

City of Blue Ash, Ohio

Single Audit Reports
Year ended December 31, 2009



Mary Taylor, CPA
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, 2009 through December 31, 2009. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 27, 2010

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CITY OF BLUE ASH, OHIO
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2009

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Expenditures</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
<i>Passed through Ohio Department of Transportation</i>				
Highway Planning and Construction - ARRA	86240	20.205	\$ 639,330	639,330
Minimum Penalties for Repeat Offenders for for Driving While Intoxicated (OVI)	n/a	20.608	136,758	122,941
Minimum Penalties for Repeat Offenders for for Driving While Intoxicated (OVI)	n/a	20.608	-	17,679
			<u>136,758</u>	<u>140,620</u>
Total U.S. Department of Transportation			<u>776,088</u>	<u>779,950</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
<i>Passed through Ohio Department of Public Safety</i>				
Bulletproof Vest Partnership Program	n/a	16.607	-	1,450
Total U.S. Department of Justice			-	1,450
<u>U. S. Department of Housing and Urban Development</u>				
<i>Passed through Hamilton County Board of County Commissioners</i>				
Community Development Block Grant	n/a	14.218	90,000	90,000
Total U.S. Department of Housing and Urban Development			<u>90,000</u>	<u>90,000</u>
Total Federal Awards			\$ <u>866,088</u>	<u>871,400</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

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

**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, 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, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 22, 2010. 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.

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*.

We noted certain matters that we reported to management of the City in a separate letter dated June 22, 2010.

This report is intended solely for the information and use of City Council, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
June 22, 2010

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To City Council
City of Blue Ash, Ohio:

Compliance

We have audited the compliance of the City of Blue Ash, Ohio (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance 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 compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

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, as of and for the year ended December 31, 2009, and have issued our report thereon dated June 22, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of City Council, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
June 22, 2010

CITY OF BLUE ASH, OHIO
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2009

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	none
Noncompliance material to the financial statements noted?	none

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	none
Type of auditors’ report issued on compliance for major programs:	unqualified
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	no
Identification of major programs:	
<i>CFDA 20.205 – Highway Planning and Construction</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	no

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None



COMPREHENSIVE ANNUAL FINANCIAL REPORT



**City of Blue Ash, Ohio
Fiscal Year Ended
December 31, 2009**





COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2009

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

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June 23, 2009

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, 2009. 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 12,513 (2000 Census) and an estimated daytime population of nearly 52,000. In 2009, 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.

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, 2009***

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 EMS 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

Local Economy

It is highly unlikely that any local government within the U.S.A. fully escaped the impact of the severe economic recession which started in 2007, deepened throughout 2008, and continued during the entirety of 2009.

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 following the terrorists attack on the United States on 9-11. They targeted controlling costs, defining priorities, encouraging economic development to preserve and maintain revenue levels, and building General Fund reserves as a shielding mechanism against another economic downturn. Although those efforts became more focused toward the end of 2007 and during all of 2008, the depth of the recession and its duration clarified the need for new strategies, greater reductions in operational costs, and the development of a longer term plan for dealing with 2010 and beyond. At the direction of Council, the City Manager advised all departments in early April of 2009 of the need to conserve resources, prioritize expenditures, monitor operating costs, and evaluate approved capital expenditures to assist the organization in weathering the continuing economic downturn.

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. Based upon a charter amendment that became effective on January 1, 2007, one fifth, or 20%, of the earnings tax collected, is allocated for specific capital improvements related to quality of life enhancements. As such, the General Fund balance contains not only a general reserve representing approximately 10% of gross earnings tax revenue, but also a significant component related to "reserve" resources dedicated to the fulfillment of Council's commitment to citizens regarding specific capital improvements, including a new Recreation Center, the acquisition/development of a 130 acre "signature" park, and significant upgrades to the Golf Course Clubhouse including a banquet/conference facility.

On a cash basis, gross earnings tax collections during 2009 decreased 6% from 2008 levels. Net profit collections, which represented 20% of overall collections in 2009, were down 13.7% from 2008 levels, while withholding collections reflected a 3.8% reduction. As it became evident that earnings tax collections were falling relative to budgetary expectations, at midyear 2009 City Council modified the 2009 Budget to reflect a reduction in earnings tax and other operational revenues, through a combination of further reductions in operational costs and a deferment of non-critical capital projects. The Management Team and Council were intensely 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 or show little or no recovery.

***Letter of Transmittal
For the Year Ended December 31, 2009***

Even though combined earnings tax collections in 2009 were 6% lower than 2008 and given a 5% reduction in other recurring operating revenue, it would appear that while the organization was impacted, such impact was relatively limited compared to the levels of expenditure reductions seen by other governmental agencies. Awareness by City Council and the Management Team of the situation, careful monitoring, operational cost containment, and a commitment to preserving General Fund reserves placed the city in a more favorable position than most given the intensity of the economic crisis.

The 2010 budget was structured in a conservative manner, representing a belief that the economic situation would continue to impact employment levels and business profitability in the coming year.

From a financial perspective, the City of Blue Ash endured the impact of the economic downturn throughout 2009 and has postured itself for moving through the remainder of this downturn without further erosion of General Fund balances. Accomplishing that 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 our economic development efforts. The depth, intensity, and duration of this economic contraction has expanded the awareness of both the Management Team and City Council of the need for realigning the City's delivery of services, the costs related thereto, and providing for the ongoing sustainability of the City's financial capacity and strength.

MAJOR INITIATIVES

Capital Improvements

During 2006, City Council presented to its citizens a proposal, 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. Voters approved Issue 15 in 2006 by a two thirds majority, amending the Charter, and providing an avenue for the collection of revenue that would permit these improvements to become a reality.

Passage of Issue 15 affirmed Council's commitment for a number of major capital improvements, including a full renovation and expansion of the Recreation Center, the acquisition of 130 acres of land owned by the City of Cincinnati as a part of their local airport, the future phased construction of a "signature" public park upon that land, connectivity improvements such as sidewalks and bikepaths to improve citizen access to all such facilities, the construction of a new Golf Course facility, other golf course improvements, and the use of Issue 15 proceeds for traffic and other capital improvements over the longer term.

Without question, the 6% reduction in cash-basis net profit and withholding collections during 2009 impacted the inflow of funds to supplement the reserves established through this initiative. The intensity and duration of the economic recession played a role in the city's future planning for the construction of the remaining capital projects committed to the citizens. However, in July of 2009, the "Issue 15" funded Recreation Center Expansion and Renovation Project was completed and opened to the public. This project, one of the primary components of the Issue 15 initiative, represented an investment of approximately \$14,000,000 and involved nearly a doubling of the size of the facility. This project was funded through the issuance during 2007 of a General Obligation Bond in the amount of \$9,975,000 and supplemented with a cash infusion from Issue 15 resources.

***Letter of Transmittal
For the Year Ended December 31, 2009***

The second intended component of the Issue 15 initiative was the design and construction of a banquet/conference facility at the Blue Ash golf course incorporating a new Golf Course Pro Shop/Clubhouse as well. Although preliminary design efforts were continued throughout 2009, the project was deferred somewhat, partially in keeping with the City's objective to address these major initiatives one at a time, and secondly related to the uncertainties of the overall economic situation during 2009. Funding was included in the 2010 budget to complete the design and engineering of this major enhancement to the Blue Ash Golf Course, with the decision regarding timing and construction to be made in mid 2010. It is anticipated that the project will represent an investment of approximately \$8,000,000, funded through the issuance of a General Obligation Bond that will also include funding for irrigation and cart path improvements for the existing course.

The third component of the Issue 15 commitment involves the acquisition of land and the phased construction of a 130 acre public park on a portion of the land previously owned by the City of Cincinnati and utilized for regional airport purposes. Blue Ash has acquired the land for that project, and is cooperatively working with Cincinnati on securing grant funding toward the reconfiguration of the existing airport onto adjacent remaining Cincinnati 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.

Providing an environment that is business friendly and supportive has been recognized as a major component in Blue Ash's plan for business retention and economic development. During 2009, the Blue Ash/Hunt Road Improvement Project was completed utilizing local resources as well as a State of Ohio no interest loan of approximately \$2.5 million. Although the road project is fully constructed, not all costs have been expended, thus its investment is reflected in the infrastructure Construction in Progress category within capital assets.

For The Future

In the Fall of 2009, the City Council & Management Team adopted a plan to clearly identify and prioritize the expectations of the City's stake holders, including direct input from residents, the business and educational community, and from Council and staff. This effort was one part of a process recommended by a consultant firm affiliated with the International City Manager's Association (ICMA), which was retained late in 2009. This group assisted in the compilation of data, and in assembling information from within the city operations to identify, cost, and prioritize all of the services provided by the city. Such a process, which was expected to take at least 3 months, would generate a prioritization or ranking of the services provided by the city, related costs, and also provide a comparison of those services against the expectations, needs, and wants of those who rely upon Blue Ash for the delivery of services. Utilizing surveys, citizen questionnaires, open houses and public forums, visits to the local college and high school, and an outreach to the business community, it was hoped that reliable data could be assembled which would be beneficial to the Council and Management Team in making difficult decisions regarding programs and further reductions in operating costs.

***Letter of Transmittal
For the Year Ended December 31, 2009***

The City's long term growth record, in the form of earnings tax and other operational revenues, has been extremely strong. Given the maturing status of the community, and the significant reduction in operational revenue that followed the terrorist attack on 9-11 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.

The analytical process described above will be used in lieu of "across the board" expenditure adjustments to assure that the levels and types of services most desired by the citizens are preserved, and savings are generated through impacting those services which are of the least interest or concern. Although the City is protective of its General Fund balances and reserves, the longer term planning reflects an intent to work through the remainder of this economic downturn, to stream line operations and generate efficiency, and to do so with the least impact upon the citizens.

As this process moves forward, the city will continue to evaluate the timing for the actual construction of the "Issue 15" funded projects including the new Golf Course Banquet Facility/Clubhouse, the design and phased construction of the 130 acre park, and other items contained within the City's commitment to the citizens.

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 our 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, we 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, 2009 are reported as reservations of fund balances within this report.

***Letter of Transmittal
For the Year Ended December 31, 2009***

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, 2008. 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.

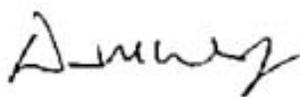
A Certificate of Achievement is valid for a period of one year only. The City of Blue Ash has received a Certificate of Achievement for the last twenty-two consecutive years (fiscal years ended 1987-2008). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

ACKNOWLEDGMENTS

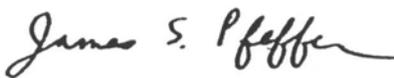
Sincere appreciation is extended to the many individuals who have worked diligently and contributed much time and effort in making this report possible.

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.

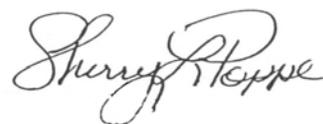
Respectfully submitted,



David M. Waltz
City Manager



James S. Pfeffer
Treasurer/Administrative
Services Director



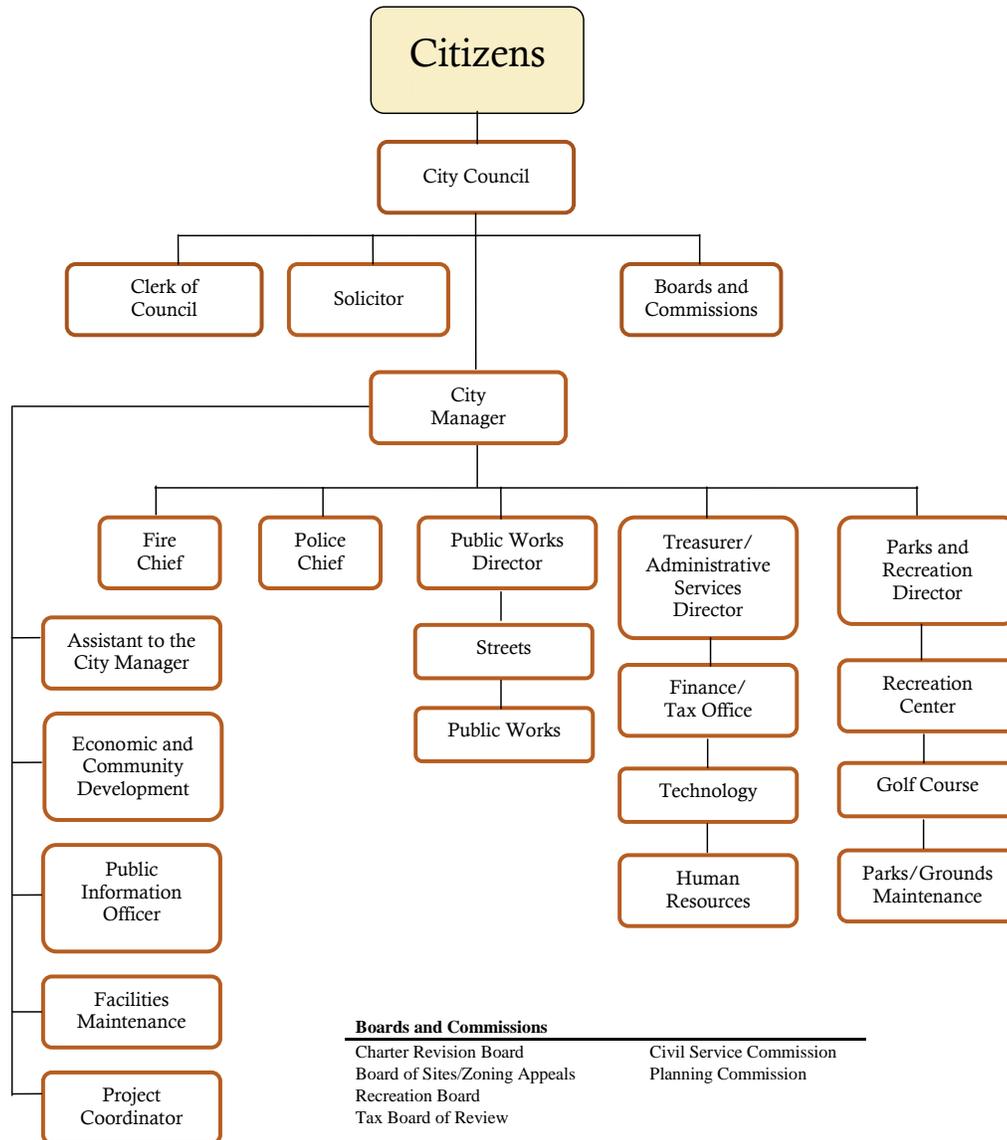
Sherry L. Poppe, CPA
Deputy Treasurer/
Tax Commissioner

CITY OF BLUE ASH, OHIO

***List of Principal Officials
For the Year Ended December 31, 2009***

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, 2009**



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, 2008

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, 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, 2009, 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, business-type activities, each major fund, and the aggregate remaining fund information of the City of Blue Ash, Ohio as of December 31, 2009, 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 22, 2010, 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.

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cincinnati, oh 45202

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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 22, 2010

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, 2009. 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 2009 are as follows:

- ❑ In total, net assets increased \$4,555,936. Net assets of governmental activities increased \$4,602,572, which represents a 6.6% increase from 2008. Net assets of business-type activities decreased \$46,636 from 2008.
- ❑ General revenues accounted for \$34,184,201 in revenue or 89.1% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$4,181,413 or 10.9% of all revenues.
- ❑ The City had \$32,285,784 in expenses related to governmental activities; only \$3,104,986 of these expenses was offset by program specific charges for services, grants or contributions. General revenues less transfers (primarily taxes) of \$34,184,201 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$33,215,803 in revenues and \$20,441,316 in expenditures. The balance of the General Fund increased \$1,083,859 to \$16,894,540.
- ❑ Net assets for the enterprise fund decreased. Lower costs for fuel, other supplies, and contracted services allowed the golf course to lessen the continuing gap between expenses exceeding revenues. Supplemental transfers from the General fund for operating purposes were also reduced during 2009.

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, 2009**

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, 2009 and 2008:

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$29,514,042	\$31,905,889	\$183,807	\$166,565	\$29,697,849	\$32,072,454
Capital assets, Net	96,914,180	92,765,652	2,523,039	2,529,047	99,437,219	95,294,699
Total assets	126,428,222	124,671,541	2,706,846	2,695,612	129,135,068	127,367,153
Long-term debt outstanding	46,756,811	49,319,492	80,936	80,953	46,837,747	49,400,445
Other liabilities	5,486,940	5,770,150	180,613	122,726	5,667,553	5,892,876
Total liabilities	52,243,751	55,089,642	261,549	203,679	52,505,300	55,293,321
Net assets						
Invested in capital assets, net of related debt	51,850,887	46,397,044	2,523,039	2,529,047	54,373,926	48,926,091
Restricted	3,617,547	6,177,078	0	0	3,617,547	6,177,078
Unrestricted	18,716,037	17,007,777	(77,742)	(37,114)	18,638,295	16,970,663
Total net assets	\$74,184,471	\$69,581,899	\$2,445,297	\$2,491,933	\$76,629,768	\$72,073,832

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CITY OF BLUE ASH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2009**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for fiscal year 2009 and 2008:

	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Total	Total
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for Services and Sales	\$1,281,757	\$1,250,820	\$1,076,427	\$1,084,768	\$2,358,184	\$2,335,588
Operating Grants and Contributions	1,183,899	875,492	0	0	1,183,899	875,492
Capital Grants and Contributions	639,330	1,011,720	0	0	639,330	1,011,720
General revenues:						
Income Taxes	27,251,070	29,147,868	0	0	27,251,070	29,147,868
Property Taxes	3,153,669	2,841,299	0	0	3,153,669	2,841,299
Other Local Taxes	891,104	966,974	0	0	891,104	966,974
Grants and Entitlements not Restricted to Specific Programs	1,936,325	2,288,739	0	0	1,936,325	2,288,739
Investment Earnings	61,302	642,916	0	0	61,302	642,916
Miscellaneous	890,731	1,028,167	0	0	890,731	1,028,167
Total revenues	<u>37,289,187</u>	<u>40,053,995</u>	<u>1,076,427</u>	<u>1,084,768</u>	<u>38,365,614</u>	<u>41,138,763</u>
Program Expenses						
Security of Persons and Property	10,971,088	10,808,527	0	0	10,971,088	10,808,527
Leisure Time Activities	5,262,217	5,463,869	0	0	5,262,217	5,463,869
Community Development	784,808	809,377	0	0	784,808	809,377
Basic Utility Services	2,401,524	1,864,013	0	0	2,401,524	1,864,013
Transportation	2,415,412	2,024,089	0	0	2,415,412	2,024,089
General Government	8,351,370	8,133,593	0	0	8,351,370	8,133,593
Debt Service:						
Interest and Fiscal Charges	2,099,365	2,299,658	0	0	2,099,365	2,299,658
Golf Course	0	0	1,523,894	1,612,555	1,523,894	1,612,555
Total expenses	<u>32,285,784</u>	<u>31,403,126</u>	<u>1,523,894</u>	<u>1,612,555</u>	<u>33,809,678</u>	<u>33,015,681</u>
Excess (deficiency) before Transfers	5,003,403	8,650,869	(447,467)	(527,787)	4,555,936	8,123,082
Transfers	(400,831)	(382,597)	400,831	382,597	0	0
Total Change in Net Assets	4,602,572	8,268,272	(46,636)	(145,190)	4,555,936	8,123,082
Beginning Net Assets	<u>69,581,899</u>	<u>61,313,627</u>	<u>2,491,933</u>	<u>2,637,123</u>	<u>72,073,832</u>	<u>63,950,750</u>
Ending Net Assets	<u>\$74,184,471</u>	<u>\$69,581,899</u>	<u>\$2,445,297</u>	<u>\$2,491,933</u>	<u>\$76,629,768</u>	<u>\$72,073,832</u>

Governmental Activities

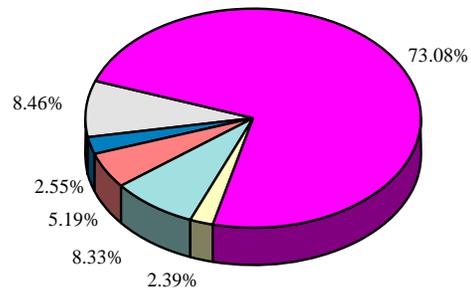
Net assets of the City's governmental activities increased by \$4,602,572. The increase was mainly due to conservative budget practices to maintain the City's overall financial position.

**Management's Discussion and Analysis
For the Year Ended December 31, 2009**

Unaudited

Property taxes and income taxes made up 8.46% and 73.08% respectively of revenues for governmental activities for the City in fiscal year 2009. The City's reliance upon tax revenues is demonstrated by the following graph indicating 83.93% of total revenues from general tax revenues:

Revenue Sources	2009	Percent of Total
Property Taxes	\$3,153,669	8.46%
Income Taxes	27,251,070	73.08%
Other Local Taxes	891,104	2.39%
Program Revenues	3,104,986	8.33%
Grants and Entitlements not Restricted to Specific Programs	1,936,325	5.19%
General Other	952,033	2.55%
Total Revenue	\$37,289,187	100.00%



Business-Type Activities

Net assets of the business-type activities decreased by \$46,636. Lower costs for fuel, other supplies, and contracted services allowed the golf course to lessen the continuing gap between expenses exceeding revenues. Supplemental transfers from the General fund for operating purposes were also reduced during 2009.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$21,011,132, which is a decrease from last year's balance of \$23,046,598. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2009 and 2008:

	Fund Balance December 31, 2009	Fund Balance (Deficit) December 31, 2008	Increase (Decrease)
General	\$16,894,540	\$15,810,681	\$1,083,859
Park and Recreation	50,636	(37,581)	88,217
General Obligation			
Bond Retirement	25,000	25,123	(123)
Recreation Center Construction	383,704	4,719,777	(4,336,073)
Other Governmental	3,657,252	2,528,598	1,128,654
Total	\$21,011,132	\$23,046,598	(\$2,035,466)

Of the City's \$21,011,132 year ended fund balances for governmental activities, 79% is unreserved, which allows it for spending at the government's discretion. The remaining 21% is reserved for several purposes, \$2,077,024 is reserved to pay encumbered amounts still open at year end, \$1,883,559 has been reserved for the retirement of the City's long-term debt, and the remaining \$374,574 is applied to other reserved purposes.

CITY OF BLUE ASH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2009**

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:

	2009	2008	Increase
	<u>Revenues</u>	<u>Revenues</u>	<u>(Decrease)</u>
Property Taxes	\$2,169,222	\$2,113,553	\$55,669
Municipal Income Tax	27,084,620	28,934,385	(1,849,765)
Other Local Taxes	891,104	966,974	(75,870)
Intergovernmental Revenues	1,953,745	2,267,989	(314,244)
Charges for Services	674,830	715,615	(40,785)
Licenses and Permits	252,611	335,696	(83,085)
Investment Earnings	46,403	378,738	(332,335)
Fines and Forfeitures	115,694	124,124	(8,430)
All Other Revenue	<u>27,574</u>	<u>14,197</u>	<u>13,377</u>
Total	<u>\$33,215,803</u>	<u>\$35,851,271</u>	<u>(\$2,635,468)</u>

General Fund revenues in 2009 decreased in comparison to fiscal year 2008. Decreased income tax and investment earnings collections from the downturn in the economy were the main factors in the decrease.

	2009	2008	Increase
	<u>Expenditures</u>	<u>Expenditures</u>	<u>(Decrease)</u>
Security of Persons and Property	\$10,686,972	\$10,995,002	(\$308,030)
Community Development	782,176	910,816	(128,640)
Basic Utility Services	2,406,148	1,958,071	448,077
General Government	<u>6,566,020</u>	<u>7,860,934</u>	<u>(1,294,914)</u>
Total	<u>\$20,441,316</u>	<u>\$21,724,823</u>	<u>(\$1,283,507)</u>

General Fund expenditures decreased by 5.9% or \$1,283,507 under 2008 expenditures. Overall operating expenditures remained relatively stable. The City purchased property in 2008. After adjusting for this 2008 expenditure, 2009 expenditures decreased by only 0.2%.

Park and Recreation Fund – The fund balance of the Park and Recreation Fund, a major governmental fund increased during 2009. The increase was due to increased program and membership fees received in 2009.

General Obligation Bond Retirement Fund - The fund balance decreased by only \$123, this was mainly due to transfers in from the General Fund.

Recreation Center Construction Fund – The fund balance decreased due to the construction costs of this new recreation center, which was essentially completed in 2009.

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 2009 the City amended its General Fund budget several times, as approved by City Council.

For the General Fund, final budget basis revenue of \$33.3 million did significantly change from the original budget estimates of \$35.5 million as the City lowered the final budget number for expected reductions in income tax collections. Actual expenditures of \$21.5 million were below the final budgeted number of \$33.3 million. The City routinely budgets appropriations for general and capital reserves in the General Fund. The General Fund maintained an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2009 the City had \$99,437,219 net of accumulated depreciation invested in land, buildings, infrastructure, equipment and vehicles. Of this total, \$96,914,180 was related to governmental activities and \$2,523,039 to the business-type activities. The following table shows fiscal year 2009 and 2008 balances:

	Governmental Activities		Increase (Decrease)
	2009	2008	
Land	\$39,219,302	\$39,219,302	\$0
Construction In Progress	18,493,614	12,715,179	5,778,435
Buildings	32,300,411	32,315,036	(14,625)
Improvements Other than Buildings	6,466,002	6,486,246	(20,244)
Infrastructure	19,313,671	19,313,671	0
Machinery and Equipment	11,240,544	10,486,007	754,537
Less: Accumulated Depreciation	<u>(30,119,364)</u>	<u>(27,769,789)</u>	<u>(2,349,575)</u>
Totals	<u>\$96,914,180</u>	<u>\$92,765,652</u>	<u>\$4,148,528</u>
	Business-Type Activities		Increase (Decrease)
	2009	2008	
Land	\$1,124,764	\$1,124,764	\$0
Construction In Progress	187,502	78,733	108,769
Buildings	1,190,581	1,177,190	13,391
Improvements Other than Buildings	1,983,139	2,004,442	(21,303)
Machinery and Equipment	1,285,572	1,241,510	44,062
Less: Accumulated Depreciation	<u>(3,248,519)</u>	<u>(3,097,592)</u>	<u>(150,927)</u>
Totals	<u>\$2,523,039</u>	<u>\$2,529,047</u>	<u>(\$6,008)</u>

The most significant change in governmental capital assets occurred in construction in progress, mostly related to construction on the new recreational facilities and in infrastructure related to Blue Ash Road Project.

**Management's Discussion and Analysis
For the Year Ended December 31, 2009**

Unaudited

As of December 31, 2009, the City has contractual commitments of \$926,000 due to Phase II renovation of the Blue Ash Recreation Center and various other projects. Additional information on the City's capital assets can be found in Note 8.

Debt

At December 31, 2009, the City had \$25,070,000 in bonds outstanding, \$2,275,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Governmental Activities:		
General Obligation Bonds	\$25,070,000	\$28,715,000
Property Acquisition Loan	17,699,441	17,808,991
OPWC Loan	2,293,852	1,147,701
Compensated Absences	<u>1,693,518</u>	<u>1,647,800</u>
Total Governmental Activities	<u>\$46,756,811</u>	<u>\$49,319,492</u>
Business-Type Activities:		
Compensated Absences	<u>\$80,936</u>	<u>\$80,953</u>
Total Business-Type Activities	<u>80,936</u>	<u>80,953</u>
Totals	<u>\$46,837,747</u>	<u>\$49,400,445</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, 2009, 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

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. Withholding tax collections are an accurate representation of employment levels within the city, and 2009 cash basis withholding levels were only 3.8% below those in 2008. Considering the depth, duration, and intensity of the recession, such an accomplishment would reflect positively upon the mix of businesses operating within the city. The city has been blessed with a diverse group of businesses operating within its corporate limits, including a number of large "anchors" such as Procter & Gamble, Ethicon (a division of Johnson & Johnson), and the Kroger Company. All of which appear to be weathering the economic storm more favorably than many others.

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, 2009**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 18,454,690	\$ 107,229	\$ 18,561,919
Receivables:			
Taxes	8,751,156	0	8,751,156
Accounts	108,273	60	108,333
Intergovernmental	801,659	406	802,065
Interest	2,413	0	2,413
Internal Balances	4,590	(4,590)	0
Inventory of Supplies at Cost	268,243	79,796	348,039
Prepaid Items	106,331	906	107,237
Restricted Assets:			
Investments	677,463	0	677,463
Unamortized Bond Issuance Costs	339,224	0	339,224
Capital Assets:			
Capital Assets Not Being Depreciated	57,712,916	1,312,266	59,025,182
Capital Assets Being Depreciated, Net	39,201,264	1,210,773	40,412,037
Total Assets	126,428,222	2,706,846	129,135,068
Liabilities:			
Accounts Payable	742,387	124,428	866,815
Accrued Wages and Benefits	1,516,035	55,299	1,571,334
Intergovernmental Payable	261,025	886	261,911
Contracts Payable	61,168	0	61,168
Unearned Revenue	2,326,601	0	2,326,601
Accrued Interest Payable	579,724	0	579,724
Long-Term Liabilities:			
Due Within One Year	2,991,778	12,140	3,003,918
Due in More Than One Year	43,765,033	68,796	43,833,829
Total Liabilities	52,243,751	261,549	52,505,300
Net Assets:			
Invested in Capital Assets, Net of Related Debt	51,850,887	2,523,039	54,373,926
Restricted For:			
Capital Projects	559,777	0	559,777
Debt Service	1,758,114	0	1,758,114
Streets and Highways	1,032,339	0	1,032,339
Security of Persons & Property	267,317	0	267,317
Unrestricted (Deficit)	18,716,037	(77,742)	18,638,295
Total Net Assets	\$ 74,184,471	\$ 2,445,297	\$ 76,629,768

See accompanying notes to the basic financial statements

CITY OF BLUE ASH, OHIO

**Statement of Activities
For the Year Ended December 31, 2009**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Current:				
Security of Persons and Property	10,971,088	46,524	300,211	0
Leisure Time Activities	5,262,217	773,855	0	0
Community Development	784,808	153,767	0	0
Basic Utility Services	2,401,524	0	0	0
Transportation	2,415,412	1,977	883,688	639,330
General Government	8,351,370	305,634	0	0
Interest and Fiscal Charges	2,099,365	0	0	0
Total Governmental Activities	32,285,784	1,281,757	1,183,899	639,330
Business-Type Activities:				
Golf Course	1,523,894	1,076,427	0	0
Total Business-Type Activities	1,523,894	1,076,427	0	0
Totals	\$ 33,809,678	\$ 2,358,184	\$ 1,183,899	\$ 639,330

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
(10,624,353)	0	(10,624,353)
(4,488,362)	0	(4,488,362)
(631,041)	0	(631,041)
(2,401,524)	0	(2,401,524)
(890,417)	0	(890,417)
(8,045,736)	0	(8,045,736)
(2,099,365)	0	(2,099,365)
<u>(29,180,798)</u>	<u>0</u>	<u>(29,180,798)</u>
0	(447,467)	(447,467)
0	(447,467)	(447,467)
<u>(29,180,798)</u>	<u>(447,467)</u>	<u>(29,628,265)</u>
2,169,222	0	2,169,222
984,447	0	984,447
27,251,070	0	27,251,070
891,104	0	891,104
1,936,325	0	1,936,325
61,302	0	61,302
890,731	0	890,731
<u>(400,831)</u>	<u>400,831</u>	<u>0</u>
<u>33,783,370</u>	<u>400,831</u>	<u>34,184,201</u>
4,602,572	(46,636)	4,555,936
<u>69,581,899</u>	<u>2,491,933</u>	<u>72,073,832</u>
<u>\$ 74,184,471</u>	<u>\$ 2,445,297</u>	<u>\$ 76,629,768</u>

CITY OF BLUE ASH, OHIO

**Balance Sheet
Governmental Funds
December 31, 2009**

	General	Park and Recreation	General Obligation Bond Retirement	Recreation Center Construction
Assets:				
Cash and Cash Equivalents	\$ 14,918,407	\$ 184,343	\$ 25,000	\$ 444,805
Receivables:				
Taxes	8,655,353	0	95,803	0
Accounts	108,257	0	0	0
Intergovernmental	418,852	841	3,000	0
Interest	2,098	0	0	67
Interfund Loans Receivables	17,679	0	0	0
Inventory of Supplies, at Cost	30,297	29,051	0	0
Prepaid Items	61,858	44,473	0	0
Restricted Assets:				
Investments	0	0	0	0
Total Assets	\$ 24,212,801	\$ 258,708	\$ 123,803	\$ 444,872
Liabilities:				
Accounts Payable	\$ 611,663	\$ 78,512	\$ 0	\$ 0
Accrued Wages and Benefits Payable	1,282,226	127,614	0	0
Intergovernmental Payable	239,470	1,946	0	0
Contracts Payable	0	0	0	61,168
Interfund Loans Payable	0	0	0	0
Deferred Revenue	5,184,902	0	98,803	0
Total Liabilities	7,318,261	208,072	98,803	61,168
Fund Balances:				
Reserved for Encumbrances	763,346	103,561	0	421,634
Reserved for Prepaid Items	61,858	44,473	0	0
Reserved for Supplies Inventory	30,297	29,051	0	0
Reserved for Debt Service	0	0	25,000	0
Undesignated/Unreserved in:				
General Fund	16,039,039	0	0	0
Special Revenue Funds	0	(126,449)	0	0
Capital Projects Funds	0	0	0	(37,930)
Total Fund Balances	16,894,540	50,636	25,000	383,704
Total Liabilities and Fund Balances	\$ 24,212,801	\$ 258,708	\$ 123,803	\$ 444,872

See accompanying notes to the basic financial statements

CITY OF BLUE ASH, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 2,840,039	\$ 18,412,594
0	8,751,156
16	108,273
378,966	801,659
248	2,413
0	17,679
208,895	268,243
0	106,331
<u>677,463</u>	<u>677,463</u>
<u>\$ 4,105,627</u>	<u>\$ 29,145,811</u>
\$ 52,212	\$ 742,387
106,195	1,516,035
19,609	261,025
0	61,168
17,679	17,679
<u>252,680</u>	<u>5,536,385</u>
<u>448,375</u>	<u>8,134,679</u>
788,483	2,077,024
0	106,331
208,895	268,243
1,858,559	1,883,559
0	16,039,039
761,191	634,742
40,124	2,194
<u>3,657,252</u>	<u>21,011,132</u>
<u>\$ 4,105,627</u>	<u>\$ 29,145,811</u>

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2009***

Total Governmental Fund Balances \$ 21,011,132

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

Capital Assets used in governmental activities are not resources and therefore are not reported in the funds. 96,914,180

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 3,209,784

Internal service funds are used by management to charge the costs of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 46,686

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	(25,070,000)	
Unamortized Bond Issuance Costs	339,224	
Property Acquisition Loan	(17,699,441)	
OPWC Loan	(2,293,852)	
Compensated Absences Payable	(1,693,518)	
Accrued Interest Payable	(579,724)	(46,997,311)

Net Assets of Governmental Activities \$ 74,184,471

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, 2009**

	General	Park and Recreation	General Obligation Bond Retirement	Recreation Center Construction
Revenues:				
Property Taxes	\$ 2,169,222	\$ 0	\$ 87,941	\$ 0
Municipal Income Tax	27,084,620	0	0	0
Other Local Taxes	891,104	0	0	0
Intergovernmental Revenues	1,953,745	0	26,149	0
Charges for Services	674,830	773,855	0	0
Licenses and Permits	252,611	0	0	0
Investment Earnings	46,403	0	0	9,792
Fines and Forfeitures	115,694	0	0	0
All Other Revenue	27,574	307,516	0	0
Total Revenue	33,215,803	1,081,371	114,090	9,792
Expenditures:				
Current:				
Security of Persons and Property	10,686,972	0	0	0
Leisure Time Activities	0	4,248,364	0	0
Community Development	782,176	0	0	0
Basic Utility Services	2,406,148	0	0	0
Transportation	0	0	0	0
General Government	6,566,020	0	0	0
Capital Outlay	0	0	0	5,745,865
Debt Service:				
Principal Retirement	0	0	3,617,250	0
Interest & Fiscal Charges	0	0	721,934	0
Total Expenditures	20,441,316	4,248,364	4,339,184	5,745,865
Excess (Deficiency) of Revenues Over Expenditures	12,774,487	(3,166,993)	(4,225,094)	(5,736,073)
Other Financing Sources (Uses):				
Sale of Capital Assets	17,521	0	0	0
Issuance of OPWC Loan	0	0	0	0
Transfers In	9,320	3,242,732	4,224,971	1,400,000
Transfers Out	(11,724,148)	0	0	0
Total Other Financing Sources (Uses)	(11,697,307)	3,242,732	4,224,971	1,400,000
Net Change in Fund Balances	1,077,180	75,739	(123)	(4,336,073)
Fund Balances (Deficits) at Beginning of Year	15,810,681	(37,581)	25,123	4,719,777
Increase (Decrease) in Inventory Reserve	6,679	12,478	0	0
Fund Balances End of Year	\$ 16,894,540	\$ 50,636	\$ 25,000	\$ 383,704

See accompanying notes to the basic financial statements

CITY OF BLUE ASH, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 982,462	\$ 3,239,625
0	27,084,620
0	891,104
1,826,409	3,806,303
1,977	1,450,662
0	252,611
5,107	61,302
17,401	133,095
1,030	336,120
<u>2,834,386</u>	<u>37,255,442</u>
186,586	10,873,558
0	4,248,364
0	782,176
0	2,406,148
2,073,586	2,073,586
0	6,566,020
1,580,067	7,325,932
209,550	3,826,800
<u>1,386,388</u>	<u>2,108,322</u>
<u>5,436,177</u>	<u>40,210,906</u>
(2,601,791)	(2,955,464)
0	17,521
1,218,401	1,218,401
2,631,376	11,508,399
(185,082)	(11,909,230)
<u>3,664,695</u>	<u>835,091</u>
1,062,904	(2,120,373)
2,528,598	23,046,598
65,750	84,907
<u>\$ 3,657,252</u>	<u>\$ 21,011,132</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, 2009***

Net Change in Fund Balances - Total Governmental Funds \$(2,120,373)

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

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

Capital Outlay	6,783,856	
Depreciation Expense	<u>(2,589,339)</u>	4,194,517

The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds report only proceeds received. (45,989)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 33,745

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net assets.
Issuance of OPWC Loans (1,218,401)

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	3,645,000	
Property Acquisition Loan Principal Payment	109,550	
OPWC Loans Payment	72,250	
Amortization of Bond Issuance Costs	<u>(16,939)</u>	3,809,861

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 25,896

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	(45,718)	
Change in Inventory	<u>84,907</u>	39,189

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.

(115,873)

Change in Net Assets of Governmental Activities \$ 4,602,572

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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 2,003,000	\$ 2,128,000	\$ 2,169,222	\$ 41,222
Municipal Income Tax	28,891,381	26,916,381	26,872,187	(44,194)
Other Local Taxes	948,000	948,000	933,898	(14,102)
Intergovernmental Revenue	2,063,720	2,152,530	2,113,124	(39,406)
Charges for Services	662,200	671,930	759,079	87,149
Licenses and Permits	358,700	268,700	251,256	(17,444)
Investment Earnings	425,000	75,000	62,663	(12,337)
Fines and Forfeitures	119,300	119,300	115,694	(3,606)
All Other Revenues	18,989	18,989	18,300	(689)
Total Revenues	<u>35,490,290</u>	<u>33,298,830</u>	<u>33,295,423</u>	<u>(3,407)</u>
Expenditures:				
Current:				
Security of Persons and Property	11,560,650	11,835,065	10,889,316	945,749
Community Development	1,493,050	1,281,026	929,577	351,449
Basic Utility Services	3,292,800	3,255,379	2,751,859	503,520
General Government	17,069,125	16,950,155	6,911,752	10,038,403
Total Expenditures	<u>33,415,625</u>	<u>33,321,625</u>	<u>21,482,504</u>	<u>11,839,121</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,074,665	(22,795)	11,812,919	11,835,714
Other Financing Sources (Uses):				
Sale of Capital Assets	14,000	14,000	17,521	3,521
Transfers In	0	9,320	9,320	0
Transfers Out	(14,574,238)	(13,450,928)	(11,724,148)	1,726,780
Advances In	86,000	100,000	100,000	0
Advances Out	(100,000)	(100,000)	(103,862)	(3,862)
Total Other Financing Sources (Uses):	<u>(14,574,238)</u>	<u>(13,427,608)</u>	<u>(11,701,169)</u>	<u>1,726,439</u>
Net Change in Fund Balance	(12,499,573)	(13,450,403)	111,750	13,562,153
Fund Balance at Beginning of Year	12,398,354	12,398,354	12,398,354	0
Prior Year Encumbrances	1,061,548	1,061,548	1,061,548	0
Fund Balance at End of Year	<u>\$ 960,329</u>	<u>\$ 9,499</u>	<u>\$ 13,571,652</u>	<u>\$ 13,562,153</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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 656,800	\$ 656,800	\$ 773,855	\$ 117,055
All Other Revenues	325,900	325,900	307,366	(18,534)
Total Revenues	<u>982,700</u>	<u>982,700</u>	<u>1,081,221</u>	<u>98,521</u>
Expenditures:				
Current:				
Leisure Time Activities	<u>5,176,637</u>	<u>5,186,479</u>	<u>4,575,931</u>	<u>610,548</u>
Total Expenditures	<u>5,176,637</u>	<u>5,186,479</u>	<u>4,575,931</u>	<u>610,548</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,193,937)	(4,203,779)	(3,494,710)	709,069
Other Financing Sources (Uses):				
Transfers In	<u>3,941,959</u>	<u>3,954,101</u>	<u>3,242,732</u>	<u>(711,369)</u>
Total Other Financing Sources (Uses):	<u>3,941,959</u>	<u>3,954,101</u>	<u>3,242,732</u>	<u>(711,369)</u>
Net Change in Fund Balance	(251,978)	(249,678)	(251,978)	(2,300)
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	<u>251,978</u>	<u>251,978</u>	<u>251,978</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 2,300</u>	<u>\$ 0</u>	<u>\$ (2,300)</u>

See accompanying notes to the basic financial statements

CITY OF BLUE ASH, OHIO

**Statement of Net Assets
Proprietary Fund
December 31, 2009**

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
	Golf Course	Health Care Reimbursement
Assets:		
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 107,229	\$ 42,096
Receivables:		
Accounts	60	0
Intergovernmental	406	0
Inventory of Supplies at Cost	79,796	0
Prepaid Items	906	0
<i>Total Current Assets</i>	<u>188,397</u>	<u>42,096</u>
<i>Non Current Assets:</i>		
Capital Assets:		
Capital Assets Not Being Depreciated	1,312,266	0
Capital Assets Being Depreciated, Net	1,210,773	0
<i>Total Non Current Assets</i>	<u>2,523,039</u>	<u>0</u>
Total Assets	<u>2,711,436</u>	<u>42,096</u>
Liabilities:		
<i>Current Liabilities:</i>		
Accounts Payable	124,428	0
Accrued Wages and Benefits	55,299	0
Intergovernmental Payable	886	0
Compensated Absences Payable - Current	12,140	0
<i>Total Current Liabilities</i>	<u>192,753</u>	<u>0</u>
<i>Long Term Liabilities:</i>		
Compensated Absences Payable	68,796	0
Total Liabilities	<u>261,549</u>	<u>0</u>
Net Assets:		
Invested in Capital Assets	2,523,039	0
Unrestricted	(73,152)	42,096
Total Net Assets	<u>\$ 2,449,887</u>	<u>\$ 42,096</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.	(4,590)	
Net Assets of Business-type Activities	<u>\$ 2,445,297</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, 2009**

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
	Golf Course	Health Care Reimbursement
Operating Revenues:		
Charges for Services	\$ 1,050,735	\$ 0
Other Operating Revenue	930	0
Total Operating Revenues	<u>1,051,665</u>	<u>0</u>
Operating Expenses:		
Personal Services	869,587	119,951
Contractual Services	151,720	0
Materials and Supplies	273,749	0
Depreciation	178,222	0
Total Operating Expenses	<u>1,473,278</u>	<u>119,951</u>
Operating Income (Loss)	(421,613)	(119,951)
Nonoperating Revenue (Expenses):		
Loss on Disposal of Capital Assets	(23,572)	0
Other Nonoperating Revenue	24,762	0
Other Nonoperating Expense	(22,966)	0
Total Nonoperating Revenues (Expenses)	<u>(21,776)</u>	<u>0</u>
Income (Loss) Before Transfers	(443,389)	(119,951)
Transfers In	400,831	0
Change in Net Assets	(42,558)	(119,951)
Net Assets Beginning of Year	2,492,445	162,047
Net Assets End of Year	<u>\$ 2,449,887</u>	<u>\$ 42,096</u>
Change in Net Assets - Total Enterprise Funds	(42,558)	
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.	(4,078)	
Change in Net Assets - Business-type Activities	<u>\$ (46,636)</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, 2009**

	Business-Type Activities - Enterprise Fund Golf Course	Governmental Activities - Internal Service Fund Health Care Reimbursement
<u>Cash Flows from Operating Activities:</u>		
Cash Received from Customers	\$1,051,615	\$0
Cash Payments for Goods and Services	(477,531)	0
Cash Payments to Employees	(875,247)	(119,951)
Other Operating Cash Receipts	24,667	0
Net Cash Used by Operating Activities	<u>(276,496)</u>	<u>(119,951)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>		
Transfers In from Other Funds	400,831	0
Net Cash Provided by Noncapital Financing Activities	<u>400,831</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>		
Acquisition and Construction of Assets	(141,236)	0
Net Cash Used for Capital and Related Financing Activities	<u>(141,236)</u>	<u>0</u>
Net Decrease in Cash and Cash Equivalents	(16,901)	(119,951)
Cash and Cash Equivalents at Beginning of Year	124,130	162,047
Cash and Cash Equivalents at End of Year	<u>\$107,229</u>	<u>\$42,096</u>
<u>Reconciliation of Operating Loss to Net Cash</u>		
<u>Used by Operating Activities:</u>		
Operating Loss	(\$421,613)	(\$119,951)
Adjustments to Reconcile Operating Loss to		
Net Cash Used by Operating Activities:		
Depreciation Expense	178,222	0
Miscellaneous Nonoperating Income	24,762	0
Miscellaneous Nonoperating Expense	(22,966)	0
Changes in Assets and Liabilities:		
Increase in Accounts Receivable	(50)	0
Increase in Intergovernmental Receivables	(95)	0
Increase in Inventory	(39,758)	0
Decrease in Prepaid Items	1,682	0
Increase in Accounts Payable	8,983	0
Decrease in Accrued Wages and Benefits	(5,681)	0
Increase in Intergovernmental Payable	35	0
Decrease in Compensated Absences	(17)	0
Total Adjustments	<u>145,117</u>	<u>0</u>
Net Cash Used by Operating Activities	<u>(\$276,496)</u>	<u>(\$119,951)</u>

See accompanying notes to the basic financial statements

CITY OF BLUE ASH, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2009***

	<u>Agency</u>
Assets:	
Cash and Cash Equivalents	\$ 111,485
Restricted Assets:	
Cash and Cash Equivalents with Fiscal Agent	<u>995</u>
Total Assets	<u>112,480</u>
Liabilities:	
Intergovernmental Payable	368
Due to Others	<u>112,112</u>
Total Liabilities	<u>\$ 112,480</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

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, 2009 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, 2009***

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.

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

Recreation Center Construction Fund - This fund is used to account for financial resources used for the construction and improvement of recreational facilities.

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, 2009***

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, 2009***

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, 2009***

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, 2009 but which are not intended to finance 2009 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, 2009***

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 2009, 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, 2009***

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 2009.

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 and intergovernmental grants. The supplemental appropriations increased year end appropriations by approximately 9.0% over the appropriation ordinance approved in January 2009. 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, 2009**

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 Funds:

	Net Change in Fund Balance	
	General Fund	Park and Recreation Fund
GAAP Basis (as reported)	\$1,077,180	\$75,739
Increase (Decrease):		
Accrued Revenues at December 31, 2009 received during 2010	(4,017,307)	(991)
Accrued Revenues at December 31, 2008 received during 2009	4,093,065	142
Accrued Expenditures at December 31, 2009 paid during 2010	2,133,359	208,072
Accrued Expenditures at December 31, 2008 paid during 2009	(1,847,307)	(332,491)
2008 Prepays for 2009	79,948	24,097
2009 Prepays for 2010	(61,858)	(44,473)
Outstanding Encumbrances	(1,345,330)	(182,073)
Budget Basis	<u>\$111,750</u>	<u>(\$251,978)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

During fiscal year 2009, 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 2009. 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, 2009.

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, 2009, 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, 2009**

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, 2009**

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, 2009***

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, 2009***

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, 2009**

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	\$2,732,008
Intergovernmental Revenue Receivable	477,776
	<u>\$3,209,784</u>

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	(\$28,468)
Sale of Capital Assets	(17,521)
	<u>(\$45,989)</u>

Governmental revenues not reported in the funds:

Increase in Delinquent Tax Revenue	\$80,494
Decrease in Intergovernmental Revenue Receivable	(46,749)
	<u>\$33,745</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equities - The deficit of \$35,434 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, 2009**

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 \$7,569,083 and the bank balance was \$7,614,582. Federal depository insurance covered \$250,000 of the bank balance and \$7,364,582 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>\$7,364,582</u>
Total Balance	<u><u>\$7,364,582</u></u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

B. Investments

The City's investments at December 31, 2009 were as follows:

	<u>Fair Value</u>	Credit Rating	<u>Investment Maturities (in Years)</u>		
			<u>less than 1</u>	<u>1-3</u>	<u>3-5</u>
STAR Ohio	\$11,105,316	AAAm ¹	\$11,105,316	\$0	\$0
US Federal Treasury Reserve	<u>677,463</u>		<u>677,463</u>	<u>0</u>	<u>0</u>
Total Investments	<u>\$11,782,779</u>		<u>\$11,782,779</u>	<u>\$0</u>	<u>\$0</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 2009. 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	\$18,674,399	\$677,463
STAR Ohio	<u>(11,105,316)</u>	<u>11,105,316</u>
Per GASB Statement No. 3	<u>\$7,569,083</u>	<u>\$11,782,779</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

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 2009 were levied after October 1, 2008 on assessed values as of January 1, 2008, 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 general business and railroad property will be eliminated by calendar year 2009, and 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 100 percent of its true value. 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, 2009 was \$3.08 per \$1,000 of assessed value. The assessed value upon which the 2009 levy was based was \$774,127,710. This amount constitutes \$759,080,430 in real property assessed value, \$13,995,940 in public utility assessed value and \$1,051,340 in tangible personal property assessed value. The impact of the State of Ohio changes affecting the inclusion of tangible personal property values in assessed values is reflected in the decrease to \$1,051,340 in 2009 from \$1,805,893 in 2008.

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, 2009***

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, 2009 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, 2009**

NOTE 7- TRANSFERS AND INTERFUND BALANCES

A. Transfers

Following is a summary of transfers in and out for all funds for 2009:

Fund	Transfer In	Transfer Out
General Fund	\$9,320	\$11,724,148
Park and Recreation Fund	3,242,732	0
General Bond Retirement Fund	4,224,971	0
Recreation Center Construction Fund	1,400,000	0
Golf Course Fund	400,831	0
Nonmajor Governmental Funds:		
Street Construction, Maintenance and Repair Fund	1,086,376	0
FEMA Fund	0	185,082
Airport Fund	1,545,000	0
Total Nonmajor Governmental Funds	<u>2,631,376</u>	<u>185,082</u>
Totals	<u>\$11,909,230</u>	<u>\$11,909,230</u>

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

B. Interfund Balances

Individual interfund balances at December 31, 2009 are as follows:

Fund	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$17,679	\$0
Nonmajor Governmental Fund:		
OVI Task Force Fund	0	17,679
Totals	<u>\$17,679</u>	<u>\$17,679</u>

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, 2009**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2009:

Historical Cost:

Class	December 31, 2008	Additions	Deletions	December 31, 2009
Capital assets not being depreciated:				
Land	\$39,219,302	\$0	\$0	\$39,219,302
Construction in Progress	12,715,179	6,371,422	(592,987)	18,493,614
Subtotal	51,934,481	6,371,422	(592,987)	57,712,916
Capital assets being depreciated:				
Buildings	32,315,036	4,145	(18,770)	32,300,411
Improvements Other than Buildings	6,486,246	0	(20,244)	6,466,002
Infrastructure	19,313,671	0	0	19,313,671
Machinery and Equipment	10,486,007	1,001,276	(246,739)	11,240,544
Subtotal	68,600,960	1,005,421	(285,753)	69,320,628
Total Cost	\$120,535,441	\$7,376,843	(\$878,740)	\$127,033,544
Accumulated Depreciation:				
Class	December 31, 2008	Additions	Deletions	December 31, 2009
Buildings	(\$11,410,923)	(\$1,178,379)	\$11,262	(\$12,578,040)
Improvements Other than Buildings	(3,836,927)	(257,708)	8,907	(4,085,728)
Infrastructure	(5,632,215)	(369,606)	0	(6,001,821)
Machinery and Equipment	(6,889,724)	(783,646)	219,595	(7,453,775)
Total Depreciation	(\$27,769,789)	(\$2,589,339) *	\$239,764	(\$30,119,364)
Net Value:	\$92,765,652			\$96,914,180

* Depreciation expenses were charged to governmental functions as follows:

Leisure Time Activities	\$672,797
Transportation	410,477
General Government	1,506,065
Total Depreciation Expense	\$2,589,339

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 8 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2009:

Historical Cost:

Class	December 31, 2008	Additions	Deletions	December 31, 2009
Capital assets not being depreciated:				
Land	\$1,124,764	\$0	\$0	\$1,124,764
Construction in Progress	78,733	121,562	(12,793)	187,502
Subtotal	1,203,497	121,562	(12,793)	1,312,266
Capital assets being depreciated:				
Buildings	1,177,190	21,391	(8,000)	1,190,581
Improvements Other than Buildings	2,004,442	18,453	(39,756)	1,983,139
Machinery and Equipment	1,241,510	47,173	(3,111)	1,285,572
Subtotal	4,423,142	87,017	(50,867)	4,459,292
Total Cost	\$5,626,639	\$208,579	(\$63,660)	\$5,771,558

Accumulated Depreciation:

Class	December 31, 2008	Additions	Deletions	December 31, 2009
Buildings	(\$924,064)	(\$17,406)	\$8,000	(\$933,470)
Improvements Other than Buildings	(1,310,880)	(42,063)	16,184	(1,336,759)
Machinery and Equipment	(862,648)	(118,753)	3,111	(978,290)
Total Depreciation	(\$3,097,592)	(\$178,222)	\$27,295	(\$3,248,519)
Net Value:	\$2,529,047			\$2,523,039

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.”

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by 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 2009, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2009 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; for 2009, from January 1 through March 31, 2009 7.0% of annual covered salary was the portion used to fund pension obligations, and from April 1 through December 31, 2009 8.5% of annual covered salary was the portion used to fund pension obligations. The contribution 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, 2009, 2008, and 2007 were \$578,946, \$494,461 and \$531,358, respectively, which were equal to the required contributions for each year.

Contributions to the member-directed plan for 2009 were \$18,474 made by the City and \$13,196 made by the plan members.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

All City full-time police officers and full-time firefighters participate in OP&F, a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the ORC. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 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 2009, 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, 2009, 2008, and 2007 were \$416,094, \$418,460 and \$381,718 for police and \$406,145, \$403,824 and \$371,773 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.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

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

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 2009, 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. For 2009, the employer contribution allocated to the health care plan was 7.0% of covered payroll from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009. 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, 2009, 2008, and 2007 were \$411,138, \$494,461, and \$349,996, 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, 2009***

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 2009, 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, 2009, 2008, and 2007 were \$220,285, \$221,538 and \$202,086 for police and \$158,926, \$158,018 and \$145,447 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, 2009**

NOTE 11 - LONG-TERM OBLIGATIONS

Detail of the changes in the bonds and compensated absences of the City for the year ended December 31, 2009 is as follows:

		Balance December 31, 2008	Issued	(Retired)	Balance December 31, 2009	Amount Due Within One Year
Governmental Activities:						
General Obligation Bonds:						
4.63 - 4.75% Kenwood Road Improvement Bonds (\$11,680,000)	2000	\$1,460,000	\$0	(\$1,460,000)	\$0	\$0
2.53 - 3.13% Service Garage and Firehouse Bond (\$10,000,000)	2003	5,000,000	0	(1,000,000)	4,000,000	1,000,000
3.00- 3.85% Reed Hartmann Highway Improvement Bonds (\$3,700,000)	2005	2,590,000	0	(370,000)	2,220,000	370,000
5.00% Carver Road Tax Increment Financing Bonds (\$9,790,000)	2006	9,690,000	0	(100,000)	9,590,000	190,000
4.00% Recreation Center Construction Bonds (\$9,975,000)	2007	9,975,000	0	(715,000)	9,260,000	715,000
Total General Obligation Bonds		<u>28,715,000</u>	<u>0</u>	<u>(3,645,000)</u>	<u>25,070,000</u>	<u>2,275,000</u>
5.0% Property Acquisition Loan (\$18,913,325)	2007	17,808,991	0	(109,550)	17,699,441	115,028
0.0% OPWC Loan (\$1,445,000)	2008	1,147,701	297,299	(72,250)	1,372,750	144,500
0.0% OPWC Loan (\$921,102)	2009	0	921,102	0	921,102	0
Total OPWC Loans		<u>1,147,701</u>	<u>1,218,401</u>	<u>(72,250)</u>	<u>2,293,852</u>	<u>144,500</u>
Compensated Absences		<u>1,647,800</u>	<u>490,624</u>	<u>(444,906)</u>	<u>1,693,518</u>	<u>457,250</u>
Total Governmental Activities		<u>\$49,319,492</u>	<u>\$1,709,025</u>	<u>(\$4,271,706)</u>	<u>\$46,756,811</u>	<u>\$2,991,778</u>

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 11 - LONG-TERM OBLIGATIONS (Continued)

	Balance December 31, 2008	Additions	(Reductions)	Balance December 31, 2009	Due Within One Year
Business-Type Activities					
Compensated Absences	\$80,953	\$12,126	(\$12,143)	\$80,936	\$12,140
Total Business-Type Activities	<u>\$80,953</u>	<u>\$12,126</u>	<u>(\$12,143)</u>	<u>\$80,936</u>	<u>\$12,140</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, 2009 was \$81,823,410.

A. Principal and Interest Requirements

Principal and interest requirements to retire long-term debt outstanding at December 31, 2009 are as follows:

Years	General Obligation Bonds		Property Acquisition Loan		OPWC Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$2,275,000	\$822,236	\$115,028	\$884,972	\$144,500	\$0
2011	2,280,000	747,551	120,779	879,221	144,500	0
2012	2,290,000	669,154	126,818	873,182	144,500	0
2013	2,300,000	590,136	133,159	866,841	144,500	0
2014	1,315,000	511,036	139,817	860,183	144,500	0
2015-2019	5,250,000	1,899,452	1,599,332	4,150,668	650,250	0
2020-2024	3,815,000	999,350	2,634,481	3,615,519	0	0
2025-2029	2,155,000	590,625	4,150,465	2,849,535	0	0
2030-2034	2,755,000	292,500	5,890,444	1,909,556	0	0
2035-2036	635,000	15,875	2,789,118	210,882	0	0
Totals	<u>\$25,070,000</u>	<u>\$7,137,915</u>	<u>\$17,699,441</u>	<u>\$17,100,559</u>	<u>\$1,372,750</u>	<u>\$0</u>

The project for the OPWC loan issued in 2009 was not complete as of December 31, 2009. All proceeds from the loan had not been received by year end, therefore the loan has not been finalized and did not have an amortization schedule as of December 31, 2009.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

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, 2009, 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, 2009**

NOTE 12 - CONSTRUCTION COMMITMENTS

As of December 31, 2009, the City had the following commitments with respect to capital projects:

<u>Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Blue Ash and Hunt Road Project - Phase II	\$119,000	Spring 2010
2009 Sidewalk/Bike Path Project	204,000	Spring 2010
Reed Hartman Highway Channel Project	181,000	Spring 2010
Recreation Center Improvement Project	422,000	Spring 2010
Total	<u>\$926,000</u>	

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, 2009, 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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 13 - RISK MANAGEMENT (Continued)

The twenty one participating entities and their respective pool contribution factors for the loss year ended December 31, 2009 are:

<u>Entity</u>	<u>Percentage</u>	<u>Entity</u>	<u>Percentage</u>
Beavercreek	5.96 %	Montgomery	2.27 %
Bellbrook	1.17 %	NAWA	0.6 %
Blue Ash	7.46 %	Piqua	6.74 %
Centerville	5.37 %	Sidney	6.55 %
Englewood	4.20 %	Springdale	3.63 %
Indian Hill	2.81 %	Tipp City	2.98 %
Kettering	12.49 %	Troy	6.27 %
Madeira	0.95 %	Vandalia	4.85 %
Mason	7.00 %	West Carrollton	3.43 %
Miamisburg	5.92 %	Wilmington	6.71 %
Subtotal	<u>53.33 %</u>	Wyoming	2.64 %
		Subtotal	<u>46.67 %</u>
		Total	<u>100.00 %</u>

The 2009 pool contribution from the City of Blue Ash was \$276,742, representing 7.46% 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	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	1,000,000,000	Aggregate
Flood (Zone specific)	25,000,000	Aggregate
Earthquake	25,000,000	per occurrence
Boiler & Machinery	100,000,000	per occurrence

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

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 - \$200,000 per occurrence. The SIR for Boiler and Machinery is \$5,000. The pool's SIR for liability claims is \$1,000,000 per occurrence. Excess insurance coverage, provided by commercial companies and an excess insurance pool is \$9,000,000 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, 2009, because an actuarial opinion issued as of that date reported actual MVRMA loss reserves of \$14,823,823 an amount in excess of the recommended net reserve of \$4,399,570. MVRMA reported Blue Ash's loss experience for years 2008, 2007 and 2006 as \$13,081, \$105,000, and \$73,955 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.

Special Revenue Funds

Federal Emergency Management (FEMA) Fund

To account for proper distribution of FEMA grant proceeds related to the clean up efforts of the 2008 wind storm. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

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 2009. 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.

Tax Increment Financing (TIF) Carver Road Bond Retirement Fund

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

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.

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.

CITY OF BLUE ASH, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2009**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 1,036,908	\$ 1,180,935	\$ 622,196	\$ 2,840,039
Receivables (net of allowance for doubtful accounts):				
Accounts	16	0	0	16
Intergovernmental	378,966	0	0	378,966
Interest	87	161	0	248
Inventory of Supplies, at Cost	208,895	0	0	208,895
Restricted Assets:				
Investments	0	677,463	0	677,463
Total Assets	\$ 1,624,872	\$ 1,858,559	\$ 622,196	\$ 4,105,627
Liabilities:				
Accounts Payable	\$ 52,212	\$ 0	\$ 0	\$ 52,212
Accrued Wages and Benefits Payable	106,195	0	0	106,195
Intergovernmental Payable	19,609	0	0	19,609
Interfund Loans Payable	17,679	0	0	17,679
Deferred Revenue	252,680	0	0	252,680
Total Liabilities	448,375	0	0	448,375
Fund Balances:				
Reserved for Encumbrances	206,411	0	582,072	788,483
Reserved for Supplies Inventory	208,895	0	0	208,895
Reserved for Debt Service	0	1,858,559	0	1,858,559
Undesignated/Unreserved	761,191	0	40,124	801,315
Total Fund Balances	1,176,497	1,858,559	622,196	3,657,252
Total Liabilities and Fund Balances	\$ 1,624,872	\$ 1,858,559	\$ 622,196	\$ 4,105,627

CITY OF BLUE ASH, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2009**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property Taxes	\$ 0	\$ 982,462	\$ 0	\$ 982,462
Intergovernmental Revenues	1,826,409	0	0	1,826,409
Charges for Services	1,977	0	0	1,977
Investment Earnings	1,993	3,114	0	5,107
Fines and Forfeitures	17,401	0	0	17,401
All Other Revenue	1,030	0	0	1,030
Total Revenue	1,848,810	985,576	0	2,834,386
Expenditures:				
Current:				
Security of Persons and Property	186,586	0	0	186,586
Transportation	2,073,586	0	0	2,073,586
Capital Outlay	639,330	0	940,737	1,580,067
Debt Service:				
Principal Retirement	0	100,000	109,550	209,550
Interest & Fiscal Charges	0	495,938	890,450	1,386,388
Total Expenditures	2,899,502	595,938	1,940,737	5,436,177
Excess (Deficiency) of Revenues Over Expenditures	(1,050,692)	389,638	(1,940,737)	(2,601,791)
Other Financing Sources (Uses):				
Issuance of OPWC Loans	0	0	1,218,401	1,218,401
Transfers In	1,086,376	0	1,545,000	2,631,376
Transfers Out	(185,082)	0	0	(185,082)
Total Other Financing Sources (Uses)	901,294	0	2,763,401	3,664,695
Net Change in Fund Balance	(149,398)	389,638	822,664	1,062,904
Fund Balances at Beginning of Year	1,260,145	1,468,921	(200,468)	2,528,598
Increase (Decrease) in Inventory Reserve	65,750	0	0	65,750
Fund Balances End of Year	\$ 1,176,497	\$ 1,858,559	\$ 622,196	\$ 3,657,252

CITY OF BLUE ASH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009**

	Street Construction, Maintenance and Repair Fund	Municipal Motor Vehicle License Tax Fund	State Highway Fund	Law Enforcement Assistance Fund
Assets:				
Cash and Cash Equivalents	\$ 251,256	\$ 101,155	\$ 380,264	\$ 5,790
Receivables (net of allowance for doubtful accounts):				
Accounts	16	0	0	0
Intergovernmental	304,588	48,690	24,678	860
Interest	20	16	51	0
Inventory of Supplies, at Cost	208,895	0	0	0
Total Assets	\$ 764,775	\$ 149,861	\$ 404,993	\$ 6,650
Liabilities:				
Accounts Payable	\$ 49,720	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	106,195	0	0	0
Intergovernmental Payable	1,854	0	0	0
Interfund Loans Payable	0	0	0	0
Deferred Revenue	202,908	32,460	16,452	860
Total Liabilities	360,677	32,460	16,452	860
Fund Balances:				
Reserved for Encumbrances	201,536	0	0	0
Reserved for Supplies Inventory	208,895	0	0	0
Undesignated/Unreserved	(6,333)	117,401	388,541	5,790
Total Fund Balances	404,098	117,401	388,541	5,790
Total Liabilities and Fund Balances	\$ 764,775	\$ 149,861	\$ 404,993	\$ 6,650

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
\$ 233,895	\$ 0	\$ 51,377	\$ 13,171	\$ 1,036,908
0	0	0	0	16
0	0	80	70	378,966
0	0	0	0	87
0	0	0	0	208,895
<u>\$ 233,895</u>	<u>\$ 0</u>	<u>\$ 51,457</u>	<u>\$ 13,241</u>	<u>\$ 1,624,872</u>
\$ 2,492	\$ 0	\$ 0	\$ 0	\$ 52,212
0	0	0	0	106,195
0	17,755	0	0	19,609
0	17,679	0	0	17,679
0	0	0	0	252,680
<u>2,492</u>	<u>35,434</u>	<u>0</u>	<u>0</u>	<u>448,375</u>
4,875	0	0	0	206,411
0	0	0	0	208,895
226,528	(35,434)	51,457	13,241	761,191
<u>231,403</u>	<u>(35,434)</u>	<u>51,457</u>	<u>13,241</u>	<u>1,176,497</u>
<u>\$ 233,895</u>	<u>\$ 0</u>	<u>\$ 51,457</u>	<u>\$ 13,241</u>	<u>\$ 1,624,872</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, 2009**

	Street Construction, Maintenance and Repair Fund	Municipal Motor Vehicle License Tax Fund	State Highway Fund	Law Enforcement Assistance Fund
Revenues:				
Intergovernmental Revenues	\$ 725,923	\$ 106,853	\$ 50,912	\$ 4,040
Charges for Services	1,977	0	0	0
Investment Earnings	387	480	1,126	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	1,030	0	0	0
Total Revenue	729,317	107,333	52,038	4,040
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	385
Transportation	1,956,003	88,880	28,703	0
Capital Outlay	0	0	0	0
Total Expenditures	1,956,003	88,880	28,703	385
Excess (Deficiency) of Revenues Over Expenditures	(1,226,686)	18,453	23,335	3,655
Other Financing Sources (Uses):				
Transfers In	1,086,376	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	1,086,376	0	0	0
Net Change in Fund Balance	(140,310)	18,453	23,335	3,655
Fund Balances at Beginning of Year	478,658	98,948	365,206	2,135
Increase (Decrease) in Inventory Reserve	65,750	0	0	0
Fund Balances End of Year	\$ 404,098	\$ 117,401	\$ 388,541	\$ 5,790

CITY OF BLUE ASH, OHIO

Law Enforcement Fund	OVI Task Force Fund	Drug Law Enforcement Fund	Education Enforcement (DUI) Fund	FEMA Grant Fund	ARRA RHH Rehab Project Fund	Total Nonmajor Special Revenue Funds
\$ 0	\$ 114,269	\$ 0	\$ 0	\$ 185,082	\$ 639,330	\$ 1,826,409
0	0	0	0	0	0	1,977
0	0	0	0	0	0	1,993
14,639	0	1,801	961	0	0	17,401
0	0	0	0	0	0	1,030
<u>14,639</u>	<u>114,269</u>	<u>1,801</u>	<u>961</u>	<u>185,082</u>	<u>639,330</u>	<u>1,848,810</u>
35,866	149,083	93	1,159	0	0	186,586
0	0	0	0	0	0	2,073,586
0	0	0	0	0	639,330	639,330
<u>35,866</u>	<u>149,083</u>	<u>93</u>	<u>1,159</u>	<u>0</u>	<u>639,330</u>	<u>2,899,502</u>
(21,227)	(34,814)	1,708	(198)	185,082	0	(1,050,692)
0	0	0	0	0	0	1,086,376
0	0	0	0	(185,082)	0	(185,082)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(185,082)</u>	<u>0</u>	<u>901,294</u>
(21,227)	(34,814)	1,708	(198)	0	0	(149,398)
252,630	(620)	49,749	13,439	0	0	1,260,145
0	0	0	0	0	0	65,750
<u>\$ 231,403</u>	<u>\$ (35,434)</u>	<u>\$ 51,457</u>	<u>\$ 13,241</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,176,497</u>

CITY OF BLUE ASH, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2009**

	<u>Blue Ash / Hunt Road Fund</u>	<u>Airport Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets:			
Cash and Cash Equivalents	\$ 119,246	\$ 502,950	\$ 622,196
Total Assets	<u>\$ 119,246</u>	<u>\$ 502,950</u>	<u>\$ 622,196</u>
Liabilities:			
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances:			
Reserved for Encumbrances	79,122	502,950	582,072
Undesignated/Unreserved	<u>40,124</u>	<u>0</u>	<u>40,124</u>
Total Fund Balances	<u>119,246</u>	<u>502,950</u>	<u>622,196</u>
Total Liabilities and Fund Balances	<u>\$ 119,246</u>	<u>\$ 502,950</u>	<u>\$ 622,196</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, 2009**

	Blue Ash / Hunt Road Construction Fund	Airport Fund	Total Nonmajor Capital Project Funds
Revenues:			
Total Revenue	\$ 0	\$ 0	\$ 0
Expenditures:			
Capital Outlay	898,687	42,050	940,737
Debt Service:			
Principal Retirement	0	109,550	109,550
Interest & Fiscal Charges	0	890,450	890,450
Total Expenditures	898,687	1,042,050	1,940,737
Excess (Deficiency) of Revenues Over Expenditures	(898,687)	(1,042,050)	(1,940,737)
Other Financing Sources (Uses):			
Issuance of OPWC Loans	1,218,401	0	1,218,401
Transfers In	0	1,545,000	1,545,000
Total Other Financing Sources (Uses)	1,218,401	1,545,000	2,763,401
Net Change in Fund Balance	319,714	502,950	822,664
Fund Balances at Beginning of Year	(200,468)	0	(200,468)
Fund Balances End of Year	\$ 119,246	\$ 502,950	\$ 622,196

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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 2,003,000	\$ 2,128,000	\$ 2,169,222	\$ 41,222
Municipal Income Taxes	28,891,381	26,916,381	26,872,187	(44,194)
Other Local Taxes	948,000	948,000	933,898	(14,102)
Intergovernmental Revenues	2,063,720	2,152,530	2,113,124	(39,406)
Charges for Services	662,200	671,930	759,079	87,149
Licenses and Permits	358,700	268,700	251,256	(17,444)
Investment Earnings	425,000	75,000	62,663	(12,337)
Fines and Forfeitures	119,300	119,300	115,694	(3,606)
All Other Revenues	18,989	18,989	18,300	(689)
Total Revenues	<u>35,490,290</u>	<u>33,298,830</u>	<u>33,295,423</u>	<u>(3,407)</u>
Expenditures:				
Security of Persons and Property:				
Police Division:				
Personal Services	5,850,000	5,850,000	5,535,296	314,704
Materials and Supplies	203,000	241,744	159,052	82,692
Contractual Services	467,500	507,629	397,558	110,071
Capital Outlay	217,000	350,874	153,592	197,282
Total Police Division	<u>6,737,500</u>	<u>6,950,247</u>	<u>6,245,498</u>	<u>704,749</u>
Fire Division:				
Personal Services	4,183,000	4,183,000	4,053,504	129,496
Materials and Supplies	114,000	123,449	93,128	30,321
Contractual Services	288,600	328,905	279,497	49,408
Capital Outlay	237,550	249,464	217,689	31,775
Total Fire Division	<u>4,823,150</u>	<u>4,884,818</u>	<u>4,643,818</u>	<u>241,000</u>
Total Security of Persons and Property	<u>11,560,650</u>	<u>11,835,065</u>	<u>10,889,316</u>	<u>945,749</u>
Community Development:				
Building Division:				
Personal Services	461,000	461,000	430,331	30,669
Materials and Supplies	3,300	3,567	1,650	1,917
Contractual Services	451,250	416,113	284,006	132,107
Capital Outlay	577,500	400,346	213,590	186,756
Total Building Division	<u>1,493,050</u>	<u>1,281,026</u>	<u>929,577</u>	<u>351,449</u>
Total Community Development	<u>1,493,050</u>	<u>1,281,026</u>	<u>929,577</u>	<u>351,449</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, 2009***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Basic Utility Services:				
Public Services Division:				
Personal Services	1,108,000	1,103,560	900,077	203,483
Materials and Supplies	96,000	98,228	85,956	12,272
Contractual Services	983,500	1,131,087	1,053,470	77,617
Capital Outlay	1,105,300	922,504	712,356	210,148
Total Public Services Division	<u>3,292,800</u>	<u>3,255,379</u>	<u>2,751,859</u>	<u>503,520</u>
Total Basic Utility Services	<u>3,292,800</u>	<u>3,255,379</u>	<u>2,751,859</u>	<u>503,520</u>
General Government:				
Legislative Services:				
Personal Services	139,000	139,000	128,272	10,728
Materials and Supplies	600	600	440	160
Contractual Services	465,200	479,532	474,852	4,680
Total Legislative Services	<u>604,800</u>	<u>619,132</u>	<u>603,564</u>	<u>15,568</u>
Judicial Services:				
Personal Services	172,200	172,200	162,141	10,059
Materials and Supplies	1,200	1,283	476	807
Contractual Services	10,500	10,823	7,371	3,452
Capital Outlay	3,000	3,000	0	3,000
Total Judicial Services	<u>186,900</u>	<u>187,306</u>	<u>169,988</u>	<u>17,318</u>
Tax and Finance Divisions:				
Personal Services	699,500	699,500	664,217	35,283
Materials and Supplies	5,000	5,026	3,305	1,721
Contractual Services	125,000	126,854	118,613	8,241
Capital Outlay	2,000	2,000	0	2,000
Total Tax and Finance Divisions	<u>831,500</u>	<u>833,380</u>	<u>786,135</u>	<u>47,245</u>
Administrative Services Division:				
Personal Services	1,069,000	1,069,000	1,025,423	43,577
Materials and Supplies	10,000	10,386	4,863	5,523
Contractual Services	32,300	32,769	19,571	13,198
Capital Outlay	5,000	5,000	2,100	2,900
Total Administrative Services Division	<u>1,116,300</u>	<u>1,117,155</u>	<u>1,051,957</u>	<u>65,198</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, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Facilities Maintenance Division:				
Personal Services	1,020,000	1,020,000	1,001,010	18,990
Materials and Supplies	183,000	240,386	232,499	7,887
Contractual Services	395,639	416,997	348,269	68,728
Capital Outlay	74,025	78,177	19,755	58,422
Total Facilities Maintenance Division	<u>1,672,664</u>	<u>1,755,560</u>	<u>1,601,533</u>	<u>154,027</u>
Insurance Services Division:				
Contractual Services	314,000	331,215	308,342	22,873
Total Insurance Services Division	<u>314,000</u>	<u>331,215</u>	<u>308,342</u>	<u>22,873</u>
General Government Services:				
Personal Services	692,500	713,457	658,201	55,256
Materials and Supplies	50,500	52,165	45,223	6,942
Contractual Services	11,267,961	10,837,098	1,319,030	9,518,068
Capital Outlay	332,000	503,687	367,779	135,908
Total General Government Services	<u>12,342,961</u>	<u>12,106,407</u>	<u>2,390,233</u>	<u>9,716,174</u>
Total General Government	<u>17,069,125</u>	<u>16,950,155</u>	<u>6,911,752</u>	<u>10,038,403</u>
Total Expenditures	<u>33,415,625</u>	<u>33,321,625</u>	<u>21,482,504</u>	<u>11,839,121</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,074,665	(22,795)	11,812,919	11,835,714
Other Financing Sources (Uses):				
Sale of Capital Assets	14,000	14,000	17,521	3,521
Transfers In	0	9,320	9,320	0
Transfers Out	(14,574,238)	(13,450,928)	(11,724,148)	1,726,780
Advances In	86,000	100,000	100,000	0
Advances Out	(100,000)	(100,000)	(103,862)	(3,862)
Total Other Financing Sources (Uses)	<u>(14,574,238)</u>	<u>(13,427,608)</u>	<u>(11,701,169)</u>	<u>1,726,439</u>
Net Change in Fund Balance	(12,499,573)	(13,450,403)	111,750	13,562,153
Fund Balance at Beginning of Year	12,398,354	12,398,354	12,398,354	0
Prior Year Encumbrances	1,061,548	1,061,548	1,061,548	0
Fund Balance at End of Year	<u>\$ 960,329</u>	<u>\$ 9,499</u>	<u>\$ 13,571,652</u>	<u>\$ 13,562,153</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, 2009**

PARK AND RECREATION FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Charges for Services	\$ 656,800	\$ 656,800	\$ 773,855	\$ 117,055
All Other Revenues	325,900	325,900	307,366	(18,534)
Total Revenues	<u>982,700</u>	<u>982,700</u>	<u>1,081,221</u>	<u>98,521</u>
Expenditures:				
Leisure Time Activities:				
Recreation Programming Division:				
Personal Services	1,215,000	1,215,000	1,168,623	46,377
Materials and Supplies	191,667	191,667	190,242	1,425
Contractual Services	1,643,049	1,643,049	1,487,038	156,011
Capital Outlay	126,082	126,082	55,295	70,787
Total Recreation Programming Division	<u>3,175,798</u>	<u>3,175,798</u>	<u>2,901,198</u>	<u>274,600</u>
Grounds Maintenance Division:				
Personal Services	1,019,000	1,019,000	892,306	126,694
Materials and Supplies	206,094	206,094	189,919	16,175
Contractual Services	428,963	428,963	332,074	96,889
Capital Outlay	346,782	356,624	260,434	96,190
Total Grounds Maintenance Division	<u>2,000,839</u>	<u>2,010,681</u>	<u>1,674,733</u>	<u>335,948</u>
Total Expenditures	<u>5,176,637</u>	<u>5,186,479</u>	<u>4,575,931</u>	<u>610,548</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,193,937)	(4,203,779)	(3,494,710)	709,069
Other Financing Sources (Uses):				
Transfers In	3,941,959	3,954,101	3,242,732	(711,369)
Total Other Financing Sources (Uses)	<u>3,941,959</u>	<u>3,954,101</u>	<u>3,242,732</u>	<u>(711,369)</u>
Net Change in Fund Balance	(251,978)	(249,678)	(251,978)	(2,300)
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	251,978	251,978	251,978	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 2,300</u>	<u>\$ 0</u>	<u>\$ (2,300)</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, 2009**

GENERAL OBLIGATION BOND RETIREMENT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 80,200	\$ 80,200	\$ 87,941	\$ 7,741
Intergovernmental Revenues	25,289	25,289	26,272	983
Total Revenues	<u>105,489</u>	<u>105,489</u>	<u>114,213</u>	<u>8,724</u>
Expenditures:				
Debt Service:				
Principal Retirement	3,689,500	3,761,750	3,617,250	144,500
Interest and Fiscal Charges	730,516	780,516	721,934	58,582
Total Expenditures	<u>4,420,016</u>	<u>4,542,266</u>	<u>4,339,184</u>	<u>203,082</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,314,527)	(4,436,777)	(4,224,971)	211,806
Other Financing Sources (Uses):				
Transfers In	4,314,528	4,436,778	4,224,971	(211,807)
Total Other Financing Sources (Uses)	<u>4,314,528</u>	<u>4,436,778</u>	<u>4,224,971</u>	<u>(211,807)</u>
Net Change in Fund Balance	1	1	0	(1)
Fund Balance at Beginning of Year	25,000	25,000	25,000	0
Fund Balance at End of Year	<u>\$ 25,001</u>	<u>\$ 25,001</u>	<u>\$ 25,000</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)
Major Funds – Capital Project Funds
For the Year Ended December 31, 2009**

RECREATION CENTER CONSTRUCTION FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Investment Earnings	\$ 50,000	\$ 17,000	\$ 16,975	\$ (25)
Total Revenues	<u>50,000</u>	<u>17,000</u>	<u>16,975</u>	<u>(25)</u>
Expenditures:				
Capital Outlay	6,597,335	6,564,335	6,541,139	23,196
Total Expenditures	<u>6,597,335</u>	<u>6,564,335</u>	<u>6,541,139</u>	<u>23,196</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,547,335)	(6,547,335)	(6,524,164)	23,171
Other Financing Sources (Uses):				
Transfers In	1,400,000	1,400,000	1,400,000	0
Total Other Financing Sources (Uses)	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,400,000</u>	<u>0</u>
Net Change in Fund Balance	(5,147,335)	(5,147,335)	(5,124,164)	23,171
Fund Balance at Beginning of Year	256,164	256,164	256,164	0
Prior Year Encumbrances	4,891,171	4,891,171	4,891,171	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 23,171</u>	<u>\$ 23,171</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, 2009***

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 756,000	\$ 756,000	\$ 725,923	\$ (30,077)
Charges for Services	2,000	2,000	1,961	(39)
Licenses and Permits	200	200	0	(200)
Investment Earnings	2,500	2,500	666	(1,834)
All Other Revenues	900	900	1,030	130
Total Revenues	<u>761,600</u>	<u>761,600</u>	<u>729,580</u>	<u>(32,020)</u>
Expenditures:				
Transportation:				
Street Division:				
Personal Services	739,000	733,600	621,365	112,235
Materials and Supplies	577,256	577,256	538,751	38,505
Contractual Services	355,036	355,036	325,347	29,689
Capital Outlay	1,558,075	970,075	762,860	207,215
Total Expenditures	<u>3,229,367</u>	<u>2,635,967</u>	<u>2,248,323</u>	<u>387,644</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,467,767)	(1,874,367)	(1,518,743)	355,624
Other Financing Sources (Uses):				
Transfers In	<u>2,035,400</u>	<u>1,442,787</u>	<u>1,086,376</u>	<u>(356,411)</u>
Total Other Financing Sources (Uses)	<u>2,035,400</u>	<u>1,442,787</u>	<u>1,086,376</u>	<u>(356,411)</u>
Net Changes in Fund Balance	(432,367)	(431,580)	(432,367)	(787)
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	<u>432,367</u>	<u>432,367</u>	<u>432,367</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 787</u>	<u>\$ 0</u>	<u>\$ (787)</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, 2009***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 109,000	\$ 109,000	\$ 106,853	\$ (2,147)
Investment Earnings	2,500	2,500	579	(1,921)
Total Revenues	<u>111,500</u>	<u>111,500</u>	<u>107,432</u>	<u>(4,068)</u>
Expenditures:				
Transportation:				
Street Division:				
Personal Services	<u>100,000</u>	<u>100,000</u>	<u>88,880</u>	<u>11,120</u>
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>88,880</u>	<u>11,120</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,500	11,500	18,552	7,052
Fund Balance at Beginning of Year	<u>82,603</u>	<u>82,603</u>	<u>82,603</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 94,103</u>	<u>\$ 94,103</u>	<u>\$ 101,155</u>	<u>\$ 7,052</u>

CITY OF BLUE ASH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 53,000	\$ 53,000	\$ 50,912	\$ (2,088)
Investment Earnings	9,000	9,000	1,535	(7,465)
Total Revenues	<u>62,000</u>	<u>62,000</u>	<u>52,447</u>	<u>(9,553)</u>
Expenditures:				
Transportation:				
Street Division:				
Capital Outlay	<u>50,000</u>	<u>50,000</u>	<u>28,703</u>	<u>21,297</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>28,703</u>	<u>21,297</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,000	12,000	23,744	11,744
Fund Balance at Beginning of Year	<u>356,520</u>	<u>356,520</u>	<u>356,520</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 368,520</u>	<u>\$ 368,520</u>	<u>\$ 380,264</u>	<u>\$ 11,744</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, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 3,600	\$ 3,600	\$ 4,040	\$ 440
Total Revenues	<u>3,600</u>	<u>3,600</u>	<u>4,040</u>	<u>440</u>
Expenditures:				
Security of Persons and Property: Police Division:				
Contractual Services	<u>3,600</u>	<u>3,600</u>	<u>385</u>	<u>3,215</u>
Total Expenditures	<u>3,600</u>	<u>3,600</u>	<u>385</u>	<u>3,215</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	3,655	3,655
Fund Balance at Beginning of Year	<u>2,135</u>	<u>2,135</u>	<u>2,135</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,135</u>	<u>\$ 2,135</u>	<u>\$ 5,790</u>	<u>\$ 3,655</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, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 12,000	\$ 12,000	\$ 14,639	\$ 2,639
Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>14,639</u>	<u>2,639</u>
Expenditures:				
Security of Persons and Property:				
Police Division:				
Materials and Supplies	30,140	30,140	4,592	25,548
Contractual Services	56,000	56,000	6,289	49,711
Capital Outlay	<u>153,769</u>	<u>153,769</u>	<u>32,711</u>	<u>121,058</u>
Total Expenditures	<u>239,909</u>	<u>239,909</u>	<u>43,592</u>	<u>196,317</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(227,909)	(227,909)	(28,953)	198,956
Fund Balance at Beginning of Year	251,572	251,572	251,572	0
Prior Year Encumbrances	<u>3,909</u>	<u>3,909</u>	<u>3,909</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 27,572</u>	<u>\$ 27,572</u>	<u>\$ 226,528</u>	<u>\$ 198,956</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, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	<u>\$ 145,579</u>	<u>\$ 196,758</u>	<u>\$ 136,758</u>	<u>\$ (60,000)</u>
Total Revenues	<u>145,579</u>	<u>196,758</u>	<u>136,758</u>	<u>(60,000)</u>
Expenditures:				
Security of Persons and Property: Police Division:				
Contractual Services	<u>131,761</u>	<u>182,941</u>	<u>140,620</u>	<u>42,321</u>
Total Expenditures	<u>131,761</u>	<u>182,941</u>	<u>140,620</u>	<u>42,321</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,818	13,817	(3,862)	(17,679)
Fund Balance at Beginning of Year	<u>(13,817)</u>	<u>(13,817)</u>	<u>(13,817)</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 0</u>	<u>\$ (17,679)</u>	<u>\$ (17,679)</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, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 1,721</u>	<u>\$ (1,279)</u>
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>1,721</u>	<u>(1,279)</u>
Expenditures:				
Security of Persons and Property:				
Police Division:				
Materials and Supplies	1,000	1,000	13	987
Contractual Services	16,000	16,000	80	15,920
Capital Outlay	<u>3,000</u>	<u>3,000</u>	<u>0</u>	<u>3,000</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>93</u>	<u>19,907</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,000)	(17,000)	1,628	18,628
Fund Balance at Beginning of Year	<u>49,749</u>	<u>49,749</u>	<u>49,749</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 32,749</u>	<u>\$ 32,749</u>	<u>\$ 51,377</u>	<u>\$ 18,628</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, 2009***

EDUCATION ENFORCEMENT (DUI) FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Fines and Forfeitures	\$ 2,500	\$ 2,500	\$ 966	\$ (1,534)
Total Revenues	<u>2,500</u>	<u>2,500</u>	<u>966</u>	<u>(1,534)</u>
Expenditures:				
Security of Persons and Property:				
Police Division:				
Contractual Services	5,000	5,000	1,159	3,841
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>1,159</u>	<u>3,841</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,500)	(2,500)	(193)	2,307
Fund Balance at Beginning of Year	<u>13,364</u>	<u>13,364</u>	<u>13,364</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 10,864</u>	<u>\$ 10,864</u>	<u>\$ 13,171</u>	<u>\$ 2,307</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, 2009**

	FEMA FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 175,000	\$ 185,082	\$ 185,082	\$ 0
Total Revenues	<u>175,000</u>	<u>185,082</u>	<u>185,082</u>	<u>0</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	175,000	185,082	185,082	0
Other Financing Sources (Uses):				
Transfers Out	<u>0</u>	<u>(185,082)</u>	<u>(185,082)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(185,082)</u>	<u>(185,082)</u>	<u>0</u>
Net Change in Fund Balance	175,000	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 175,000</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)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	<u>\$ 0</u>	<u>\$ 820,000</u>	<u>\$ 639,330</u>	<u>\$ (180,670)</u>
Total Revenues	<u>0</u>	<u>820,000</u>	<u>639,330</u>	<u>(180,670)</u>
Expenditures:				
Capital Outlay	<u>0</u>	<u>820,000</u>	<u>639,330</u>	<u>180,670</u>
Total Expenditures	<u>0</u>	<u>820,000</u>	<u>639,330</u>	<u>180,670</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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)
Nonmajor Debt Service Fund
For the Year Ended December 31, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 700,000	\$ 700,000	\$ 982,462	\$ 282,462
Investment Earnings	20,000	20,000	5,808	(14,192)
Total Revenues	<u>720,000</u>	<u>720,000</u>	<u>988,270</u>	<u>268,270</u>
Expenditures:				
Debt Service:				
Principal Retirement	100,000	100,000	100,000	0
Interest and Fiscal Charges	<u>497,500</u>	<u>497,500</u>	<u>495,938</u>	<u>1,562</u>
Total Expenditures	<u>597,500</u>	<u>597,500</u>	<u>595,938</u>	<u>1,562</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	122,500	122,500	392,332	269,832
Fund Balance at Beginning of Year	<u>1,466,066</u>	<u>1,466,066</u>	<u>1,466,066</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,588,566</u>	<u>\$ 1,588,566</u>	<u>\$ 1,858,398</u>	<u>\$ 269,832</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, 2009**

BLUE ASH / HUNT ROAD CONSTRUCTION FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Capital Outlay	1,577,996	1,577,996	1,178,277	399,719
Total Expenditures	1,577,996	1,577,996	1,178,277	399,719
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,577,996)	(1,577,996)	(1,178,277)	399,719
Other Financing Sources (Uses):				
Issuance of OPWC Loans	1,742,299	1,742,299	1,218,401	(523,898)
Total Other Financing Sources (Uses)	1,742,299	1,742,299	1,218,401	(523,898)
Net Change in Fund Balance	164,303	164,303	40,124	(124,179)
Fund Balance at Beginning of Year	(1,217,996)	(1,217,996)	(1,217,996)	0
Prior Year Encumbrances	1,217,996	1,217,996	1,217,996	0
Fund Balance at End of Year	\$ 164,303	\$ 164,303	\$ 40,124	\$ (124,179)

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, 2009**

AIRPORT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Capital Outlay	600,000	600,000	545,000	55,000
Debt Service:				
Principal Retirement	109,550	109,550	109,550	0
Interest and Fiscal Charges	890,450	890,450	890,450	0
Total Debt Service	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
Total Expenditures	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,545,000</u>	<u>55,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,600,000)	(1,600,000)	(1,545,000)	55,000
Other Financing Sources (Uses):				
Transfers In	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,545,000</u>	<u>(55,000)</u>
Total Other Financing Sources (Uses)	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,545,000</u>	<u>(55,000)</u>
Net Changes in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></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, 2009**

	Balance December 31, 2008	Additions	Deductions	Balance December 31, 2009
Mayor's Court				
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	\$254	\$176,862	(\$176,121)	\$995
Total Assets	\$254	\$176,862	(\$176,121)	\$995
Liabilities:				
Due to Others	\$254	\$176,862	(\$176,121)	\$995
Total Liabilities	\$254	\$176,862	(\$176,121)	\$995
Ohio Board of Building Standards Assessments				
Assets:				
Cash and Cash Equivalents	\$343	\$3,988	(\$3,963)	\$368
Total Assets	\$343	\$3,988	(\$3,963)	\$368
Liabilities:				
Intergovernmental Payables	\$343	\$3,988	(\$3,963)	\$368
Total Liabilities	\$343	\$3,988	(\$3,963)	\$368
Arson Task Force				
Assets:				
Cash and Cash Equivalents	\$1,891	\$6	(\$925)	\$972
Total Assets	\$1,891	\$6	(\$925)	\$972
Liabilities:				
Due to Others	\$1,891	\$6	(\$925)	\$972
Total Liabilities	\$1,891	\$6	(\$925)	\$972
Flex Spending Fund				
Assets:				
Cash and Cash Equivalents	\$97,125	\$270,080	(\$257,060)	\$110,145
Total Assets	\$97,125	\$270,080	(\$257,060)	\$110,145
Liabilities:				
Due to Others	\$97,125	\$270,080	(\$257,060)	\$110,145
Total Liabilities	\$97,125	\$270,080	(\$257,060)	\$110,145

CITY OF BLUE ASH, OHIO

	Balance December 31, 2008	Additions	Deductions	Balance December 31, 2009
<i>Totals - All Agency Funds</i>				
Assets:				
Cash and Cash Equivalents	\$99,359	\$274,074	(\$261,948)	\$111,485
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	254	176,862	(176,121)	995
Total Assets	<u>\$99,613</u>	<u>\$450,936</u>	<u>(\$438,069)</u>	<u>\$112,480</u>
Liabilities:				
Intergovernmental Payables	\$343	\$3,988	(\$3,963)	\$368
Due to Others	99,270	446,948	(434,106)	112,112
Total Liabilities	<u>\$99,613</u>	<u>\$450,936</u>	<u>(\$438,069)</u>	<u>\$112,480</u>

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

CITY OF BLUE ASH, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2009***

Capital Assets:

Land	\$39,219,302
Buildings	32,300,411
Improvements Other than Buildings	6,466,002
Infrastructure	19,313,671
Machinery and Equipment	11,240,544
Construction in Progress	<u>18,493,614</u>
Total Capital Assets	<u><u>\$127,033,544</u></u>

Investment in Capital Assets from:

General Fund	\$23,333,327
Special Revenue Funds	24,056,789
Capital Project Funds	<u>79,643,428</u>
Total Investment in Capital Assets	<u><u>\$127,033,544</u></u>

CITY OF BLUE ASH, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2009***

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Infrastructure</u>
<u>General Government:</u>				
Administration	\$465,634	\$2,363,689	\$257,209	\$0
Legislative	0	7,375	0	0
Judicial	0	0	0	0
Finance / Tax	0	0	0	0
Facility Maintenance	0	249,379	28,361	0
Total	465,634	2,620,443	285,570	0
<u>Security of Persons and Property:</u>				
Police	0	773,930	0	0
Fire	0	7,506,998	0	0
Total	0	8,280,928	0	0
<u>Transportation:</u>				
Street	9,344,849	233,500	0	19,313,671
<u>Leisure Time Activities:</u>				
Park	23,402,740	5,945,406	1,793,577	0
Grounds Maintenance	3,008,991	3,698,868	3,861,077	0
Total	26,411,731	9,644,274	5,654,654	0
<u>Basic Utility Services:</u>				
Public Services	1,708,423	2,304,020	383,450	0
<u>Community Development:</u>				
Building	1,288,665	9,217,246	142,328	0
Construction in Progress				
Total Capital Assets	<u>\$39,219,302</u>	<u>\$32,300,411</u>	<u>\$6,466,002</u>	<u>\$19,313,671</u>

CITY OF BLUE ASH, OHIO

<u>Machinery and Equipment</u>	<u>Total</u>
\$978,650	\$4,065,182
0	7,375
2,997	2,997
31,877	31,877
131,326	409,066
<u>1,144,850</u>	<u>4,516,497</u>
1,367,390	2,141,320
<u>3,791,391</u>	<u>11,298,389</u>
<u>5,158,781</u>	<u>13,439,709</u>
<u>453,306</u>	<u>29,345,326</u>
750,206	31,891,929
<u>1,764,730</u>	<u>12,333,666</u>
<u>2,514,936</u>	<u>44,225,595</u>
<u>1,953,065</u>	<u>6,348,958</u>
<u>15,606</u>	<u>10,663,845</u>
	<u>18,493,614</u>
<u>\$11,240,544</u>	<u>\$127,033,544</u>

CITY OF BLUE ASH, OHIO**Capital Assets Used in the Operation of Governmental Funds
Schedule Changes by Function and Activity
For Year Ended December 31, 2009**

<u>Function and Activity</u>	<u>December 31, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2009</u>
<u>General Government:</u>				
Administration	\$4,089,246	\$9,957	(\$34,021)	\$4,065,182
Legislative	7,375	0	0	7,375
Judicial	2,997	0	0	2,997
Finance / Tax	31,877	0	0	31,877
Facility Maintenance	405,433	9,529	(5,896)	409,066
Total	4,536,928	19,486	(39,917)	4,516,497
<u>Security of Persons and Property:</u>				
Police	2,112,038	141,065	(111,783)	2,141,320
Fire	11,115,405	188,184	(5,200)	11,298,389
Total	13,227,443	329,249	(116,983)	13,439,709
<u>Transportation:</u>				
Street	29,312,476	32,850	0	29,345,326
<u>Leisure Time Activities:</u>				
Park	31,862,074	53,090	(23,235)	31,891,929
Grounds Maintenance	11,834,276	568,023	(68,633)	12,333,666
Total	43,696,350	621,113	(91,868)	44,225,595
<u>Basic Utility Services:</u>				
Public Services	6,383,220	2,723	(36,985)	6,348,958
<u>Community Development:</u>				
Building	10,663,845	0	0	10,663,845
Construction in Progress	12,715,179	6,371,422	(592,987)	18,493,614
Total Capital Assets	<u>\$120,535,441</u>	<u>\$7,376,843</u>	<u>(\$878,740)</u>	<u>\$127,033,544</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 Eight 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>
\$34,881,463	\$41,228,022	\$46,397,044	\$51,850,887
4,839,111	2,657,256	6,177,078	3,617,547
<u>14,150,187</u>	<u>17,428,349</u>	<u>17,007,777</u>	<u>18,716,037</u>
<u>\$53,870,761</u>	<u>\$61,313,627</u>	<u>\$69,581,899</u>	<u>\$74,184,471</u>
\$2,616,516	\$2,663,932	\$2,529,047	\$2,523,039
(13,743)	(26,609)	(37,114)	(77,742)
<u>\$2,602,773</u>	<u>\$2,637,323</u>	<u>\$2,491,933</u>	<u>\$2,445,297</u>
\$37,497,979	\$43,891,954	\$48,926,091	\$54,373,926
4,839,111	2,657,256	6,177,078	3,617,547
<u>14,136,444</u>	<u>17,401,740</u>	<u>16,970,663</u>	<u>18,638,295</u>
<u>\$56,473,534</u>	<u>\$63,950,950</u>	<u>\$72,073,832</u>	<u>\$76,629,768</u>

City of Blue Ash

*Changes in Net Assets
Last Eight 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
\$10,330,009	\$10,583,392	\$10,808,527	\$10,971,088
4,629,671	4,942,967	5,463,869	5,262,217
1,128,585	864,853	809,377	784,808
1,879,424	2,092,167	1,864,013	2,401,524
1,919,917	2,311,705	2,024,089	2,415,412
7,401,144	7,512,638	8,133,593	8,351,370
842,242	1,559,980	2,299,658	2,099,365
28,130,992	29,867,702	31,403,126	32,285,784
1,482,474	1,592,043	1,612,555	1,523,894
1,482,474	1,592,043	1,612,555	1,523,894
\$29,613,466	\$31,459,745	\$33,015,681	\$33,809,678

\$127,044	\$93,483	\$96,637	\$46,524
705,492	704,280	633,303	773,855
523,062	333,467	236,921	153,767
13,183	900	7,117	1,977
199,771	268,784	276,842	305,634
822,921	823,631	875,492	1,183,899
0	50,000	1,011,720	639,330
2,391,473	2,274,545	3,138,032	3,104,986

(continued)

City of Blue Ash

Changes in Net Assets Last Eight 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
1,122,849	1,153,749	1,084,768	1,076,427
1,122,849	1,153,749	1,084,768	1,076,427
3,514,322	3,428,294	4,222,800	4,181,413
(25,739,519)	(27,593,157)	(28,265,094)	(29,180,798)
(359,625)	(438,294)	(527,787)	(447,467)
<u>(\$26,099,144)</u>	<u>(\$28,031,451)</u>	<u>(\$28,792,881)</u>	<u>(\$29,628,265)</u>
\$2,284,018	\$2,170,820	\$2,113,553	\$2,169,222
108,801	276,381	727,746	984,447
22,145,729	26,914,805	29,147,868	27,251,070
869,253	902,725	966,974	891,104
1,726,738	3,185,974	2,288,739	1,936,325
720,964	1,013,428	642,916	61,302
861,002	1,044,534	1,028,167	890,731
(351,622)	(472,644)	(382,597)	(400,831)
0	0	0	0
<u>28,364,883</u>	<u>35,036,023</u>	<u>36,533,366</u>	<u>33,783,370</u>
351,622	472,644	382,597	400,831
0	0	0	0
<u>351,622</u>	<u>472,644</u>	<u>382,597</u>	<u>400,831</u>
<u>\$28,716,505</u>	<u>\$35,508,667</u>	<u>\$36,915,963</u>	<u>\$34,184,201</u>
\$2,625,364	\$7,442,866	\$8,268,272	\$4,602,572
(8,003)	34,350	(145,190)	(46,636)
<u>\$2,617,361</u>	<u>\$7,477,216</u>	<u>\$8,123,082</u>	<u>\$4,555,936</u>

City of Blue Ash

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund					
Reserved	\$1,239,598	\$1,556,338	\$510,629	\$392,003	\$336,403
Unreserved	<u>10,709,377</u>	<u>9,234,476</u>	<u>5,087,578</u>	<u>7,638,598</u>	<u>7,344,816</u>
<i>Total General Fund</i>	<u>11,948,975</u>	<u>10,790,814</u>	<u>5,598,207</u>	<u>8,030,601</u>	<u>7,681,219</u>
All Other Governmental Funds					
Reserved	4,483,509	2,334,223	5,246,029	1,177,875	6,537,653
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	257,681	275,478	516,883	675,620	626,637
Capital Projects Funds	<u>5,789,461</u>	<u>260,591</u>	<u>(9,001,332)</u>	<u>(2,121,141)</u>	<u>(9,888,439)</u>
Total All Other Governmental Funds	<u>10,530,651</u>	<u>2,870,292</u>	<u>(3,238,420)</u>	<u>(267,646)</u>	<u>(2,724,149)</u>
<i>Total Governmental Funds</i>	<u>\$22,479,626</u>	<u>\$13,661,106</u>	<u>\$2,359,787</u>	<u>\$7,762,955</u>	<u>\$4,957,070</u>

Source: Finance Office

City of Blue Ash

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

City of Blue Ash

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Revenues:				
Taxes				
Property	\$2,146,246	\$2,185,060	\$2,134,376	\$2,262,022
Municipal Income	20,436,849	19,509,547	16,532,390	20,585,615
Other Local	718,774	619,409	682,029	669,641
Intergovernmental Revenues	4,235,150	3,172,932	3,134,793	3,005,859
Charges for Services	924,905	898,125	834,809	1,228,620
Licenses and Permits	229,180	237,053	253,622	258,015
Investment Earnings	1,001,672	771,368	279,789	182,281
Fines and Forfeitures	327,410	331,997	582,167	623,175
All Other Revenue	14,002	63,686	263,332	347,352
Total Revenue	<u>30,034,188</u>	<u>27,789,177</u>	<u>24,697,307</u>	<u>29,162,580</u>
Expenditures:				
Current:				
Security of Persons and Property	7,737,772	8,595,712	9,243,373	9,205,777
Leisure Time Activities	3,772,561	3,485,880	4,115,009	3,793,655
Community Environment	757,186	737,395	690,755	682,771
Basic Utility Services	3,000,095	3,053,246	3,714,209	3,154,613
Transportation	4,128,592	3,190,539	3,775,004	2,022,193
General Government	3,380,758	4,956,057	4,350,054	4,583,358
Capital Outlay	3,003,039	10,599,587	7,092,437	8,085,301
Debt Service:				
Principal Retirement	1,350,000	1,352,497	2,037,715	2,037,955
Interest and Fiscal Charges	402,760	700,786	794,888	865,931
Total Expenditures	<u>27,532,763</u>	<u>36,671,699</u>	<u>35,813,444</u>	<u>34,431,554</u>
Excess (Deficiency) of Revenues Over Expenditures	2,501,425	(8,882,522)	(11,116,137)	(5,268,974)

City of Blue Ash

2004	2005	2006	2007	2008	2009
\$2,259,907	\$2,225,710	\$2,376,614	\$2,359,974	\$2,896,080	\$3,239,625
19,482,112	21,780,007	22,053,892	27,037,678	28,934,385	27,084,620
699,467	782,470	869,253	902,725	966,974	891,104
3,976,014	3,661,407	2,843,102	4,098,400	4,181,614	3,806,303
995,850	1,170,430	1,259,704	1,417,539	1,355,985	1,450,662
281,498	437,106	619,984	430,549	335,746	252,611
128,697	357,462	648,480	1,011,620	642,916	61,302
378,006	659,328	254,781	172,999	174,305	133,095
343,018	319,332	295,085	424,361	412,951	336,120
<u>28,544,569</u>	<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>
9,972,468	10,111,541	10,595,745	11,260,376	11,064,811	10,873,558
3,837,782	3,885,242	4,310,565	4,413,957	5,034,298	4,248,364
657,461	882,499	1,360,707	944,529	910,816	782,176
2,498,477	2,144,168	1,912,102	2,390,755	1,958,071	2,406,148
1,876,750	1,755,940	2,017,696	2,167,150	2,323,589	2,073,586
5,766,124	5,669,339	5,580,307	5,700,274	7,860,934	6,566,020
3,238,694	1,737,644	3,447,714	26,962,418	9,059,084	7,325,932
2,463,216	2,463,503	2,830,000	3,830,000	3,034,334	3,826,800
800,502	850,590	1,065,088	1,185,353	2,303,704	2,108,322
<u>31,111,474</u>	<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>
(2,566,905)	1,892,786	(1,899,029)	(20,998,967)	(3,648,685)	(2,955,464)

(continued)

City of Blue Ash

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	19,787	275,000	20	580,524
Ohio Public Works Commission Loan	0	0	0	0
General Obligation Bonds Issued	11,680,000	0	0	10,000,000
Property Acquisition Loan	0	0	0	0
Premium on General Obligation Bonds	0	0	0	0
Other Financing Sources - Capital Leases	0	14,886	0	0
Transfers In	13,159,926	9,656,630	9,829,714	17,052,402
Transfers Out	(13,525,808)	(10,048,890)	(9,975,098)	(17,243,010)
Total Other Financing Sources (Uses)	<u>11,333,905</u>	<u>(102,374)</u>	<u>(145,364)</u>	<u>10,389,916</u>
Net Change in Fund Balance	<u>\$13,835,330</u>	<u>(\$8,984,896)</u>	<u>(\$11,261,501)</u>	<u>\$5,120,942</u>
 Debt Service as a Percentage of Noncapital Expenditures	 7.14%	 6.23%	 9.84%	 12.13%

Source: Finance Office

City of Blue Ash

2004	2005	2006	2007	2008	2009
616	2,520	305,145	261,920	72,728	17,521
0	0	0	0	1,147,701	1,218,401
0	3,700,000	9,790,000	9,975,000	0	0
0	0	0	18,913,325	0	0
0	0	72,484	1,808	0	0
0	0	0	0	0	0
12,040,770	18,233,922	12,067,135	12,272,969	13,558,928	11,508,399
(12,269,713)	(18,378,965)	(12,418,757)	(12,745,613)	(14,118,625)	(11,909,230)
(228,327)	3,557,477	9,816,007	28,679,409	660,732	835,091
(\$2,795,232)	\$5,450,263	\$7,916,978	\$7,680,442	(\$2,987,953)	(\$2,120,373)
12.13%	12.69%	13.89%	16.64%	16.99%	12.63%

City of Blue Ash

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	2000	2001	2002	2003	2004
Income Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Total Tax Collected	\$21,128,128	\$15,520,201	\$19,657,020	\$20,595,096	\$20,483,282
Income Tax Receipts					
Withholding	15,568,770	11,856,624	15,850,948	16,099,711	16,209,336
Percentage	73.69%	76.39%	80.64%	78.17%	79.13%
Corporate	4,476,555	2,956,355	2,875,284	3,542,607	3,308,918
Percentage	21.19%	19.05%	14.63%	17.20%	16.15%
Individuals	1,082,803	707,222	930,788	952,778	965,028
Percentage	5.12%	4.56%	4.74%	4.63%	4.71%

Source: Finance Office

City of Blue Ash

2005	2006	2007	2008	2009
1.00%	1.00%	1.25%	1.25%	1.25%
\$22,419,840	\$23,127,864	\$27,564,397	\$30,119,007	\$28,314,411
16,295,486	16,969,100	22,528,565	23,432,765	22,543,295
72.68%	73.37%	81.73%	77.80%	79.62%
5,061,717	5,124,123	3,747,226	5,334,812	4,471,944
22.58%	22.16%	13.59%	17.71%	15.79%
1,062,637	1,034,641	1,288,606	1,351,430	1,299,172
4.74%	4.47%	4.67%	4.49%	4.59%



City of Blue Ash

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2009				
<i>Withholding Tax</i>	Number	Percent of	Income Tax	Percent of
Income Tax Filers	of Filers	Total Filers	Collections	Income
Top Ten	10	0.38%	\$7,195,112	31.92%
All Others	2,629	99.62%	15,348,183	68.08%
Total	2,639	100%	\$22,543,295	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%	\$2,145,204	37.17%
All Others	6,646	99.85%	3,625,912	62.83%
Total	6,656	100.00%	\$5,771,116	100.00%
<i>Total Income Tax Collections</i>			\$28,314,411	
Calendar Year 2000				
<i>Withholding Tax</i>				
Income Tax Filers	Number of Filers	Percent of Total Filers	Income Tax Collections	Percent of Income
Top Ten	10	0.39%	\$4,430,627	28.46%
All Others	2,576	99.61%	11,138,143	71.54%
Total	2,586	100.00%	\$15,568,770	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%	\$2,685,819	48.31%
All Others	5,824	99.83%	2,873,539	51.69%
Total	5,834	100.00%	\$5,559,358	100.00%
<i>Total Income Tax Collections</i>			\$21,128,128	

Source: City Income Tax Department

City of Blue Ash

Ratio of Outstanding Debt By Type Last Ten Years

	2000	2001	2002	2003
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$14,180,000	\$12,830,000	\$10,795,000	\$18,760,000
Tax Increment Financing Bonds	0	0	0	0
Capital Leases	0	12,389	9,674	6,719
Property Acquisition Loan	0	0	0	0
Ohio Public Works Commission Loan	0	0	0	0
Total Primary Government	<u>\$14,180,000</u>	<u>\$12,842,389</u>	<u>\$10,804,674</u>	<u>\$18,766,719</u>
Population ⁽²⁾				
City of Blue Ash	12,513	12,513	12,513	12,513
Outstanding Debt Per Capita	\$1,133	\$1,026	\$863	\$1,500
Income ⁽³⁾				
Personal (in thousands)	420,024	434,727	452,420	466,184
Percentage of Personal Income	3.38%	2.95%	2.39%	4.03%

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

2004	2005	2006	2007	2008	2009
\$16,300,000	\$17,540,000	\$14,710,000	\$21,855,000	\$19,025,000	\$15,480,000
0	0	9,790,000	9,790,000	9,690,000	9,590,000
3,503	0	0	0	0	0
0	0	0	17,913,325	17,808,991	17,699,441
0	0	0	0	1,147,701	2,293,852
<u>\$16,303,503</u>	<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>

12,513	12,513	12,513	12,513	12,513	12,513
\$1,303	\$1,402	\$1,958	\$3,961	\$3,810	\$3,601

493,851	499,732	519,002	519,002	534,680	534,680
3.30%	3.51%	4.72%	9.55%	8.92%	8.43%

City of Blue Ash

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2000	2001	2002	2003
Population (1)	12,513	12,513	12,513	12,513
Personal Income (2)	\$420,024	\$434,727	\$452,420	\$466,184
General Bonded Debt (3)				
General Obligation Bonds	\$14,180,000	\$12,830,000	\$10,795,000	\$18,760,000
Resources Available to Pay Principal (4)	\$43,900	\$103,123	\$48,216	\$80,475
Net General Bonded Debt	\$14,136,100	\$12,726,877	\$10,746,784	\$18,679,525
Ratio of Net Bonded Debt to Estimated Personal Income (in thousands)	3.37%	2.93%	2.38%	4.01%
Net Bonded Debt per Capita	\$1,129.71	\$1,017.09	\$858.85	\$1,492.81

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

2004	2005	2006	2007	2008	2009
12,513	12,513	12,513	12,513	12,513	12,513
\$493,851	\$499,732	\$519,002	\$519,002	\$534,680	\$534,680
\$16,300,000	\$17,540,000	\$14,710,000	\$21,855,000	\$19,025,000	\$15,480,000
\$5,131,585	\$26,082	\$28,878	\$31,585	\$25,123	\$25,000
\$11,168,415	\$17,513,918	\$14,681,122	\$21,823,415	\$18,999,877	\$15,455,000
2.26%	3.50%	2.83%	4.20%	3.55%	2.89%
\$892.54	\$1,399.66	\$1,173.27	\$1,744.06	\$1,518.41	\$1,235.12



City of Blue Ash

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2009*

<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	\$25,070,000	100.00%	\$25,070,000
Overlapping:			
Sycamore Community School District	31,194,985	43.94%	13,707,076
Princeton City School District	77,340,000	0.69%	533,646
Great Oaks Joint Vocational School District	10,000,000	4.08%	408,000
Hamilton County	107,460,000	3.89%	4,180,194
		Subtotal	<u>18,828,916</u>
		Total	<u><u>\$43,898,916</u></u>

Source: Ohio Municipal Advisory Council

City of Blue Ash

Debt Limitations Last Ten Years

Tax Year	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Total Debt				
Net Assessed Valuation	\$768,021,050	\$781,039,250	\$829,806,860	\$782,909,360
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	80,642,210	82,009,121	87,129,720	82,205,483
City Debt Outstanding (2)	0	0	0	0
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Overall Legal Debt Margin	<u><u>\$80,642,210</u></u>	<u><u>\$82,009,121</u></u>	<u><u>\$87,129,720</u></u>	<u><u>\$82,205,483</u></u>
Unvoted Debt				
Net Assessed Valuation	\$768,021,050	\$781,039,250	\$829,806,860	\$782,909,360
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	42,241,158	42,957,159	45,639,377	43,060,015
City Debt Outstanding (2)	0	0	0	0
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Overall Legal Debt Margin	<u><u>\$42,241,158</u></u>	<u><u>\$42,957,159</u></u>	<u><u>\$45,639,377</u></u>	<u><u>\$43,060,015</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

2004	2005	2006	2007	2008	2009
\$799,130,325	\$803,638,420	\$751,507,450	\$744,215,915	\$769,438,003	\$774,127,710
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
83,908,684	84,382,034	78,908,282	78,142,671	80,790,990	81,283,410
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$83,908,684</u>	<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>
\$799,130,325	\$803,638,420	\$751,507,450	\$744,215,915	\$769,438,003	\$774,127,710
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
43,952,168	44,200,113	41,332,910	40,931,875	42,319,090	42,577,024
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$43,952,168</u>	<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>



City of Blue Ash

*Pledged Revenue Coverage
Last Four Years*

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

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

Source: Finance Office

City of Blue Ash

Demographic and Economic Statistics Last Ten Years

Calendar Year	2000	2001	2002	2003	2004
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	845,303
Income (2) (a)					
Total Personal (in thousands)	420,024	434,727	452,420	466,184	493,851
Per Capita	33,567	34,742	36,156	37,256	39,467
Unemployment Rate (3)					
Federal	4.2%	3.8%	4.8%	5.8%	6.0%
State	4.3%	3.7%	4.3%	5.7%	6.1%
Hamilton County	3.5%	6.3%	4.8%	4.5%	5.1%
Civilian Work Force Estimates (3)					
State	5,900,400	5,857,000	5,828,000	5,915,000	5,875,300
Hamilton County	436,300	444,100	435,200	437,900	422,200
Daytime Population (4)	54,800	53,700	54,000	54,000	54,600

Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis - information is only available through 2008 for the presentation of 2009 statistics, the City is using the latest information available.

(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

2005	2006	2007	2008	2009
12,513	12,513	12,513	12,513	12,513
806,652	806,652	806,652	806,652	806,652
499,732	519,002	519,002	534,680	534,680
39,937	41,477	41,477	42,730	42,730
5.5%	5.0%	4.6%	5.8%	10.0%
6.0%	5.9%	5.6%	6.6%	10.8%
5.6%	5.0%	5.0%	5.6%	10.4%
5,900,400	5,934,000	5,976,500	5,986,400	5,986,400
426,800	423,500	431,200	432,400	432,400
55,000	56,700	58,000	58,000	58,000



City of Blue Ash

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	Rank (1)	
		2009	1999
Ethicon, Inc.	Surgical Instruments Manufacturer	1	2
Proctor and Gamble Co.	Technical Center - Home Product Division	2	1
Kroger	Administrative Offices	3	
Warner Cable	Cable Company	4	
Ingersoll-Rand (Steelcraft)	Steel Products Manufacturer	5	4
Citigroup	Financial Services	6	
Belcan Engineering Services	Engineering Services	7	8
Wornick Co.	Pre-Packaged Food Manufacturer	8	
Mercy Health Systems	Home Health Services	9	9
University of Cincinnati	College	10	
Fidelity Investments	Investments		3
LSI Industries, Inc.	Lighting Manufacturer		5
Marchfirst	Computer Consultants		6
Lehr Precision	Manufacturing		7
United Medical Resources	Third Party Administrator		10

Employer	Nature of Business	2009 Number of Employees (2)	Percentage of Total Employment
Proctor and Gamble Co.	Technical Center - Home Product Div.	1,750	3.37%
Ethicon, Inc.	Surgical Instruments Manufacturer	1,235	2.38%
Kroger	Administrative Offices	1,084	2.08%
Warner Cable	Cable Company	653	1.26%
Wornick Co.	Pre-Packaged Food Manufacturer	564	1.08%
RDI Marketing Services	Marketing Research	500	0.96%
University of Cincinnati	College	486	0.93%
Ingersoll-Rand (Steelcraft)	Steel Products Manufacturer	482	0.93%
Belcan Engineering Services	Engineering Services	405	0.78%
Mercy Health Systems	Home Health Services	348	0.67%
Total Top Ten Employers		<u>7,507</u>	
Estimated Total Employment within the City		<u>52,000</u>	

Sources:

(1) Rankings provided by City Income Tax Department

(2) Estimated number of current employees provided by Economic Development Department

City of Blue Ash

Full Time Equivalent Employees by Function Last Ten Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Governmental Activities					
General Government					
Finance/Tax	8.25	8.00	8.00	8.00	9.25
Judicial	3.00	3.00	2.50	3.00	3.50
Administration/General Gov't	10.75	10.50	11.25	12.50	14.75
Facilities Maintenance	9.25	12.50	13.50	14.00	14.00
Security of Persons and Property					
Police	52.00	53.75	55.25	56.25	55.25
Fire	32.00	31.75	33.00	36.00	38.00
Basic Utility Services					
Public Service	12.75	13.00	13.50	13.50	11.50
Transportation					
Street	11.00	12.50	11.00	11.50	12.50
Leisure Time Activities					
Recreation	48.25	52.25	54.00	50.25	48.00
Parks and Grounds	11.00	20.50	20.25	19.75	18.00
Community Environment					
Community Development	4.50	4.50	4.50	4.50	4.50
Business-Type Activities					
Golf Course	32.50	27.00	27.50	28.50	27.50
<i>Total Employees</i>	<u>235.25</u>	<u>249.25</u>	<u>254.25</u>	<u>257.75</u>	<u>256.75</u>

Method: 1.00 for each full-time, 0.50 for each part-time (>/=700 hours) and 0.25 for each seasonal employee (<700 hours)

Source: Finance Office

City of Blue Ash

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
7.50	7.50	7.00	7.00	8.00
3.50	3.50	2.50	2.50	2.50
12.25	12.25	13.50	13.50	14.50
14.00	14.75	15.50	16.00	17.00
52.75	49.00	47.75	47.75	47.25
39.75	41.50	36.00	41.75	42.25
10.50	10.50	9.00	7.25	10.50
12.50	12.00	10.00	9.00	9.25
40.50	41.25	41.50	42.00	42.00
13.50	14.50	16.00	17.75	15.75
3.50	3.50	4.50	4.25	4.50
<u>23.25</u>	<u>23.75</u>	<u>22.50</u>	<u>24.25</u>	<u>22.75</u>
<u>233.50</u>	<u>234.00</u>	<u>225.75</u>	<u>233.00</u>	<u>236.25</u>

City of Blue Ash

Operating Indicators by Function Last Ten Years

	2000	2001	2002	2003	2004
Governmental Activities					
General Government					
<u>Court</u>					
Number of Citations Heard	3,710	3,935	3,707	3,757	3,866
<u>Community Development</u>					
Number of Residential Building Permits Issued	157	172	158	199	191
Number of Commercial Building Permits Issued	430	433	405	420	319
Security of Persons and Property					
<u>Police</u>					
Number of Offenses	1,631	2,014	2,105	1,834	1,683
Number of Arrests	4,757	4,950	4,905	5,025	5,270
Number of Accidents	730	592	550	744	564
Number of Service Calls/Details	20,922	17,506	19,542	18,167	18,710
<u>Fire</u>					
Number of Fire Runs	890	793	691	750	679
Number of EMS Runs	1,357	1,276	1,290	1,322	1,283
Transportation					
<u>Street</u>					
Miles of Streets Resurfaced	7	16	11	5	8
Feet of Walking/Biking Paths Maintained	686	1,060	1,124	185	1,290
Leisure Time Activities					
<u>Parks</u>					
Number of Active Recreation Center Memberships	unavail.	3,664	3,670	3,662	3,612
Business-Type Activities					
<u>Golf Course</u>					
Number of Golf Rounds	40,585	39,437	36,127	35,499	38,409

Source: Finance Office

City of Blue Ash

2005	2006	2007	2008	2009
3,588	2,385	1,929	1,960	1,439
108	177	161	126	182
399	435	423	384	302
1,763	1,744	1,326	1,340	1,171
6,135	4,700	4,091	3,869	3,660
636	620	648	655	620
15,915	16,177	13,840	15,210	19,183
739	674	787	1,001	917
1,434	1,545	1,561	1,675	1,507
15	4	6	10	15
580	555	120	209	178
3,438	3,671	3,677	3,511	4,543
37,237	37,314	37,684	35,600	35,532

City of Blue Ash

Capital Asset Statistics by Function Last Ten Years

	2000	2001	2002	2003	2004
Governmental Activities					
General Government					
Public Land and Buildings					
Land (acres)	123	123	123	131	131
Buildings	7	7	7	7	7
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	32	33	34	33	33
Fire					
Stations	2	2	2	2	2
Vehicles	13	13	14	14	14
Transportation					
Street					
Streets (lane miles)	148.3	153.54	153.54	155.14	155.14
Street Lights	1,049	1,049	1,049	1,049	1,049
Vehicles	30	31	31	31	31
Leisure Time Activities					
Parks					
Land (acres)	146	146	146	146	146
Buildings	15	15	15	15	15
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	12	11	11	11
Soccer Fields	5	5	5	5	5
Business-Type Activities					
Golf Course					
Land (acres)	151	151	151	151	151
Buildings	6	7	7	7	7
Vehicles	5	5	5	6	6

Source: Finance Office

City of Blue Ash

2005	2006	2007	2008	2009
132 7	131 7	131 7	132 8	132 8
1 32	1 31	1 32	1 32	1 34
2 14	2 14	2 14	2 14	2 14
160.93 1,049 31	160.93 1,049 31	160.93 1,053 31	163.4 1,055 31	167.3 1,055 29
146 16 10 8 2 8 11 5	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
151 7 5	151 7 5	151 7 5	151 7 4	151 7 6







Mary Taylor, CPA
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 10, 2010**