280,236 | 10,684,235 | 14,891,241 | 4,207,006 |
| Other Financing Sources (Uses): | | | | |
| Sale of Capital Assets | 12,000 | 12,000 | 13,134 | 1,134 |
| Transfers In | 0 | 0 | 36,734 | 36,734 |
| Transfers Out | (12,737,024) | (13,999,954) | (12,215,913) | 1,784,041 |
| Advances In | 0 | 0 | 17,679 | 17,679 |
| Advances Out | 0 | (91,070) | (11,623) | 79,447 |
| Total Other Financing Sources (Uses): | <u>(12,725,024)</u> | <u>(14,079,024)</u> | <u>(12,159,989)</u> | <u>1,919,035</u> |
| Net Change in Fund Balance | (1,444,788) | (3,394,789) | 2,731,252 | 6,126,041 |
| Fund Balance at Beginning of Year | 13,571,652 | 13,571,652 | 13,571,652 | 0 |
| Prior Year Encumbrances | 1,345,330 | 1,345,330 | 1,345,330 | 0 |
| Fund Balance at End of Year | <u>\$ 13,472,194</u> | <u>\$ 11,522,193</u> | <u>\$ 17,648,234</u> | <u>\$ 6,126,041</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, 2010**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|------------------------|---------------------|------------------|---|
| Revenues: | | | | |
| Charges for Services | \$ 733,300 | \$ 746,300 | \$ 844,815 | \$ 98,515 |
| All Other Revenues | <u>221,000</u> | <u>221,000</u> | <u>282,396</u> | <u>61,396</u> |
| Total Revenues | <u>954,300</u> | <u>967,300</u> | <u>1,127,211</u> | <u>159,911</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Leisure Time Activities | <u>4,447,173</u> | <u>4,460,173</u> | <u>4,005,617</u> | <u>454,556</u> |
| Total Expenditures | <u>4,447,173</u> | <u>4,460,173</u> | <u>4,005,617</u> | <u>454,556</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (3,492,873) | (3,492,873) | (2,878,406) | 614,467 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | <u>3,310,800</u> | <u>3,310,800</u> | <u>2,696,333</u> | <u>(614,467)</u> |
| Total Other Financing Sources (Uses): | <u>3,310,800</u> | <u>3,310,800</u> | <u>2,696,333</u> | <u>(614,467)</u> |
| Net Change in Fund Balance | (182,073) | (182,073) | (182,073) | 0 |
| Fund Balance at Beginning of Year | 0 | 0 | 0 | 0 |
| Prior Year Encumbrances | <u>182,073</u> | <u>182,073</u> | <u>182,073</u> | <u>0</u> |
| 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 Assets
Proprietary Fund
December 31, 2010**

| | <u>Business-Type Activities - Enterprise Fund</u> |
|---------------------------------------|---|
| | <u>Golf Course</u> |
| Assets: | |
| <i>Current Assets:</i> | |
| Cash and Cash Equivalents | \$ 54,556 |
| Receivables: | |
| Accounts | 3 |
| Intergovernmental | 676 |
| Inventory of Supplies at Cost | 41,391 |
| Prepaid Items | <u>906</u> |
| <i>Total Current Assets</i> | 97,532 |
| <i>Non Current Assets:</i> | |
| Capital Assets: | |
| Capital Assets Not Being Depreciated | 3,249,454 |
| Capital Assets Being Depreciated, Net | <u>1,114,174</u> |
| <i>Total Non Current Assets</i> | <u>4,363,628</u> |
| Total Assets | <u>4,461,160</u> |
| Liabilities: | |
| <i>Current Liabilities:</i> | |
| Accounts Payable | 37,362 |
| Accrued Wages and Benefits | 38,805 |
| Intergovernmental Payable | 1,614 |
| Compensated Absences - Current | <u>11,971</u> |
| <i>Total Current Liabilities</i> | 89,752 |
| <i>Long Term Liabilities:</i> | |
| Compensated Absences Payable | <u>67,836</u> |
| Total Liabilities | <u>157,588</u> |
| Net Assets: | |
| Invested in Capital Assets | 4,363,628 |
| Unrestricted | <u>(60,056)</u> |
| Total Net Assets | <u>\$ 4,303,572</u> |

See accompanying notes to the basic financial statements

CITY OF BLUE ASH, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Fund
For the Year Ended December 31, 2010**

| | Business-Type Activities - Enterprise Fund | Governmental Activities - Internal Service Fund |
|---|--|--|
| | <u>Golf Course</u> | <u>Health Care Reimbursement</u> |
| Operating Revenues: | | |
| Charges for Services | \$ 977,976 | \$ 0 |
| Other Operating Revenue | 551 | 0 |
| Total Operating Revenues | <u>978,527</u> | <u>0</u> |
| Operating Expenses: | | |
| Personal Services | 840,836 | 5,362 |
| Contractual Services | 167,002 | 0 |
| Materials and Supplies | 244,990 | 0 |
| Depreciation | 151,208 | 0 |
| Total Operating Expenses | <u>1,404,036</u> | <u>5,362</u> |
| Operating Income (Loss) | (425,509) | (5,362) |
| Nonoperating Revenue (Expenses): | | |
| Loss on Disposal of Capital Assets | (40,961) | 0 |
| Other Nonoperating Revenue | 23,097 | 0 |
| Other Nonoperating Expense | (21,289) | 0 |
| Total Nonoperating Revenues (Expenses) | <u>(39,153)</u> | <u>0</u> |
| Income (Loss) Before Transfers and Contributions | (464,662) | (5,362) |
| Transfers In | 381,159 | 0 |
| Transfers Out | 0 | (36,734) |
| Capital Contributions | 1,937,188 | 0 |
| Change in Net Assets | 1,853,685 | (42,096) |
| Net Assets Beginning of Year | 2,449,887 | 42,096 |
| Net Assets End of Year | <u>\$ 4,303,572</u> | <u>\$ 0</u> |
| Change in Net Assets - Total Enterprise Funds | 1,853,685 | |
| Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds. | 4,590 | |
| Change in Net Assets - Business-type Activities | <u>\$ 1,858,275</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, 2010**

| | Business-Type Activities - Enterprise Fund | Governmental Activities - Internal Service Fund |
|--|--|--|
| | Golf Course | Health Care Reimbursement |
| <u>Cash Flows from Operating Activities:</u> | | |
| Cash Received from Customers | \$978,484 | \$0 |
| Cash Payments for Goods and Services | (426,602) | 0 |
| Cash Payments to Employees | (858,521) | (5,362) |
| Other Operating Cash Receipts | 22,977 | 0 |
| Net Cash Used by Operating Activities | <u>(283,662)</u> | <u>(5,362)</u> |
| <u>Cash Flows from Noncapital Financing Activities:</u> | | |
| Transfers In from Other Funds | 381,159 | 0 |
| Transfers Out to Other Funds | 0 | (36,734) |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>381,159</u> | <u>(36,734)</u> |
| <u>Cash Flows from Capital and Related Financing Activities:</u> | | |
| Acquisition and Construction of Assets | (150,170) | 0 |
| Net Cash Used for Capital and Related Financing Activities | <u>(150,170)</u> | <u>0</u> |
| Net Decrease in Cash and Cash Equivalents | (52,673) | (42,096) |
| Cash and Cash Equivalents at Beginning of Year | 107,229 | 42,096 |
| Cash and Cash Equivalents at End of Year | <u>\$54,556</u> | <u>\$0</u> |
| <u>Reconciliation of Operating Loss to Net Cash</u> | | |
| <u>Used by Operating Activities:</u> | | |
| Operating Loss | (\$425,509) | (\$5,362) |
| Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities: | | |
| Depreciation Expense | 151,208 | 0 |
| Miscellaneous Nonoperating Income | 22,877 | 0 |
| Miscellaneous Nonoperating Expense | (21,960) | 0 |
| Changes in Assets and Liabilities: | | |
| Decrease in Accounts Receivable | 57 | 0 |
| Decrease in Inventory | 38,405 | 0 |
| Decrease in Accounts Payable | (32,516) | 0 |
| Decrease in Accrued Wages and Benefits | (16,494) | 0 |
| Increase in Intergovernmental Payable | 1,399 | 0 |
| Decrease in Compensated Absences | (1,129) | 0 |
| Total Adjustments | <u>141,847</u> | <u>0</u> |
| Net Cash Used by Operating Activities | <u>(\$283,662)</u> | <u>(\$5,362)</u> |

Schedule of Noncash Investing, Capital and Financing Activities:

For the year ended December 31, 2010, the Golf Course Fund received \$1,937,188 in contributed capital from the Golf Course Construction Fund.

See accompanying notes to the basic financial statements

CITY OF BLUE ASH, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2010***

| | <u>Agency</u> |
|--|------------------|
| Assets: | |
| Cash and Cash Equivalents | \$ 86,692 |
| Total Assets | <u>86,692</u> |
| Liabilities: | |
| Intergovernmental Payable | 671 |
| Due to Others | <u>86,021</u> |
| Total Liabilities | <u>\$ 86,692</u> |
| See accompanying notes to the basic financial statements | |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

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, 2010 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) 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 GASB Statement No. 14, *"The Financial Reporting Entity,"* 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 a 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, 2010***

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 operation and maintenance of public recreational facilities.

TIF Carver Road Bond Retirement Fund - This fund is used 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.

Golf Course Construction Fund - This fund is used to account for financial resources used for the construction and improvement of the golf course clubhouse, upgraded irrigation and banquet facility.

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 assets.

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, 2010***

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 fund which accounts for the City's operation of a public golf course and a restaurant.

Internal Service Funds - These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City uses an internal service fund to account for costs associated with employee health insurance reimbursements.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. 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 assets 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 Assets. 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, 2010***

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 assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. 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, 2010***

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, 2010 but which are not intended to finance 2010 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue. Property taxes are further described in Note 5.

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, 2010***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting," the City follows GASB guidance as applicable to proprietary funds, and FASB guidance, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB guidance issued after November 30, 1989 to its business-type activities and enterprise funds.

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 2010, 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, 2010***

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 2010.

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 Major Special Revenue Funds 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, 2010**

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 generally accepted accounting principles (GAAP). 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 note 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 Major Special Revenue Fund:

| | Net Change in Fund Balance | |
|--|----------------------------|--------------------------------|
| | General Fund | Park and Recreation Fund |
| GAAP Basis (as reported) | \$3,882,742 | \$447 |
| Increase (Decrease): | | |
| Accrued Revenues at December 31, 2010 received during 2011 | (3,872,027) | (49) |
| Accrued Revenues at December 31, 2009 received during 2010 | 4,017,337 | 841 |
| Accrued Expenditures at December 31, 2010 paid during 2011 | 1,428,975 | 205,789 |
| Accrued Expenditures at December 31, 2009 paid during 2010 | (2,133,359) | (208,072) |
| 2010 Prepaids for 2011 | (76,464) | (7,516) |
| 2009 Prepaids for 2010 | 61,858 | 44,473 |
| Outstanding Encumbrances | (577,810) | (217,986) |
| Budget Basis | <u>\$2,731,252</u> | <u>(\$182,073)</u> |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

During fiscal year 2010, 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 4, "Cash, Cash Equivalents and Investments."

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 4, "Cash, Cash Equivalents and Investments."

The City invested funds in STAR Ohio during 2010. 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, 2010.

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, 2010, 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, 2010**

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 Assets, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at fair market value at the date received. Capital assets include land, improvements to land, buildings, building improvements, machinery, equipment and infrastructure. 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 market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Assets 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, 2010***

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 |
| Property Acquisition Loan | Airport Fund |
| OPWC Loan | General Obligation Bond Retirement Fund |
| Tax Increment Financing Bonds | TIF Carver Road Retirement Fund |
| Compensated Absences | General Fund Street Construction, Maintenance and Repair Fund Park and Recreation Fund Golf Course 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 assets, "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, 2010***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets 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 assets are 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 Receivables/Payables," while long-term interfund loans are classified as "Interfund Loan Receivable/Payable."

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Reservations of Fund Balance

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for inventories of supplies and materials, prepaid items, debt service and encumbered amounts that have not been accrued at year-end.

S. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

T. Restricted Assets

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

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2010**

NOTE 2 – 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 assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets of governmental activities as reported in the government-wide statement of net assets. 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 | \$2,785,588 |
| Intergovernmental Revenue Receivable | 485,749 |
| | <hr/> |
| | \$3,271,337 |

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 assets 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:

Amount of loss on disposal of capital assets net of proceeds received:

| | |
|-----------------------------------|-------------|
| Loss on Disposal of Capital Asset | (\$976,804) |
| Sale of Capital Assets | (13,134) |
| | <hr/> |
| | (\$989,938) |

Governmental revenues not reported in the funds:

| | |
|--|----------|
| Increase in Delinquent Tax Revenue | \$53,580 |
| Increase in Intergovernmental Revenue Receivable | 7,973 |
| | <hr/> |
| | \$61,553 |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equities - The deficit of \$849 in the OVI Task Force Fund (special revenue fund) arose from the recognition of liabilities under the modified accrual basis of accounting. Under the budgetary basis of accounting, liabilities are not recognized as expenditures until they are paid, therefore, a deficit does not exist. A deficit does not exist on a cash basis. Transfers are provided when cash is required, not when accruals occur.

NOTE 4 - 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 market 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, 2010**

NOTE 4 - 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 market 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 \$21,894,248 and the bank balance was \$22,635,593. Federal depository insurance covered \$250,000 of the bank balance and \$22,385,593 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>\$22,385,593</u> |
| Total Balance | <u><u>\$22,385,593</u></u> |

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2010**

NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

B. Investments

The City's investments at December 31, 2010 were as follows:

| | <u>Fair Value</u> | <u>Credit Rating</u> | <u>Investment Maturities (In Years) less than 1</u> |
|-----------------------------|---------------------|--------------------------|---|
| STAR Ohio | \$11,116,196 | AAAm ¹ | \$11,116,196 |
| US Federal Treasury Reserve | <u>670,000</u> | | <u>670,000</u> |
| Total Investments | <u>\$11,786,196</u> | | <u>\$11,786,196</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 2010. The City's other investments were placed in US Federal Treasury Reserve as part of a debt covenant.

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 | \$33,010,444 | \$670,000 |
| STAR Ohio | <u>(11,116,196)</u> | <u>11,116,196</u> |
| Per GASB Statement No. 3 | <u>\$21,894,248</u> | <u>\$11,786,196</u> |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 5 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property which is used in business, located in the City. Real property taxes (other than public utility) collected during 2010 were levied after October 1, 2009 on assessed values as of January 1, 2009, the lien date. Assessed values are established by the county auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments are made in the third year following reappraisal. The last reappraisal was completed in 2005. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2006-2012, the City will be fully reimbursed for the lost revenue. In calendar years 2013-2017, the reimbursements will be phased out.

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 various percentages determined by the State of Ohio. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing Cities in the County including the City of Blue Ash. The County Auditor remits in February and August of each year the City's portion of the taxes collected.

The full tax rate for all City operations for the year ended December 31, 2010 was \$3.08 per \$1,000 of assessed value. The assessed value upon which the 2010 levy was based was \$758,327,730. This amount constitutes \$740,712,810 in real property assessed value and \$17,614,920 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 5 - TAXES (Continued)

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.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2010 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 revenue.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2010**

NOTE 7- TRANSFERS AND INTERFUND BALANCES

A. Transfers

Following is a summary of transfers in and out for all funds for 2010:

| Fund | Transfer In | Transfer Out |
|--------------------------------|--------------|--------------|
| Governmental Funds: | | |
| General Fund | \$36,734 | \$12,215,913 |
| Park and Recreation Fund | 2,696,333 | 0 |
| Golf Course Construction Fund | 1,950,000 | 0 |
| Other Governmental Funds | 7,314,611 | 126,190 |
| Total Governmental Funds | 11,997,678 | 12,342,103 |
| Proprietary Funds: | | |
| Golf Course Fund | 381,159 | 0 |
| Health Care Reimbursement Fund | 0 | 36,734 |
| Total All Funds | \$12,378,837 | \$12,378,837 |

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 once a project is completed.

B. Interfund Balances

Individual interfund balances at December 31, 2010 are as follows:

| Fund | Interfund Loan Receivable | Interfund Loan Payable |
|--------------------------|------------------------------|---------------------------|
| General Fund | \$11,623 | \$0 |
| Other Governmental Funds | 0 | 11,623 |
| Totals | \$11,623 | \$11,623 |

The interfund loan receivable/payable on the Governmental Balance Sheet is a loan to the OVI Fund from the General Fund to assist with cash flow issues.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2010**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2010:

Historical Cost:

| Class | December 31, 2009 | Additions | Deletions | December 31, 2010 |
|--|----------------------|--------------|----------------|----------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$39,219,302 | \$142,030 | \$0 | \$39,361,332 |
| Construction in Progress | 18,493,614 | 545,448 | (18,289,350) | 749,712 |
| Subtotal | 57,712,916 | 687,478 | (18,289,350) | 40,111,044 |
| Capital assets being depreciated: | | | | |
| Buildings | 32,300,411 | 15,068,828 | (2,716,915) | 44,652,324 |
| Improvements Other than Buildings | 6,466,002 | 0 | 0 | 6,466,002 |
| Infrastructure | 19,313,671 | 3,682,294 | 0 | 22,995,965 |
| Machinery and Equipment | 11,240,544 | 419,485 | (142,700) | 11,517,329 |
| Subtotal | 69,320,628 | 19,170,607 | (2,859,615) | 85,631,620 |
| Total Cost | \$127,033,544 | \$19,858,085 | (\$21,148,965) | \$125,742,664 |

Accumulated Depreciation:

| Class | December 31, 2009 | Additions | Deletions | December 31, 2010 |
|-----------------------------------|----------------------|---------------|-------------|----------------------|
| Buildings | (\$12,578,040) | (\$1,425,002) | \$1,738,826 | (\$12,264,216) |
| Improvements Other than Buildings | (4,085,728) | (245,933) | 0 | (4,331,661) |
| Infrastructure | (6,001,821) | (410,711) | 0 | (6,412,532) |
| Machinery and Equipment | (7,453,775) | (776,367) | 130,851 | (8,099,291) |
| Total Depreciation | (\$30,119,364) | (\$2,858,013) | \$1,869,677 | (\$31,107,700) |

Net Value:

| | | |
|--|--------------|--------------|
| | \$96,914,180 | \$94,634,964 |
|--|--------------|--------------|

* Depreciation expenses were charged to governmental functions as follows:

| | |
|----------------------------|-------------|
| Leisure Time Activities | \$938,172 |
| Transportation | 454,792 |
| General Government | 1,465,049 |
| Total Depreciation Expense | \$2,858,013 |

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2010**

NOTE 8 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2010:

Historical Cost:

| Class | December 31, 2009 | Additions | Deletions | December 31, 2010 |
|--|----------------------|-------------|-------------|----------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$1,124,764 | \$0 | \$0 | \$1,124,764 |
| Construction in Progress | 187,502 | 1,937,188 | 0 | 2,124,690 |
| Subtotal | 1,312,266 | 1,937,188 | 0 | 3,249,454 |
| Capital assets being depreciated: | | | | |
| Buildings | 1,190,581 | 0 | (505,289) | 685,292 |
| Improvements Other than Buildings | 1,983,139 | 22,900 | (101,641) | 1,904,398 |
| Machinery and Equipment | 1,285,572 | 72,720 | (115,368) | 1,242,924 |
| Subtotal | 4,459,292 | 95,620 | (722,298) | 3,832,614 |
| Total Cost | \$5,771,558 | \$2,032,808 | (\$722,298) | \$7,082,068 |

Accumulated Depreciation:

| Class | December 31, 2009 | Additions | Deletions | December 31, 2010 |
|-----------------------------------|----------------------|-------------|-----------|----------------------|
| Buildings | (\$933,470) | (\$17,901) | \$504,588 | (\$446,783) |
| Improvements Other than Buildings | (1,336,759) | (40,062) | 75,111 | (1,301,710) |
| Machinery and Equipment | (978,290) | (93,245) | 101,588 | (969,947) |
| Total Depreciation | (\$3,248,519) | (\$151,208) | \$681,287 | (\$2,718,440) |
| Net Value: | \$2,523,039 | | | \$4,363,628 |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 9 – DEFINED BENEFIT PENSION PLANS

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

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

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

All full-time 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 making a written request to OPERS, Attention: Finance Director, 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 2010, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2010 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 Plan was 8.5% from January 1 through February 28, 2010 and 9.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to pension obligations for members in the Combined Plan was 9.27% from January 1 through February 28, 2010, and 9.77% from March 1 through December 31, 2010. The contribution

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2010**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

requirements of plan members and the City are established and may be amended by the OPERS Board. The City's required contributions for pension obligations to OPERS for the years ending December 31, 2010, 2009, and 2008 were \$596,358, \$578,946 and \$494,461, respectively, which were equal to the required contributions for each year. Contributions to the member-directed plan for 2010 were \$18,764 made by the City and \$13,403 made by the plan members.

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 or by calling (614) 228-2975.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. A portion of the City's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2010, 12.75% of annual covered salary for police and 17.25% of annual covered salary for firefighters, respectively, were the portions used to fund pension obligations. The City's contributions for pension obligations to the OP&F Fund for the years ending December 31, 2010, 2009, and 2008 were \$414,767, \$416,094 and \$418,460 for police and \$407,804, \$406,145 and \$403,824 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 10 - 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, 2010***

NOTE 10 - 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 making a written request to OPERS, Attention: Finance Director, 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 2010, 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 Plan was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010, and 4.23% from March 1 through December 31, 2010. 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, 2010, 2009, and 2008 were \$339,980, \$411,138 and \$494,461, respectively, which were equal to the required contributions for each year.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 10 - 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.

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.

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 2010, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ending December 31, 2010, 2009, and 2008 were \$219,582, \$220,285 and \$221,538 for police and \$159,576, \$158,926 and \$158,018 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, 2010**

NOTE 11 - LONG-TERM OBLIGATIONS

Detail of the changes in the bonds and compensated absences of the City for the year ended December 31, 2010 is as follows:

| | | Balance December 31, 2009 | Issued | (Retired) | Balance December 31, 2010 | Amount Due Within One Year |
|--|------|---------------------------------|---------------------|----------------------|---------------------------------|----------------------------------|
| Governmental Activities: | | | | | | |
| General Obligation Bonds: | | | | | | |
| 2.53 - 3.13% Service Garage and Firehouse Bond (\$10,000,000) | 2003 | \$4,000,000 | \$0 | (\$1,000,000) | \$3,000,000 | \$1,000,000 |
| 3.00- 3.85% Reed Hartmann Highway Improvement Bonds (\$3,700,000) | 2005 | 2,220,000 | 0 | (370,000) | 1,850,000 | 370,000 |
| 5.00% Carver Road Tax Increment Financing Bonds (\$9,790,000) | 2006 | 9,590,000 | 0 | (190,000) | 9,400,000 | 195,000 |
| 4.00% Recreation Center Construction Bonds (\$9,975,000) | 2007 | 9,260,000 | 0 | (715,000) | 8,545,000 | 715,000 |
| 2.00 - 4.00% Golf Clubhouse Construction Bonds (\$9,775,000) | 2010 | 0 | 9,775,000 | 0 | 9,775,000 | 890,000 |
| Premium on Golf Clubhouse Bonds | | 0 | 488,232 | 0 | 488,232 | 0 |
| Total General Obligation Bonds | | <u>25,070,000</u> | <u>10,263,232</u> | <u>(2,275,000)</u> | <u>33,058,232</u> | <u>3,170,000</u> |
| 5.0% Property Acquisition Loan (\$18,913,325) | 2007 | 17,699,441 | 0 | (115,028) | 17,584,413 | 120,779 |
| 0.0% OPWC Loan (\$1,445,000) | 2008 | 1,372,750 | 0 | (144,500) | 1,228,250 | 144,500 |
| 0.0% OPWC Loan (\$1,027,339) | 2009 | 921,102 | 160,307 | (54,070) | 1,027,339 | 108,141 |
| Total OPWC Loans | | <u>2,293,852</u> | <u>160,307</u> | <u>(198,570)</u> | <u>2,255,589</u> | <u>252,641</u> |
| Compensated Absences | | <u>1,693,518</u> | <u>502,130</u> | <u>(457,250)</u> | <u>1,738,398</u> | <u>560,878</u> |
| Total Governmental Activities | | <u>\$46,756,811</u> | <u>\$10,925,669</u> | <u>(\$3,045,848)</u> | <u>\$54,636,632</u> | <u>\$4,104,298</u> |

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2010**

NOTE 11 - LONG-TERM OBLIGATIONS (Continued)

| | Balance December 31, 2009 | Additions | (Reductions) | Balance December 31, 2010 | Due Within One Year |
|---------------------------------|---------------------------------|-----------------|-------------------|---------------------------------|---------------------------|
| Business-Type Activities | | | | | |
| Compensated Absences | \$80,936 | \$11,011 | (\$12,140) | \$79,807 | \$11,971 |
| Total Business-Type Activities | <u>\$80,936</u> | <u>\$11,011</u> | <u>(\$12,140)</u> | <u>\$79,807</u> | <u>\$11,971</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, 2010 was \$79,624,412.

A. Principal and Interest Requirements

Principal and interest requirements to retire long-term debt outstanding at December 31, 2010 are as follows:

| Years | General Obligation Bonds | | Property Acquisition Loan | | OPWCLoan | |
|-----------|--------------------------|---------------------|---------------------------|---------------------|--------------------|------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2011 | \$3,170,000 | \$1,314,087 | \$120,779 | \$879,221 | \$252,641 | \$0 |
| 2012 | 3,180,000 | 1,174,729 | 126,818 | 873,182 | 252,641 | 0 |
| 2013 | 3,190,000 | 1,072,786 | 133,159 | 866,841 | 252,641 | 0 |
| 2014 | 2,205,000 | 961,611 | 139,817 | 860,183 | 252,641 | 0 |
| 2015 | 2,215,000 | 880,751 | 146,808 | 853,192 | 252,641 | 0 |
| 2016-2020 | 9,380,000 | 3,255,088 | 1,929,299 | 4,070,701 | 938,314 | 0 |
| 2021-2025 | 4,075,000 | 1,677,412 | 2,766,205 | 3,483,795 | 54,070 | 0 |
| 2026-2030 | 2,265,000 | 1,073,500 | 4,607,988 | 2,642,012 | 0 | 0 |
| 2031-2035 | 2,890,000 | 447,250 | 6,184,966 | 1,615,034 | 0 | 0 |
| 2036 | 0 | | 1,428,574 | 71,426 | 0 | 0 |
| Totals | <u>\$32,570,000</u> | <u>\$11,857,214</u> | <u>\$17,584,413</u> | <u>\$16,215,587</u> | <u>\$2,255,589</u> | <u>\$0</u> |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 11 - 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, 2010, 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 has pledged a guarantee, and is contractually obligated to make minimum payments so that principal and interest are retired on a timely basis. Any surplus derived through payments in lieu of taxes not required for retirement of the TIF debt are to be paid to the Sycamore Community School District as defined in the Agreement. Upon completion of the two public parking garages, the TIF Construction Fund was closed, any remaining fund balance was deposited into the TIF Carver Road Bond Retirement Fund. All payments and disbursements relating to the retirement of debt will be via the TIF Carver Road Bond Retirement Fund.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2010**

NOTE 12 - CONSTRUCTION COMMITMENTS

As of December 31, 2010, the City had the following commitments with respect to capital projects:

| Project | Remaining Construction Commitment | Expected Date of Completion |
|--|---|-----------------------------------|
| Golf Course Clubhouse and Irrigation Project | \$8,810,000 | Fall 2011 |
| Downtown Traffic Signal Project | 1,266,000 | Summer 2011 |
| Total | \$10,076,000 | |

NOTE 13 - 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, 2010, 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 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, except NAWA which is a non-voting member. Management is provided by an Executive Director, who is assisted by a Claims Manager, a full-time Loss Control Manager and professional 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 and amended bylaws.

CITY OF BLUE ASH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2010**

NOTE 13 - RISK MANAGEMENT (Continued)

The twenty one participating entities and their respective pool contribution factors for the loss year ended December 31, 2010 are:

| <u>Entity</u> | <u>Percentage</u> | <u>Entity</u> | <u>Percentage</u> |
|---------------|-------------------|-----------------|------------------------|
| Beavercreek | 5.64 % | Montgomery | 2.67 % |
| Bellbrook | 1.08 % | NAWA | 0.54 % |
| Blue Ash | 6.68 % | Piqua | 7.35 % |
| Centerville | 5.56 % | Sidney | 6.67 % |
| Englewood | 5.38 % | Springdale | 3.67 % |
| Indian Hill | 2.16 % | Tipp City | 2.91 % |
| Kettering | 13.04 % | Troy | 5.94 % |
| Madeira | 1.20 % | Vandalia | 4.64 % |
| Mason | 7.23 % | West Carrollton | 2.98 % |
| Miamisburg | 4.78 % | Wilmington | 7.14 % |
| Subtotal | <u>52.75 %</u> | Wyoming | 2.74 % |
| | | Subtotal | <u>47.25 %</u> |
| | | Total | <u><u>100.00 %</u></u> |

The 2010 pool contribution from the City of Blue Ash was \$262,776, representing 6.68% of the total collected from all members for that year's operating costs and projected loss reserves.

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

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

| | | |
|---|---------------|----------------|
| General Liability | \$ 10,000,000 | per occurrence |
| Automobile Liability | 10,000,000 | per occurrence |
| Police Professional Liability | 10,000,000 | per occurrence |
| Employment Practices & Public Officials Liability | 10,000,000 | per member |
| Crime / Employee Theft | 1,000,000 | Aggregate |
| Property (SIR \$250,000) | 1,000,000,000 | per occurrence |
| Flood (Zone specific) | 25,000,000 | Aggregate |
| Earthquake | 25,000,000 | Aggregate |
| Boiler & Machinery | 100,000,000 | per occurrence |
| Cyber Coverage (SIR \$100,000) | 2,000,000 | per occurrence |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 13 - RISK MANAGEMENT (Continued)

The member deductible per occurrence for most types of claims is \$2,500. The pool's self insured retention (SIR) for property claims is \$2,501 - \$250,000 per occurrence. The SIR for Boiler and Machinery is \$5,000. 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, 2010, because an actuarial opinion issued as of that date reported actual MVRMA loss reserves. MVRMA loss reserves recommended balances greatly exceeding the actuary's recommended net loss reserve as of December 31, 2010. MVRMA reported Blue Ash's loss experience for years 2009, 2008 and 2007 as \$14,679, \$21,156, and \$122,991 respectively.

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, or by viewing it www.mvrma.com.

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.

*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.

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 City's 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.

American Recovery and Reinvestment Act (ARRA)

Reed Hartman Highway (RHH) Fund

To account for federal stimulus funding received through the American Recovery and Reinvestment Act of 2010. A portion of the monies are being used for the Reed Hartman Highway Project. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Debt Service Fund

Debt Service Funds are used to account for retirement of the City's obligations arising from general obligation bonds and tax increment financing.

General Obligation Bond Retirement Fund

This fund is used to account for payments of principal and interest on the City's general obligation bonds

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.

Blue Ash / Hunt Road Construction Fund

To account for financial resources used for the construction and improvement of Blue Ash and Hunt Road. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Downtown Improvement Fund

This fund is used to account the revitalization and improvement of the City's downtown area.

Airport 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.

Recreation Center Construction Fund

This fund is used to account for financial resources used for the construction and improvement of recreational facilities

CITY OF BLUE ASH, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010**

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|--------------------------------------|-------------------------------|---------------------------------------|---|
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 1,295,479 | \$ 550,658 | \$ 956,311 | \$ 2,802,448 |
| Receivables: | | | | |
| Taxes | 0 | 99,098 | 0 | 99,098 |
| Accounts | 9 | 0 | 0 | 9 |
| Intergovernmental | 402,956 | 3,000 | 29,598 | 435,554 |
| Interest | 87 | 0 | 0 | 87 |
| Inventory of Supplies, at Cost | 156,878 | 0 | 0 | 156,878 |
| Total Assets | \$ 1,855,409 | \$ 652,756 | \$ 985,909 | \$ 3,494,074 |
| Liabilities: | | | | |
| Accounts Payable | \$ 131,245 | \$ 0 | \$ 0 | \$ 131,245 |
| Accrued Wages and Benefits Payable | 67,670 | 0 | 0 | 67,670 |
| Intergovernmental Payable | 451 | 0 | 0 | 451 |
| Contracts Payable | 0 | 0 | 885 | 885 |
| Interfund Loans Payable | 11,623 | 0 | 0 | 11,623 |
| Deferred Revenue | 251,438 | 102,098 | 0 | 353,536 |
| Total Liabilities | 462,427 | 102,098 | 885 | 565,410 |
| Fund Balances: | | | | |
| Reserved for Encumbrances | 644,215 | 0 | 922,264 | 1,566,479 |
| Reserved for Supplies Inventory | 156,878 | 0 | 0 | 156,878 |
| Reserved for Debt Service | 0 | 550,658 | 0 | 550,658 |
| Undesignated/Unreserved | 591,889 | 0 | 62,760 | 654,649 |
| Total Fund Balances | 1,392,982 | 550,658 | 985,024 | 2,928,664 |
| Total Liabilities and Fund Balances | \$ 1,855,409 | \$ 652,756 | \$ 985,909 | \$ 3,494,074 |

CITY OF BLUE ASH, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2010**

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|--------------------------------------|-------------------------------|---------------------------------------|---|
| Revenues: | | | | |
| Property Taxes | \$ 0 | \$ 86,053 | \$ 0 | \$ 86,053 |
| Intergovernmental Revenues | 1,074,757 | 26,208 | 29,598 | 1,130,563 |
| Charges for Services | 1,977 | 0 | 0 | 1,977 |
| Investment Earnings | 784 | 0 | 133 | 917 |
| Fines and Forfeitures | 15,125 | 0 | 0 | 15,125 |
| All Other Revenue | 1,485 | 0 | 8,743 | 10,228 |
| Total Revenue | 1,094,128 | 112,261 | 38,474 | 1,244,863 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 223,405 | 0 | 0 | 223,405 |
| Transportation | 3,500,677 | 0 | 0 | 3,500,677 |
| Capital Outlay | 30,692 | 0 | 616,292 | 646,984 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 2,283,570 | 115,028 | 2,398,598 |
| Interest & Fiscal Charges | 0 | 583,803 | 884,972 | 1,468,775 |
| Total Expenditures | 3,754,774 | 2,867,373 | 1,616,292 | 8,238,439 |
| Excess (Deficiency) of Revenues Over Expenditures | (2,660,646) | (2,755,112) | (1,577,818) | (6,993,576) |
| Other Financing Sources (Uses): | | | | |
| Issuance of OPWC Loan | 0 | 0 | 160,307 | 160,307 |
| Premiums on Debt Issuance | 0 | 418,132 | 0 | 418,132 |
| Transfers In | 2,934,248 | 2,862,638 | 1,517,725 | 7,314,611 |
| Transfers Out | (5,100) | 0 | (121,090) | (126,190) |
| Total Other Financing Sources (Uses) | 2,929,148 | 3,280,770 | 1,556,942 | 7,766,860 |
| Net Change in Fund Balance | 268,502 | 525,658 | (20,876) | 773,284 |
| Fund Balances at Beginning of Year | 1,176,497 | 25,000 | 1,005,900 | 2,207,397 |
| Decrease in Inventory Reserve | (52,017) | 0 | 0 | (52,017) |
| Fund Balances End of Year | \$ 1,392,982 | \$ 550,658 | \$ 985,024 | \$ 2,928,664 |

CITY OF BLUE ASH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010**

| | Street Construction, Maintenance and Repair Fund | Municipal Motor Vehicle License Tax Fund | State Highway Fund | Law Enforcement Assistance Fund |
|--|---|--|-----------------------|------------------------------------|
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 476,130 | \$ 111,253 | \$ 417,588 | \$ 6,050 |
| Receivables: | | | | |
| Accounts | 9 | 0 | 0 | 0 |
| Intergovernmental | 300,603 | 52,179 | 24,375 | 800 |
| Interest | 28 | 13 | 46 | 0 |
| Inventory of Supplies, at Cost | 156,878 | 0 | 0 | 0 |
| Total Assets | \$ 933,648 | \$ 163,445 | \$ 442,009 | \$ 6,850 |
| Liabilities: | | | | |
| Accounts Payable | \$ 117,070 | \$ 0 | \$ 0 | \$ 0 |
| Accrued Wages and Benefits Payable | 67,670 | 0 | 0 | 0 |
| Intergovernmental Payable | 451 | 0 | 0 | 0 |
| Interfund Loans Payable | 0 | 0 | 0 | 0 |
| Deferred Revenue | 200,402 | 34,786 | 16,250 | 0 |
| Total Liabilities | 385,593 | 34,786 | 16,250 | 0 |
| Fund Balances: | | | | |
| Reserved for Encumbrances | 359,060 | 0 | 285,155 | 0 |
| Reserved for Supplies Inventory | 156,878 | 0 | 0 | 0 |
| Undesignated/Unreserved | 32,117 | 128,659 | 140,604 | 6,850 |
| Total Fund Balances | 548,055 | 128,659 | 425,759 | 6,850 |
| Total Liabilities and Fund Balances | \$ 933,648 | \$ 163,445 | \$ 442,009 | \$ 6,850 |

CITY OF BLUE ASH, OHIO

| Law Enforcement Fund | OVI Task Force Fund | Drug Law Enforcement Fund | Education Enforcement (DUI) Fund | Total Nonmajor Special Revenue Funds |
|----------------------|---------------------|---------------------------|----------------------------------|--------------------------------------|
| \$ 218,076 | \$ 0 | \$ 52,172 | \$ 14,210 | \$ 1,295,479 |
| 0 | 0 | 0 | 0 | 9 |
| 0 | 24,949 | 0 | 50 | 402,956 |
| 0 | 0 | 0 | 0 | 87 |
| 0 | 0 | 0 | 0 | 156,878 |
| <u>\$ 218,076</u> | <u>\$ 24,949</u> | <u>\$ 52,172</u> | <u>\$ 14,260</u> | <u>\$ 1,855,409</u> |
| \$ 0 | \$ 14,175 | \$ 0 | \$ 0 | \$ 131,245 |
| 0 | 0 | 0 | 0 | 67,670 |
| 0 | 0 | 0 | 0 | 451 |
| 0 | 11,623 | 0 | 0 | 11,623 |
| 0 | 0 | 0 | 0 | 251,438 |
| 0 | 25,798 | 0 | 0 | 462,427 |
| 0 | 0 | 0 | 0 | 644,215 |
| 0 | 0 | 0 | 0 | 156,878 |
| 218,076 | (849) | 52,172 | 14,260 | 591,889 |
| 218,076 | (849) | 52,172 | 14,260 | 1,392,982 |
| <u>\$ 218,076</u> | <u>\$ 24,949</u> | <u>\$ 52,172</u> | <u>\$ 14,260</u> | <u>\$ 1,855,409</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, 2010**

| | Street Construction, Maintenance and Repair Fund | Municipal Motor Vehicle License Tax Fund | State Highway Fund | Law Enforcement Assistance Fund |
|--|---|--|-----------------------|------------------------------------|
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 644,039 | \$ 111,023 | \$ 51,571 | \$ 1,660 |
| Charges for Services | 1,977 | 0 | 0 | 0 |
| Investment Earnings | 57 | 235 | 492 | 0 |
| Fines and Forfeitures | 0 | 0 | 0 | 0 |
| All Other Revenue | 1,485 | 0 | 0 | 0 |
| Total Revenue | 647,558 | 111,258 | 52,063 | 1,660 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 0 | 0 | 0 | 600 |
| Transportation | 3,385,832 | 100,000 | 14,845 | 0 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Total Expenditures | 3,385,832 | 100,000 | 14,845 | 600 |
| Excess (Deficiency) of Revenues Over Expenditures | (2,738,274) | 11,258 | 37,218 | 1,060 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 2,934,248 | 0 | 0 | 0 |
| Transfers Out | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 2,934,248 | 0 | 0 | 0 |
| Net Change in Fund Balance | 195,974 | 11,258 | 37,218 | 1,060 |
| Fund Balances at Beginning of Year | 404,098 | 117,401 | 388,541 | 5,790 |
| Decrease in Inventory Reserve | (52,017) | 0 | 0 | 0 |
| Fund Balances End of Year | \$ 548,055 | \$ 128,659 | \$ 425,759 | \$ 6,850 |

CITY OF BLUE ASH, OHIO

| Law Enforcement Fund | OVI Task Force Fund | Drug Law Enforcement Fund | Education Enforcement (DUI) Fund | ARRA RHH Rehab Project Fund | Total Nonmajor Special Revenue Funds |
|----------------------|---------------------|---------------------------|----------------------------------|-----------------------------|--------------------------------------|
| \$ 0 | \$ 230,672 | \$ 0 | \$ 0 | \$ 35,792 | \$ 1,074,757 |
| 0 | 0 | 0 | 0 | 0 | 1,977 |
| 0 | 0 | 0 | 0 | 0 | 784 |
| 13,341 | 0 | 765 | 1,019 | 0 | 15,125 |
| 0 | 0 | 0 | 0 | 0 | 1,485 |
| <u>13,341</u> | <u>230,672</u> | <u>765</u> | <u>1,019</u> | <u>35,792</u> | <u>1,094,128</u> |
| 26,668 | 196,087 | 50 | 0 | 0 | 223,405 |
| 0 | 0 | 0 | 0 | 0 | 3,500,677 |
| 0 | 0 | 0 | 0 | 30,692 | 30,692 |
| <u>26,668</u> | <u>196,087</u> | <u>50</u> | <u>0</u> | <u>30,692</u> | <u>3,754,774</u> |
| (13,327) | 34,585 | 715 | 1,019 | 5,100 | (2,660,646) |
| 0 | 0 | 0 | 0 | 0 | 2,934,248 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>(5,100)</u> | <u>(5,100)</u> |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>(5,100)</u> | <u>2,929,148</u> |
| (13,327) | 34,585 | 715 | 1,019 | 0 | 268,502 |
| 231,403 | (35,434) | 51,457 | 13,241 | 0 | 1,176,497 |
| 0 | 0 | 0 | 0 | 0 | (52,017) |
| <u>\$ 218,076</u> | <u>\$ (849)</u> | <u>\$ 52,172</u> | <u>\$ 14,260</u> | <u>\$ 0</u> | <u>\$ 1,392,982</u> |

CITY OF BLUE ASH, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2010**

| | Downtown Improvement Fund | Airport Fund | Recreation Center Construction Fund | Total Nonmajor Capital Projects Funds |
|--|---------------------------------|---------------|--|---|
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 922,738 | \$ 990 | \$ 32,583 | \$ 956,311 |
| Receivables: | | | | |
| Intergovernmental | 29,598 | 0 | 0 | 29,598 |
| Total Assets | <u>\$ 952,336</u> | <u>\$ 990</u> | <u>\$ 32,583</u> | <u>\$ 985,909</u> |
| Liabilities: | | | | |
| Contracts Payable | \$ 0 | \$ 0 | \$ 885 | \$ 885 |
| Total Liabilities | <u>0</u> | <u>0</u> | <u>885</u> | <u>885</u> |
| Fund Balances: | | | | |
| Reserved for Encumbrances | 921,274 | 990 | 0 | 922,264 |
| Undesignated/Unreserved | 31,062 | 0 | 31,698 | 62,760 |
| Total Fund Balances | <u>952,336</u> | <u>990</u> | <u>31,698</u> | <u>985,024</u> |
| Total Liabilities and Fund Balances | <u>\$ 952,336</u> | <u>\$ 990</u> | <u>\$ 32,583</u> | <u>\$ 985,909</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, 2010**

| | Blue Ash / Hunt Road Construction Fund | Downtown Improvement Fund | Airport Fund | Recreation Center Construction Fund | Total Nonmajor Capital Project Funds |
|--|---|---------------------------------|------------------|--|--|
| Revenues: | | | | | |
| Intergovernmental Revenues | \$ 0 | \$ 29,598 | \$ 0 | \$ 0 | \$ 29,598 |
| Investment Earnings | 0 | 0 | 0 | 133 | 133 |
| All Other Revenue | 0 | 0 | 0 | 8,743 | 8,743 |
| Total Revenue | <u>0</u> | <u>29,598</u> | <u>0</u> | <u>8,876</u> | <u>38,474</u> |
| Expenditures: | | | | | |
| Capital Outlay | 158,463 | 32,762 | 64,185 | 360,882 | 616,292 |
| Debt Service: | | | | | |
| Principal Retirement | 0 | 0 | 115,028 | 0 | 115,028 |
| Interest & Fiscal Charges | 0 | 0 | 884,972 | 0 | 884,972 |
| Total Expenditures | <u>158,463</u> | <u>32,762</u> | <u>1,064,185</u> | <u>360,882</u> | <u>1,616,292</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (158,463) | (3,164) | (1,064,185) | (352,006) | (1,577,818) |
| Other Financing Sources (Uses): | | | | | |
| Issuance of OPWC Loan | 160,307 | 0 | 0 | 0 | 160,307 |
| Transfers In | 0 | 955,500 | 562,225 | 0 | 1,517,725 |
| Transfers Out | (121,090) | 0 | 0 | 0 | (121,090) |
| Total Other Financing Sources (Uses) | <u>39,217</u> | <u>955,500</u> | <u>562,225</u> | <u>0</u> | <u>1,556,942</u> |
| Net Change in Fund Balance | (119,246) | 952,336 | (501,960) | (352,006) | (20,876) |
| Fund Balances at Beginning of Year | <u>119,246</u> | <u>0</u> | <u>502,950</u> | <u>383,704</u> | <u>1,005,900</u> |
| Fund Balances End of Year | <u>\$ 0</u> | <u>\$ 952,336</u> | <u>\$ 990</u> | <u>\$ 31,698</u> | <u>\$ 985,024</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, 2010**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|-------------------|---|
| Revenues: | | | | |
| Property Taxes | \$ 2,235,954 | \$ 2,114,522 | \$ 2,122,642 | \$ 8,120 |
| Municipal Income Taxes | 25,853,000 | 25,853,000 | 27,598,796 | 1,745,796 |
| Other Local Taxes | 935,000 | 935,000 | 883,724 | (51,276) |
| Intergovernmental Revenues | 2,096,264 | 2,397,151 | 3,129,364 | 732,213 |
| Charges for Services | 612,050 | 619,946 | 698,863 | 78,917 |
| Licenses and Permits | 249,400 | 349,400 | 367,575 | 18,175 |
| Investment Earnings | 75,000 | 17,545 | 22,486 | 4,941 |
| Fines and Forfeitures | 119,300 | 119,300 | 99,687 | (19,613) |
| All Other Revenues | 85,599 | 124,128 | 122,836 | (1,292) |
| Total Revenues | <u>32,261,567</u> | <u>32,529,992</u> | <u>35,045,973</u> | <u>2,515,981</u> |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Police Division: | | | | |
| Personal Services | 5,699,800 | 5,709,800 | 5,455,766 | 254,034 |
| Materials and Supplies | 169,923 | 169,923 | 116,853 | 53,070 |
| Contractual Services | 454,474 | 454,474 | 356,540 | 97,934 |
| Capital Outlay | 103,153 | 103,153 | 87,355 | 15,798 |
| Total Police Division | <u>6,427,350</u> | <u>6,437,350</u> | <u>6,016,514</u> | <u>420,836</u> |
| Fire Division: | | | | |
| Personal Services | 4,120,000 | 4,120,000 | 3,917,649 | 202,351 |
| Materials and Supplies | 107,137 | 108,033 | 91,745 | 16,288 |
| Contractual Services | 305,772 | 312,772 | 283,240 | 29,532 |
| Capital Outlay | 21,878 | 21,878 | 20,416 | 1,462 |
| Total Fire Division | <u>4,554,787</u> | <u>4,562,683</u> | <u>4,313,050</u> | <u>249,633</u> |
| Total Security of Persons and Property | <u>10,982,137</u> | <u>11,000,033</u> | <u>10,329,564</u> | <u>670,469</u> |
| Community Development: | | | | |
| Building Division: | | | | |
| Personal Services | 447,200 | 447,200 | 442,370 | 4,830 |
| Materials and Supplies | 2,563 | 2,563 | 1,315 | 1,248 |
| Contractual Services | 279,066 | 399,066 | 361,363 | 37,703 |
| Capital Outlay | 274,110 | 924,110 | 923,935 | 175 |
| Total Community Development | <u>1,002,939</u> | <u>1,772,939</u> | <u>1,728,983</u> | <u>43,956</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, 2010**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|------------------------|---------------------|------------------|---|
| Basic Utility Services: | | | | |
| Public Services Division: | | | | |
| Materials and Supplies | 2,214 | 2,214 | 1,807 | 407 |
| Contractual Services | 148,526 | 148,526 | 79,526 | 69,000 |
| Capital Outlay | 466,996 | 466,996 | 435,535 | 31,461 |
| Total Basic Utility Services | <u>617,736</u> | <u>617,736</u> | <u>516,868</u> | <u>100,868</u> |
| General Government: | | | | |
| Legislative Services: | | | | |
| Personal Services | 136,000 | 136,000 | 130,119 | 5,881 |
| Materials and Supplies | 600 | 600 | 448 | 152 |
| Contractual Services | 529,140 | 529,141 | 431,896 | 97,245 |
| Total Legislative Services | <u>665,740</u> | <u>665,741</u> | <u>562,463</u> | <u>103,278</u> |
| Judicial Services: | | | | |
| Personal Services | 174,500 | 174,500 | 165,355 | 9,145 |
| Materials and Supplies | 1,000 | 1,000 | 102 | 898 |
| Contractual Services | 10,326 | 13,825 | 10,355 | 3,470 |
| Total Judicial Services | <u>185,826</u> | <u>189,325</u> | <u>175,812</u> | <u>13,513</u> |
| Tax and Finance Divisions: | | | | |
| Personal Services | 675,000 | 675,000 | 600,182 | 74,818 |
| Materials and Supplies | 5,340 | 5,340 | 3,116 | 2,224 |
| Contractual Services | 132,671 | 132,671 | 117,618 | 15,053 |
| Total Tax and Finance Divisions | <u>813,011</u> | <u>813,011</u> | <u>720,916</u> | <u>92,095</u> |
| Administrative Services Division: | | | | |
| Personal Services | 1,045,000 | 1,093,000 | 1,061,970 | 31,030 |
| Materials and Supplies | 8,709 | 8,709 | 5,735 | 2,974 |
| Contractual Services | 25,329 | 25,329 | 20,146 | 5,183 |
| Capital Outlay | 2,100 | 2,100 | 1,920 | 180 |
| Total Administrative Services Division | <u>1,081,138</u> | <u>1,129,138</u> | <u>1,089,771</u> | <u>39,367</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, 2010**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|----------------------|----------------------|----------------------|---|
| Facilities Maintenance Division: | | | | |
| Personal Services | 972,000 | 1,046,000 | 1,028,817 | 17,183 |
| Materials and Supplies | 231,787 | 233,787 | 210,342 | 23,445 |
| Contractual Services | 299,911 | 297,912 | 153,737 | 144,175 |
| Capital Outlay | 26,830 | 26,830 | 6,595 | 20,235 |
| Total Facilities Maintenance Division | <u>1,530,528</u> | <u>1,604,529</u> | <u>1,399,491</u> | <u>205,038</u> |
| Insurance Services Division: | | | | |
| Contractual Services | 323,250 | 323,250 | 287,967 | 35,283 |
| Total Insurance Services Division | <u>323,250</u> | <u>323,250</u> | <u>287,967</u> | <u>35,283</u> |
| General Government Services: | | | | |
| Personal Services | 683,023 | 683,023 | 614,212 | 68,811 |
| Materials and Supplies | 48,011 | 48,011 | 43,385 | 4,626 |
| Contractual Services | 2,573,343 | 2,524,372 | 2,276,257 | 248,115 |
| Capital Outlay | 474,649 | 474,649 | 409,043 | 65,606 |
| Total General Government Services | <u>3,779,026</u> | <u>3,730,055</u> | <u>3,342,897</u> | <u>387,158</u> |
| Total General Government | <u>8,378,519</u> | <u>8,455,049</u> | <u>7,579,317</u> | <u>875,732</u> |
| Total Expenditures | <u>20,981,331</u> | <u>21,845,757</u> | <u>20,154,732</u> | <u>1,691,025</u> |
| Excess (Deficiency) of Revenues | | | | |
| Over (Under) Expenditures | 11,280,236 | 10,684,235 | 14,891,241 | 4,207,006 |
| Other Financing Sources (Uses): | | | | |
| Sale of Capital Assets | 12,000 | 12,000 | 13,134 | 1,134 |
| Transfers In | 0 | 0 | 36,734 | 36,734 |
| Transfers Out | (12,737,024) | (13,999,954) | (12,215,913) | 1,784,041 |
| Advances In | 0 | 0 | 17,679 | 17,679 |
| Advances Out | 0 | (91,070) | (11,623) | 79,447 |
| Total Other Financing Sources (Uses) | <u>(12,725,024)</u> | <u>(14,079,024)</u> | <u>(12,159,989)</u> | <u>1,919,035</u> |
| Net Change in Fund Balance | (1,444,788) | (3,394,789) | 2,731,252 | 6,126,041 |
| Fund Balance at Beginning of Year | 13,571,652 | 13,571,652 | 13,571,652 | 0 |
| Prior Year Encumbrances | 1,345,330 | 1,345,330 | 1,345,330 | 0 |
| Fund Balance at End of Year | <u>\$ 13,472,194</u> | <u>\$ 11,522,193</u> | <u>\$ 17,648,234</u> | <u>\$ 6,126,041</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, 2010**

| PARK AND RECREATION FUND | | | | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Charges for Services | \$ 733,300 | \$ 746,300 | \$ 844,815 | \$ 98,515 |
| All Other Revenues | 221,000 | 221,000 | 282,396 | 61,396 |
| Total Revenues | <u>954,300</u> | <u>967,300</u> | <u>1,127,211</u> | <u>159,911</u> |
| Expenditures: | | | | |
| Leisure Time Activities: | | | | |
| Recreation Programming Division: | | | | |
| Personal Services | 1,221,000 | 1,221,000 | 1,196,692 | 24,308 |
| Materials and Supplies | 199,444 | 199,444 | 177,192 | 22,252 |
| Contractual Services | 1,416,131 | 1,428,132 | 1,169,715 | 258,417 |
| Capital Outlay | 59,045 | 60,045 | 45,042 | 15,003 |
| Total Recreation Programming Division | <u>2,895,620</u> | <u>2,908,621</u> | <u>2,588,641</u> | <u>319,980</u> |
| Grounds Maintenance Division: | | | | |
| Personal Services | 902,000 | 902,000 | 876,162 | 25,838 |
| Materials and Supplies | 184,531 | 184,531 | 179,292 | 5,239 |
| Contractual Services | 361,022 | 361,021 | 303,552 | 57,469 |
| Capital Outlay | 104,000 | 104,000 | 57,970 | 46,030 |
| Total Grounds Maintenance Division | <u>1,551,553</u> | <u>1,551,552</u> | <u>1,416,976</u> | <u>134,576</u> |
| Total Expenditures | <u>4,447,173</u> | <u>4,460,173</u> | <u>4,005,617</u> | <u>454,556</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (3,492,873) | (3,492,873) | (2,878,406) | 614,467 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 3,310,800 | 3,310,800 | 2,696,333 | (614,467) |
| Total Other Financing Sources (Uses) | <u>3,310,800</u> | <u>3,310,800</u> | <u>2,696,333</u> | <u>(614,467)</u> |
| Net Change in Fund Balance | (182,073) | (182,073) | (182,073) | 0 |
| Fund Balance at Beginning of Year | 0 | 0 | 0 | 0 |
| Prior Year Encumbrances | 182,073 | 182,073 | 182,073 | 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 – Debt Service Fund
For the Year Ended December 31, 2010**

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---|
| Revenues: | | | |
| Property Taxes | \$ 950,000 | \$ 1,001,648 | \$ 51,648 |
| Investment Earnings | <u>5,000</u> | <u>1,825</u> | <u>(3,175)</u> |
| Total Revenues | <u>955,000</u> | <u>1,003,473</u> | <u>48,473</u> |
| Expenditures: | | | |
| General Government: | | | |
| Contractual Services | <u>15,000</u> | <u>11,624</u> | <u>3,376</u> |
| Total General Government | <u>15,000</u> | <u>11,624</u> | <u>3,376</u> |
| Debt Service: | | | |
| Principal Retirement | 190,000 | 190,000 | 0 |
| Interest and Fiscal Charges | <u>486,963</u> | <u>486,963</u> | <u>0</u> |
| Total Expenditures | <u>691,963</u> | <u>688,587</u> | <u>3,376</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 263,037 | 314,886 | 51,849 |
| Fund Balance at Beginning of Year | <u>1,858,398</u> | <u>1,858,398</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 2,121,435</u> | <u>\$ 2,173,284</u> | <u>\$ 51,849</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 Funds
For the Year Ended December 31, 2010***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---|
| Revenues: | | | |
| Investment Earnings | \$ 0 | \$ 2,024 | \$ 2,024 |
| All Other Revenues | <u>7,099</u> | <u>7,139</u> | <u>40</u> |
| Total Revenues | <u>7,099</u> | <u>9,163</u> | <u>2,064</u> |
| Expenditures: | | | |
| Capital Outlay | <u>11,802,199</u> | <u>8,501,332</u> | <u>3,300,867</u> |
| Total Expenditures | <u>11,802,199</u> | <u>8,501,332</u> | <u>3,300,867</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (11,795,100) | (8,492,169) | 3,302,931 |
| Other Financing Sources (Uses): | | | |
| General Obligation Bonds Issued | 9,775,000 | 9,775,000 | 0 |
| Premiums on Debt Issuance | 70,100 | 70,100 | 0 |
| Transfers In | <u>1,950,000</u> | <u>1,950,000</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>11,795,100</u> | <u>11,795,100</u> | <u>0</u> |
| Net Change in Fund Balance | 0 | 3,302,931 | 3,302,931 |
| 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>\$ 3,302,931</u> | <u>\$ 3,302,931</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, 2010***

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| Revenues: | | | |
| Intergovernmental Revenues | \$ 633,000 | \$ 645,292 | \$ 12,292 |
| Charges for Services | 1,500 | 1,984 | 484 |
| Investment Earnings | 500 | 49 | (451) |
| All Other Revenues | <u>1,000</u> | <u>1,485</u> | <u>485</u> |
| Total Revenues | <u>636,000</u> | <u>648,810</u> | <u>12,810</u> |
| Expenditures: | | | |
| Transportation: | | | |
| Street Division: | | | |
| Personal Services | 1,575,000 | 1,407,929 | 167,071 |
| Materials and Supplies | 494,952 | 476,014 | 18,938 |
| Contractual Services | 537,758 | 502,040 | 35,718 |
| Capital Outlay | <u>1,863,130</u> | <u>1,448,331</u> | <u>414,799</u> |
| Total Expenditures | <u>4,470,840</u> | <u>3,834,314</u> | <u>636,526</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (3,834,840) | (3,185,504) | 649,336 |
| Other Financing Sources (Uses): | | | |
| Transfers In | <u>3,583,585</u> | <u>2,934,248</u> | <u>(649,337)</u> |
| Total Other Financing Sources (Uses) | <u>3,583,585</u> | <u>2,934,248</u> | <u>(649,337)</u> |
| Net Changes in Fund Balance | (251,255) | (251,256) | (1) |
| Fund Balance at Beginning of Year | 0 | 0 | 0 |
| Prior Year Encumbrances | <u>251,256</u> | <u>251,256</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 1</u> | <u>\$ 0</u> | <u>\$ (1)</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, 2010***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| Revenues: | | | |
| Intergovernmental Revenues | \$ 106,000 | \$ 109,860 | \$ 3,860 |
| Investment Earnings | 500 | 238 | (262) |
| Total Revenues | <u>106,500</u> | <u>110,098</u> | <u>3,598</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 | 6,500 | 10,098 | 3,598 |
| Fund Balance at Beginning of Year | <u>101,155</u> | <u>101,155</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 107,655</u> | <u>\$ 111,253</u> | <u>\$ 3,598</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, 2010***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| Revenues: | | | |
| Intergovernmental Revenues | \$ 52,000 | \$ 51,672 | \$ (328) |
| Investment Earnings | <u>1,000</u> | <u>497</u> | <u>(503)</u> |
| Total Revenues | <u>53,000</u> | <u>52,169</u> | <u>(831)</u> |
| Expenditures: | | | |
| Transportation: | | | |
| Street Division: | | | |
| Capital Outlay | <u>300,000</u> | <u>300,000</u> | <u>0</u> |
| Total Expenditures | <u>300,000</u> | <u>300,000</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (247,000) | (247,831) | (831) |
| Fund Balance at Beginning of Year | <u>380,264</u> | <u>380,264</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 133,264</u> | <u>\$ 132,433</u> | <u>\$ (831)</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, 2010***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------|---|
| Revenues: | | | |
| Intergovernmental Revenues | <u>\$ 3,500</u> | <u>\$ 860</u> | <u>\$ (2,640)</u> |
| Total Revenues | <u>3,500</u> | <u>860</u> | <u>(2,640)</u> |
| Expenditures: | | | |
| Security of Persons and Property: | | | |
| Police Division: | | | |
| Contractual Services | <u>5,700</u> | <u>600</u> | <u>5,100</u> |
| Total Expenditures | <u>5,700</u> | <u>600</u> | <u>5,100</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,200) | 260 | 2,460 |
| Fund Balance at Beginning of Year | <u>5,790</u> | <u>5,790</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 3,590</u> | <u>\$ 6,050</u> | <u>\$ 2,460</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, 2010***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| Revenues: | | | |
| Fines and Forfeitures | <u>\$ 12,000</u> | <u>\$ 13,341</u> | <u>\$ 1,341</u> |
| Total Revenues | <u>12,000</u> | <u>13,341</u> | <u>1,341</u> |
| Expenditures: | | | |
| Security of Persons and Property: | | | |
| Police Division: | | | |
| Materials and Supplies | 30,240 | 2,771 | 27,469 |
| Contractual Services | 56,000 | 9,952 | 46,048 |
| Capital Outlay | <u>137,127</u> | <u>16,437</u> | <u>120,690</u> |
| Total Expenditures | <u>223,367</u> | <u>29,160</u> | <u>194,207</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (211,367) | (15,819) | 195,548 |
| Fund Balance at Beginning of Year | 226,528 | 226,528 | 0 |
| Prior Year Encumbrances | <u>7,367</u> | <u>7,367</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 22,528</u> | <u>\$ 218,076</u> | <u>\$ 195,548</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, 2010**

| | OVI TASK FORCE FUND | | |
|--|----------------------------|--------------------|---|
| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
| Revenues: | | | |
| Intergovernmental Revenues | \$ 236,189 | \$ 205,723 | \$ (30,466) |
| Total Revenues | <u>236,189</u> | <u>205,723</u> | <u>(30,466)</u> |
| Expenditures: | | | |
| Security of Persons and Property: | | | |
| Police Division: | | | |
| Contractual Services | <u>218,510</u> | <u>199,667</u> | <u>18,843</u> |
| Total Expenditures | <u>218,510</u> | <u>199,667</u> | <u>18,843</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 17,679 | 6,056 | (11,623) |
| Fund Balance at Beginning of Year | <u>(17,679)</u> | <u>(17,679)</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 0</u> | <u>\$ (11,623)</u> | <u>\$ (11,623)</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, 2010***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| Revenues: | | | |
| Fines and Forfeitures | <u>\$ 3,000</u> | <u>\$ 845</u> | <u>\$ (2,155)</u> |
| Total Revenues | <u>3,000</u> | <u>845</u> | <u>(2,155)</u> |
| Expenditures: | | | |
| Security of Persons and Property: | | | |
| Police Division: | | | |
| Materials and Supplies | 1,000 | 0 | 1,000 |
| Contractual Services | 16,000 | 50 | 15,950 |
| Capital Outlay | <u>3,000</u> | <u>0</u> | <u>3,000</u> |
| Total Expenditures | <u>20,000</u> | <u>50</u> | <u>19,950</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (17,000) | 795 | 17,795 |
| Fund Balance at Beginning of Year | <u>51,377</u> | <u>51,377</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 34,377</u> | <u>\$ 52,172</u> | <u>\$ 17,795</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, 2010***

EDUCATION ENFORCEMENT (DUI) FUND

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| Revenues: | | | |
| Fines and Forfeitures | <u>\$ 1,500</u> | <u>\$ 1,039</u> | <u>\$ (461)</u> |
| Total Revenues | <u>1,500</u> | <u>1,039</u> | <u>(461)</u> |
| Expenditures: | | | |
| Security of Persons and Property: | | | |
| Police Division: | | | |
| Contractual Services | <u>5,000</u> | <u>0</u> | <u>5,000</u> |
| Total Expenditures | <u>5,000</u> | <u>0</u> | <u>5,000</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (3,500) | 1,039 | 4,539 |
| Fund Balance at Beginning of Year | <u>13,171</u> | <u>13,171</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 9,671</u> | <u>\$ 14,210</u> | <u>\$ 4,539</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, 2010**

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| Revenues: | | | |
| Intergovernmental Revenues | <u>\$ 35,792</u> | <u>\$ 35,792</u> | <u>\$ 0</u> |
| Total Revenues | <u>35,792</u> | <u>35,792</u> | <u>0</u> |
| Expenditures: | | | |
| Capital Outlay: | | | |
| Capital Outlay | <u>30,692</u> | <u>30,692</u> | <u>0</u> |
| Total Expenditures | <u>30,692</u> | <u>30,692</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 5,100 | 5,100 | 0 |
| Other Financing Sources (Uses): | | | |
| Transfers Out | <u>(5,100)</u> | <u>(5,100)</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>(5,100)</u> | <u>(5,100)</u> | <u>0</u> |
| Net Change in Fund Balance | 0 | 0 | 0 |
| 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>\$ 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 Debt Service Fund
For the Year Ended December 31, 2010**

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| Revenues: | | | |
| Property Taxes | \$ 90,647 | \$ 86,053 | \$ (4,594) |
| Intergovernmental Revenues | <u>25,900</u> | <u>26,208</u> | <u>308</u> |
| Total Revenues | <u>116,547</u> | <u>112,261</u> | <u>(4,286)</u> |
| Expenditures: | | | |
| Debt Service: | | | |
| Principal Retirement | 2,301,750 | 2,283,570 | 18,180 |
| Interest and Fiscal Charges | <u>587,486</u> | <u>583,803</u> | <u>3,683</u> |
| Total Expenditures | <u>2,889,236</u> | <u>2,867,373</u> | <u>21,863</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,772,689) | (2,755,112) | 17,577 |
| Other Financing Sources (Uses): | | | |
| Premiums on Debt Issuance | 418,132 | 418,132 | 0 |
| Transfers In | <u>2,772,689</u> | <u>2,862,638</u> | <u>89,949</u> |
| Total Other Financing Sources (Uses) | <u>3,190,821</u> | <u>3,280,770</u> | <u>89,949</u> |
| Net Change in Fund Balance | 418,132 | 525,658 | 107,526 |
| Fund Balance at Beginning of Year | <u>25,000</u> | <u>25,000</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 443,132</u> | <u>\$ 550,658</u> | <u>\$ 107,526</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, 2010***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| Revenues: | | | |
| Total Revenues | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Expenditures: | | | |
| Capital Outlay | <u>180,567</u> | <u>158,463</u> | <u>22,104</u> |
| Total Expenditures | <u>180,567</u> | <u>158,463</u> | <u>22,104</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (180,567) | (158,463) | 22,104 |
| Other Financing Sources (Uses): | | | |
| Issuance of OPWC Loans | 160,307 | 160,307 | 0 |
| Transfers Out | <u>(121,090)</u> | <u>(121,090)</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>39,217</u> | <u>39,217</u> | <u>0</u> |
| Net Change in Fund Balance | (141,350) | (119,246) | 22,104 |
| Fund Balance at Beginning of Year | 40,124 | 40,124 | 0 |
| Prior Year Encumbrances | <u>79,122</u> | <u>79,122</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ (22,104)</u> | <u>\$ 0</u> | <u>\$ 22,104</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, 2010***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------|---|
| Revenues: | | | |
| Intergovernmental Revenues | <u>\$ 447,000</u> | <u>\$ 0</u> | <u>\$ (447,000)</u> |
| Total Revenues | <u>447,000</u> | <u>0</u> | <u>(447,000)</u> |
| Expenditures: | | | |
| Capital Outlay | <u>1,402,500</u> | <u>954,036</u> | <u>448,464</u> |
| Total Expenditures | <u>1,402,500</u> | <u>954,036</u> | <u>448,464</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (955,500) | (954,036) | 1,464 |
| Other Financing Sources (Uses): | | | |
| Transfers In | <u>955,500</u> | <u>955,500</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>955,500</u> | <u>955,500</u> | <u>0</u> |
| Net Change in Fund Balance | 0 | 1,464 | 1,464 |
| 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>\$ 1,464</u> | <u>\$ 1,464</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, 2010**

| | AIRPORT FUND | | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| | <u>Final Budget</u> | <u>Actual</u> | <u>(Negative)</u> |
| Revenues: | | | |
| Total Revenues | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Expenditures: | | | |
| Capital Outlay | <u>1,477,950</u> | <u>1,065,175</u> | <u>412,775</u> |
| Total Expenditures | <u>1,477,950</u> | <u>1,065,175</u> | <u>412,775</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,477,950) | (1,065,175) | 412,775 |
| Other Financing Sources (Uses): | | | |
| Transfers In | <u>975,000</u> | <u>562,225</u> | <u>(412,775)</u> |
| Total Other Financing Sources (Uses) | <u>975,000</u> | <u>562,225</u> | <u>(412,775)</u> |
| Net Changes in Fund Balance | (502,950) | (502,950) | 0 |
| Fund Balance at Beginning of Year | 0 | 0 | 0 |
| Prior Year Encumbrances | <u>502,950</u> | <u>502,950</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, 2010***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| Revenues: | | | |
| Investment Earnings | \$ 0 | \$ 200 | \$ 200 |
| All Other Revenues | <u>0</u> | <u>8,743</u> | <u>8,743</u> |
| Total Revenues | <u>0</u> | <u>8,943</u> | <u>8,943</u> |
| Expenditures: | | | |
| Capital Outlay | <u>444,805</u> | <u>422,049</u> | <u>22,756</u> |
| Total Expenditures | <u>444,805</u> | <u>422,049</u> | <u>22,756</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (444,805) | (413,106) | 31,699 |
| Fund Balance at Beginning of Year | 23,171 | 23,171 | 0 |
| Prior Year Encumbrances | <u>421,634</u> | <u>421,634</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 0</u> | <u>\$ 31,699</u> | <u>\$ 31,699</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, 2010**

| | Balance December 31, 2009 | Additions | Deductions | Balance December 31, 2010 |
|---|---------------------------------|-----------|-------------|---------------------------------|
| Mayor's Court | | | | |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents with Fiscal Agent | \$995 | \$182,327 | (\$183,322) | \$0 |
| Total Assets | \$995 | \$182,327 | (\$183,322) | \$0 |
| Liabilities: | | | | |
| Due to Others | \$995 | \$182,327 | (\$183,322) | \$0 |
| Total Liabilities | \$995 | \$182,327 | (\$183,322) | \$0 |
| Ohio Board of Building Standards Assessments | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$368 | \$7,383 | (\$7,080) | \$671 |
| Total Assets | \$368 | \$7,383 | (\$7,080) | \$671 |
| Liabilities: | | | | |
| Intergovernmental Payables | \$368 | \$7,383 | (\$7,080) | \$671 |
| Total Liabilities | \$368 | \$7,383 | (\$7,080) | \$671 |
| Arson Task Force | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$972 | \$3,388 | (\$1,533) | \$2,827 |
| Total Assets | \$972 | \$3,388 | (\$1,533) | \$2,827 |
| Liabilities: | | | | |
| Due to Others | \$972 | \$3,388 | (\$1,533) | \$2,827 |
| Total Liabilities | \$972 | \$3,388 | (\$1,533) | \$2,827 |
| Flex Spending Fund | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$110,145 | \$220,080 | (\$247,031) | \$83,194 |
| Total Assets | \$110,145 | \$220,080 | (\$247,031) | \$83,194 |
| Liabilities: | | | | |
| Due to Others | \$110,145 | \$220,080 | (\$247,031) | \$83,194 |
| Total Liabilities | \$110,145 | \$220,080 | (\$247,031) | \$83,194 |

CITY OF BLUE ASH, OHIO

| | Balance December 31, 2009 | Additions | Deductions | Balance December 31, 2010 |
|---|---------------------------------|------------------|--------------------|---------------------------------|
| Totals - All Agency Funds | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$111,485 | \$230,851 | (\$255,644) | \$86,692 |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents with Fiscal Agent | 995 | 182,327 | (183,322) | 0 |
| Total Assets | <u>\$112,480</u> | <u>\$413,178</u> | <u>(\$438,966)</u> | <u>\$86,692</u> |
| Liabilities: | | | | |
| Intergovernmental Payables | \$368 | \$7,383 | (\$7,080) | \$671 |
| Due to Others | 112,112 | 405,795 | (431,886) | 86,021 |
| Total Liabilities | <u>\$112,480</u> | <u>\$413,178</u> | <u>(\$438,966)</u> | <u>\$86,692</u> |

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. The city implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

City of Blue Ash

*Net Assets by Component
Last Nine Years
(accrual basis of accounting)*

| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> |
|---|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities: | | | | |
| Invested in Capital Assets, Net of Related Debt | \$45,844,856 | \$32,823,175 | \$28,207,806 | \$34,426,061 |
| Restricted | 1,830,218 | 1,889,933 | 9,637,231 | 5,465,764 |
| Unrestricted | (8,625,857) | 7,790,282 | 7,349,937 | 11,353,572 |
| Total Governmental Activities Net Assets | <u>\$39,049,217</u> | <u>\$42,503,390</u> | <u>\$45,194,974</u> | <u>\$51,245,397</u> |
| Business-type Activities: | | | | |
| Invested in Capital Assets, Net of Related Debt | \$2,825,114 | \$2,694,683 | \$2,712,921 | \$2,640,807 |
| Unrestricted (Deficit) | (26,005) | (23,320) | (21,594) | (30,031) |
| Total Business-type Activities Net Assets | <u>\$2,799,109</u> | <u>\$2,671,363</u> | <u>\$2,691,327</u> | <u>\$2,610,776</u> |
| Primary Government: | | | | |
| Invested in Capital Assets, Net of Related Debt | \$48,669,970 | \$35,517,858 | \$30,920,727 | \$37,066,868 |
| Restricted | 1,830,218 | 1,889,933 | 9,637,231 | 5,465,764 |
| Unrestricted | (8,651,862) | 7,766,962 | 7,328,343 | 11,323,541 |
| Total Primary Government Net Assets | <u>\$41,848,326</u> | <u>\$45,174,753</u> | <u>\$47,886,301</u> | <u>\$53,856,173</u> |

Source: Finance Office

City of Blue Ash

| <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$34,881,463 | \$41,228,022 | \$46,397,044 | \$51,850,887 | \$52,322,247 |
| 4,839,111 | 2,657,256 | 6,177,078 | 3,617,547 | 3,887,408 |
| <u>14,150,187</u> | <u>17,428,349</u> | <u>17,007,777</u> | <u>18,716,037</u> | <u>21,877,839</u> |
| <u>\$53,870,761</u> | <u>\$61,313,627</u> | <u>\$69,581,899</u> | <u>\$74,184,471</u> | <u>\$78,087,494</u> |
| | | | | |
| \$2,616,516 | \$2,663,932 | \$2,529,047 | \$2,523,039 | \$4,363,628 |
| (13,743) | (26,609) | (37,114) | (77,742) | (60,056) |
| <u>\$2,602,773</u> | <u>\$2,637,323</u> | <u>\$2,491,933</u> | <u>\$2,445,297</u> | <u>\$4,303,572</u> |
| | | | | |
| \$37,497,979 | \$43,891,954 | \$48,926,091 | \$54,373,926 | \$56,685,875 |
| 4,839,111 | 2,657,256 | 6,177,078 | 3,617,547 | 3,887,408 |
| <u>14,136,444</u> | <u>17,401,740</u> | <u>16,970,663</u> | <u>18,638,295</u> | <u>21,817,783</u> |
| <u>\$56,473,534</u> | <u>\$63,950,950</u> | <u>\$72,073,832</u> | <u>\$76,629,768</u> | <u>\$82,391,066</u> |

City of Blue Ash

*Changes in Net Assets
Last Nine Years
(accrual basis of accounting)*

| | 2002 | 2003 | 2004 | 2005 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| Expenses | | | | |
| Governmental Activities: | | | | |
| Security of Persons and Property | \$9,409,353 | \$9,189,983 | \$10,022,125 | \$10,165,886 |
| Leisure Time Activities | 5,085,560 | 4,698,832 | 4,695,425 | 4,159,503 |
| Community Development | 698,927 | 684,192 | 627,530 | 880,545 |
| Basic Utility Services | 3,771,878 | 3,143,907 | 2,497,941 | 2,156,876 |
| Transportation | 3,721,127 | 2,287,035 | 2,248,461 | 1,855,044 |
| General Government | 5,519,943 | 3,246,035 | 6,132,078 | 6,306,580 |
| Interest and Fiscal Charges | 868,756 | 892,598 | 785,134 | 858,638 |
| <i>Total Governmental Activities Expenses</i> | <u>29,075,544</u> | <u>24,142,582</u> | <u>27,008,694</u> | <u>26,383,072</u> |
| Business-type Activities: | | | | |
| Golf Course | 1,283,349 | 1,299,836 | 1,314,862 | 1,318,708 |
| <i>Total Business-type Activities Expenses</i> | <u>1,283,349</u> | <u>1,299,836</u> | <u>1,314,862</u> | <u>1,318,708</u> |
| <i>Total Primary Government Expenses</i> | <u><u>\$30,358,893</u></u> | <u><u>\$25,442,418</u></u> | <u><u>\$28,323,556</u></u> | <u><u>\$27,701,780</u></u> |
| Program Revenues | | | | |
| Governmental Activities: | | | | |
| Charges for Services | | | | |
| Security of Persons and Property | \$407,291 | \$483,282 | \$218,704 | \$415,652 |
| Leisure Time Activities | 680,730 | 652,338 | 641,986 | 667,712 |
| Community Development | 179,487 | 180,035 | 195,256 | 346,095 |
| Transportation | 12,189 | 820 | 2,584 | 725 |
| General Government | 208,466 | 367,610 | 390,473 | 287,798 |
| Operating Grants and Contributions | 1,012,192 | 569,887 | 1,801,713 | 998,262 |
| Capital Grants and Contributions | 988,047 | 112,804 | 1,717,293 | 0 |
| <i>Total Governmental Activities Program Revenues</i> | <u>3,488,402</u> | <u>2,366,776</u> | <u>4,968,009</u> | <u>2,716,244</u> |

City of Blue Ash

| 2006 | 2007 | 2008 | 2009 | 2010 |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$10,330,009 | \$10,583,392 | \$10,808,527 | \$10,971,088 | \$10,200,445 |
| 4,629,671 | 4,942,967 | 5,463,869 | 5,262,217 | 3,965,278 |
| 1,128,585 | 864,853 | 809,377 | 784,808 | 1,602,342 |
| 1,879,424 | 2,092,167 | 1,864,013 | 2,401,524 | 79,730 |
| 1,919,917 | 2,311,705 | 2,024,089 | 2,415,412 | 4,058,682 |
| 7,401,144 | 7,512,638 | 8,133,593 | 8,351,370 | 10,227,100 |
| 842,242 | 1,559,980 | 2,299,658 | 2,099,365 | 1,999,212 |
| <u>28,130,992</u> | <u>29,867,702</u> | <u>31,403,126</u> | <u>32,285,784</u> | <u>32,132,789</u> |
| | | | | |
| 1,482,474 | 1,592,043 | 1,612,555 | 1,523,894 | 1,461,696 |
| <u>1,482,474</u> | <u>1,592,043</u> | <u>1,612,555</u> | <u>1,523,894</u> | <u>1,461,696</u> |
| <u>\$29,613,466</u> | <u>\$31,459,745</u> | <u>\$33,015,681</u> | <u>\$33,809,678</u> | <u>\$33,594,485</u> |
| | | | | |
| \$127,044 | \$93,483 | \$96,637 | \$46,524 | \$39,045 |
| 705,492 | 704,280 | 633,303 | 773,855 | 844,815 |
| 523,062 | 333,467 | 236,921 | 153,767 | 266,574 |
| 13,183 | 900 | 7,117 | 1,977 | 1,977 |
| 199,771 | 268,784 | 276,842 | 305,634 | 188,747 |
| 822,921 | 823,631 | 875,492 | 1,183,899 | 1,037,723 |
| 0 | 50,000 | 1,011,720 | 639,330 | 65,390 |
| <u>2,391,473</u> | <u>2,274,545</u> | <u>3,138,032</u> | <u>3,104,986</u> | <u>2,444,271</u> |

(continued)

City of Blue Ash

Changes in Net Assets Last Nine Years (accrual basis of accounting)

| | 2002 | 2003 | 2004 | 2005 |
|--|----------------|----------------|----------------|----------------|
| Business-type Activities: | | | | |
| Charges for Services | | | | |
| Golf Course | 1,014,440 | 981,482 | 1,105,883 | 1,093,114 |
| <i>Total Business-type Activities Program Revenues</i> | 1,014,440 | 981,482 | 1,105,883 | 1,093,114 |
| <i>Total Primary Government Program Revenues</i> | 4,502,842 | 3,348,258 | 6,073,892 | 3,809,358 |
| Net (Expense)/Revenue | | | | |
| Governmental Activities | (25,587,142) | (21,775,806) | (22,040,685) | (23,666,828) |
| Business-type Activities | (268,909) | (318,354) | (208,979) | (225,594) |
| <i>Total Primary Government Net (Expense)/Revenue</i> | (\$25,856,051) | (\$22,094,160) | (\$22,249,664) | (\$23,892,422) |
| General Revenues and Other Changes in Net Assets | | | | |
| Governmental Activities: | | | | |
| Property Taxes Levied for: | | | | |
| General Purposes | \$2,058,148 | \$2,181,235 | \$2,179,195 | \$2,138,994 |
| Debt Service | 76,228 | 242,091 | 69,076 | 106,688 |
| Municipal Income Taxes | 16,636,788 | 19,780,105 | 19,644,642 | 22,628,464 |
| Other Local Taxes | 682,029 | 669,641 | 699,467 | 782,470 |
| Grants and Entitlements not Restricted to Specific Programs | 2,368,203 | 1,841,048 | 1,690,766 | 1,778,951 |
| Investment Earnings | 277,000 | 182,281 | 128,697 | 357,462 |
| Miscellaneous | 445,767 | 1,353,601 | 549,369 | 868,214 |
| Transfers | (145,384) | (190,608) | (228,943) | (145,043) |
| Loss on Disposal of Capital Assets | (202,251) | 0 | 0 | 0 |
| <i>Total Governmental Activities</i> | 22,196,528 | 26,059,394 | 24,732,269 | 28,516,200 |
| Business-type Activities: | | | | |
| Transfers | 145,384 | 190,608 | 228,943 | 145,043 |
| Loss on Disposal of Capital Assets | (12,341) | 0 | 0 | 0 |
| <i>Total Business-type Activities</i> | 133,043 | 190,608 | 228,943 | 145,043 |
| <i>Total Primary Government</i> | \$22,329,571 | \$26,250,002 | \$24,961,212 | \$28,661,243 |
| Change in Net Assets | | | | |
| Governmental Activities | (\$3,390,614) | \$4,283,588 | \$2,691,584 | \$4,849,372 |
| Business-type Activities | (135,866) | (127,746) | 19,964 | (80,551) |
| <i>Total Primary Government Change in Net Assets</i> | (\$3,526,480) | \$4,155,842 | \$2,711,548 | \$4,768,821 |

Source: Finance Office

City of Blue Ash

| 2006 | 2007 | 2008 | 2009 | 2010 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 1,122,849 | 1,153,749 | 1,084,768 | 1,076,427 | 1,001,624 |
| 1,122,849 | 1,153,749 | 1,084,768 | 1,076,427 | 1,001,624 |
| 3,514,322 | 3,428,294 | 4,222,800 | 4,181,413 | 3,445,895 |
| (25,739,519) | (27,593,157) | (28,265,094) | (29,180,798) | (29,688,518) |
| (359,625) | (438,294) | (527,787) | (447,467) | (460,072) |
| <u>(\$26,099,144)</u> | <u>(\$28,031,451)</u> | <u>(\$28,792,881)</u> | <u>(\$29,628,265)</u> | <u>(\$30,148,590)</u> |
| \$2,284,018 | \$2,170,820 | \$2,113,553 | \$2,169,222 | \$2,122,642 |
| 108,801 | 276,381 | 727,746 | 984,447 | 1,172,283 |
| 22,145,729 | 26,914,805 | 29,147,868 | 27,251,070 | 27,380,888 |
| 869,253 | 902,725 | 966,974 | 891,104 | 875,608 |
| 1,726,738 | 3,185,974 | 2,288,739 | 1,936,325 | 3,201,037 |
| 720,964 | 1,013,428 | 642,916 | 61,302 | 28,331 |
| 861,002 | 1,044,534 | 1,028,167 | 890,731 | 1,129,099 |
| (351,622) | (472,644) | (382,597) | (400,831) | (2,318,347) |
| 0 | 0 | 0 | 0 | 0 |
| <u>28,364,883</u> | <u>35,036,023</u> | <u>36,533,366</u> | <u>33,783,370</u> | <u>33,591,541</u> |
| 351,622 | 472,644 | 382,597 | 400,831 | 2,318,347 |
| 0 | 0 | 0 | 0 | 0 |
| <u>351,622</u> | <u>472,644</u> | <u>382,597</u> | <u>400,831</u> | <u>2,318,347</u> |
| <u>\$28,716,505</u> | <u>\$35,508,667</u> | <u>\$36,915,963</u> | <u>\$34,184,201</u> | <u>\$35,909,888</u> |
| \$2,625,364 | \$7,442,866 | \$8,268,272 | \$4,602,572 | \$3,903,023 |
| (8,003) | 34,350 | (145,190) | (46,636) | 1,858,275 |
| <u>\$2,617,361</u> | <u>\$7,477,216</u> | <u>\$8,123,082</u> | <u>\$4,555,936</u> | <u>\$5,761,298</u> |

City of Blue Ash

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

| | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> |
|---|---------------------|--------------------|--------------------|--------------------|---------------------|
| General Fund | | | | | |
| Reserved | \$1,556,338 | \$510,629 | \$392,003 | \$336,403 | \$510,338 |
| Unreserved | <u>9,234,476</u> | <u>5,087,578</u> | <u>7,638,598</u> | <u>7,344,816</u> | <u>9,181,613</u> |
| <i>Total General Fund</i> | <u>10,790,814</u> | <u>5,598,207</u> | <u>8,030,601</u> | <u>7,681,219</u> | <u>9,691,951</u> |
| All Other Governmental Funds | | | | | |
| Reserved | 2,334,223 | 5,246,029 | 1,177,875 | 6,537,653 | 4,077,834 |
| Unreserved, Undesignated, Reported in: | | | | | |
| Special Revenue Funds | 275,478 | 516,883 | 675,620 | 626,637 | 918,193 |
| Capital Projects Funds | <u>260,591</u> | <u>(9,001,332)</u> | <u>(2,121,141)</u> | <u>(9,888,439)</u> | <u>(4,282,921)</u> |
| <i>Total All Other Governmental Funds</i> | <u>2,870,292</u> | <u>(3,238,420)</u> | <u>(267,646)</u> | <u>(2,724,149)</u> | <u>713,106</u> |
| <i>Total Governmental Funds</i> | <u>\$13,661,106</u> | <u>\$2,359,787</u> | <u>\$7,762,955</u> | <u>\$4,957,070</u> | <u>\$10,405,057</u> |

Source: Finance Office

City of Blue Ash

| <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$1,614,323 | \$884,661 | \$916,799 | \$855,501 | \$374,763 |
| <u>9,684,919</u> | <u>14,857,882</u> | <u>14,893,882</u> | <u>16,039,039</u> | <u>20,394,371</u> |
| <u>11,299,242</u> | <u>15,742,543</u> | <u>15,810,681</u> | <u>16,894,540</u> | <u>20,769,134</u> |
| 6,852,199 | 2,476,725 | 7,846,136 | 3,479,656 | 10,338,361 |
| 595,933 | 565,946 | 538,976 | 634,742 | 502,130 |
| <u>(351,904)</u> | <u>7,256,949</u> | <u>(1,149,195)</u> | <u>2,194</u> | <u>3,366,817</u> |
| <u>7,096,228</u> | <u>10,299,620</u> | <u>7,235,917</u> | <u>4,116,592</u> | <u>14,207,308</u> |
| <u>\$18,395,470</u> | <u>\$26,042,163</u> | <u>\$23,046,598</u> | <u>\$21,011,132</u> | <u>\$34,976,442</u> |

City of Blue Ash

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

| | 2001 | 2002 | 2003 | 2004 |
|--|-------------------|-------------------|-------------------|-------------------|
| Revenues: | | | | |
| Taxes | | | | |
| Property | \$2,185,060 | \$2,134,376 | \$2,262,022 | \$2,259,907 |
| Municipal Income | 19,509,547 | 16,532,390 | 20,585,615 | 19,482,112 |
| Other Local | 619,409 | 682,029 | 669,641 | 699,467 |
| Intergovernmental Revenues | 3,172,932 | 3,134,793 | 3,005,859 | 3,976,014 |
| Charges for Services | 898,125 | 834,809 | 1,228,620 | 995,850 |
| Licenses and Permits | 237,053 | 253,622 | 258,015 | 281,498 |
| Investment Earnings | 771,368 | 279,789 | 182,281 | 128,697 |
| Fines and Forfeitures | 331,997 | 582,167 | 623,175 | 378,006 |
| All Other Revenue | 63,686 | 263,332 | 347,352 | 343,018 |
| Total Revenue | <u>27,789,177</u> | <u>24,697,307</u> | <u>29,162,580</u> | <u>28,544,569</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 8,595,712 | 9,243,373 | 9,205,777 | 9,972,468 |
| Leisure Time Activities | 3,485,880 | 4,115,009 | 3,793,655 | 3,837,782 |
| Community Environment | 737,395 | 690,755 | 682,771 | 657,461 |
| Basic Utility Services | 3,053,246 | 3,714,209 | 3,154,613 | 2,498,477 |
| Transportation | 3,190,539 | 3,775,004 | 2,022,193 | 1,876,750 |
| General Government | 4,956,057 | 4,350,054 | 4,583,358 | 5,766,124 |
| Capital Outlay | 10,599,587 | 7,092,437 | 8,085,301 | 3,238,694 |
| Debt Service: | | | | |
| Principal Retirement | 1,352,497 | 2,037,715 | 2,037,955 | 2,463,216 |
| Interest and Fiscal Charges | 700,786 | 794,888 | 865,931 | 800,502 |
| Total Expenditures | <u>36,671,699</u> | <u>35,813,444</u> | <u>34,431,554</u> | <u>31,111,474</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (8,882,522) | (11,116,137) | (5,268,974) | (2,566,905) |

City of Blue Ash

| 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$2,225,710 | \$2,376,614 | \$2,359,974 | \$2,896,080 | \$3,239,625 | \$3,210,343 |
| 21,780,007 | 22,053,892 | 27,037,678 | 28,934,385 | 27,084,620 | 27,411,890 |
| 782,470 | 869,253 | 902,725 | 966,974 | 891,104 | 875,608 |
| 3,661,407 | 2,843,102 | 4,098,400 | 4,181,614 | 3,806,303 | 4,296,177 |
| 1,170,430 | 1,259,704 | 1,417,539 | 1,355,985 | 1,450,662 | 1,568,165 |
| 437,106 | 619,984 | 430,549 | 335,746 | 252,611 | 367,608 |
| 357,462 | 648,480 | 1,011,620 | 642,916 | 61,302 | 28,331 |
| 659,328 | 254,781 | 172,999 | 174,305 | 133,095 | 114,812 |
| 319,332 | 295,085 | 424,361 | 412,951 | 336,120 | 419,672 |
| <u>31,393,252</u> | <u>31,220,895</u> | <u>37,855,845</u> | <u>39,900,956</u> | <u>37,255,442</u> | <u>38,292,606</u> |
| 10,111,541 | 10,595,745 | 11,260,376 | 11,064,811 | 10,873,558 | 10,230,976 |
| 3,885,242 | 4,310,565 | 4,413,957 | 5,034,298 | 4,248,364 | 3,823,146 |
| 882,499 | 1,360,707 | 944,529 | 910,816 | 782,176 | 1,601,674 |
| 2,144,168 | 1,912,102 | 2,390,755 | 1,958,071 | 2,406,148 | 114,224 |
| 1,755,940 | 2,017,696 | 2,167,150 | 2,323,589 | 2,073,586 | 3,500,677 |
| 5,669,339 | 5,580,307 | 5,700,274 | 7,860,934 | 6,566,020 | 7,846,087 |
| 1,737,644 | 3,447,714 | 26,962,418 | 9,059,084 | 7,325,932 | 2,689,388 |
| 2,463,503 | 2,830,000 | 3,830,000 | 3,034,334 | 3,826,800 | 2,588,598 |
| 850,590 | 1,065,088 | 1,185,353 | 2,303,704 | 2,108,322 | 1,955,738 |
| <u>29,500,466</u> | <u>33,119,924</u> | <u>58,854,812</u> | <u>43,549,641</u> | <u>40,210,906</u> | <u>34,350,508</u> |
| 1,892,786 | (1,899,029) | (20,998,967) | (3,648,685) | (2,955,464) | 3,942,098 |

(continued)

City of Blue Ash

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

| | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> |
|--|----------------------|-----------------------|--------------------|----------------------|
| Other Financing Sources (Uses): | | | | |
| Sale of Capital Assets | 275,000 | 20 | 580,524 | 616 |
| Ohio Public Works Commission Loan | 0 | 0 | 0 | 0 |
| General Obligation Bonds Issued | 0 | 0 | 10,000,000 | 0 |
| Property Acquisition Loan | 0 | 0 | 0 | 0 |
| Premium on General Obligation Bonds | 0 | 0 | 0 | 0 |
| Other Financing Sources - Capital Leases | 14,886 | 0 | 0 | 0 |
| Transfers In | 9,656,630 | 9,829,714 | 17,052,402 | 12,040,770 |
| Transfers Out | (10,048,890) | (9,975,098) | (17,243,010) | (12,269,713) |
| Total Other Financing Sources (Uses) | <u>(102,374)</u> | <u>(145,364)</u> | <u>10,389,916</u> | <u>(228,327)</u> |
| Net Change in Fund Balance | <u>(\$8,984,896)</u> | <u>(\$11,261,501)</u> | <u>\$5,120,942</u> | <u>(\$2,795,232)</u> |
| Debt Service as a Percentage of Noncapital Expenditures | 6.23% | 9.84% | 12.13% | 12.13% |

Source: Finance Office

City of Blue Ash

| 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--------------------|--------------------|--------------------|----------------------|----------------------|---------------------|
| 2,520 | 305,145 | 261,920 | 72,728 | 17,521 | 13,134 |
| 0 | 0 | 0 | 1,147,701 | 1,218,401 | 160,307 |
| 3,700,000 | 9,790,000 | 9,975,000 | 0 | 0 | 9,775,000 |
| 0 | 0 | 18,913,325 | 0 | 0 | 0 |
| 0 | 72,484 | 1,808 | 0 | 0 | 488,232 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 18,233,922 | 12,067,135 | 12,272,969 | 13,558,928 | 11,508,399 | 11,997,678 |
| (18,378,965) | (12,418,757) | (12,745,613) | (14,118,625) | (11,909,230) | (12,342,103) |
| 3,557,477 | 9,816,007 | 28,679,409 | 660,732 | 835,091 | 10,092,248 |
| <u>\$5,450,263</u> | <u>\$7,916,978</u> | <u>\$7,680,442</u> | <u>(\$2,987,953)</u> | <u>(\$2,120,373)</u> | <u>\$14,034,346</u> |
| 12.69% | 13.89% | 16.64% | 16.99% | 17.76% | 13.86% |

City of Blue Ash

Income Tax Revenues by Source, Governmental Funds Last Ten Years

| Tax year | 2001 | 2002 | 2003 | 2004 | 2005 |
|---------------------|--------------|--------------|--------------|--------------|--------------|
| Income Tax Rate | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |
| Total Tax Collected | \$21,659,820 | \$19,657,020 | \$20,595,096 | \$20,483,282 | \$22,419,840 |
| Income Tax Receipts | | | | | |
| Withholding | 16,951,098 | 15,850,948 | 16,099,711 | 16,209,336 | 16,295,486 |
| Percentage | 78.26% | 80.63% | 78.17% | 79.14% | 72.68% |
| Corporate | 3,717,073 | 2,875,284 | 3,542,607 | 3,308,918 | 5,061,717 |
| Percentage | 17.16% | 14.63% | 17.20% | 16.15% | 22.58% |
| Individuals | 991,649 | 930,788 | 952,778 | 965,028 | 1,062,637 |
| Percentage | 4.58% | 4.74% | 4.63% | 4.71% | 4.74% |

Source: Finance Office

City of Blue Ash

| 2006 | 2007 | 2008 | 2009 | 2010 |
|--------------|--------------|--------------|--------------|--------------|
| 1.00% | 1.25% | 1.25% | 1.25% | 1.25% |
| \$23,127,864 | \$27,564,397 | \$30,119,007 | \$28,314,411 | \$28,704,462 |
| 16,969,100 | 22,528,565 | 23,432,765 | 22,543,295 | 22,849,499 |
| 73.37% | 81.74% | 77.80% | 79.62% | 79.60% |
| 5,124,123 | 3,747,226 | 5,334,812 | 4,471,944 | 4,672,903 |
| 22.16% | 13.59% | 17.71% | 15.79% | 16.28% |
| 1,034,641 | 1,288,606 | 1,351,430 | 1,299,172 | 1,182,060 |
| 4.47% | 4.67% | 4.49% | 4.59% | 4.12% |



City of Blue Ash

Income Tax Statistics Current Year and Nine Years Ago

| Calendar Year 2010 | | | | |
|-------------------------------------|---------------------|----------------------------|---------------------------|----------------------|
| <i>Withholding Tax</i> | | | | |
| Income Tax Filers | Number of Filers | Percent of Total Filers | Income Tax Collections | Percent of Income |
| Top Ten | 10 | 0.42% | \$7,229,458 | 31.64% |
| All Others | 2,397 | 99.58% | 15,620,041 | 68.36% |
| Total | 2,407 | 100.00% | \$22,849,499 | 100.00% |
| <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% | \$2,272,573 | 38.81% |
| All Others | 6,536 | 99.85% | 3,582,390 | 61.19% |
| Total | 6,546 | 100.00% | \$5,854,963 | 100.00% |
| <i>Total Income Tax Collections</i> | | | \$28,704,462 | |
| Calendar Year 2001 | | | | |
| <i>Withholding Tax</i> | | | | |
| Income Tax Filers | Number of Filers | Percent of Total Filers | Income Tax Collections | Percent of Income |
| Top Ten | 10 | 0.40% | \$5,471,639 | 32.28% |
| All Others | 2,514 | 99.60% | 11,479,459 | 67.72% |
| Total | 2,524 | 100.00% | \$16,951,098 | 100.00% |
| <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% | \$2,064,539 | 43.84% |
| All Others | 5,770 | 99.83% | 2,644,183 | 56.16% |
| Total | 5,780 | 100.00% | \$4,708,722 | 100.00% |
| <i>Total Income Tax Collections</i> | | | \$21,659,820 | |

Source: City Income Tax Department

City of Blue Ash

Ratio of Outstanding Debt By Type Last Ten Years

| | 2001 | 2002 | 2003 | 2004 |
|---|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities ⁽¹⁾ | | | | |
| General Obligation Bonds Payable | \$12,830,000 | \$10,795,000 | \$18,760,000 | \$16,300,000 |
| Tax Increment Financing Bonds | 0 | 0 | 0 | 0 |
| Capital Leases | 12,389 | 9,674 | 6,719 | 3,503 |
| Property Acquisition Loan | 0 | 0 | 0 | 0 |
| Ohio Public Works Commission Loan | 0 | 0 | 0 | 0 |
| Total Primary Government | <u>\$12,842,389</u> | <u>\$10,804,674</u> | <u>\$18,766,719</u> | <u>\$16,303,503</u> |
| Population ⁽²⁾ | | | | |
| City of Blue Ash | 12,513 | 12,513 | 12,513 | 12,513 |
| Outstanding Debt Per Capita | \$1,026 | \$863 | \$1,500 | \$1,303 |
| Income ⁽³⁾ | | | | |
| Personal (in thousands) | 434,727 | 452,420 | 466,184 | 493,851 |
| Percentage of Personal Income | 2.95% | 2.39% | 4.03% | 3.30% |

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

| 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$17,540,000 | \$14,710,000 | \$21,855,000 | \$19,025,000 | \$15,480,000 | \$23,658,232 |
| 0 | 9,790,000 | 9,790,000 | 9,690,000 | 9,590,000 | 9,400,000 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 17,913,325 | 17,808,991 | 17,699,441 | 17,584,413 |
| 0 | 0 | 0 | 1,147,701 | 2,293,852 | 2,255,589 |
| <u>\$17,540,000</u> | <u>\$24,500,000</u> | <u>\$49,558,325</u> | <u>\$47,671,692</u> | <u>\$45,063,293</u> | <u>\$52,898,234</u> |
| 12,513 | 12,513 | 12,513 | 12,513 | 12,513 | 12,114 |
| \$1,402 | \$1,958 | \$3,961 | \$3,810 | \$3,601 | \$4,367 |
| 499,732 | 519,002 | 519,002 | 534,680 | 534,680 | 532,023 |
| 3.51% | 4.72% | 9.55% | 8.92% | 8.43% | 9.94% |

City of Blue Ash

Ratios of General Bonded Debt Outstanding Last Ten Years

| Year | 2001 | 2002 | 2003 | 2004 |
|--|--------------|--------------|--------------|--------------|
| Population ⁽¹⁾ | 12,513 | 12,513 | 12,513 | 12,513 |
| Personal Income ⁽²⁾ | \$434,727 | \$452,420 | \$466,184 | \$493,851 |
| General Bonded Debt ⁽³⁾ | | | | |
| General Obligation Bonds | \$12,830,000 | \$10,795,000 | \$18,760,000 | \$16,300,000 |
| Resources Available to Pay Principal ⁽⁴⁾ | \$103,123 | \$48,216 | \$80,475 | \$5,131,585 |
| Net General Bonded Debt | \$12,726,877 | \$10,746,784 | \$18,679,525 | \$11,168,415 |
| Ratio of Net Bonded Debt to Estimated Personal Income (in thousands) | 2.93% | 2.38% | 4.01% | 2.26% |
| Net Bonded Debt per Capita | \$1,017.09 | \$858.85 | \$1,492.81 | \$892.54 |

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

| 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 12,513 | 12,513 | 12,513 | 12,513 | 12,513 | 12,114 |
| \$499,732 | \$519,002 | \$519,002 | \$534,680 | \$534,680 | \$532,023 |
| \$17,540,000 | \$14,710,000 | \$21,855,000 | \$19,025,000 | \$15,480,000 | \$23,658,232 |
| \$26,082 | \$28,878 | \$31,585 | \$25,123 | \$25,000 | \$550,658 |
| \$17,513,918 | \$14,681,122 | \$21,823,415 | \$18,999,877 | \$15,455,000 | \$23,107,574 |
| 3.50% | 2.83% | 4.20% | 3.55% | 2.89% | 4.34% |
| \$1,399.66 | \$1,173.27 | \$1,744.06 | \$1,518.41 | \$1,235.12 | \$1,907.51 |



City of Blue Ash

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2010*

| <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 | \$33,058,232 | 100.00% | \$33,058,232 |
| Overlapping: | | | |
| Sycamore Community School District | 55,809,985 | 42.92% | 23,953,646 |
| Princeton City School District | 195,979,930 | 0.68% | 1,332,664 |
| Great Oaks Joint Vocational School District | 18,450,000 | 3.94% | 726,930 |
| Hamilton County | 95,945,000 | 3.79% | <u>3,636,316</u> |
| | | Subtotal | <u>29,649,556</u> |
| | | Total | <u><u>\$62,707,788</u></u> |

Source: Ohio Municipal Advisory Council

City of Blue Ash

Debt Limitations Last Ten Years

| Tax Year | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| Total Debt | | | | |
| Net Assessed Valuation | \$781,039,250 | \$829,806,860 | \$782,909,360 | \$799,130,325 |
| Legal Debt Limitation (%) (1) | 10.50% | 10.50% | 10.50% | 10.50% |
| Legal Debt Limitation (\$) (1) | 82,009,121 | 87,129,720 | 82,205,483 | 83,908,684 |
| City Debt Outstanding (2) | 0 | 0 | 0 | 0 |
| Less: Applicable Debt Service Fund Amounts | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Net Indebtedness Subject to Limitation | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Overall Legal Debt Margin | <u><u>\$82,009,121</u></u> | <u><u>\$87,129,720</u></u> | <u><u>\$82,205,483</u></u> | <u><u>\$83,908,684</u></u> |
| Unvoted Debt | | | | |
| Net Assessed Valuation | \$781,039,250 | \$829,806,860 | \$782,909,360 | \$799,130,325 |
| Legal Debt Limitation (%) (1) | 5.50% | 5.50% | 5.50% | 5.50% |
| Legal Debt Limitation (\$) (1) | 42,957,159 | 45,639,377 | 43,060,015 | 43,952,168 |
| City Debt Outstanding (2) | 0 | 0 | 0 | 0 |
| Less: Applicable Debt Service Fund Amounts | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Net Indebtedness Subject to Limitation | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Overall Legal Debt Margin | <u><u>\$42,957,159</u></u> | <u><u>\$45,639,377</u></u> | <u><u>\$43,060,015</u></u> | <u><u>\$43,952,168</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

| 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$803,638,420 | \$751,507,450 | \$744,215,915 | \$769,438,003 | \$774,127,710 | \$758,327,730 |
| 10.50% | 10.50% | 10.50% | 10.50% | 10.50% | 10.50% |
| 84,382,034 | 78,908,282 | 78,142,671 | 80,790,990 | 81,283,410 | 79,624,412 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>\$84,382,034</u> | <u>\$78,908,282</u> | <u>\$78,142,671</u> | <u>\$80,790,990</u> | <u>\$81,283,410</u> | <u>\$79,624,412</u> |
| | | | | | |
| \$803,638,420 | \$751,507,450 | \$744,215,915 | \$769,438,003 | \$774,127,710 | \$758,327,730 |
| 5.50% | 5.50% | 5.50% | 5.50% | 5.50% | 5.50% |
| 44,200,113 | 41,332,910 | 40,931,875 | 42,319,090 | 42,577,024 | 41,708,025 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>\$44,200,113</u> | <u>\$41,332,910</u> | <u>\$40,931,875</u> | <u>\$42,319,090</u> | <u>\$42,577,024</u> | <u>\$41,708,025</u> |



City of Blue Ash

Pledged Revenue Coverage Last Five Years

| | 2006 | 2007 | 2008 | 2009 | 2010 |
|--|------|-----------|-----------|-----------|-------------|
| Tax Increment Financing Bonds (1) | | | | | |
| Property Tax Collections | \$0 | \$101,149 | \$696,843 | \$982,462 | \$1,001,648 |
| Debt Service | | | | | |
| Principal | 0 | 0 | 100,000 | 100,000 | 190,000 |
| Interest | 0 | 512,246 | 489,500 | 484,500 | 486,963 |
| Coverage | 0.00 | 0.20 | 1.18 | 1.68 | 1.48 |

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

Source: Finance Office

City of Blue Ash

Demographic and Economic Statistics Last Ten Years

| Calendar Year | 2001 | 2002 | 2003 | 2004 | 2005 |
|--|-----------|-----------|-----------|-----------|-----------|
| Population (1) | | | | | |
| City of Blue Ash | 12,513 | 12,513 | 12,513 | 12,513 | 12,513 |
| Hamilton County | 845,303 | 845,303 | 845,303 | 845,303 | 806,652 |
| Income (2) (a) | | | | | |
| Total Personal (in thousands) | 434,727 | 452,420 | 466,184 | 493,851 | 499,732 |
| Per Capita | 34,742 | 36,156 | 37,256 | 39,467 | 39,937 |
| Unemployment Rate (3) | | | | | |
| Federal | 3.8% | 4.8% | 5.8% | 6.0% | 5.5% |
| State | 3.7% | 4.3% | 5.7% | 6.1% | 6.0% |
| Hamilton County | 6.3% | 4.8% | 4.5% | 5.1% | 5.6% |
| Civilian Work Force Estimates (3) | | | | | |
| State | 5,857,000 | 5,828,000 | 5,915,000 | 5,875,300 | 5,900,400 |
| Hamilton County | 444,100 | 435,200 | 437,900 | 422,200 | 426,800 |
| Daytime Population (4) | 53,700 | 54,000 | 54,000 | 54,600 | 55,000 |

Sources:

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

City of Blue Ash

| 2006 | 2007 | 2008 | 2009 | 2010 |
|-----------|-----------|-----------|-----------|-----------|
| 12,513 | 12,513 | 12,513 | 12,513 | 12,114 |
| 806,652 | 806,652 | 806,652 | 806,652 | 802,374 |
| 519,002 | 519,002 | 534,680 | 534,680 | 532,023 |
| 41,477 | 41,477 | 42,730 | 42,730 | 43,918 |
| 5.0% | 4.6% | 5.8% | 10.0% | 9.4% |
| 5.9% | 5.6% | 6.6% | 10.8% | 9.6% |
| 5.0% | 5.0% | 5.6% | 10.4% | 8.5% |
| 5,934,000 | 5,976,500 | 5,986,400 | 5,986,400 | 5,906,000 |
| 423,500 | 431,200 | 432,400 | 432,400 | 434,700 |
| 56,700 | 58,000 | 58,000 | 55,000 | 53,000 |



City of Blue Ash

Principal Employers Current Year and Nine Years Ago

| Employer | Nature of Business | Rank (1) | |
|-----------------------------|--|----------|------|
| | | 2010 | 2001 |
| Ethicon, Inc. | Surgical Instruments Manufacturer | 1 | 2 |
| Procter and Gamble Co. | Technical Center - Home Product Division | 2 | 1 |
| Kroger | Administrative Offices | 3 | |
| Warner Cable | Cable Company | 4 | 5 |
| Ingersoll-Rand (Steelcraft) | Steel Products Manufacturer | 5 | 3 |
| Citigroup | Financial Services | 6 | |
| Belcan Engineering Services | Engineering Services | 7 | 6 |
| Mercy Health Systems | Home Health Services | 8 | 9 |
| Wornick Co. | Pre-Packaged Food Manufacturer | 9 | |
| University of Cincinnati | College | 10 | |
| Fidelity Investments | Investments | | 4 |
| LSI Industries, Inc. | Lighting Manufacturer | | 7 |
| United Medical Resources | Third Party Administrator | | 10 |
| Lehr Precision | Manufacturing | | 8 |

| Employer | Nature of Business | 2010 Number of Employees (2) | Percentage of Total Employment |
|--|--------------------------------------|------------------------------------|--------------------------------------|
| Procter and Gamble Co. | Technical Center - Home Product Div. | 1,750 | 3.57% |
| Ethicon, Inc. | Surgical Instruments Manufacturer | 1,235 | 2.52% |
| Kroger | Administrative Offices | 1,224 | 2.50% |
| Warner Cable | Cable Company | 684 | 1.40% |
| Wornick Co. | Pre-Packaged Food Manufacturer | 534 | 1.09% |
| University of Cincinnati | College | 534 | 1.09% |
| Ingersoll-Rand (Steelcraft) | Steel Products Manufacturer | 512 | 1.04% |
| RDI Marketing Services | Marketing Research | 500 | 1.02% |
| Mercy Health Systems | Home Health Services | 500 | 1.02% |
| Belcan Engineering Services | Engineering Services | 469 | 0.96% |
| Total Top Ten Employers | | 7,942 | |
| Estimated Total Employment within the City | | 49,000 | |

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

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Governmental Activities | | | | | | |
| General Government | | | | | | |
| Finance/Tax | 8.00 | 8.00 | 8.00 | 9.25 | 7.50 | 7.50 |
| Judicial | 3.00 | 2.50 | 3.00 | 3.50 | 3.50 | 3.50 |
| Administration/General Gov't | 10.50 | 11.25 | 12.50 | 14.75 | 12.25 | 12.25 |
| Facilities Maintenance | 12.50 | 13.50 | 14.00 | 14.00 | 14.00 | 14.75 |
| Security of Persons and Property | | | | | | |
| Police | 53.75 | 55.25 | 56.25 | 55.25 | 52.75 | 49.00 |
| Fire | 31.75 | 33.00 | 36.00 | 38.00 | 39.75 | 41.50 |
| Basic Utility Services | | | | | | |
| Public Service | 13.00 | 13.50 | 13.50 | 11.50 | 10.50 | 10.50 |
| Transportation | | | | | | |
| Street | 12.50 | 11.00 | 11.50 | 12.50 | 12.50 | 12.00 |
| Leisure Time Activities | | | | | | |
| Recreation | 52.25 | 54.00 | 50.25 | 48.00 | 40.50 | 41.25 |
| Parks and Grounds | 20.50 | 20.25 | 19.75 | 18.00 | 13.50 | 14.50 |
| Community Environment | | | | | | |
| Community Development | 4.50 | 4.50 | 4.50 | 4.50 | 3.50 | 3.50 |
| Business-Type Activities | | | | | | |
| Golf Course | 27.00 | 27.50 | 28.50 | 27.50 | 23.25 | 23.75 |
| <i>Total Employees</i> | <u>249.25</u> | <u>254.25</u> | <u>257.75</u> | <u>256.75</u> | <u>233.50</u> | <u>234.00</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>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|---------------|---------------|---------------|---------------|
| 7.00 | 7.00 | 8.00 | 7.00 |
| 2.50 | 2.50 | 2.50 | 2.50 |
| 13.50 | 13.50 | 14.50 | 14.50 |
| 15.50 | 16.00 | 17.00 | 17.50 |
| 47.75 | 47.75 | 47.25 | 46.75 |
| 36.00 | 41.75 | 42.25 | 38.75 |
| 9.00 | 7.25 | 10.50 | 0.00 (A) |
| 10.00 | 9.00 | 9.25 | 17.00 |
| 41.50 | 42.00 | 42.00 | 40.50 |
| 16.00 | 17.75 | 15.75 | 15.00 |
| 4.50 | 4.25 | 4.50 | 4.50 |
| <u>22.50</u> | <u>24.25</u> | <u>22.75</u> | <u>22.25</u> |
| <u>225.75</u> | <u>233.00</u> | <u>236.25</u> | <u>226.25</u> |

City of Blue Ash

Operating Indicators by Function Last Ten Years

| | 2001 | 2002 | 2003 | 2004 | 2005 |
|--|--------|--------|--------|--------|--------|
| Governmental Activities | | | | | |
| General Government | | | | | |
| <u>Court</u> | | | | | |
| Number of Citations Heard | 3,935 | 3,707 | 3,757 | 3,866 | 3,588 |
| <u>Community Development</u> | | | | | |
| Number of Residential Building Permits Issued | 172 | 158 | 199 | 191 | 108 |
| Number of Commercial Building Permits Issued | 433 | 405 | 420 | 319 | 399 |
| Security of Persons and Property | | | | | |
| <u>Police</u> | | | | | |
| Number of Offenses | 2,014 | 2,105 | 1,834 | 1,683 | 1,763 |
| Number of Arrests | 4,950 | 4,905 | 5,025 | 5,270 | 6,135 |
| Number of Accidents | 592 | 550 | 744 | 564 | 636 |
| Number of Service Calls/Details | 17,506 | 19,542 | 18,167 | 18,710 | 15,915 |
| <u>Fire</u> | | | | | |
| Number of Fire Runs | 793 | 691 | 750 | 679 | 739 |
| Number of EMS Runs | 1,276 | 1,290 | 1,322 | 1,283 | 1,434 |
| Transportation | | | | | |
| <u>Street</u> | | | | | |
| Miles of Streets Resurfaced | 16 | 11 | 5 | 8 | 15 |
| Feet of Walking/Biking Paths Maintained | 1,060 | 1,124 | 185 | 1,290 | 580 |
| Leisure Time Activities | | | | | |
| <u>Parks</u> | | | | | |
| Number of Active Recreation Center Memberships | 3,664 | 3,670 | 3,662 | 3,612 | 3,438 |
| Business-Type Activities | | | | | |
| <u>Golf Course</u> | | | | | |
| Number of Golf Rounds | 39,437 | 36,127 | 35,499 | 38,409 | 37,237 |

Source: Finance Office

City of Blue Ash

| 2006 | 2007 | 2008 | 2009 | 2010 |
|--------|--------|--------|--------|--------|
| 2,385 | 1,929 | 1,960 | 1,439 | 1,942 |
| 177 | 161 | 126 | 182 | 200 |
| 435 | 423 | 384 | 302 | 398 |
| 1,744 | 1,326 | 1,340 | 1,171 | 1,298 |
| 4,700 | 4,091 | 3,869 | 3,660 | 4,045 |
| 620 | 648 | 655 | 620 | 579 |
| 16,177 | 13,840 | 15,210 | 19,183 | 17,440 |
| 674 | 787 | 1,001 | 917 | 887 |
| 1,545 | 1,561 | 1,675 | 1,507 | 1,594 |
| 4 | 6 | 10 | 15 | 3 |
| 555 | 120 | 209 | 178 | 755 |
| 3,671 | 3,677 | 3,511 | 4,543 | 4,944 |
| 37,314 | 37,684 | 35,600 | 35,532 | 32,328 |

City of Blue Ash

Capital Asset Statistics by Function Last Ten Years

| | 2001 | 2002 | 2003 | 2004 | 2005 |
|----------------------------------|--------|--------|--------|--------|--------|
| Governmental Activities | | | | | |
| General Government | | | | | |
| Public Land and Buildings | | | | | |
| Land (acres) | 123 | 123 | 131 | 131 | 132 |
| Buildings | 7 | 7 | 7 | 7 | 7 |
| Security of Persons and Property | | | | | |
| Police | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 |
| Vehicles | 33 | 34 | 33 | 33 | 32 |
| Fire | | | | | |
| Stations | 2 | 2 | 2 | 2 | 2 |
| Vehicles | 13 | 14 | 14 | 14 | 14 |
| Transportation | | | | | |
| Street | | | | | |
| Streets (lane miles) | 153.54 | 153.54 | 155.14 | 155.14 | 160.93 |
| Street Lights | 1,049 | 1,049 | 1,049 | 1,049 | 1,049 |
| Vehicles | 31 | 31 | 31 | 31 | 31 |
| Leisure Time Activities | | | | | |
| Parks | | | | | |
| Land (acres) | 146 | 146 | 146 | 146 | 146 |
| Buildings | 15 | 15 | 15 | 15 | 16 |
| Parks | 10 | 10 | 10 | 10 | 10 |
| Playgrounds | 8 | 8 | 8 | 8 | 8 |
| Swimming Pools | 2 | 2 | 2 | 2 | 2 |
| Tennis Courts | 8 | 8 | 8 | 8 | 8 |
| Baseball/Softball Diamonds | 12 | 11 | 11 | 11 | 11 |
| Soccer Fields | 5 | 5 | 5 | 5 | 5 |
| Business-Type Activities | | | | | |
| Golf Course | | | | | |
| Land (acres) | 151 | 151 | 151 | 151 | 151 |
| Buildings | 7 | 7 | 7 | 7 | 7 |
| Vehicles | 5 | 5 | 6 | 6 | 5 |

Source: Finance Office

City of Blue Ash

| 2006 | 2007 | 2008 | 2009 | 2010 |
|--|--|--|--|--|
| 131 7 | 131 7 | 132 8 | 132 8 | 132 8 |
| 1 31 | 1 32 | 1 32 | 1 34 | 1 33 |
| 2 14 | 2 14 | 2 14 | 2 14 | 2 14 |
| 160.93 1,049 31 | 160.93 1,053 31 | 163.4 1,055 31 | 167.3 1,055 29 | 167.3 1,055 28 |
| 146 17 9 8 2 8 11 5 | 275 17 9 8 2 8 11 5 | 275 17 9 8 2 8 11 5 | 275 17 9 8 2 8 11 5 | 275 17 9 8 2 8 11 5 |
| 151 7 5 | 151 7 5 | 151 7 4 | 151 7 6 | 151 6 5 |





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
AUGUST 9, 2011